

harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

ARTICLE 4

Customs duties on imports and charges having equivalent effect

1. No new customs duty on imports or charge having equivalent effect shall be introduced in trade between the EFTA States and Romania.
2. Upon the date of entry into force of this Agreement, the EFTA States shall abolish all customs duties on imports and any charges having equivalent effect for products originating in Romania, except for products specified in Annex III for which customs duties on imports and charges having equivalent effect shall be progressively abolished in accordance with the provisions laid down in that Annex.
3. For the products specified in Annex IV originating in an EFTA State, Romania shall abolish all customs duties on imports and any charges having equivalent effect in accordance with the provisions laid down in that Annex.

ARTICLE 5

Basic duties

1. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied, shall be the Most Favoured Nation rate of duty applied on 30 April 1993.
2. If, after the entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions implemented as a result of the Uruguay Round of Multilateral Trade Negotiations or of the renegotiation of the Protocol of Accession of Romania to the GATT, such reduced duties shall replace the basic duties referred to in paragraph 1 as from the date when such reductions are applied.
3. The reduced duties calculated in accordance with Article 4 shall be applied rounded to the first decimal place or, in case of specific duties, to the second decimal place.

ARTICLE 6

Customs duties of a fiscal nature

1. The provisions of paragraphs 1 to 3 of Article 4 shall also apply to customs duties of a fiscal nature, except as provided for in Protocol C.
2. The States Parties to this Agreement may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.