ANNEX 2-B

SCHEDULES OF TARIFF COMMITMENTS

GENERAL NOTES

1. The provisions of this Schedule are generally expressed in terms of the Customs Tariff Schedule of Peru, *Arancel de Aduanas de la República del Perú (AAPERU)*, 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 AAPERU. To the extent that provisions of this Schedule are identical to the corresponding provisions of the AAPERU, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the AAPERU**.**

2. The provisions of this Schedule are generally expressed in terms of the Customs Tariff Schedule of Thailand (CTST), and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Rules, Section Notes, and Chapter Notes of the CTST. To the extent that provisions of this Schedule are identical to the corresponding provisions of the CTST, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the CTST**.**

3. For the purposes of this Annex:

   (a) "HS Code" means the code used in the nomenclature of the HS 2022, at the national tariff lines level;

   (b) "Description" means description of the product as used in the nomenclature of the HS2022, at the national tariff line level;

   (c) "Base Rate" means the Most-Favoured-Nation (MFN) applied rates of customs duty of the Parties in effect on 1 June 2004;

   (d) "Category" means the category of preferential treatment to be applied for the purposes of tariff reduction or elimination of products concerned.

4. For the purposes of implementing reduction or elimination of customs duties, the first reduction shall take place on the date of entry into force of this Agreement and the subsequent reductions shall take place on January 1 of each following year.

5. For the purposes of this Annex, year one means the year this Agreement enters into force pursuant to Article 2.4 (Elimination of Customs Duties).

6. The following categories shall apply to the reduction or elimination of customs duties pursuant to Article 2.4 (Elimination of Customs Duties):

   (a) "A": customs duties on originating goods provided for in the tariff lines in staging category "A" shall be eliminated entirely and these goods shall be duty-free on the date of entry into force of this Agreement;

(b) "B3": customs duties on originating goods provided for in the tariff lines in staging category “B3” shall be eliminated in three equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 3;

(c) "B5": customs duties on originating goods provided for in the tariff lines in staging category “B5” shall be eliminated in five equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 5;

(d) "B7": customs duties on originating goods provided for in the tariff lines in staging category “B7” shall be eliminated in seven equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 7;

(e) "B9": customs duties on originating goods provided for in the tariff lines in staging category “B9” shall be eliminated in nine equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 9;

(f) "B10": customs duties on originating goods provided for in the tariff lines in staging category “B10” shall be eliminated in ten equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 10;

(g) "B12": customs duties on originating goods provided for in the tariff lines in staging category “B12” shall be eliminated in twelve equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 12;

(h) "B15": customs duties on originating goods provided for in the tariff lines in staging category “B15” shall be eliminated in fifteen equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 15;

(i) "B17": customs duties on originating goods provided for in the tariff lines in staging category “B17” shall be eliminated in seventeen equal annual stages, and these goods shall be duty-free, effective from 1 January of Year 17;

(j) "17-A": the base rate shall remain no change during years one through eight. Beginning on 1 January of Year 9, base rate shall be eliminated in ten equal annual stages and such goods shall be free of any customs duties, effective by 1 January of Year 18;

(k) "17-B": the base rate shall remain no change during years one through tenth. Beginning on 1 January of Year 11, base rate shall be eliminated in eight equal annual stages and such goods shall be free of any customs duties, effective by 1 January of Year 18;

(l) "Q*": customs duties on originating goods provided for in the tariff lines in staging category “Q*” shall be allow duty free, effective on the date of entry into force of this Agreement, within the quota quantity of the Tariff Rate Quota (TRQ) committed by Thailand under the WTO Agreement;

(m) "Q**": customs duties on originating goods provided for in the tariff lines in staging category “Q**” shall be eliminated in five equal annual stages, and these goods shall be duty-free effective from 1 January of Year 5, within the quota quantity of the TRQ committed by Thailand under the WTO Agreement; and

(n) "R": these tariff lines shall be excluded from any commitment of elimination and/or reduction of customs duties, and these goods shall be subject to the MFN applied rates in effect at the time of import. After the fifth year from the date of entry into force of this Agreement, in accordance with Article 2.4.4 (Elimination of Custom Duties) and upon request of either Party, the Parties shall hold consultations to consider broadening the scope of the elimination of customs duties under this category.

7. 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 0.001 of the official monetary unit of the Party.