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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 22 January 2016

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

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Subject: ANNEX to the Proposal for a Council Decision on the conclusion of the
Economic Partnership Agreement between the European Union and its
Member States, of the one part, and the SADC EPA States, of the other
part

Delegations will find attached document COM(2016) 18 final - Annex 2 - Part 1/8.

Encl.: COM(2016) 18 final - Annex 2 - Part 1/8



Brussels, 22.1.2016
COM(2016) 18 final

ANNEX 2 – PART 1/8

ANNEX

to the

Proposal for a Council Decision

on the conclusion of the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part

ANNEX

ANNEX I: Customs duties of the EU on products originating in the SADC EPA States – Part 1

ANNEX I

CUSTOMS DUTIES OF THE EU ON PRODUCTS ORIGINATING IN THE SADC EPA STATES

PART I

GENERAL NOTES

1. Where a staging category is denoted by a letter, the concession or part of the concession as described in this ANNEX shall apply from the date of entry into force of this Agreement within the meaning of Article 113(2) or the relevant date of provisional application of this Agreement within the meaning of Article 113(4), whichever is the earlier, for goods originating in a SADC EPA State and presented for customs clearance in the EU.
2. Where a staging category denoted by a letter is additionally denoted by an asterisk ("*"), the concession or part of the concession as described in this ANNEX shall apply from the date on which both conditions set out in Article 113 (5) and (6) have been met, for goods originating in a SADC EPA State and presented for customs clearance in the EU.
3. Where the column of the Schedule in PART II entitled “Staging category for South Africa” lists a customs duty instead of a staging category denoted by a letter, that duty as described in this ANNEX shall apply from the date referred to in paragraph 1.
4. Generic references to a category of goods in square brackets in Sections A and B only serve an indicative purpose. The product scope of each staging category is set out in the Schedule in PART II.
5. In addition to the requirements of Article 23(5), at the date of entry into force of this Agreement, the EU shall notify to the Department of Trade and Industry of South Africa its list of duties applied, on the day before the entry into force of this Agreement, to goods originating in South Africa and listed as staging categories “B*” and “C*”. After notification, as provided for in this paragraph, the EU shall make public its list according to its own internal procedures and within one month after the notification. The Trade and Development Committee shall, at its first meeting after notification and publication, adopt such list communicated by the EU.

SECTION A

ELIMINATION OF CUSTOMS DUTIES

6. Except as otherwise provided in the EU Schedule included in PART II of this ANNEX, the following staging categories shall apply to the elimination of customs duties by the EU pursuant to Article 24:
- (a) customs duties on originating goods listed as staging category "A" in the EU Schedule shall be eliminated on the date referred to in paragraph 1 of this ANNEX;
 - (b) customs duties on originating goods listed as staging category "A*" in the EU Schedule shall be eliminated on the date referred to in paragraph 2 of this ANNEX;
 - (c) [*fish*] customs duties on originating goods listed as staging category "B*" in the EU Schedule shall be gradually eliminated in accordance with the following provisions:
 - (i) on the date referred to in paragraph 2 of this ANNEX, each customs duty shall be reduced to 83 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (ii) on 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 67 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (iii) one year after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 50 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (iv) two (2) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 33 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (v) three (3) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 17 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement; and
 - (vi) four (4) years after 1 January following the date referred to in paragraph 2 of this ANNEX, the remaining customs duties shall be eliminated.
 - (d) [*fish*] Customs duties on originating goods listed as staging category "C*" in the EU Schedule shall be gradually eliminated in accordance with the following provisions:
 - (i) on the date referred to in paragraph 2 of this ANNEX, each customs duty shall be reduced to 90 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;

- (ii) on 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 80 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (iii) one year after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 70 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (iv) two (2) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 60 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (v) three (3) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 50 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (vi) four (4) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 40 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (vii) five (5) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 30 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (viii) six (6) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 20 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement;
 - (ix) seven (7) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 10 per cent of the EU customs duty applied to goods originating in South Africa on the day before the entry into force of this Agreement; and
 - (x) eight (8) years after 1 January following the date referred to in paragraph 2 of this ANNEX, the remaining customs duties shall be eliminated.
- (e) [*sweet oranges*] Customs duties on originating goods listed as staging category "D*" in the EU Schedule shall, from the date referred to in paragraph 1 of this ANNEX, be excluded from tariff reduction commitments, except for the periods from:
- 1 June to 15 October, during which no duty shall apply; and

- 16 October to 30 November, and with effect from the date referred to in paragraph 2 of this ANNEX, during which customs duties shall be gradually eliminated in accordance with the following provisions:
 - (i) on the date referred to in paragraph 2 of this ANNEX, each customs duty shall be reduced to 91 per cent of the basic duty;
 - (ii) on 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 82 per cent of the basic duty;
 - (iii) one year after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 73 per cent of the basic duty;
 - (iv) two (2) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 64 per cent of the basic duty;
 - (v) three (3) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 55 per cent of the basic duty;
 - (vi) four (4) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 45 per cent of the basic duty;
 - (vii) five (5) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 36 per cent of the basic duty;
 - (viii) six (6) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 27 per cent of the basic duty;
 - (ix) seven (7) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 18 per cent of the basic duty;
 - (x) eight (8) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 9 per cent of the basic duty; and
 - (xi) nine (9) years after 1 January following the date referred to in paragraph 2 of this ANNEX, the remaining customs duties shall be eliminated.

7. Customs duties on originating goods provided for in the items in staging category "X" in the EU Schedule shall be excluded from tariff reduction commitments.

SECTION B

TARIFF RATE QUOTAS (TRQS) FOR SPECIFIC GOODS

8. The TRQs granted by the EU under this Agreement shall be managed on a first-come first-served basis.
9. The TRQs that were applied to imports into the EU of products originating in South Africa under the TDCA ("TDCA TRQs") that are granted under this Agreement under the same conditions, shall apply from the date referred to in paragraph 1 of this ANNEX. If the date referred to in paragraph 1 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the quantity of product imported into the EU under the TDCA TRQs from 1 January of the year of the date referred to in paragraph 1 of this ANNEX until that date shall be subtracted from the quantity of product that may be imported into the EU under the corresponding TRQs provided for under this Agreement.
10. Customs duties on goods entered in excess of the quantities listed in this Section, although not designated as such in the EU Schedule, shall be treated in accordance with staging category "X" as provided in paragraph 7 of Section A.
11. Notwithstanding Article 116, the Parties, at the request of either Party, shall review the administration of the TRQs, including with regard to their effectiveness in ensuring quota fill. The Parties may make recommendations to adjust the operation of the TRQs in the light of this review.
12. The following staging categories shall apply to TRQs granted by the EU pursuant to Article 24(2):
 - (a) [skimmed *milk powder*] The aggregate quantity of originating goods in staging category "E*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

(metric tons)

500

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

- (b) [*butter*] The aggregate quantity of originating goods in staging category "F*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

(metric tons)

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

- (c) [*flowers: roses, orchids and chrysanthemums*] The aggregate quantity of originating goods in staging category "G*" that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate, with effect from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	725
2016	740
2017	755
2018	770
2019	785
2020	800

After 2020, the TRQ shall increase by 15 metric tons annually.

The TRQ within the calendar year shall apply from 1 June to 31 October to orchids (CN 0603.13.00), and from 1 November to 31 May to roses (CN 0603.11.00) and chrysanthemums (CN 0603.14.00).

In addition, customs duties on orchids (CN 0603.13.00) shall, from 1 November to 31 May, be eliminated and such goods shall be permitted to enter each calendar year duty-free.

With effect from the date referred to in paragraph 2 of this ANNEX, customs duties and TRQs on originating goods of this staging category shall be eliminated.

- (d) [*flowers: lilies and "other"*] The aggregate quantity of originating goods in staging category "H*" that shall be permitted to enter each calendar year from 1 June to 31 October at a customs duty of 50% of the MFN applied rate, with effect from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	870
2016	888
2017	906
2018	924
2019	942
2020	960

After 2020, the TRQ shall increase by 18 metric tons annually.

In addition, customs duties on originating goods shall, from 1 November to 31 May, be eliminated and during this period in each calendar year such goods shall be permitted to enter duty-free.

With effect from the date referred to in paragraph 2 of this ANNEX, customs duties and TRQs on originating goods of this staging category shall be eliminated.

- (e) *[flowers: non-fresh]* The aggregate quantity of originating goods in staging category "I*" that shall be permitted to enter each calendar year at a customs duty of 25% of the MFN applied rate, with effect from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	725
2016	740
2017	755
2018	770
2019	785
2020	800

After 2020, the TRQ shall increase by 15 metric tons annually.

With effect from the date referred to in paragraph 2 of this ANNEX, customs duties and TRQs on originating goods of this staging category shall be eliminated.

- (f) *[strawberries]* The aggregate quantity of originating goods in staging category "J" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 1 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	370.0
2016	377.5
2017	385.0
2018	392.5
2019	400.0
2020	407.5

After 2020, the TRQ shall increase by 7.5 metric tons annually.

- (g) *[sugar]* The aggregate quantities of originating goods in staging category "K*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, are specified below:

Quantity of refined sugar or cane sugar for refining (metric tons)	Quantity of cane sugar for refining (metric tons)
50 000	100 000

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantities, which shall be applicable for the remainder of that calendar year, shall respectively be reduced *pro rata* to the remaining number of days of that calendar year.

- (h) *[white crystalline powder]* The aggregate quantity of originating goods in staging category "L*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

(metric tons)

500

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

- (i) [*citrus jams*] The aggregate quantity of originating goods in staging category "M*" that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

(metric tons)

100

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

- (j) [*canned fruit, except tropical canned fruit*] The aggregate quantity of originating goods in staging category "N*" that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate, with effect from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	Quantity of pears, apricots and peaches (metric tons)	Quantity of non-tropical fruit mixtures (metric tons)
2015	59 630.25	26 552.20
2016	60 866.00	27 102.40
2017	62 102.75	27 652.60
2018	63 339.50	28 202.80
2019	64 576.25	28 753.00
2020	65 813.00	29 303.20

After 2020, the TRQ shall increase annually by 1 236.75 metric tons for pears, apricots and peaches and by 550.20 metric tons for non-tropical fruit mixtures.

With effect from the date referred to in paragraph 2 of this ANNEX:

- the aggregate quantity of originating goods under this staging category permitted to enter each calendar year shall be as specified below:

Quantity

(metric tons)

57 156

- customs duties shall be gradually eliminated in accordance with the following provisions:
 - (i) on the date referred to in paragraph 2 of this ANNEX, each customs duty shall be reduced to 45 per cent of the MFN applied rate;
 - (ii) on 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 41 per cent of the MFN applied rate;
 - (iii) one year after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 36 per cent of the MFN applied rate;
 - (iv) two (2) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 32 per cent of the MFN applied rate;
 - (v) three (3) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 27 per cent of the MFN applied rate;
 - (vi) four (4) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 23 per cent of the MFN applied rate;
 - (vii) five (5) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 18 per cent of the MFN applied rate;
 - (viii) six (6) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 14 per cent of the MFN applied rate;
 - (ix) seven (7) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 9 per cent of the MFN applied rate;

- (x) eight (8) years after 1 January following the date referred to in paragraph 2 of this ANNEX, each customs duty shall be further reduced to 5 per cent of the MFN applied rate; and
- (xi) nine (9) years after 1 January following the date referred to in paragraph 2 of this ANNEX, the remaining customs duties shall be eliminated.

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity for the remainder of that year shall be 57 156 metric tons reduced by the quantity imported under the TRQs provided for under the TDCA and this Agreement from 1 January of that calendar year until the date referred to in paragraph 2 of this ANNEX.

- (k) [*tropical canned fruit*] The aggregate quantity of originating goods in staging category "O*" that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate, with effect from the date referred to in paragraph 1 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	2 900
2016	2 960
2017	3 020
2018	3 080
2019	3 140
2020	3 200

After 2020, the TRQ shall increase by 60 metric tons annually.

With effect from the date referred to in paragraph 2 of this ANNEX, customs duties for goods falling under EU CN code 2007.99.50 of this staging category shall be eliminated and the importation of such goods shall no longer be subject to the conditions of the TRQ or be counted towards quota fill.

- (l) [*frozen orange juice*] The aggregate quantity of originating goods in staging category "P*" that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate, with effect from the date referred to in paragraph 1 of this ANNEX, is specified below:

Year	Quantity
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(metric tons)

2015	1 015
2016	1 036
2017	1 057
2018	1 078
2019	1 099
2020	1 120

After 2020, the TRQ quantity shall increase by 21 metric tons annually.

With effect from the date referred to in paragraph 2 of this ANNEX, customs duties on originating goods imported within this TRQ shall be eliminated.

- (m) [*apple juice and pineapple juice*] The aggregate quantity of originating goods in staging category "Q*" that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate, from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	7 250
2016	7 400
2017	7 550
2018	7 700
2019	7 850
2020	8 000

After 2020, the in-quota quantity shall increase by 150 metric tons annually.

With effect from the date referred to in paragraph 2 of this ANNEX:

- the customs duties and TRQs for goods falling under EU CN 2009.41.92 (excluding goods of a value not exceeding 30 EUR per 100 kg net

weight) and EU CN 2009.49.30 of this staging category shall be eliminated; and

- the aggregate quantity of originating goods for the remaining goods under this staging category that shall be permitted to enter each calendar year at a customs duty of 50% of the MFN applied rate shall be 47% of the aggregate quantity listed in the table above corresponding to the year of the date referred to in paragraph 2 of this ANNEX.

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity for the remainder of that year shall be 47% of the aggregate quantity listed in the table above corresponding to the year of the date referred to in paragraph 2 of this ANNEX, reduced by the quantity of these remaining goods imported under the TRQs provided for under the TDCA and this Agreement from 1 January of that calendar year until the date referred to in paragraph 2 of this ANNEX.

For each calendar year thereafter, the in-quota quantity of the TRQ shall increase annually by 70.5 metric tons, except for the period of ten (10) calendar years beginning from the calendar year following the date referred to in paragraph 2 of this ANNEX, during which period the in-quota quantity of the TRQ shall increase annually by an additional 46.5 metric tons, resulting in an annual increase of 117.0 metric tons.

- (n) [*active yeast*] The aggregate quantity of originating goods in staging category "R*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

(metric tons)

350

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

- (o) [*wine*]

1. The liberalised wines

Customs duties on originating goods provided for in the items in staging categories "S" and "S*" that:

- (i) have an actual alcoholic strength by volume exceeding 18 %; or

- (ii) have an actual alcoholic strength by volume not exceeding 13 % that are other than white and other than in containers of 2 litres or less,

shall be eliminated and such goods shall be permitted to enter duty-free, with effect from the date referred to in paragraph 1 of this ANNEX.

2. The TDCA TRQ

The aggregate quantity of originating goods, other than the liberalised wines, in staging category "S" for which the actual alcoholic strength by volume does not exceed 15 % that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	Quantity (litres)
2015	49 067 000
2016	50 126 000
2017	51 185 000
2018	52 244 000
2019	53 303 000
2020	54 362 000

After 2020, the in-quota quantity shall increase annually by 1 059 000 litres.

3. The TRQ applicable after the date referred to in paragraph 2 of this ANNEX

The aggregate quantity of originating goods, other than the liberalised wines, in staging categories "S" and "S*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Year	<u>Wine Quota A:</u> Quantity of wine in containers of less than or equal to 2 litres (litres)	<u>Wine Quota B:</u> Quantity of wine in any volume of container (litres)	Each
1	77 000 000	33 000 000	
2	77 741 300	33 317 700	
3	78 482 600	33 635 400	
4	79 223 900	33 953 100	
5	79 965 200	34 270 800	

calendar year thereafter, the TRQ shall increase annually by 741 300 litres for product in Wine Quota A, and by 317 700 litres for product in Wine Quota B.

From 1 September of each year, products in any volume of container may be imported under Wine Quota A for the remainder of the calendar year.

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the combined quantity of wine quota A and wine quota B for the remainder of that year shall be the sum of:

- (a) The quantity of the TDCA TRQ in that calendar year reduced by the quantity imported under quota prior to the date referred to in paragraph 2 of this ANNEX; and
- (b) 110 million litres, reduced by the quantity of the TDCA TRQ in that calendar year, the resulting difference of which is reduced pro rata to the remaining number of days of that calendar year.

If the date referred to in paragraph 2 of this ANNEX is before 31 August of that calendar year, the quantity of the above TRQs shall be split between Wine Quota A and Wine Quota B at the same percentage as indicated in the table above for year 1 (70:30) until 31 August of that year. From 1 September of that year, products in any volume of container may be imported under Wine Quota A for the remainder of that year.

Without prejudice to paragraph 11 of this ANNEX, both the quantities allocated to Wine Quota A and Wine Quota B as well as the date on which any volume of container may be imported under Wine Quota A may be reviewed.

- (p) [*ethanol*] The aggregate quantity of originating goods in staging category "T*" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

(metric tons)

80 000

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

PART II

TARIFF SCHEDULE OF THE EU

Relation to the Combined Nomenclature (CN) of the European Community

The provisions of this Schedule are generally expressed in terms of the CN, 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 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.

[EU schedule – with its Appendix – to be attached here]