

ANNEX 2-1

SCHEDULES OF TARIFF COMMITMENTS

Part 1

General Notes

1. This Annex is based on the Harmonized System, as amended on 1 January 2012.
2. The base rate for tariff reduction and/or elimination shall be the most-favoured-nation (MFN) applied rate in effect on 1 January 2014, except that for Indonesia, the base rate shall be the MFN applied rate in effect on 1 January 2016.
3. The tariff lines subject to tariff reduction and/or elimination under this Annex shall be categorised according to the following modality:

Category		End Rate	ASEAN 6					
			Brunei Darussalam/ Malaysia/ Philippines/ Thailand		Indonesia/ Viet Nam		Cambodia/ Lao PDR/ Myanmar	
Normal Track	Normal Track1	0%	85%	65% within 3 years	75%	50% within 3 years	65%	50% within 8 years
	Normal Track 2	0%		20% within 10 years		25% within 10 years		15% within 15 years
Sensitive Track	Sensitive List	0-5%	10%	5% within 12 years	10%	5% within 12 years	20%	10% within 17 years
	Highly Sensitive List	≤50%		5% within 14 years		5% within 14 years		10% within 20 years
Exclusion List		no tariff commitments	5%	15%	15%			



4. For the purposes of this Annex, the term “the date of entry into force of this Agreement” means the date of entry into force of this Agreement pursuant to paragraph 1 or paragraph 2 of Article 4 (Entry into Force) of Chapter 14 (Final Provisions), whichever is applicable.

5. For a Party for which this Agreement enters into force at a later date pursuant to paragraph 3 of Article 4 (Entry into Force) of Chapter 14 (Final Provisions), the initial reduction or elimination of customs duties shall be implemented at the level specified in that Party’s schedule of tariff commitment for the year in which the Agreement enters into force for that Party.

6. In the case of *ad valorem* tariffs, the tariff rates that result from the tariff reduction schedule should be expressed in whole number. Any fraction less than 0.5 of a percentage point shall be rounded down, and any fraction equal to or greater than 0.5 of a percentage point shall be rounded up. In the case of specific tariffs, any fraction smaller than 0.01 of the official monetary unit of a Party shall be rounded to the nearest two decimal places (any fraction equal to or greater than 0.005 shall be rounded to 0.01).

Modality for Products in the Normal Track

7. The Parties shall classify the tariff lines they commit under the Normal Track into Normal Track 1 and Normal Track 2, and shall reduce and eliminate the applied MFN tariff rates on such tariff lines according to the following modality:

- (a) Normal Track 1: Unless otherwise provided in subparagraph 8 (b), the applied MFN tariff rates shall be reduced in equal proportions to 0% within three years for ASEAN 6 and within



eight years for Cambodia, Lao PDR, and Myanmar.

- (i) The first reduction shall take place on the date of entry into force of this Agreement; and
 - (ii) The subsequent reductions shall take place on 1 January of each following year.
- (b) Normal Track 2: Unless otherwise provided in subparagraph 8 (b), the applied MFN tariff rates shall be reduced every two years in equal proportions to 0% within 10 years for ASEAN 6 and within 15 years for Cambodia, Lao PDR, and Myanmar.
- (i) The first reduction shall take place on the date of entry into force of this Agreement; and
 - (ii) The subsequent reductions shall take place on 1 January of every two years after the date of entry into force of this Agreement.

8. For the purposes of implementing tariff reduction under Normal Track 1 and Normal Track 2, the following shall apply:

- (a) Tariff rates above 5% shall be reduced in equal proportions; and
- (b) Tariff rates less than or equal to 5% shall be reduced to 0% at the latest by the end of the tariff reduction period.



Modality for Products in the Sensitive Track

9. Sensitive List: The Parties shall reduce and, where applicable, eliminate the applied MFN tariff rates of tariff lines placed in the Sensitive List according to the following modality:

- (a) ASEAN 6 shall reduce the applied MFN tariff rates of tariff lines placed in their respective Sensitive Lists to 0-5% within 12 years of the date of entry into force of this Agreement: The reduction of these tariff rates shall commence from 1 January of the sixth year; and subsequently, the tariff rates shall be reduced to 0-5% at the latest by the twelfth year, unless specified in the respective Parties' schedules as agreed with Hong Kong, China.
- (b) Cambodia, Lao PDR, and Myanmar shall reduce the applied MFN tariff rates of tariff lines placed in their respective Sensitive Lists to 0-5% within 17 years of the date of entry into force of this Agreement: The reduction of these tariff rates shall commence from 1 January of the ninth year; and subsequently, the tariff rates shall be reduced to 0-5% at the latest by the seventeenth year, unless specified in the respective Parties' schedules as agreed with Hong Kong, China.

10. Highly Sensitive List: The Parties shall reduce and, where applicable, eliminate the applied MFN tariff rates of tariff lines placed in the Highly Sensitive List according to the following modality:

- (a) ASEAN 6 shall reduce the applied MFN tariff rates of tariff lines placed in their respective Highly Sensitive Lists to not more than 50%



within 14 years of the date of entry into force of this Agreement.

- (b) Cambodia, Lao PDR, and Myanmar shall reduce the applied MFN tariff rates of tariff lines placed in their respective Highly Sensitive Lists to not more than 50% within 20 years of the date of entry into force of this Agreement.
- (c) The reduction shall not apply for tariff rates that are equal or less than 50% on the date of entry into force of this Agreement.

11. Notwithstanding the above:

- (a) Hong Kong, China shall eliminate customs duties on originating goods of the other Parties covering all goods classified under HS Chapters 1 to 97, with effect from the date of entry into force of this Agreement; and
- (b) Singapore shall eliminate customs duties on all originating goods of the other Parties under this Agreement, with effect from the date on which this Agreement enters into force for Singapore.



Part 2: Schedule of Brunei Darussalam

Part 3: Schedule of Cambodia

Part 4: Schedule of Indonesia

Part 5: Schedule of Lao PDR

Part 6: Schedule of Malaysia

Part 7: Schedule of Myanmar

Part 8: Schedule of the Philippines

Part 9: Schedule of Singapore

Part 10: Schedule of Thailand

Part 11: Schedule of Viet Nam

Part 12: Schedule of Hong Kong, China

