

## ANNEX 2-B

### TARIFF COMMITMENTS

1. The base rate of customs duty and staging category for determining the interim rate of customs duty at each stage of reduction for an item are indicated for that item in each Party's Schedule.
2. 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, as specified in each Party's Schedule.
3. The rates of customs duties provided for in any tariff line in a Party's Schedule in any staging category other than "EIF" shall be initially reduced on the date of entry into force of this Agreement.
4. The second stage of tariff reduction shall take effect on 1 January of the following year, and each subsequent annual stage of tariff reduction for that Party shall take effect on 1 January of each subsequent year.
5. In the event of a discrepancy in a Party's Schedule to this Annex between the staging category specified for an item and any tariff rate specified for that item for a particular year, that Party shall apply the rate required in accordance with the staging category specified for the item.
6. For the purposes of a Party's Schedule:
  - (a) **year 1** means the year of entry into force of this Agreement in accordance with Article 29.4 (Entry into Force);
  - (b) **year 2** means the year after year 1; **year 3** means the year after year 2, **year 4** means the year after year 3, and so on; and
  - (c) **year** means a calendar year beginning on 1 January and ending on 31 December, except as otherwise provided in a Party's Schedule.