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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	4 April 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2016) 173 final - ANNEX 5
Subject:	ANNEX to the Proposal for a Council Decision on the signing, on behalf of the European Union, and provisional application of the Protocol of Accession to the Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part, to take account of the Accession of Ecuador

Delegations will find attached document COM(2016) 173 final - ANNEX 5.

Encl.: COM(2016) 173 final - ANNEX 5



Brussels, 4.4.2016
COM(2016) 173 final

ANNEX 5

ANNEX

to the

Proposal for a Council Decision

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ANNEX IV

The following shall be inserted as 'Section D' after Section C in Annex I, Appendix 1:

'SECTION D

SCHEDULE FOR THE ELIMINATION OF ECUADORIAN TARIFFS FOR GOODS ORIGINATING FROM THE EUROPEAN UNION

Unless otherwise distinctly stated in the Tariff Elimination Schedule of Ecuador, the following staging categories shall apply in accordance with article 22 (Elimination of Customs Duties) of Title III (Trade in Goods) of this Agreement.

1. Customs duties on goods originating in the European Union (hereinafter referred to as "originating goods") corresponding to the tariff lines in staging category "0" shall be completely eliminated as of the date this Agreement enters into force.
2. Customs duties on originating goods provided for in the tariff lines in staging category "3" shall be eliminated in four equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
3. Customs duties on originating goods provided for in the tariff lines in staging category "5" shall be eliminated in six equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
4. Customs duties on originating goods provided for in the tariff lines in staging category "7" shall be eliminated in eight equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
5. Customs duties on originating goods provided for in the tariff lines in staging category "10" shall be eliminated in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
6. Customs duties on originating goods provided for in the tariff lines in staging category "15" shall be eliminated in sixteen equal stages beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
7. Originating goods provided for in the staging category "E" are exempt from any commitments related to customs duties.
8. Customs duties on originating goods subject to the Price Stabilization Mechanism (hereinafter referred to as "MEP") provided for in the tariff lines in staging category "IB", shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in four equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be

made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.

9. Customs duties on originating goods subject to MEP provided for in the tariff lines in staging category “IC”, shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in six equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
10. Customs duties on originating goods subject to MEP provided for in the tariff lines in staging category “ID”, shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in eight equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
11. Customs duties on originating goods subject to MEP provided for in the tariff lines in staging category “IE”, shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
12. The fixed component of the MEP (15%) of originating goods provided for in staging category “IF” shall be eliminated on the date this Agreement enters into force.
13. The fixed component of the MEP (20%) of originating goods provided for in staging category “IG” shall be eliminated on the date this Agreement enters into force.
14. The fixed component of the MEP (15%) of originating provided for in staging category “IH” shall be eliminated in six equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years.
15. The fixed component of the MEP (20%) of originating goods provided for in staging category “II” shall be eliminated in eight equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years.
16. The fixed component of the MEP (15%) of originating provided for in staging category “IJ” shall be eliminated in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years.
17. The fixed component of the MEP (20%) of originating goods provided for in staging category “IK” shall be eliminated in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years.

18. Customs duties on originating goods provided for in the staging category “B” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall eliminate the fixed component of the MEP (15%) for an annual quota of 800 tons, with a yearly increase of 24 tons from year one,
19. Customs duties on originating goods provided for in the staging category “B1” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota¹ of 800 tons, with a yearly increase of 24 tons from year one.
20. Customs duties on originating goods provided for in the staging category “D” are exempt from tariff elimination; notwithstanding the above, Ecuador shall not apply import duties for an annual aggregate quota of 500 tons, with a yearly increase of 15 tons from year one.
21. Customs duties on originating goods provided for in the staging category “L1” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 400 tons, with a yearly increase of 20 tons from year one.
22. Customs duties on originating goods provided for in the staging category “L2” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 600 tons, with a yearly increase of 30 tons from year one.
23. Customs duties on originating goods provided for in the staging category “L3” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 500 tons, with a yearly increase of 25 tons from year one.
24. Customs duties on originating goods provided for in the staging category “L4” shall be eliminated in eighteen equal stages, beginning on the date this Agreement enters into force; the remaining stages, shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 1000 tons, with a yearly increase of 50 tons from year one.
25. Customs duties on originating goods provided for in the staging category “M” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 300 tons.
26. Customs duties on originating goods provided for in the staging category “MC” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 400 tons.

¹ The “aggregate quota” is one that integrates the tariff lines included in the corresponding liberalization schedule; as such, the use of this quota could include one or various tariff lines.

27. Customs duties on originating goods provided for in the staging category “PA” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an aggregate tariff quota of 250 tons, with a yearly increase of 7.5 tons from year one.
28. Regarding originating goods provided for in the staging category “P” Ecuador shall not apply import duties for an aggregate quota of 800 tons as of the date this Agreement enters into force, with a yearly increase of 24 tons from year one. Goods imported in quantities exceeding the cumulated amount for each year shall receive the following treatment:
- (a) Customs duties for originating goods under tariff line 16010000 are exempt from tariff elimination.
 - (b) The fixed component of the MEP (20%) for tariff line 02101200 shall be eliminated in eight equal stages, beginning from the date this Agreement enters into force; the remaining stages, shall be made each on 1 January of the successive years
 - (c) Customs duties corresponding for tariff lines 02101900; 16024100; 16024200 shall be eliminated in accordance with the provisions established under category “15”.
29. Customs duties on originating goods provided for in the staging category “SP” are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 750 tons.
30. The rates of the customs duties in each cut shall be rounded down at least to the nearest tenth of a percentage point, or, if the rate of customs duty is expressed in monetary units, at least to the nearest 0,001 of the official monetary unit of Ecuador.
31. For the purposes of this section, "year one" means the calendar year beginning 1 January following the year in which this Agreement enters into force as provided in Article 330 (Entry into Force) of this Agreement. The years referred to as «year two», «year three» and so on, mean the calendar years following year one as provided in this paragraph.
32. The provisions of this Section are expressed in terms of the Nomenclature of the Member States of the Andean Community (NANDINA) based on the Harmonised Commodity Description and Coding System (HS) 2007 version.
33. The interpretation of the provisions of this Section, including the updating of tariff lines, shall be governed by the General Notes, Section Notes and Chapter Notes of the NANDINA. To the extent that the provisions of this Section are identical to the corresponding provisions of the NANDINA, the provisions of this Section shall have the same meaning as the corresponding provisions of the NANDINA.
34. If the entry into force of the present Agreement corresponds to a date later than January 1st and before December 31st of the same calendar year, the tariff quota amount will be prorated in a manner proportional to the rest of the calendar year.