

CHAPTER 3

NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

Section A: Definitions and Scope

Article 3.1: Definitions

For the purposes of this Chapter:

advertising films and recordings means recorded visual media or audio materials, consisting essentially of images and/or sound, showing the nature or operation of goods or services offered for sale or lease by a person of a Party, provided that such materials are suitable for exhibition to prospective customers, but not for broadcast to the general public;

Agreement on Agriculture means the Agreement on Agriculture set out in Annex 1A to the WTO Agreement;

agricultural goods means those goods referred to in Article 2 of the Agreement on Agriculture;

commercial samples of negligible value means commercial or trade samples having a value, individually or in the aggregate as shipped, of not more than one U.S. dollar or the equivalent amount in the currency of a Party, or so marked, torn, perforated or otherwise treated that they are unsuitable for sale or use except as commercial samples;

consular transactions means requirements that goods of a Party intended for export to the territory of the other Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations, or any other customs documentation required on or in connection with importation;

customs duty includes any duty or charge of any kind imposed on or in connection with the importation of a good, and any surtax or surcharge imposed in connection with such importation, but does not include any:

- a) charge equivalent to an internal tax imposed consistently with Article III:2 of the GATT 1994;
- b) anti-dumping or countervailing duty; or
- c) fee or other charge in connection with the importation commensurate with the cost of services rendered.

duty-free means free of customs duty;

export subsidies means those referred in Article 1(e) of the *Agreement on Agriculture*, which is part of the WTO Agreement, including any amendment of that Article;

goods admitted for sports purposes means sports requisites for use in sports contests, demonstrations, or training in the territory of the Party into whose territory the goods are admitted;

goods intended for display or demonstration includes their component parts, ancillary apparatuses and accessories;

import licensing means an administrative procedure requiring the submission of an application or other documentation, other than that generally required for customs clearance purposes, to the relevant administrative body of the importing Party as a prior condition for importation into the territory of that Party;

Import Licensing Agreement means the *Agreement on Import Licensing Procedures*, set out in Annex 1A to the WTO Agreement;

performance requirement means a requirement that:

- (a) a given level or percentage of goods or services be exported;
- (b) domestic goods or services of the Party granting a waiver of customs duties or an import licence be substituted for imported goods;
- (c) a person benefiting from a waiver of customs duties or a requirement for an import licence purchase other goods or services in the territory of the Party that grants the waiver of customs duties or the import licence, or accord a preference to domestically produced goods;
- (d) a person benefiting from a waiver of customs duties or a requirement for an import licence to produce goods or supply services in the territory of the Party that grants the waiver of customs duties or the import licence, with a given level or percentage of domestic content; or
- (e) relates in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows;

but does not include a requirement that an imported good be:

- (f) subsequently exported;
- (g) used as a material in the production of another good that is subsequently exported;
- (h) substituted by an identical or similar good used as a material in the production of

another good that is subsequently exported; or

- (i) substituted by an identical or similar good that is subsequently exported;

printed advertising materials means those goods classified in Chapter 49 of the Harmonized System (HS), including brochures, leaflets, pamphlets, trade catalogues, yearbooks published by trade associations, tourist promotional materials and posters, that are used to promote, publicise or advertise a good or service, are essentially intended to advertise a good or service, and are supplied free of charge.

Article 3.2: Scope

Except as otherwise provided in this Agreement, this Chapter applies to trade in goods between the Parties.

Section B: National Treatment

Article 3.3: National Treatment

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994, including its interpretative notes. To this end, Article III of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. For greater certainty, the treatment to be accorded by a Party under paragraph 1 means, with respect to a regional level of government, treatment no less favourable than the most favourable treatment accorded by that regional level of government to any like, directly competitive or substitutable goods, as the case may be, of the Party of which it forms a part.
3. Paragraphs 1 and 2 shall not apply to the measures set out in Annex 3-A.

Section C: Tariff Elimination

Article 3.4: Elimination of Customs Duties

1. Except as otherwise provided in this Agreement, no Party shall increase any existing customs duty, or adopt any new customs duty, on an originating good.
2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on originating goods in accordance with its Tariff Elimination Schedule set out in Annex 3-B.

3. Each Party shall apply to an originating good the lesser of:
 - (a) the tariff rate established in its Tariff Elimination Schedule set out in Annex 3-B; or
 - (b) the Most-Favoured-Nation (“MFN”) rate applicable at the time of the importation of the good.
4. On request of a Party, the Parties shall consult in accordance with this Chapter, to examine the possibility of accelerating or broadening the scope of the elimination of customs duties on an originating good as set out in their respective Tariff Elimination Schedules in Annex 3-B. Such agreements shall be adopted by decisions of the Free Trade Commission at meetings held pursuant to Articles 22.2(6) and 22.2(7) (Rules of Procedure of the Free Trade Commission).
5. An agreement pursuant to paragraph 4 shall supersede any duty rate or staging category determined pursuant to those Parties’ Tariff Elimination Schedules in Annex 3-B for that good once approved by each Party to that agreement in accordance with its applicable legal procedures.
6. A Party may at any time unilaterally accelerate the elimination of customs duties set out in its Tariff Elimination Schedule set out in Annex 3-B. That Party shall inform the other Party as early as practicable before the new rate of customs duty takes effect.
7. For greater certainty, a Party may:
 - (a) increase a customs duty to the level established in its Tariff Elimination Schedule set out in Annex 3-B, following a unilateral reduction for the respective year; or
 - (b) increase a customs duty on an originating good as authorised by the Dispute Settlement Body of the WTO.

Article 3.5: Customs Valuation

The Parties shall determine the customs value of imported goods in accordance with the Customs Valuation Agreement.

Section D: Non-Tariff Measures

Article 3.6: Import and Export Restrictions

1. Except as otherwise provided in this Agreement, no Party shall adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of GATT 1994, and its interpretative notes. To this end, Article XI of GATT 1994 and

its interpretative notes, are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. The Parties understand that GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:

- (a) export and import price requirements, except as permitted in enforcement of countervailing and antidumping duty orders and undertakings;
- (b) import licensing conditioned on the fulfilment of a performance requirement; or
- (c) voluntary export restraints inconsistent with Article VI of GATT 1994, as implemented under Article 18 of the Subsidies Agreement and Article 8.1 of the Antidumping Agreement.

3. This Article shall not apply to the measures set out in Annex 3-A.

4. No Party shall require, as a condition for engaging in importation or for the importation of a good, a person of the other Party to establish or maintain a contractual or other relationship with a distributor in its territory.

5. For greater certainty, paragraph 4 does not prevent a Party from requiring the designation of a person for the purpose of facilitating communications between regulatory authorities of a Party and a person of the other Party.

6. For the purposes of paragraph 4, **distributor** means a person of a Party who is responsible for the commercial distribution, agency, concession or representation in the territory of that Party of goods of the other Party.

7. If a Party adopts or maintains a prohibition or restriction on the importation from or exportation to a non-Party of a good, no provision of this Agreement shall be construed to prevent that Party from:

- (a) limiting or prohibiting the importation of the good of the non-Party from the territory of the other Party; or
- (b) requiring as a condition for exporting the good of that Party to the territory of the other Party, that the good not be re-exported to the non-Party, directly or indirectly, without being consumed in the territory of the other Party.

8. If a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, the Parties, on the request of any Party, shall consult with a view to avoiding undue interference with or distortion of pricing, marketing, or distribution arrangement in the other Party.

Article 3.7: Non-Tariff Measures

1. The Parties recognise the importance of ensuring:
 - (a) the transparency of non-tariff measures under this Chapter; and
 - (b) that any such measures do not create an unnecessary or unjustified obstacle to trade between the Parties.
2. Recognising the potentially adverse effects of unnecessary and unjustified non-tariff measures, a Party may request (“requesting Party”) *ad hoc* discussions with the other Party on a specific non-tariff measure arising under this Chapter that may adversely affect the requesting Party’s interests in trade in goods with the other Party. The requesting Party shall provide the request in writing, identifying the measure and an indication of the provisions of this Chapter to which the concerns relate.
3. When a Party receives (“requested Party”) a written request from the requesting Party for *ad hoc* discussions under paragraph 2, the Parties shall initiate discussion within 30 days of the request being received. If the requesting and requested Parties agree, *ad hoc* discussions may be initiated within a shorter timeframe.
4. The requesting Party may provide the other Parties with a copy of the request. Any other Party to the Pacific Alliance may participate in the *ad hoc* discussions only if both the requesting and requested Parties agree.
5. If the requested Party considers that the subject matter of the request should be addressed under a Chapter-specific consultation mechanism established or identified under another Chapter, it shall promptly notify the requesting Party and include in its notice the reasons it considers that the request should be addressed under the other Chapter. The requested and requesting Parties shall agree on the appropriate mechanism.
6. If the discussions under paragraph 3 do not result in a timely resolution of the matter, the requesting Party may refer the matter to the Trade in Goods Committee.
7. *Ad hoc* discussions under this Article shall be without prejudice to the rights of any Party under this Agreement, including with respect to raising any matter relevant to this Chapter through the Trade in Goods Committee.

Article 3.8: Import Licensing

1. No Party shall adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.
2. Promptly after this Agreement enters into force, each Party shall notify the other Party of its existing import licensing procedures, if any.

3. A Party shall be deemed to be in compliance with the obligations in paragraph 2 with respect to an existing import licensing procedure if:

- (a) it has notified that procedure to the WTO Committee on Import Licensing provided for in Article 4 of the Import Licensing Agreement together with the information specified in Article 5.2 of that agreement; and
- (b) in the most recent annual submission due before the date of entry into force of this Agreement for that Party to the WTO Committee on Import Licensing in response to the annual questionnaire on import licensing procedures described in Article 7.3 of the Import Licensing Agreement, it has provided, with respect to that procedure, the information requested in that questionnaire.

4. Each Party shall notify the other Party, of any new import licensing procedures and any modification it makes to its existing import licensing procedures, if possible, no later than 60 days before the new procedure or modification takes effect. In no case shall a Party provide the notification later than 60 days after the date of its publication.

5. A Party shall be deemed to be in compliance with this obligation if it notifies a new import licensing procedure or a modification to an existing import licensing procedure to the WTO Committee on Import Licensing in accordance with Articles 5.1, 5.2 or 5.3 of the Import Licensing Agreement.

6. A notification provided under paragraphs 2 and 4 of this Article shall include the information specified in Article 5.2 of the Import Licensing Agreement.

7. Before applying any new or modified import licensing procedure, a Party shall publish the new procedure or its modification on an official government website or in its official journal. The Party shall do so, if possible, at least 20 days before the new procedure or modification takes effect.

8. Each Party shall respond within 60 days to a reasonable enquiry from the other Party concerning its licensing rules and its procedures for the submission of an application for an import licence, including the eligibility of persons, firms and institutions to make an application, the administrative body or bodies to be approached and the list of products subject to the licensing requirement.

9. If a Party denies an import licence application with respect to a good of the other Party, it shall, on request of the applicant and within a reasonable period after receiving the request, provide the applicant with a written explanation of the reason for the denial.

Article 3.9: Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with paragraph 1 of Article VIII of GATT 1994 and

its interpretative notes, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with paragraph 2 of Article III of GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or taxation of imports or exports for fiscal purposes.

2. No Party shall require consular transactions, including related fees and charges, in connection with the importation of any good of the other Party.

3. Each Party shall make publicly available online a current list of the fees or charges it imposes in connection with importation or exportation.

4. Each Party shall periodically review its fees and charges, with a view to reducing their number and diversity if practicable.

Article 3.10: Export Duties, Taxes or Other Charges

Except as provided for in Annex 3-C, no Party shall adopt or maintain any duty, tax or other charge on the export of any good to the territory of the other Party, unless such duty, tax or charge is also adopted or maintained on that good when destined for domestic consumption.

Section E: Special Customs Regimes

Article 3.11: Waiver of Customs Duties

1. No Party shall adopt any new waiver of a customs duty, or expand with respect to an existing recipient or extend to any new recipient the application of an existing waiver of a customs duty, that is conditioned, explicitly or implicitly, on the fulfilment of a performance requirement.

2. No Party shall, explicitly or implicitly, condition the continuation of any existing waiver of a customs duty on the fulfilment of a performance requirement.

Article 3.12: Temporary Admission of Goods

1. Each Party shall grant duty-free temporary admission for the following goods admitted from the territory of the other Party, regardless of their origin:

- (a) professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, that is necessary for carrying out the business activity, trade or profession of a person who qualifies for temporary entry pursuant to the laws and regulations of the importing Party;

- (b) goods intended for display or demonstration;
- (c) commercial samples and advertising films and recordings; and
- (d) goods admitted for sports purposes.

2. Each Party shall, at the request of the person concerned and for reasons its customs authority considers valid, extend the time-limit for duty-free temporary admission beyond the period initially fixed.

3. No Party shall condition the duty-free temporary admission of the goods referred to in paragraph 1, other than to require that those goods:

- (a) be used solely by or under the personal supervision of a national of the other Party in the exercise of the business activity, trade, profession or sport of that national of the other Party;
- (b) not be sold or leased while in its territory;
- (c) be accompanied by a security in an amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the goods;
- (d) be capable of identification when imported or exported;
- (e) be exported on the departure of the national referred to in subparagraph (a), or within any other period reasonably related to the purpose of the temporary admission that the Party may establish or within one year, unless extended;
- (f) be admitted in no greater quantity than is reasonable for their intended use; and
- (g) be otherwise admissible into the Party's territory under its laws and regulations.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the good, in addition to any other charges or penalties provided for under its laws and regulations.

5. Each Party shall adopt or maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, those procedures shall provide that when a good admitted under this Article accompanies a national of the other Party who is seeking temporary entry, the good shall be released simultaneously with the entry of that national.

6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than the port through which it was admitted.

7. Each Party shall, in accordance with its laws and regulations, provide that the importer or other person responsible for a good admitted under this Article, shall not be liable for failure to export the good on presentation of satisfactory proof to the importing Party, that the good was destroyed within the period fixed for temporary admission, including any lawful extension.

8. Except as otherwise provided in this Agreement:

- (a) each Party shall allow a vehicle or container used in international traffic that enters its territory from the territory of the other Party to exit its territory on any route that is reasonably related to the economical and prompt departure of that vehicle or container;
- (b) no Party shall require any security or impose any penalty or charge solely by reason of any difference between the customs port of entry and the customs port of departure of a vehicle or container;
- (c) no Party shall condition the release of any obligation, including any security, that it imposes in respect of the entry of a vehicle or container into its territory on the exit of that vehicle or container through any particular customs port of departure; and
- (d) no Party shall require that the vehicle or carrier bringing a container from the territory of the other Party into its territory be the same vehicle or carrier that takes that container to the territory of that other Party, or to the territory of any other Party to the Pacific Alliance.

9. For the purposes of paragraph 8, **vehicle** means a truck, a truck tractor, a tractor, a trailer or trailer unit, a locomotive, or a railway car or other railroad equipment.

Article 3.13: Goods Re-entered after Repair or Alteration

1. No Party shall apply a customs duty to a good, regardless of its origin, that re-enters the Party's territory after that good has been temporarily exported from the Party's territory to the territory of the other Party for repair or alteration, regardless of whether that repair or alteration could have been performed in the territory of the Party from which the good was exported for repair or alteration.

2. No Party shall apply a customs duty to a good, regardless of its origin, admitted temporarily from the territory of the other Party for repair or alteration.

3. For purposes of this Article, **repair or alteration** does not include an operation or process that:

- (a) destroys a good's essential characteristics or creates a new or commercially different good; or

- (b) transforms an unfinished good into a finished good.

Article 3.14: Duty-Free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials

Each Party shall grant duty-free entry to commercial samples of negligible value and to printed advertising materials, imported from the territory of the other Party, regardless of their origin, but may require that:

- (a) commercial samples of negligible value be imported solely for the solicitation of orders for goods or services provided from the territory of the other Party or a non-Party; or
- (b) printed advertising materials be imported in packets that each contain no more than one copy of the material, and that neither that material nor those packets form part of a larger consignment.

Section F: Agriculture

Article 3.15: Scope

This Section shall apply to measures adopted or maintained by a Party relating to trade in agricultural goods.

Article 3.16: Export Competition

1. The Parties reaffirm their commitments made in the 2015 Ministerial Decision on Export Competition, adopted in Nairobi, including the elimination of the export subsidy entitlements scheduled in the WTO for agricultural goods, as well as those commitments related to export credits, export credit guarantees or insurance programmes.
2. No Party shall adopt or maintain any export subsidy on any agricultural good destined for the territory of the other Party.

Section G: Trade in Goods Committee

Article 3.17: Administration of this Chapter

1. Matters relating to administration of this Chapter shall be considered by the Parties through the Trade in Goods Committee established under Article 22.5(a) (Establishment of Cross-Cutting Committees).

2. The Trade in Goods Committee shall have the following additional functions under this Chapter:

- (a) promoting trade in goods between the Parties, including through consultations on accelerating or broadening the scope of tariff elimination under this Agreement and other issues as appropriate;
- (b) addressing barriers to trade in goods between the Parties arising under this Chapter, especially those related to the application of non-tariff measures and, if appropriate, referring such matters to the Free Trade Commission for its consideration;
- (c) reviewing the future amendments to the Harmonized System to ensure that each Party's obligations under this Agreement are not altered and consulting to resolve any conflicts;
- (d) consulting on and endeavouring to resolve any differences that may arise between the Parties on matters related to the classification of goods under the Harmonized System and Annex 3-B;
- (e) coordinating the exchange of information on trade in goods between the Parties;
- (f) assessing matters related to agricultural goods; and
- (g) undertaking any additional work that the Free Trade Commission may assign or another Cross-Cutting Committee may refer to it.

3. The Trade in Goods Committee shall consult, as appropriate, with other Committees established under this Agreement when addressing issues of relevance to those Committees.

ANNEX 3-A

NATIONAL TREATMENT AND IMPORT AND EXPORT RESTRICTIONS

1. Article 3.3 and Article 3.6 shall not apply to the continuation, renewal, or amendment made to any law, statute, decree or administrative regulations giving rise to a measure set out in this Annex to the extent that the continuation, renewal, or amendment does not decrease the conformity of the measure listed with Article 3.3 and Article 3.6.

2. Article 3.3 and Article 3.6 shall not apply to the import and export of rough diamonds (HS codes 7102.10, 7102.21 and 7102.31), pursuant to the Kimberley Process Certification Scheme and any subsequent amendments to that scheme.

Section A: Measures of Chile

The provisions of Article 3.6 shall not apply to measures of Chile relating to imports of used vehicles.

Section B: Measures of Colombia

The provisions of Articles 3.3 and 3.6 shall not apply to:

- (a) controls on the export of coffee, pursuant to Law No. 9 of 17 January 1991 and its amendments;
- (b) controls on the importation of goods in accordance with the provisions of Decree 925 of 2013, and its amendments; and
- (c) actions authorised by the Dispute Settlement Body of the WTO.

Section C: Measures of Mexico

Articles 3.3 and 3.6 shall not apply:

- (a) to restrictions pursuant to Article 48 of the Hydrocarbons Law (*Ley de Hidrocarburos*) published in Mexico's Official Gazette (*Diario Oficial de la Federación*) on August 11, 2014, Article 51 of the Regulation of the activities referred to by the Third Title of the Hydrocarbons Law (*Reglamento de las actividades a que se refiere el Título Tercero de la Ley de Hidrocarburos*) published in Mexico's Official Gazette on October 31, 2014, and the Agreement that establishes the classification and codification

of Hydrocarbons and Petroleum Products subject to import and export permits by the Ministry of Energy (*Acuerdo por el que se establece la clasificación y codificación de Hidrocarburos y Petrolíferos cuya importación y exportación está sujeta a Permiso Previo por parte de la Secretaría de Energía*) published in the Official Gazette on December 29, 2014 and any subsequent amendment to that regulation on the exportation from Mexico of the goods provided for in the following items of Mexico's tariff schedule of the General Import and Export Duties Law (*Tarifa de la Ley de los Impuestos Generales de Importación y de Exportación*) published in Mexico's Official Gazette (*Diario Oficial de la Federación*) on June 18, 2007 and June 29, 2012:

HS 2012	Description
2709.00.02	Heavy.
2709.00.03	Medium.
2709.00.04	Light.
2709.00.99	Other. Crude petroleum oils.
2710.12.03	Gasoline for aircrafts
2710.12.08	Gasoline, with an octane rating less than 87.
2710.12.09	Gasoline, with an octane rating greater or equal to 87 but less than 92.
2710.12.10	Gasoline, with an octane rating greater or equal to 92 but less than 95.
2710.12.91	Other gasolines.
2710.19.05	Fuel oil
2710.19.08	Turbosine (kerosene, lamp oil) and mixtures thereof
2710.19.09	Diesel oil (diesel) and mixtures thereof, with a sulfur content less of equal to 15 ppm.
2710.19.10	Diesel oil (diesel) and mixtures thereof, with a sulfur content greater to 15 ppm but less or equal to 500 ppm.
2710.19.91	Other diesel oil (diesel) and mixtures thereof.

- 2711.11.01 Natural gas (liquefied)
- 2711.19.01 Butane and propane, mixed with each other, liquefied
- 2711.21.01 Natural gas (gasified)

; and

- (b) to prohibitions or restrictions on the importation into Mexico of used tyres, used apparel, used vehicles and used chassis equipped with vehicle motors set forth in paragraphs 1(I) and 5 of Annex 2.2.1 of the Resolution through which the Ministry of Economy establishes Rules and General Criteria on International Trade (Acuerdo por el que la Secretaría de Economía emite reglas y criterios de carácter general en materia de Comercio Exterior), published in Mexico's Official Gazette (Diario Oficial de la Federación) on December 31, 2012.

Section D: Measures of Peru

The provisions of Articles 3.3 and 3.6 shall not apply to:

- (a) measures adopted by Peru regarding:
 - (i) used clothing and footwear pursuant to Law No. 28514 of May 12, 2005 as its amendments;
 - (ii) used vehicles and used automotive engines, parts and replacements under Legislative Decree No. 843 of August 29, 1996, Urgent Decree No. 079-2000 of September 19, 2000, Urgent Decree No. 050-2008 of December 18, 2008 as its amendments;
 - (iii) used tyres pursuant to Supreme Decree No. 003-97-SA of June 6, 1997 as its amendments; and
 - (iv) used goods, machinery and equipment which utilise radioactive sources pursuant to Law No. 27757 of May 29, 2002 as its amendments.
- (b) the continuation, renovation or amendment of the measures outlined in subparagraph (a) shall be permitted, provided that they comply with the provisions of this Agreement; and
- (c) actions authorised by the Dispute Settlement Body of the WTO.

ANNEX 3-B

ELIMINATION OF CUSTOMS DUTIES

Section A: General Provisions

1. This Annex specifies the obligations of the Parties with regard to the elimination or reduction of its customs duties pursuant to Article 3.4.¹
2. The following staging categories, indicated in the Tariff Elimination Schedule of each Party, shall apply to the elimination or reduction of customs duties by each Party pursuant to Article 3.4:
 - (a) customs duties on originating goods provided for in the tariff lines in staging category “EIF” shall be eliminated entirely, and these goods shall be duty-free on the date of entry into force of this Agreement between Singapore and the corresponding Party to the Pacific Alliance;
 - (b) customs duties on originating goods provided for in the tariff lines in staging category “5” shall be eliminated in five equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and the corresponding Party to the Pacific Alliance. These goods shall be duty-free effective on January 1 of year 5 between Singapore and the corresponding Party to the Pacific Alliance;
 - (c) customs duties on originating goods provided for in the tariff lines in staging category “7” shall be eliminated in seven equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and the corresponding Party to the Pacific Alliance. These goods shall be duty-free effective on January 1 of year 7 between Singapore and the corresponding Party to the Pacific Alliance;
 - (d) customs duties on originating goods provided for in the tariff lines in staging category “10” shall be eliminated in ten equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and the corresponding Party to the Pacific Alliance. These goods shall be duty-free effective on January 1 of year 10 between Singapore and the corresponding Party to the Pacific Alliance; and
 - (e) originating goods provided for in the tariff lines in staging category "Excluded" are exempt from tariff commitments set out in this Annex and the customs duties applied shall be the rate of customs duty applied in accordance with the rights and obligations of the WTO Agreement.

¹ For greater certainty, unless otherwise provided in this Agreement, the provisions of this Annex apply between Singapore and each Party to the Pacific Alliance. This Annex does not apply among Chile, Colombia, Mexico, and Peru.

3. The base rate of customs duty and staging category for determining the interim rate of customs duty at each stage of reduction for a tariff line are indicated for that tariff line in the Tariff Elimination Schedule of each Party referred to in Sections B (Chile), C (Colombia), D (Mexico), E (Peru) and F (Singapore) of this Annex.

4. The interim staged duty 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 shall be rounded down to the nearest 0.01 of a US dollar (USD).

5. For the purposes of this Annex, “year 1” means the period of time beginning on the date of entry into force of this Agreement between Singapore and the corresponding Party to the Pacific Alliance and ending on 31 December of the same calendar year. Year 2 means the year² beginning on January 1 after year 1; year 3 means the year after year 2, year 4 means the year after year 3, and so on, with each subsequent reduction taking effect on 1 January of each subsequent year.

6. Any signatory for which this Agreement enters into force pursuant to Article 25.3.5 (Entry into Force) shall implement all stages of tariff reduction that it would have implemented up to that date as if this Agreement had entered into force pursuant to Article 25.3.3 or Article 25.3.4 (Entry into Force) for that signatory.

7. For paragraph 6, Singapore shall implement all stages of tariff reduction with respect to that signatory, that it would have implemented up to that date as if this Agreement had entered into force for that signatory pursuant to Article 25.3.3 or Article 25.3.4 (Entry into Force).

Section B: Notes for the Tariff Elimination Schedule of Chile

Chile shall apply the following staging categories to Singapore, indicated in its Tariff Elimination Schedule:

- (a) customs duties on originating goods provided for in the tariff lines in staging category “Sugar” shall be eliminated subject to the conditions for the same items in the Trans-Pacific Strategic Economic Partnership Agreement (“P4”), done at Wellington, July 18, 2005; and
- (b) customs duties on originating goods provided for in the tariff lines in staging category “Wheat” shall be eliminated subject to the conditions for the same items in the P4.

Tariff Elimination Schedule of Chile

Tariff line national nomenclature (HS 2017)	Description (in Spanish)	Base rate	Staging category
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² For purposes of this Annex, **year** means a calendar year beginning on January 1 and ending on December 31, except for “year 1”.

Section C: Notes for the Tariff Elimination Schedule of Colombia

Colombia shall apply the following staging categories to Singapore, indicated in its Tariff Elimination Schedule:

- (a) customs duties on originating goods provided for in the tariff lines in staging category “3” shall be eliminated in three equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and Colombia. These goods shall be duty-free effective on January 1 of year 3 between Singapore and Colombia;
- (b) customs duties on originating goods provided for in the tariff lines in staging category “12” shall be eliminated in twelve equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and Colombia. These goods shall be duty-free effective on January 1 of year 12 between Singapore and Colombia;
- (c) customs duties on originating goods provided for in the tariff lines in staging category “12-A” shall be eliminated in twelve years including a four years grace period, beginning on the date of entry into force of this Agreement between Singapore and Colombia. Customs duties shall remain at base rates during years one through four. Beginning on January 1 of year 5, customs duties shall be removed in 8 equal annual stages, and such goods shall be duty-free, effective January 1 of year 12 between Singapore and Colombia;
- (d) customs duties on originating goods provided for in the tariff lines in staging category “15” shall be eliminated in fifteen equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and Colombia. These goods shall be duty-free effective on January 1 of year 15 between Singapore and Colombia;
- (e) customs duties on originating goods provided for in the tariff lines in staging category “CO-7”: the fixed component of the Andean Price Band System (“APBS”) shall be eliminated in seven equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and Colombia. These goods shall be duty-free of this fixed component, effective on January 1 of year 7 between Singapore and Colombia. The variable component derived from the application of the Decision 371 APBS System of the Andean Community of 1994 and its modifications, shall be maintained and shall be excluded from any tariff elimination;
- (f) customs duties on originating goods provided for in the tariff lines in staging category “CO-10”: the fixed component of the APBS shall be eliminated in ten equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and Colombia. These goods shall be duty-free of this fixed component, effective on January 1 of year 10 between Singapore and Colombia. The variable component derived from the application of the Decision 371 APBS System of the Andean

Community of 1994 and its modifications, shall be maintained and shall be excluded from any tariff elimination;

- (g) customs duties on originating goods provided for in the tariff lines in staging category “CO-15”: the fixed component of the APBS shall be eliminated in fifteen equal annual stages, beginning on the date of entry into force of this Agreement between Singapore and Colombia. These goods shall be duty-free of this fixed component, effective on January 1 of year 15 between Singapore and Colombia. The variable component derived from the application of the Decision 371 APBS System of the Andean Community of 1994 and its modifications, shall be maintained and shall be excluded from any tariff elimination;
- (h) customs duties on originating goods provided for in the tariff lines in staging category “CO-A” shall be reduced by 15 percentage points in fifteen equal annual stages and such goods shall maintain a duty of 25 percent, effective January 1 of year 15, beginning on the date of entry into force of this Agreement between Singapore and Colombia;
- (i) customs duties on originating goods provided for in the tariff lines in staging category “CO-B” shall be reduced by 20 percentage points in sixteen equal annual stages beginning in year 7 and such goods shall maintain a duty of 60 percent, effective January 1 of year 22, beginning on the date of entry into force of this Agreement between Singapore and Colombia; and
- (j) customs duties on originating goods provided for in the tariff lines in staging category “CO-C” shall be reduced by 15 percentage points in sixteen equal annual stages beginning in year 7 and such goods shall maintain a duty of 65 percent, effective January 1 of year 22, beginning on the date of entry into force of this Agreement between Singapore and Colombia.

Tariff Elimination Schedule of Colombia

Tariff line national nomenclature (HS 2017)	Description (in Spanish)	Base rate	Staging category
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Section D: Notes for the Tariff Elimination Schedule of Mexico

The provisions of this Schedule are generally expressed in terms of Mexico’s Tariff Schedule of the General Import and Export Duties Law (*Tarifa de la Ley de los Impuestos Generales de Importación y de Exportación “LIGIE”*), 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 LIGIE. To the extent that provisions of this Schedule

are identical to the corresponding provisions of the LIGIE, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the LIGIE.

Tariff Elimination Schedule of Mexico

Tariff line national nomenclature (HS 2012)	Description (in Spanish)	Base rate	Staging category
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Section E: Notes for the Tariff Elimination Schedule of Peru

The provisions of this Schedule are generally expressed in terms of the Customs Tariff Schedule of Peru (*Arancel de Aduanas de la República del Perú* “AAPERU”), 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 AAPERU. To the extent that provisions of this Schedule are identical to the corresponding provisions of the AAPERU, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the AAPERU.

Tariff Elimination Schedule of Peru

Tariff line national nomenclature (HS 2017)	Description (in Spanish)	Base rate	Staging category
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Section F: Notes for the Tariff Elimination Schedule of Singapore

The provisions of this Schedule are generally expressed in terms of the *Singapore Trade Classification, Customs and Excise Duties* (“STCCED”), 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 STCCED. To the extent that provisions of this Schedule are identical to the corresponding provisions of the STCCED, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the STCCED.

Tariff Elimination Schedule of Singapore

Tariff line national nomenclature (HS 2017)	Description	Base rate	Staging category
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ANNEX 3-C

EXPORT DUTIES, TAXES AND OTHER CHARGES

Measures of Colombia

Article 3.10 does not apply to the following measures, including those measures' continuation, prompt renewal or amendment:

- (a) a charge on the export of coffee, in accordance with Law No. 101 of 1993; and
- (b) a charge on the export of emeralds in accordance with Law No. 488 of 19.