

ANNEX 2-D

TARIFF SCHEDULE OF MEXICO

GENERAL NOTES

1. The provisions of this Schedule are generally expressed in terms of Mexico's Tariff Schedule of the General Import and Export Duties Law (*Tarifa de la Ley de los Impuestos Generales de Importación y de Exportación* (LIGIE)), 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 LIGIE. To the extent that provisions of this Schedule are identical to the corresponding provisions of the LIGIE, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the LIGIE.

2. Except as otherwise provided in this Schedule, the base rates of duty set out in this Schedule reflect Mexico's Most-Favoured-Nation (MFN) rates of duty in effect on January 1, 2010. For items identified with an asterisk (*), the applicable base rates of duty are those set forth in this Schedule.

3. In this Schedule, rates of duty expressed in monetary units shall be rounded down to the nearest 0.01 of a US dollar (USD).

4. The following staging categories shall apply to the elimination or reduction of customs duties by Mexico pursuant to Article 2.4.2 (Elimination of Customs Duties):

- (a) customs duties on originating goods provided for in the items in staging category EIF shall be eliminated entirely, and these goods shall be duty-free on the date of entry into force of this Agreement for Mexico;
- (b) customs duties on originating goods provided for in the items in staging category B3 shall be eliminated in three annual stages, and these goods shall be duty-free effective January 1 of year 3;
- (c) customs duties on originating goods provided for in the items in staging category B5 shall be eliminated in five annual stages, and these goods shall be duty-free effective January 1 of year 5;

- (d) customs duties on originating goods provided for in the items in staging category B8 shall be eliminated in eight annual stages, and these goods shall be duty-free effective January 1 of year 8;
- (e) customs duties on originating goods provided for in the items in staging category B10 shall be eliminated in 10 annual stages, and these goods shall be duty-free effective January 1 of year 10;
- (f) customs duties on originating goods provided for in the items in staging category B12 shall be eliminated in 12 annual stages, and these goods shall be duty-free effective January 1 of year 12;
- (g) customs duties on originating goods provided for in the items in staging category B13 shall be eliminated in 13 annual stages, and these goods shall be duty-free effective January 1 of year 13;
- (h) customs duties on originating goods provided for in the items in staging category B15 shall be eliminated in 15 annual stages, and these goods shall be duty-free effective January 1 of year 15;
- (i) customs duties on originating goods provided for in the items in staging category B16 shall be eliminated in 16 annual stages, and these goods shall be duty-free effective January 1 of year 16;
- (j) customs duties on originating goods provided for in the items in staging category D shall be the rate of customs duty applied under the WTO Agreement;
- (k) customs duties on originating goods provided for in the items in staging category MX10 shall be maintained at the base rate during year 1 through year 5 and shall be eliminated in five annual stages beginning in year 6, and these goods shall be duty-free effective January 1 of year 10;
- (l) customs duties on originating goods provided for in the items in staging category MX11 shall be 16 per cent during year 1, and shall be eliminated in 10 annual stages beginning in year 2, and these goods shall be duty-free effective January 1 of year 11;
- (m) customs duties on originating goods provided for in the items in staging category MX13 shall be maintained at the base rate during year 1 through year 3 and shall be eliminated in 10 annual stages beginning in year 4, and these goods shall be duty-free effective January 1 of year 13;
- (n) customs duties on originating goods provided for in the items in staging category MX16 shall be maintained at the base rate during

year 1 through year 5 and shall be eliminated in 11 annual stages beginning in year 6, and these goods shall be duty-free effective January 1 of year 16;

- (o) customs duties on originating goods provided for in the items in staging category MX-R1 shall be reduced by 50 per cent of the base rate in 10 annual stages beginning in year 1, and the customs duty for these goods shall be 10 per cent effective January 1 of year 10 and each subsequent year;
- (p) customs duties on originating goods provided for in the items in staging category MX-R2 shall be reduced by 50 per cent of the base rate in five annual stages beginning in year 1, and the customs duty for these goods shall be 36 per cent effective January 1 of year 5 and each subsequent year;
- (q) customs duties on originating goods provided for in the items in staging category MX-R3 shall be reduced by 70 per cent of the base rate in seven annual stages beginning in year 1, and the customs duty for these goods shall be 42 per cent effective January 1 of year 7 and each subsequent year;
- (r) customs duties on originating goods provided for in the items in staging category MX-R4 shall be reduced as follows:¹
 - (i) the customs duty for these goods shall be reduced to 8 per cent in eight annual stages;
 - (ii) the customs duty for these goods shall be reduced to 7.75 per cent from the level set out in subparagraph (i) effective January 1 of year 9; and
 - (iii) the customs duty for these goods shall be reduced to 7.5 per cent from the level set out in subparagraph (ii) effective January 1 of year 10 and each subsequent year;
- (s) customs duties on originating goods provided for in the items in staging category MX-R5 shall be reduced as follows:²
 - (i) the customs duty for these goods shall be reduced to 4 per cent in eight annual stages;

¹ For the purposes of subparagraph (r)(ii), paragraph 2 of Annex 2-D (Tariff Commitments) shall not apply with respect to staging category MX-R4.

² For the purposes of subparagraphs (s)(ii) and (iii), paragraph 2 of Annex 2-D (Tariff Commitments) shall not apply with respect to staging category MX-R5.

- (ii) the customs duty for these goods shall be reduced to 3.87 per cent from the level set out in subparagraph (i) effective January 1 of year 9, and
- (iii) the customs duty for these goods shall be reduced to 3.75 per cent from the level set out in subparagraph (ii) effective January 1 of year 10 and each subsequent year;
- (t) customs duties on originating goods provided for in the items in staging category MX-R6 shall be reduced as follows:³
 - (i) the customs duty for these goods shall be reduced to 1.33 per cent in eight annual stages;
 - (ii) the customs duty for these goods shall be reduced to 1.28 per cent from the level set out in subparagraph (i) effective January 1 of year 9, and
 - (iii) the customs duty for these goods shall be reduced to 1.25 per cent from the level set out in subparagraph (ii) effective January 1 of year 10 and each subsequent year;
- (u) customs duties on originating goods provided for in the items in staging category MX-R7 shall be reduced to 47.5 per cent in year 1;
- (v) customs duties on originating goods provided for in the items in staging category CSQ shall be governed by the terms of the CSQ for that specific tariff line, as outlined in Appendix A-1 (Tariff Rate Quotas of Mexico) to Mexico's Schedule to Annex 2-D; and
- (w) customs duties on originating goods provided for in the items in staging category CSA shall be governed by the terms of the CSA for that specific tariff line, as outlined in Appendix A-2 (Country Specific Allocation for Sugar of Mexico) to Mexico's Schedule to Annex 2-D .

5. The annual stages referred to in paragraph 4 for the elimination or reduction of customs duties shall be equal annual stages, except:

- (a) as provided in paragraphs 3(b)(i), 4(a)(ii) and 4(b)(ii) in Section A of this Annex; or
- (b) as otherwise provided in paragraph 4.

³ Paragraph 2 of Annex 2-D (Tariff Commitments) shall not apply with respect to staging category MX-R6.

6. Appendix C shall apply when Mexico applies different preferential tariff treatment to other Parties for an originating good specified in Appendix C (Tariff Differentials of Mexico) to this Schedule.