

Part 8

Section 1

Notes for Schedule of the Republic of the Philippines

1. For the purposes of Article 16, the following categories indicated in Column 4 in the Schedule of the Republic of the Philippines, in Section 2 of this Part, shall apply:

- (a) customs duties on originating goods classified under the tariff lines indicated with "A" shall be eliminated as from the date of entry into force of this Agreement;
- (b) customs duties on originating goods classified under the tariff lines indicated with "B4*" shall be the Base Rate as from the date of entry into force of this Agreement and eliminated as from the first day of the fifth year;
- (c) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated in six (6) equal annual instalments from the Base Rate to free;
- (d) customs duties on originating goods classified under the tariff lines indicated with "B5*" shall be the Base Rate as from the date of entry into force of this Agreement and eliminated in five (5) equal annual instalments from the Base Rate to free. This annual reduction shall take place on the first day of each year from the second year to the sixth year;
- (e) customs duties on originating goods classified under the tariff lines indicated with "B5**" shall be the Base rate as from the date of entry into force of this Agreement and eliminated as from the first day of the sixth year;
- (f) customs duties on originating goods classified under the tariff lines indicated with "B7" shall be eliminated in eight (8) equal annual instalments from the Base Rate to free;
- (g) customs duties on originating goods classified under the tariff lines indicated with "B10" shall

be eliminated in eleven (11) equal annual instalments from the Base Rate to free;

- (h) customs duties on originating goods classified under the tariff lines indicated with "B10*" shall be the Base Rate as from the date of entry into force of this Agreement and eliminated in ten (10) equal annual instalments from the Base Rate to free. This annual reduction shall take place on the first day of each year from the second year to the eleventh year;
- (i) customs duties on originating goods classified under the tariff lines indicated with "B10**" shall be the Base Rate as from the date of entry into force of this Agreement and eliminated in six (6) equal annual instalments from the Base Rate to free. This annual reduction shall take place on the first day of each year from the sixth year to the eleventh year;
- (j) customs duties on originating goods classified under the tariff lines indicated with "C" shall be maintained at the Base Rate as from the date of entry into force of this Agreement;
- (k) customs duties on originating goods classified under the tariff lines indicated with "R" shall be reduced in accordance with the terms and conditions set out in the note indicated in Column 5 in the Schedule of the Republic of the Philippines, in Section 2 of this Part; and
- (l) the originating goods classified under the tariff lines indicated with "X" shall be excluded from any tariff commitment referred to in subparagraphs (a) through (k).

2. The terms and conditions in the following notes indicated with (a) through (c) shall apply to originating goods specified with the corresponding letter in Column 5 in the Schedule of the Republic of the Philippines, in Section 2 of this Part.

- (a) The rate of customs duty shall be reduced in eleven (11) equal annual instalments from the Base Rate to 5.0 per cent;

- (b) The rate of customs duty shall be the Base Rate as from the date of entry into force of this Agreement and reduced to 20.0 per cent, as from the first day of the second year of this Agreement; or
- (c) The rate of customs duty shall be the Base Rate as from the date of entry into force of this Agreement and reduced to 5.0 per cent, as from the first day of the ninth year of this Agreement.

3. Notwithstanding paragraph 1 of Part 1, for the purposes of the elimination or reduction of customs duties in accordance with this Part, any fraction less than 1.0 of a percentage point shall be rounded to the nearest whole number (in the case of 0.5 per cent, the fraction is rounded to 1.0 per cent) in the cases of ad valorem duties.

4. For the purposes of this Part, the term "year" means, with respect to the first year, the period from the date of entry into force of this Agreement until the coming 31 March and, with respect to each subsequent year, the twelve-month period which starts on 1 April of that year.