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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other

ANNEX I

ELIMINATION OF CUSTOMS DUTIES

SECTION A

- 1. For the EU Party, the elimination of customs duties described in the staging categories set out in subparagraphs (a), (b), (c), (e), (f), (l), (m), (n), (o), (p), (q) and (r) of paragraph 3 *infra*, shall be applied to the base rate indicated in its Schedule to this Annex.
- 2. For each Republic of the CA Party, the elimination of customs duties described in the staging categories set out in subparagraphs (a), (b), (c), (d), (e), (f), (g), (h), (j), (k) and (q) of paragraph 3 *infra*, shall apply for each year of the tariff elimination period as follows:
 - (a) if by applying the staging categories to the CA base rate, a tariff higher than the base rate of one of the Republics of the CA Party is obtained, the applicable tariff for that Republic shall be its base rate;
 - (b) if by applying the staging categories to the CA base rate, a tariff lower or equal to the base rate of one of the Republics of the CA Party is obtained, the applicable tariff for that Republic shall be the result of applying the staging category to the CA base rate.

- 3. Unless otherwise provided in the General Notes to the Schedule of each Party, the following categories apply to the elimination of customs duties by each Party pursuant to Article 83 (Elimination of Customs Duties) of Chapter 1 of Title II (Trade in Goods) of Part IV of this Agreement:
 - (a) duties on 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 of entry into force of this Agreement;
 - (b) duties on goods provided for in the items in staging category B in a Party's Schedule shall be removed in three equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year three;
 - (c) duties on goods provided for in the items in staging category C in a Party's Schedule shall be removed in five equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year five;

- (d) duties on goods provided for in the items in staging category C1 in a Party's Schedule shall be removed in six equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year six;
- (e) duties on goods provided for in the items in staging category D in a Party's Schedule shall be removed in seven equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year seven;
- (f) duties on goods provided for in the items in staging category E in a Party's Schedule shall be removed in ten equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year ten;
- (g) duties on goods provided for in the items in staging category E1 in a Party's Schedule shall remain at its base rate from years one to five. Duties on these goods shall be removed in five equal annual stages beginning January 1 of year six, and such goods shall be duty-free effective January 1 of year ten;

(h) duties on goods provided for in the items in staging category E2 in a Party's Schedule shall be removed in ten annual stages. Upon the date of entry into force of this Agreement, duties shall be reduced by two percent of the base rate and on January 1 of year two an additional two percent. As of January 1 of year three, duties shall be reduced by an additional eight percent of the base rate; and thereafter, an additional eight percent of the base rate each year until year six. As of January 1 of year seven, duties shall be reduced by an additional sixteen percent of the base rate, and by an additional sixteen percent each year thereafter until year nine, and such goods shall be duty-free effective January 1 of year ten. The duty reduction process for this category is detailed in the following table:

| Annual Cut (Percentage) | Year | Cumulative Cut | Duty reductions under category E2 | | | | |
|----------------------------|------|-------------------|-----------------------------------|-------|--------|--------|--|
| | | | 5 % | 10 % | 15 % | 20 % | |
| 2 % | 1 | 2 % | 4,9 % | 9,8 % | 14,7 % | 19,6 % | |
| | 2 | 4 % | 4,8 % | 9,6 % | 14,4 % | 19,2 % | |
| 8 % | 3 | 12 % | 4,4 % | 8,8 % | 13,2 % | 17,6 % | |
| | 4 | 20 % | 4,0 % | 8,0 % | 12,0 % | 16,0 % | |
| | 5 | 28 % | 3,6 % | 7,2 % | 10,8 % | 14,4 % | |
| | 6 | 36 % | 3,2 % | 6,4 % | 9,6 % | 12,8 % | |
| 16 % | 7 | 52 % | 2,4 % | 4,8 % | 7,2 % | 9,6 % | |
| | 8 | 68 % | 1,6 % | 3,2 % | 4,8 % | 6,4 % | |
| | 9 | 84 % | 0,8 % | 1,6 % | 2,4 % | 3,2 % | |
| | 10 | 100 % | 0,0 % | 0,0 % | 0,0 % | 0,0 % | |

- duties on goods provided for in the items in staging category F in a Party's Schedule shall remain at base rate⁵⁵, except as provided in subparagraph (c) of Article 84 (Standstill) of Chapter 1 of Title II (Trade in Goods) of Part IV of this Agreement. These goods are excluded from duty elimination or reduction;
- (j) duties on goods provided for in the items in staging category G in a Party's Schedule shall be removed in thirteen equal annual stages beginning on the date of entry into force this Agreement, and such goods shall be duty-free, effective January 1 of year thirteen;
- (k) duties on goods provided for in the items in staging category H in a Party's Schedule shall be removed in fifteen equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be duty-free, effective January 1 of year fifteen;
- ad valorem duties on goods provided for in the items in staging category I in a Party's Schedule shall be removed and these goods shall be *ad valorem* duty-free beginning on the date of entry into force of this Agreement. Specific duties on these goods, applicable under the mechanism of "entry prices", shall remain at base rate as indicated in paragraph 4, Section A of this Annex;

⁵⁵ For the Republics of the CA Party this refers to the base rate of each Republic, as indicated in the relevant Schedule.

- (m) ad valorem duties on goods provided for in the items in staging category J in a Party's Schedule shall be removed and these goods shall be ad valorem duty-free beginning on the date of entry into force of this Agreement. Specific duties on these goods shall remain at base rate;
- (n) ad valorem duties on goods provided for in the items in staging category K in a Party's Schedule shall be removed and these goods shall be ad valorem duty-free beginning on the date of entry into force of this Agreement. Specific duties on these goods shall be eliminated in three annual stages beginning on the date of entry into force of this Agreement and such goods shall be duty-free, effective January 1 of year three;
- (o) ad valorem duties on goods provided for in the items in staging category L in a Party's Schedule shall be removed in three equal annual stages beginning on the date of entry into force of this Agreement and such goods shall be ad valorem duty-free effective January 1 of year three. Specific duties on these goods, applicable under the mechanism of "entry prices", shall remain at base rate as indicated in paragraph 4, Section A of this Annex;

- (p) ad valorem duties on goods provided for in the items in staging category M in a Party's Schedule shall be removed and these goods shall be ad valorem duty-free beginning on the date of entry into force of this Agreement. Specific duties on these goods shall be eliminated in ten annual stages beginning on the date of entry into force of this Agreement and such goods shall be duty-free, effective January 1 of year ten;
- (q) duties on goods provided for in the items in staging category Q in a Party's Schedule shall be applied as indicated in Appendix 1 (Import Tariff Quotas of the Republics of the CA Party) and Appendix 2 (Import Tariff Quotas of the EU Party) to this Annex;
- (r) duties on goods provided for in the items in staging category ST in a Party's Schedule shall be applied as indicated in Appendix 3 (Special Treatment on Bananas) to this Annex.
- Unless otherwise provided for in this Agreement, the European Union may apply the Entry Price System's customs duties laid down in Annex 2 of Commission Regulation (EC) No 1549/2006 of 17 October 2006.
- 5. Unless otherwise provided for in this Agreement, the terms "EA", "AD S/Z" and "AD F/M" included in the base rates of the Schedule of the EU Party refer to the customs duties laid down in Annex 1 of Commission Regulation (EC) No 1549/2006 of 17 October 2006.

- 6. For the purpose of the elimination of customs duties in accordance with Article 83 (Elimination of Customs Duties) of Chapter 1 of Title II (Trade in Goods) of Part IV of this Agreement, 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.
- For the purposes of this Annex and a Party's Schedule, year one means the year in which this Agreement enters into force as provided in paragraph 4 of Article 353 (Entry into Force) of Part V of this Agreement.
- 8. For the purposes of this Annex and a Party's Schedule, beginning in year two, each annual stage of duty reduction shall take effect on January 1 of the relevant year.
- 9. For the purposes of paragraph 3(q) of this Annex, if the entry into force of this Agreement corresponds to a date after 1st January and before 31st December of the same calendar year, the in quota quantity will be pro-rated on a proportional basis for the remainder of that calendar year.

SECTION B

GENERAL NOTES TO THE SCHEDULE OF THE REPUBLICS OF THE CA PARTY

- In compliance with the *Decreto No. 902* of January 9th, 2006, El Salvador applies a tariff of 15 % to all imports of iron and steel rods with a cross section area smaller or equal to 16 mm, with a carbon content inferior to 0,4 % of its weight, classified under tariff line 7214.99.90 of SAC 2007. These products are currently classified under tariff line 7214.99.30, created by El Salvador on a national level, by the Decree previously mentioned.
- For the goods classified under tariff line 0808.10.00 of SAC 2007, Guatemala will continue to apply the provisions contained in the *Ley del Fondo de Cooperación a la Fruticultura Decidua Nacional, Decreto No. 15-2007* of the *Congreso de la República de Guatemala* and its amendments, relating to the import duties and apple production.
- 3. In case of a fiscal emergency, Guatemala may increase temporarily and automatically the customs duties applied for the goods classified under tariff lines 2709.00.10, 2709.00.90, 2710.11.20, 2710.11.30, 2710.19.11, 2710.19.21, 2710.19.22 of SAC 2007. In such case, the custom duty shall not be greater than the one applied to all countries during the emergency period that justifies the adoption of the tariff increase.

- 4. For the goods classified under tariff lines 1005.90.20, 1005.90.30, 1007.00.90, 1102.20.00, 1103.13.10, 1103.13.90 and 1104.23.00 of SAC 2007, Honduras will maintain the application of the *Decreto No. 31-92* of March 5th, 1992 and its regulations in the *Acuerdo No. 105-93* and its amendments.
- 5. For the goods classified under tariff lines 0402.91.10, 0402.99.10, 2002.90.10 of SAC 2007, Panama will apply Category F, in accordance to paragraph 3(i) of Section A of this Annex.
- 6. For the goods classified under tariff lines 2208.30.10, 2208.30.90 of SAC 2007, Panama will apply Category A, in accordance with paragraph 3(a) of Section A of this Annex.
- 7. For the goods classified under tariff line 2106.90.99 of SAC 2007, Panama will apply Category F, in accordance to paragraph 3(i) of Section A of this Annex.
- 8. Imitations of cheese are products of the physical appearance of cheese, which are reasonably deemed to be used as a cheese and do not meet simultaneously the three criteria set out in Note 3 to Chapter 4 of the Harmonized System. Usually, these products comply with at least one of the mentioned criteria.

APPENDIX 1

IMPORT TARIFF-RATE QUOTAS OF THE REPUBLICS OF THE CA PARTY

- This Appendix includes import tariff-rate quotas for originating goods of the EU Party under staging category "Q" in the Schedule of the Republics of the CA Party. Each Republic of the CA Party shall administer these tariff-rate quotas in accordance with its internal regulations.
- 2. Importations under the tariff-rate quotas set forth in paragraphs 3, 5, and 7 of this Appendix shall be subject to the presentation of an export certificate issued by the competent authority of the EU Party.
- 3. Cured hams and streaky bacon:
 - (a) The Republics of the CA Party shall grant the EU Party a joint quota of 900 tonnes per year, with an annual growth of 45 tonnes for the goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be eliminated in accordance with the provisions of category H of subparagraph 3(k) of Section A of Annex I;

- (c) Subparagraphs (a) and (b) apply to the following tariff lines in the Schedule of the Republics of the CA Party: 0210.11.00, 0210.12.00 and 0210.19.00 of SAC 2007.
- 4. Powdered Milk:
 - (a) Each Republic of the CA Party shall grant the EU Party a quota for goods entered in accordance with subparagraphs (b) and (d). The volume for year one and successive annual growth starting on year two for each Republic of the CA Party, is detailed below:

| | Tonnes | Growth per year in | | |
|-------------|----------|--------------------|--|--|
| | Year one | Tonnes | | |
| Costa Rica | 200 | 10 | | |
| El Salvador | 200 | 10 | | |
| Guatemala | 400 | 20 | | |
| Honduras | 400 | 20 | | |
| Nicaragua | 200 | 10 | | |
| Panama | 500 | 25 | | |

(b) Under this quota the aggregate quantity of goods entered under tariff lines listed in subparagraph (d) shall be free of customs duties in any calendar year and shall not exceed the amounts specified in the table of subparagraph (a) for the EU Party, for each year;

- (c) Customs duties on goods entered in aggregate quantities in excess of the amounts listed in subparagraph (a) shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I;
- (d) Subparagraphs (a), (b) and (c) apply to the following tariff lines in the Schedule of the Republics of the CA Party: 0402.10.00, 0402.21.11, 0402.21.12, 0402.21.21, 0402.21.22 and 0402.29.00 of SAC 2007.
- 5. Whey:
 - (a) The Republics of the CA Party shall grant the EU Party a joint quota of 100 tonnes per year, with an annual growth of 10 tonnes for goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be eliminated in accordance with the provisions of category B of subparagraph 3(b) of Section A of Annex I;
 - (c) Subparagraphs (a) and (b) apply to the following tariff lines of the Schedule of the Republics of the CA Party: 0404.90.00 (except lactose-free milk) of SAC 2007.

6. Cheese:

(a) Each Republic of the CA Party shall provide the EU Party a quota for goods entered in accordance with subparagraphs (b) and (d). The quota for year one and successive annual growth starting on year two for each Republic of the CA Party, is detailed below:

| | Tonnes Year one | Growth per year in Tonnes | | |
|-------------|--------------------|------------------------------|--|--|
| Costa Rica | 317 | 16 | | |
| El Salvador | 583 | 29 | | |
| Guatemala | 600 | 30 | | |
| Honduras | 500 | 25 | | |
| Nicaragua | 400 | 20 | | |
| Panama | 600 | 30 | | |

- (b) Under this quota the aggregate quantity of goods entered under the tariff lines listed in subparagraph (d) shall be free of customs duties in any calendar year and shall not exceed the quota amount specified in the table of subparagraph (a) for the EU Party, for each year;
- (c) Customs duties on goods entered in aggregate quantities in excess of the amounts listed in subparagraph (a) shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I;

- (d) Subparagraphs (a), (b) and (c) apply to the following tariff lines of the Schedule of the Republics of the CA Party: 0406.20.90, 0406.30.00, 0406.90.10, 0406.90.20 and 0406.90.90 of SAC 2007.
- 7. Prepared or preserved swine meat:
 - (a) The Republics of the CA Party shall grant the EU Party a joint quota of 900 tonnes per year, with an annual growth of 45 tonnes, for goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be eliminated in accordance with the provisions of category H of subparagraph 3(k) of Section A of Annex I;
 - (c) Subparagraphs (a) and (b) apply to the following tariff lines of the Schedule of the Republics of the CA Party: 1602.41.00, 1602.42.00 and 1602.49.90 of SAC 2007.

APPENDIX 2

IMPORT TARIFF-RATE QUOTAS OF THE EU PARTY

- 1. This Appendix includes import tariff-rate quotas for originating goods of Central America under staging category "Q" in the Schedule of the EU Party. The EU Party shall administer these tariff-rate quotas in accordance with its internal regulations.
- 2. Importations under the tariff-rate quotas set forth in paragraphs 8 to 11 of this Appendix shall be subject to the presentation of an export certificate issued in accordance with the provisions of paragraph 3 *infra* by the competent authority of the relevant Republic of the CA Party.
- 3. The Republics of the CA Party shall agree on a distribution of the regional tariff-rate quotas set forth in paragraphs 8 to 11 of this Appendix and, based on it, each Republic of the CA Party shall issue the corresponding export certificates.
- 4. Garlic:
 - (a) The EU Party shall grant the Republics of the CA Party a quota of 550 tonnes per year for the goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;

- (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I (Elimination of Customs Duties);
- (c) Subparagraphs (a) and (b) apply to the following tariff line in the Schedule of the EU Party: 0703 20 00.
- 5. Manioc starch:
 - (a) The EU Party shall grant the Republics of the CA Party a quota of 5 000 tonnes per year for the goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I (Elimination of Customs Duties);
 - (c) Subparagraphs (a) and (b) apply to the following tariff line in the Schedule of the EU Party: 1108 14 00.

- 6. Sweet corn:
 - (a) The EU Party shall grant the Republics of the CA Party a quota of 1 440 tonnes per year, with an annual growth of 120 tonnes, for the goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be applied in accordance with the provisions of category J of subparagraph 3(m) of Section A of Annex I (Elimination of Customs Duties);
 - (c) Subparagraphs (a) and (b) apply to the following tariff lines in the Schedule of the EU Party: 0710 40 00, 0711 90 30, 2001 90 30, 2004 90 10 and 2005 80 00.
- 7. Mushrooms:
 - (a) The EU Party shall grant the Republics of the CA Party a quota of 275 tonnes per year for the goods entered in accordance with subparagraph (c). The quantity entered within quota shall be free of customs duties at any moment of the calendar year;

- (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be applied in accordance with the provisions of category J of subparagraph 3(m) of Section A of Annex I (Elimination of Customs Duties);
- (c) Subparagraphs (a) and (b) apply to the following tariff lines in the Schedule of the EU Party: 0711 51 00, 2003 10 20 and 2003 10 30.
- 8. Beef:
 - (a) The EU Party shall grant exclusively to Nicaragua a quota of 500 tonnes (Carcass Weigth Equivalent) per year, with an annual growth of 25 tonnes. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Additionally, the EU Party shall grant the Republics of the CA Party a regional quota of 9 500 tonnes (Carcass Weigth Equivalent) per year, with an annual growth of 475 tonnes. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (c) Customs duties on goods entered in aggregate quantities in excess of the quotas listed in subparagraphs (a) and (b), shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I (Elimination of Customs Duties);

- (d) Subparagraphs (a), (b) and (c) apply to the following tariff lines in the Schedule of the EU Party: 0201 10 00, 0201 20 20, 0201 20 30, 0201 20 50, 0201 20 90, 0201 30 00, 0202 10 00, 0202 20 10, 0202 20 30, 0202 20 50, 0202 20 90, 0202 30 10, 0202 30 50 and 0202 30 90.
- 9. Sugar, including organic sugar, and goods with high sugar content:
 - (a) The EU Party shall grant exclusively to Panama a quota of 12 000 tonnes of raw sugar equivalent⁵⁶ per year, with an annual growth of 360 tonnes. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Additionally, the EU Party shall grant the Republics of the CA Party, except Panama, a regional quota of 150 000 tonnes of raw sugar equivalent⁵⁷ per year, with an annual growth of 4 500 tonnes. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (c) Customs duties on goods entered in aggregate quantities in excess of the quotas listed in subparagraphs (a) and (b), shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I (Elimination of Customs Duties), for the tariff lines indicated in subparagraph (d)(i); and in accordance with the provisions of category J of subparagraph 3(m) of Section A of Annex I (Elimination of Customs Duties), for the tariff lines indicated in subparagraph (d)(i);

Raw sugar of the standard quality shall be sugar with a yield in White sugar of 92 per cent.

⁵⁷ Raw sugar of the standard quality shall be sugar with a yield in White sugar of 92 per cent.

- (d) Subparagraphs (a), (b) and (c) apply to the following tariff lines in the Schedule of the EU Party:
 - i. 1701 11 10, 1701 11 90, 1701 91 00, 1701 99 10, 1701 99 90, 1702 30 10, 1702 30 51, 1702 30 59, 1702 30 91, 1702 30 99, 1702 40 90, 1702 90 30, 1702 90 50, 1702 90 71, 1702 90 75, 1702 90 79, 1702 90 80, and 1702 90 99.
 - ii. 1702 50 00, 1704 90 99, 1806 10 30, 1806 10 90, 1806 20 95ex2, 1806 90 90ex2, 1901 90 99, 2006 00 31, 2006 00 38, 2007 91 10, 2007 99 20, 2007 99 31, 2007 99 33, 2007 99 35, 2007 99 39, 2009 11 11ex2, 2009 11 91, 2009 19 11ex2, 2009 19 91, 2009 29 11ex2, 2009 29 91, 2009 39 11ex2, 2009 39 51, 2009 39 91, 2009 49 11ex2, 2009 49 91, 2009 80 11ex2, 2009 80 35ex2, 2009 80 61, 2009 80 86, 2009 90 11ex2, 2009 90 21ex2, 2009 90 31, 2009 90 71, 2009 90 94, 2101 12 98ex2, 2101 20 98ex2, 2106 90 98ex2, and 3302 10 29.

- 10. Rice:
 - (a) The EU Party shall grant the Republics of the CA Party a regional quota of 20 000 tonnes per year, with an annual growth of 1 000 tonnes. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
 - (b) Customs duties on goods entered in aggregate quantities in excess of the quota listed in subparagraph (a), shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I (Elimination of Customs Duties);
 - (c) Subparagraphs (a) and (b) apply to the following tariff lines in the Schedule of the EU Party: 1006 20 15, 1006 20 17, 1006 20 96, 1006 20 98, 1006 30 25, 1006 30 27, 1006 30 46, 1006 30 48, 1006 30 65, 1006 30 67, 1006 30 96, 1006 30 98.
- 11. Bulk rum:
 - (a) The EU Party shall grant exclusively to Panama a quota of 1 000 hl (pure alcohol equivalent) per year, with an annual growth of 50 hl. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;

- (b) Additionally, the EU Party shall grant the Republics of the CA Party, except Panama, a regional quota of 7 000 hl (pure alcohol equivalent) per year, with an annual growth of 300 hl. The quantity entered within quota shall be free of customs duties at any moment of the calendar year;
- (c) Customs duties on goods entered in aggregate quantities in excess of the quotas listed in subparagraphs (a) and (b), shall be applied in accordance with the provisions of category F of subparagraph 3(i) of Section A of Annex I (Elimination of Customs Duties);
- (d) Subparagraphs (a), (b) and (c) apply to the following tariff lines in the Schedule of the EU Party: 2208 40 51 and 2208 40 99.

APPENDIX 3

SPECIAL TREATMENT ON BANANAS

 For the agricultural product originating in Central America under heading 0803.00.19 of the Combined Nomenclature (fresh Bananas, excluding plantains) and listed under category "ST" in the Schedule of the EU Party, the following preferential customs duty shall apply:

| Year | Preferential customs duty | Trigger import volume, in tonnes | | | | | |
|---------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| | (EUR/t) | Costa Rica | Panama | Honduras | Guatemala | Nicaragua | El Salvador |
| Until 31 December 2010 | 145 | 1 025 000 | 375 000 | 50 000 | 50 000 | 10 000 | 2 000 |
| 1.1-31.12.2011 | 138 | 1 076 250 | 393 750 | 52 500 | 52 500 | 10 500 | 2 100 |
| 1.1-31.12.2012 | 131 | 1 127 500 | 412 500 | 55 000 | 55 000 | 11 000 | 2 200 |
| 1.1-31.12.2013 | 124 | 1 178 750 | 431 250 | 57 500 | 57 500 | 11 500 | 2 300 |
| 1.1-31.12.2014 | 117 | 1 230 000 | 450 000 | 60 000 | 60 000 | 12 000 | 2 400 |
| 1.1-31.12.2015 | 110 | 1 281 250 | 468 750 | 62 500 | 62 500 | 12 500 | 2 500 |
| 1.1-31.12.2016 | 103 | 1 332 500 | 487 500 | 65 000 | 65 000 | 13 000 | 2 600 |
| 1.1-31.12.2017 | 96 | 1 383 750 | 506 250 | 67 500 | 67 500 | 13 500 | 2 700 |
| 1.1-31.12.2018 | 89 | 1 435 000 | 525 000 | 70 000 | 70 000 | 14 000 | 2 800 |
| 1.1-31.12.2019 | 82 | 1 486 250 | 543 750 | 72 500 | 72 500 | 14 500 | 2 900 |
| 1.1.2020 and after | 75 | not applicable | not applicable | not applicable | not applicable | not applicable | not applicable |

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

- 3. In 2019, the Parties shall examine the improvement of tariff liberalisation of bananas.
- 4. A stabilisation clause shall be based on the following elements:
 - (a) A trigger import volume is set for imports from the Republics of the CA Party for each of the years during the transition period as indicated in the above table. The trigger volume shall apply to individual Republics of the CA Party as stipulated in the table above⁵⁸;
 - (b) Once this trigger volume is met during a calendar year, the EU Party may temporarily suspend the preferential customs duty set out in the table above for a period of time not exceeding three months, and not going beyond the end of the calendar year;
 - (c) In case it suspends said preferential customs duty, the EU Party shall apply the least of the base rate (as indicated in its Schedule) or the MFN duty that will be applied at the time this action will be taken;
 - (d) In case it applies the actions mentioned above under paragraphs (b) and (c), the EU Party shall immediately enter into consultations with the Republics of the CA Party to analyse and evaluate the situation on the basis of factual available data;
 - (e) The measures mentioned above under paragraphs (b) or (c) shall be applicable only during the transition period.

⁵⁸ For the purpose of recording imports to be considered for the trigger volumes set out in paragraph 1, the EU Party shall require the presentation of an export certificate issued by the competent authority of the exporting Republic of the CA Party.