

This document contains the consolidated text as it stands at the end of the XXXIInd round of negotiations (21 February – 2 March 2018) on Goods in the Trade Part of the EU-Mercosur Association Agreement. This is without prejudice to the final outcome of negotiations. Both sides reserve the right to make subsequent modifications to their proposals.

ANNEX X-[x]

TARIFF ELIMINATION SCHEDULES

SECTION A

GENERAL PROVISIONS

1. Except as otherwise provided in a Party's Schedule in this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article [3.2] (Elimination of Customs Duties):

[Staging categories to be inserted here]

[MSR:

11. Customs duties on imports originating in the EU listed under categories A, B, C, D and E of Annex I (Tariff Elimination Schedule of Mercosur) shall be eliminated in accordance with its respective timetable, so that these customs duties are eliminated by the fifteenth year after the entry into force of this Agreement.

Custom Duties on imports originating in the EU listed under category F of Annex I (Tariff Elimination Schedule of MERCOSUR) shall be given the treatment provided for in that Annex.

12. Customs duties on imports originating in Mercosur listed under A,B,C and D of Annex II (Tariff elimination schedule of the EU) shall be eliminated in accordance with its respective timetable so that these customs duties are eliminated by the tenth year after the entry into force of this Agreement:

Specific customs duties payable in the event of non-respect of the EU entry price system shall not be applied to goods originating in Mercosur.]

[MSR

Category	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
A	100%															
B	20%	40%	60%	80%	100%											
C	11,1%	22,2%	33,3%	44,4%	55,6%	66,7%	77,8%	88,9%	100%							
D	9,1%	18,2%	27,3%	36,4%	45,5%	54,6%	63,6%	72,7%	81,8%	90,9%	100%					
E	7,7%	15,4%	23,1%	30,8%	38,5%	46,2%	53,9%	61,5%	69,2%	76,9%	84,6%	92,3%	100%			
F	6,3%	12,5%	18,8%	25%	31,3%	37,5%	43,8%	50%	56,3%	62,5%	68,8%	75,0%	81,3%	87,5%	93,8%	100%
G								11,1%	22,2%	33,3%	44,4%	55,6%	66,7%	77,8%	88,9%	100%

]

[EU

Cate gory	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
A	100 %											
B	20%	40%	60%	80%	100 %							
C	12,5 %	25%	37,5 %	50%	62,5 %	75%	87,5 %	100 %				
D	9%	18%	27%	36%	45%	54%	63%	72%	81%	90%	100 %	

E- other treatment- to be specified]

2. Unless otherwise specified in the Schedules the customs duty must be reduced according to the staging categories beginning on the date this Agreement enters into force.

3. 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 tenth of one cent in the case of the Union.

4. For purposes of this Annex and a Party's Schedule to this Annex, year one means the year of entry into force of this Agreement as provided for in Article [X.X] ([Entry into Force]).

5. For purposes of this Annex and a Party's Schedule to this Annex, beginning in year two, each annual stage of tariff reduction shall take effect on [January 1 of the relevant year]/[the anniversary of the date of entry into force]. [comment: to be discussed and decided at a later stage]

[MCS: 6. The Parties agree on a maximum tariff value (MTV) that sets the maximum charge applicable to the entry of goods originating in one Party into the other Party's market and the maximum possible value on which the agreed preferences are applied.

Where a good benefiting from preferences, whether granted in tariff elimination schedules or in any other form of tariff elimination, has a tariff, established in accordance with Chapter 1, Section I, Article 2, paragraph 10, that is different from the MTV, the lower of the two shall be considered for the purposes of the Agreement.

Maximum tariff value means, for each Party, the value obtained by multiplying by four the simple average of the ad valorem tariff equivalent of the total tariff universe.]

[EU:7. For greater certainty, Paragraph 2 of Article 20 is not meant to prevent a Party from relying on the price of imports in order to determine the applicable rate of a customs duty in accordance with this Agreement]

SECTION B

Tariff Rate Quotas

[MCS

Tariff Rates Quotas (TRQ)

a) In-quota imports shall be duty free from the date of entry into force of this Agreement;

- b) Imported goods in quantities superior to the TRQ volume established in each Party's Schedules shall benefit from a tariff preference of (x%) over the MFN tariff rate if and as long the preferential tariff is lower than the Maximum Tariff Value established in Chapter I, article Y of this agreement.
- c) The importing Party shall not impose any end-use requirement, including re-export requirements and sub-allocations to particular products where a quota contains several different tariff lines;
- d) The quota volumes shall be increased annually]

[MCS

Administration and Verification of Tariff Rate Quotas

1. Tariff rate quotas will be administered by the exporting Party and verified by the importing Party. Neither Party shall introduce any restrictions to the use of quotas.
2. Tariff rate quota administration must be transparent, predictable, timely and non-discriminatory.
3. Imports under tariff rate quotas set out in each Party's Schedule Appendix XXX shall be subject to the presentation of an export quota certificate issued by the competent authority of the exporting Signatory Party for each individual import operation. The exporting Party shall notify the list of certifying authorities, their names and signatures.
4. All information concerning quota administration—including volumes, eligibility criteria, administrative procedures for application and issuing of export quota certificates must be made publicly available in a timely manner,
5. The importing Party shall provide to the exporting Party, in a timely and continuous manner, information about the effective fill rate, including the total quantity available and its fill rate by country of origin and products;]

[...]

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TARIFF SCHEDULE OF MERCOSUR

GENERAL NOTES

1. Relation to the MERCOSUR common tariff schedule Nomenclatura Común del Mercosur (NCM 2012)¹. The provisions of this Schedule are generally expressed in terms of the [abbreviation], 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 NCM 2012. To the extent that provisions of this Schedule are identical to

¹ Set out in RES. 05/2011 of 17 June 2011

the corresponding provisions of the NCM 2012, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the NCM 2012.

2. Base Rates of Customs Duty. Except as otherwise provided in this Annex, the base rates of customs duty set out in this Schedule reflect the Mercosur Most-Favoured-Nation (MFN) rates of duty in effect on 31 December 2014.

[Insert Mercosur schedule]

[page break]

TARIFF SCHEDULE OF THE UNION

GENERAL NOTES

1. Relation to the Combined Nomenclature. The provisions of this Schedule are generally expressed in terms of the Combined Nomenclature 2013 ("CN 2013")², which is based on the Harmonised Commodity Description and Coding System. 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 2013. To the extent that provisions of this Schedule are identical to the corresponding provisions of the CN 2013, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the CN 2013.

2. Base Rates of Customs Duty. Except as otherwise provided in this Annex, the base rates of customs duty set out in this Schedule reflect the EU's Most-Favoured-Nation (MFN) rates of duty in effect on [day] [Month] [2013]

[Insert EU's schedule]

² CN 2013 is set out in Commission Implementing Regulation (EU) No 927/2012 of 9 October 2012 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

