

**ANNEX 2B**  
**ELIMINATION OF CUSTOMS DUTIES**

1. Except as otherwise provided in a Party's Schedule set out in this Annex, the following staging categories apply to the elimination of customs duties by each Party in accordance with Article 2.3.1:

- (a) customs duties on originating goods provided for in the items in staging category "EIF" in a Party's Schedule shall be eliminated entirely and such goods shall be free of any customs duty on the date of entry into force of this Agreement;
- (b) customs duties on originating goods provided for in the items in staging category "3" in a Party's Schedule shall be removed in three equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year three;
- (c) customs duties on originating goods provided for in the items in staging category "4" in a Party's Schedule shall be removed in four equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year four;
- (d) customs duties on originating goods provided for in the items in staging category "5" in a Party's Schedule shall be removed in five equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year five;
- (e) customs duties on originating goods provided for in the items in staging category "7" in a Party's Schedule shall be removed in seven equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year seven;
- (f) customs duties on originating goods provided for in the items in staging category "8" in a Party's Schedule shall be removed in eight equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year eight;
- (g) customs duties on originating goods provided for in the items in staging category "10" in a Party's Schedule shall be removed in 10 equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year 10;
- (h) customs duties on originating goods provided for in the items in staging category "12" in a Party's Schedule shall be removed in 12 equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year 12;

- (i) customs duties on originating goods provided for in the items in staging category “15” in a Party’s Schedule shall be removed in 15 equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year 15;
- (j) customs duties on originating goods provided for in the items in staging category “16” in a Party’s Schedule shall be removed in 16 equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of any customs duty, effective January 1 of year 16;
- (k) customs duties on originating goods provided for in the items in staging category “5-A” in a Party’s Schedule shall remain at base rate during years one through four, and shall be eliminated entirely on January 1 of year five;
- (l) customs duties on originating goods provided for in the items in staging category “17-A” in a Party’s Schedule shall remain at base rate during years one through eight. Beginning on January 1 of year nine, customs duties shall be reduced in nine equal annual stages, and such goods shall be free of any customs duty, effective January 1 of year 17;
- (m) customs duties on originating goods provided for in the items in staging category “17-B” in a Party’s Schedule shall remain at base rate during years one through 10. Beginning on January 1 of year 11, customs duties shall be reduced in seven equal annual stages, and such goods shall be free of any customs duty, effective January 1 of year 17;
- (n) customs duties on originating goods provided for in the items in staging category “S-A” shall be subject to the following provisions:
  - (i) for goods entered into Korea from May 1 through October 31, customs duties shall remain at base rates; and
  - (ii) for goods entered into Korea from November 1 through April 30, customs duties shall be reduced in five equal annual stages, and such goods shall be free of any customs duty, effective January 1 of year five;
- (o) customs duties on originating goods provided for in the items in staging category “S-B” shall be subject to the following provisions:
  - (i) for goods entered into Korea from November 1 through April 30, customs duties shall remain at base rates; and
  - (ii) for goods entered into Korea from May 1 through October 31, customs duties shall be reduced in 10 equal annual stages, and such goods shall be free of any customs duty, effective January 1 of year 10;
- (p) customs duties on originating goods provided for in the items in staging category “E” shall remain at base rates; and

(q) no obligations regarding customs duties in this Agreement shall apply with respect to items in staging category “X”. Nothing in this Agreement shall affect Korea’s rights and obligations with respect to its implementation of the commitments set out in the WTO document WT/Let/492 (Certification of Modifications and Rectifications to Schedule LX-Republic of Korea) dated April 13, 2005 and any amendments thereto.

2. 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 the item in each Party’s Schedule.

3. Interim staged rates 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 0.001 of the official monetary unit for Peru and the nearest Korean won for Korea.

4. For purposes of this Annex and a Party’s Schedule, **year one** means the year this Agreement enters into force as provided in Article 25.2 (Entry into force).

5. For purposes of this Annex and a Party’s Schedule, beginning in year two, each annual reduction shall take effect on January 1 of the relevant year.

## TARIFF SCHEDULE OF KOREA

### GENERAL NOTES

1. Relation to the Harmonized Tariff Schedule of Korea (HSK). The provisions of this Schedule are generally expressed in terms of the HSK, 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 HSK. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HSK, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HSK.
2. Base Rates of Customs Duty. The base rates of customs duties to which the successive reductions are to be applied under Article 2.3.2, are those specified in this Annex.

## **TARIFF SCHEDULE OF PERU**

### **GENERAL NOTES**

1. Relation to the Harmonized Tariff Schedule of Peru. The provisions of this Schedule are generally expressed in terms of the HS of Peru, 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 HS of Peru. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HS of Peru, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HS of Peru.
  
2. Base Rates of Customs Duty. The base rates of customs duties to which the successive reductions are to be applied under Article 2.3.2, are those specified in this Annex.