ANNEX IV

'SECTION D

TARIFF ELIMINATION SCHEDULE OF ECUADOR FOR GOODS ORIGINATING IN THE EUROPEAN UNION

Unless otherwise provided in the Tariff Elimination Schedule of Ecuador, the following staging categories shall apply in accordance with Article 22 (Elimination of Customs Duties) of Title III (Trade in Goods) of this Agreement:

- 1. Customs duties on goods originating in the European Union (hereinafter referred to as "originating goods") corresponding to the tariff lines in staging category "0" shall be completely eliminated as of the date this Agreement enters into force.
- 2. Customs duties on originating goods provided for in the tariff lines in staging category "3" shall be eliminated in four equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 3. Customs duties on originating goods provided for in the tariff lines in staging category "5" shall be eliminated in six equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 4. Customs duties on originating goods provided for in the tariff lines in staging category "7" shall be eliminated in eight equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 5. Customs duties on originating goods provided for in the tariff lines in staging category "10" shall be eliminated in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 6. Customs duties on originating goods provided for in the tariff lines in staging category "15" shall be eliminated in sixteen equal stages beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 7. Originating goods provided for in the staging category "E" are exempt from any commitments related to customs duties.
- 8. Customs duties on originating goods subject to the Price Stabilisation Mechanism (hereinafter referred to as "MEP") provided for in the tariff lines in staging category "IB" shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in four equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 9. Customs duties on originating goods subject to MEP provided for in the tariff lines in staging category "IC" shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in six equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 10. Customs duties on originating goods subject to MEP provided for in the tariff lines in staging category "ID" shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in eight equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.
- 11. Customs duties on originating goods subject to MEP provided for in the tariff lines in staging category "IE" shall be progressively eliminated. For the purposes of tariff elimination, the base rate shall be the least of the base rate in the tariff elimination schedule or the MFN duty applied. This elimination shall be carried out in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty.

- 12. The fixed component of the MEP (15 %) of originating goods provided for in staging category "IF" shall be eliminated on the date this Agreement enters into force.
- 13. The fixed component of the MEP (20 %) of originating goods provided for in staging category "IG" shall be eliminated on the date this Agreement enters into force.
- 14. The fixed component of the MEP (15 %) of originating provided for in staging category "IH" shall be eliminated in six equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years.
- 15. The fixed component of the MEP (20 %) of originating goods provided for in staging category "II" shall be eliminated in eight equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years.
- 16. The fixed component of the MEP (15 %) of originating provided for in staging category "IJ" shall be eliminated in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years.
- 17. The fixed component of the MEP (20 %) of originating goods provided for in staging category "IK" shall be eliminated in eleven equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years.
- 18. Customs duties on originating goods provided for in the staging category "B" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall eliminate the fixed component of the MEP (15 %) for an annual quota of 800 metric tonnes, with a yearly increase of 24 metric tonnes from year one,
- 19. Customs duties on originating goods provided for in the staging category "B1" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota (¹) of 800 metric tonnes, with a yearly increase of 24 metric tonnes from year one.
- 20. Customs duties on originating goods provided for in the staging category "D" are exempt from tariff elimination; notwithstanding the above, Ecuador shall not apply import duties for an annual aggregate quota of 500 metric tonnes, with a yearly increase of 15 metric tonnes from year one.
- 21. Customs duties on originating goods provided for in the staging category "L1" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 400 metric tonnes, with a yearly increase of 20 metric tonnes from year one.
- 22. Customs duties on originating goods provided for in the staging category "L2" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 600 metric tonnes, with a yearly increase of 30 metric tonnes from year one.
- 23. Customs duties on originating goods provided for in the staging category "L3" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 500 metric tonnes, with a yearly increase of 25 metric tonnes from year one.
- 24. Customs duties on originating goods provided for in the staging category "L4" shall be eliminated in eighteen equal stages, beginning on the date this Agreement enters into force; the remaining stages shall be made on 1 January of the successive years, and such goods shall thereafter be free of any customs duty; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 1 000 metric tonnes, with a yearly increase of 50 metric tonnes from year one.
- 25. Customs duties on originating goods provided for in the staging category "M" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 300 metric tonnes.
- 26. Customs duties on originating goods provided for in the staging category "MC" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 400 metric tonnes.

- 27. Customs duties on originating goods provided for in the staging category "PA" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an aggregate tariff quota of 250 metric tonnes, with a yearly increase of 7,5 metric tonnes from year one.
- 28 With regard to originating goods provided for in the staging category "P", Ecuador shall not apply import duties for an aggregate quota of 800 metric tonnes as of the date this Agreement enters into force, with a yearly increase of 24 metric tonnes from year one. Goods imported in quantities exceeding the cumulated amount for each year shall receive the following treatment:
 - (a) customs duties for originating goods under tariff line 16010000 are exempt from tariff elimination;
 - (b) the fixed component of the MEP (20 %) for tariff line 02101200 shall be eliminated in eight equal stages, beginning from the date this Agreement enters into force; the remaining stages shall be made each on 1 January of the successive years;
 - (c) customs duties corresponding for tariff lines 02101900, 16024100 and 16024200 shall be eliminated in accordance with the provisions established under category "15".
- 29. Customs duties on originating goods provided for in the staging category "SP" are exempt from tariff elimination; notwithstanding the above, as of the date this Agreement enters into force Ecuador shall not apply import duties for an annual aggregate quota of 750 metric tonnes.
- 30. The rates of the customs duties in each cut 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 the nearest 0,001 of the official monetary unit of Ecuador.
- 31. For the purposes of this Section, "year one" means the calendar year beginning 1 January following the year in which this Agreement enters into force pursuant to Article 330 (Entry into Force) of this Agreement. The years referred to as "year two", "year three", etc mean the calendar years following year one, as defined in this paragraph.
- 32. The provisions of this Section are expressed in terms of the Nomenclature of the Member States of the Andean Community (NANDINA) based on the Harmonised Commodity Description and Coding System (HS) 2007 version.
- 33. The interpretation of the provisions of this Section, including the updating of tariff lines, shall be governed by the General Notes, Section Notes and Chapter Notes of the NANDINA. To the extent that the provisions of this Section are identical to the corresponding provisions of the NANDINA, the provisions of this Section shall have the same meaning as the corresponding provisions of the NANDINA.
- 34. If the entry into force of the present Agreement corresponds to a date later than 1 January and before 31 December of the same calendar year, the tariff quota amount will be prorated in a manner proportional to the rest of the calendar year.
- (1) The "aggregate quota" is one that integrates the tariff lines included in the corresponding liberalisation schedule; as such, the use of this quota could include one or various tariff lines.'.