

PART TWO: TRADE IN GOODS

CHAPTER 3: NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

Section A Definitions and Scope of Application

Article 3.01 Definitions

For purposes of this Chapter, unless otherwise agreed in this Agreement, the following terms shall be understood as:

agricultural products or agricultural goods: the products listed in Annex I of the WTO Agreement on Agriculture, and including any future amendments agreed at the WTO;

commercial samples of negligible value:

- (a) raw materials and goods of which dimensions, quantities, weight, volume or presentation are such that indicate without a doubt that they are not for any other use than demonstrations or proof;
- (b) objects of common materials fixed over cards, supports or clearly presented as samples, according to trade uses;
- (c) raw materials and goods, as well as the surplus of those raw materials and goods that have been disabled for other use rather than demonstration, by laceration, perforation, marked permanently, or any other way that effectively prevent their commercialization; and
- (d) goods that cannot be subject to the conditions established in subparagraphs (a) through (c), consisting in:
 - (i) non consumer good, with no more than one (1) US dollar unit value, composed by unique specimens in each series or quality; and

- (ii) consumer goods with no more than one (1) US dollar unit value, including those composed totally or partially of specimens of the same type or quality, as long as the quantity and form of presentation exclude all possibility of commercialization; and

printed advertising materials: products classified in chapter 49 of the Harmonized System, including brochures, pamphlets, leaflets, trade catalogues, yearbooks published by trade associations, and tourist promotional materials and posters that are used to promote, publish, or advertise an originating good or service, and are supplied free of charges.

Article 3.02 Scope of Application

Except as otherwise provided in this Agreement, this Chapter applies to the trade in goods between the Parties.

Section B National Treatment

Article 3.03 National Treatment

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994, including its interpretative notes, and for that matter, the Article III of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement.
2. The provisions on paragraph 1 regarding the national treatment shall mean, with respect to a Party, including its departments, counties, or provinces, a treatment not less favourable than the most favourable treatment that this Party accords to any like, directly competitive, or substitutable goods of its national origin.
3. Paragraphs 1 and 2 shall not apply to the measures set out in Annex 3.03.

Section C Tariffs

Article 3.04 Tariff Reduction Schedule

1. Unless otherwise provided in this Agreement, no Party may increase any existing tariff rate nor adopt any new customs tariff on originating goods.
2. The Parties agree to establish the tariff reduction schedule in Annex 3.04 for the originating goods.
3. Except as otherwise provided in this Agreement each Party shall progressively eliminate its customs duties on goods in accordance with its schedules to Annex 3.04 and Annex 3.14.
4. Paragraphs 1 and 3 do not intend to impede a Party to create a new subheading duty, if the customs tariff applied for is not higher than the tariff applied to the fraction.
5. Paragraphs 1 and 3 of this Article are not intended to prevent a Party from maintaining or increasing a customs duty as may be authorized by any dispute settlement provision of the Dispute Settlement Agreement of the WTO.
6. Upon request by either Party, the Parties shall hold consultations to examine the possibility to improve the tariff treatment of each Party established in Annex 3.04. An agreement between the Parties of improving the tariff treatment of a good, shall prevail over any customs tariff or preference established in their schedules for that specific good, once approved by each Party in accordance with its applicable legal procedures.
7. Paragraph 1 of this Article does not prevent a Party from increasing a customs tariff to a level not higher than that established in Annex 3.04 if previously this customs tariff had been unilaterally reduced to a level lower than that established in Annex 3.04.
8. During the tariff reduction process, the Parties commit themselves to apply in their reciprocal trade of originating goods, the lowest customs tariff, obtained by comparing the

level established in accordance with its respective Tariff Reduction Schedule and the level in force according to Article I of GATT 1994.

Article 3.05 Temporary Admission of Goods

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:

- (a) professional equipment, including equipment for the press and television, broadcasting and cinematographic equipment, necessary for carrying out the business activities, trade, or profession of a business person who qualifies for temporary entry pursuant to the laws of the importing Party activities;
- (b) goods intended for display or demonstration;
- (c) commercial samples and advertising films and recordings; and
- (d) goods imported for sports purposes.

2. Each Party, shall, at the request of an interested person, and for reasons deemed valid by its customs authority, extend the time limit for temporary admission beyond the period initially fixed, pursuant to its domestic law.

3. No Party shall condition the duty-free temporary admission of goods referred to in paragraph 1, other than to require that such goods:

- (a) not be sold or leased in its territory;
- (b) be accompanied by a bond in an amount no greater than the duties and charges that would otherwise be owed on entry or final importation, reimbursable or releasable on exportation of the good;
- (c) be capable of identification when exported;

(d) be exported within such other period related to the purpose of the temporary admission as the Party may establish, or within one year, unless extended;

(e) be admitted in quantities no greater than is reasonable for their intended use; and

(f) be otherwise admissible into the territory of the Party under its domestic laws.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the goods plus penalties provided for under its domestic law.

5. Each Party, through its customs authority, shall adopt procedures providing for the expeditious release of goods admitted under this Article.

6. Each Party shall permit goods temporarily admitted under this Article to be exported through a customs port other than that through which they were admitted.

7. Each Party, through its customs authority, according to its domestic law, shall relieve the importer or other person responsible for the goods admitted under this Article from any liability for failing to export the goods, provided that satisfactory proof has been presented to customs authorities showing that the goods have been destroyed in accordance with the domestic laws of each Party within the given period or any lawful extension.

8. Subject to Chapters 10 (Investment) and 11(Cross-Border Trade in Services):

(a) each Party shall allow a container used in international transportation that enters its territory from the territory of the other Party to exit its territory on any route that is reasonably related to the cost effective and prompt departure of such container;

(b) neither Party shall require any bond or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a container;

(c) neither Party shall condition the release of any obligation, including any bond, that it

imposes in respect of the entry of a container into its territory on its exit through any particular port of departure; and

- (d) neither Party shall require that a carrier bringing a container from the territory of the other Party into its territory be the same carrier that takes such container to the territory of the other Party.

Article 3.06 Duty-Free Entries of Commercial Samples of Negligible Value and Printed Advertising Materials

Each Party shall grant duty-free entrance to commercial samples of negligible value and to printed advertising materials imported from the territory of the other Party, but may require that:

- (a) such samples be imported solely for the solicitation of orders for goods, or services provided from the territory, of another Party or a non-Party; or
- (b) such advertising materials be imported in packets that each contain no more than one copy of each such material and that neither such materials nor packets form part of a larger consignment.

Article 3.07 Customs Valuation

Upon the entry into force of this Agreement, the principles of customs valuation applied to trade between the Parties shall be that established in the Customs Valuation Agreement, including its annexes. Besides, the Parties shall not determine the customs value of the goods based on the officially established minimum value.

Section D Non-Tariff Measures

Article 3.08 Domestic Support

1. The Parties recognize that domestic support measures may be important to their agricultural sectors, but they may also distort trade and affect production. In this sense,

the Parties shall apply domestic support in accordance with the Agreement on Agriculture of the WTO, or its successors, and when a Party decides to support its agriculture producers it shall ensure, in accordance with the relevant legal instruments, that the benefits arising from those programs do not distort domestic trade of the other Party, nor diminish the opportunity of the goods of the other Party to access the market of the Party.

2. In order to ensure transparency, the Parties agree that the Committee on Trade in Goods established pursuant to Article 3.16 shall carry out ongoing and permanent analysis of the status of all domestic support measures, seeking to evaluate the accomplishment of the provisions under paragraph 1. Also, the Parties shall exchange information in a timely manner or, at the request of a Party may engage in consultations over this issue at any time.

Article 3.09 Agricultural Export Subsidies

The Parties agree not to adopt or maintain agricultural export subsidies on goods in their reciprocal trade since the entry into force of this Agreement.

Article 3.10 Import and Export Restrictions

1. The Parties agree to immediately eliminate non-tariff barriers, with the exception of rights of the Parties under Articles XX and XXI of GATT 1994, and those regulated in Chapter 8 (Sanitary and Phytosanitary Measures) and Chapter 9 (Measures on Standards, Metrology and Authorization Procedures).

2. Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any goods of the other Party or on the exportation or sale for export of any goods destined to the territory of the other Party, except in accordance with Article XI of GATT 1994, including its interpretative notes. To this end, Article XI of GATT 1994 and its interpretative notes, are incorporated into and form part of this Agreement.

3. The Parties reaffirm their rights and obligations under GATT 1994, that prohibit, under any circumstances any form of restrictions, export price requirements and, except as

permitted in the enforcement of countervailing and antidumping duty orders and undertakings, import price requirements, including minimum prices and reference prices.

4. In the event that a Party adopts or maintains a prohibition or restriction on the importation or exportation of originating goods from the other Party, if required, the former Party shall establish that the measure is in accordance with this Agreement and the WTO Agreements.

5. Paragraphs 1 through 3 shall not apply to the measures set out in Annex 3.03.

6. If a Party has state trading enterprises, said Party shall guarantee that their activities be carried out based solely on considerations of a commercial nature, such as prices, quality, availability, marketability, transportation and other conditions of purchase or sale. The Party shall accord to the trade of the other Party fair and equitable treatment, to avoid these activities becoming barriers to trade, in accordance with Article XVII of GATT 1994 including its interpretative notes, and to this end, this Article and its interpretative notes, are incorporated into and form part of this Agreement.

Article 3.11 Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII.1 of the GATT 1994 and its interpretative notes, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III.2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes.

2. No Party may require consular transactions, including related fees and charges, in connection with the importation of any good of another Party.

3. Each Party shall make available and maintain through the Internet a current list of the fees and charges it imposes in connection with importation or exportation.

Article 3.12 Country of Origin Marking

1. The Parties confirm their rights and obligations under Article IX of GATT 1994 and any successor agreement.

2. Each Party shall ensure that the establishment and implementation of their laws on country of origin marking does not have the purpose or effect of creating unnecessary barriers to trade between the Parties.

Article 3.13 Export Taxes

Except as provided in Annex 3.03, at the time of entry into force of this Agreement, neither Party shall adopt nor maintain any tax, duty or charge on the export of a good to the territory of the other Party.

Article 3.14 Special Safeguard Measures

1. The Parties may apply a Special Safeguard Measure (SSM) at any given time in a calendar year, for those goods included in Annex 3.14, whenever the percentage of the average imports of a good have exceeded the trigger levels established in Annex 3.14. The percentage shall be the average imports from the other Party to the average imports from the globe during the last three (3) years with importation, within the previous five (5) years.

2. The SSM application shall consist of a tariff increase to the level of the MFN customs tariff established either at the time of importation or the one referred on the base rate, whichever is lower.

3. The SSM application is not subject to any kind of compensation.

4. The SSM duration period shall be maintained until the end of the year.

5. The adopted SSM shall be effective on the day that said measure is published in the media designated by each Party's legislation, taking into account all relevant information that justifies its entry into force. The Party imposing the measure shall notify it to the other

Party at least thirty (30) days before its application.

6. Notwithstanding the application of the SSM, the Parties shall be able to hold consultations at any time in order to exchange information and try to reach mutually beneficial agreements.

7. Whenever new goods are incorporated into the Tariff Reduction Schedule included in Annex 3.04, the Parties shall be able to include them in Annex 3.14 in accordance to the national legislation.

8. The SSM shall not apply to the goods listed under the exclusion category or subject to a tariff quota system.

Article 3.15 Distinctive Products

The Parties shall conduct consultations in the Committee on Trade in Goods, about the recognition of distinctive products.

Article 3.16 Committee on Trade in Goods

1. The Parties hereby establish the Committee on Trade in Goods, which shall be composed as set out in Annex 3.16.

2. The Committee on Trade in Goods shall meet periodically, and by request of a Party or the Commission, to ensure the effective implementation and administration of this Chapter.

3. Without prejudice to the provisions of Article 14.05 (2) (Committees), the Committee shall have the following functions:

(a) supervise the implementation and administration of this Chapter referred in paragraph 2 of this Article by the Parties;

(b) at the request of either Party, review any proposed modification or addition;

- (c) make recommendation on modifications or additions to the Commission;
- (d) consider any other matter related to the implementation and administration of the Chapter referred in paragraph 2 of this Article;
- (e) recommend to the Commission the establishment of Sub-Committees or technical groups whenever it is appropriate; and
- (f) analyze, the status of all domestic support measures of the Parties, in an ongoing and permanent manner, as well as any other modifications of these measures, seeking to assess compliance with paragraph 1 of Article 3.08.

ANNEX 3.03

National Treatment and Import and Export Restrictions

A. Measures of the Republic of China (Taiwan)

1. Commodities subject to import prohibition

CCC Code	Description
0208.90.20ex	Meat of dogs, fresh, chilled or frozen
0303.79.99ex	Puffer fish, frozen
0305.30.90ex	Ball puffer fillets, dried, salted or in brine, but not smoked
0305.59.90ex	Puffer fish, dried
0602.90.10ex	Mushroom spawn, containing narcotics (the composition of which is as set forth in article 2.3 of Executive Yuan "Statute for Narcotics Hazard Control")
1207.99.20ex	Other Huo Ma Jen (Cannabis Fructus)
1404.90.99ex	Mushroom products, containing narcotics (the composition of which is as set forth in article 2.3 of Executive Yuan "Statute for Narcotics Hazard Control")
1604.19.90ex	Ball puffer fish, whole or in pieces, but not minced, prepared or preserved, frozen; Other ball puffer fish, whole or in pieces, but not minced, prepared or preserved
2710.19.51ex	Blending oils containing 70% or more by weight of petroleum products (containing polychlorobiphenyls)
2710.91.10	Oil, electric transformer, containing polychlorobiphenyls, polychlorinated naphthalene chloronaphthalen, polychlorinated terphenyls or hexachloro benzene, perchlorobenzene
2710.91.20	Condenser oil, electric, containing polychlorobiphenyls, polychlorinated naphthalene chloronaphthalen, polychlorinated terphenyls or hexachloro benzene, perchloro benzene
2710.91.90	Other oil containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)

2830.90.00ex	Trinickel disulfide
2903.14.00	Carbon tetrachloride
2903.19.10ex	1,1,1-Trichloroethane, Methyl Chloroform, C ₂ H ₃ Cl ₃
2903.41.	Trichlorofluoromethane
2903.42	Dichlorodifluoromethane
2903.43	Trichlorotrifluoroethane
2903.44	Dichlorotetrafluoroethane and Chloropentafluoroethane
2903.45.00ex	Chlorotrifluoromethane (CFC-13) ; Pentachlorofluoroethane (CFC-111) ; Tetrachlorodifluoroethane (CFC-112) ; Heptachlorofluoropropane (CFC-211) ; Hexachlorodifluoropropane (CFC-212) ; Pentachlorotrifluoropropane (CFC-213) ; Tetrachlorotetrafluoropropane (CFC-214) ; Trichloropentafluoropropane (CFC-215) ; Dichlorohexafluoropropane (CFC-216) ; Chloroheptafluoropropane (CFC-217)
2903.46	Bromochlorodifluoromethane, bromotrifluoromethane and dibromotetrafluoroethanes
2903.49.00ex	1,2-Dibromo-3-Chloropropane (DBCP)
2903.51.	1, 2, 3, 4, 5, 6-Hexachlorocyclohexane
2903.62.10	Hexachlorobenzene
2903.62.20	Ddt [1,1,1-trichloro-2,2-bis (p-chlorophenyl ethane)]
2904.20.00ex	P-nitrobiphenyl
2908.10.10	Pentachlorophenol (PCP) and its salts
2908.10.90ex	2,4,5-trichlorophenol
2909.19.90ex	Dichloromethyl ether ; Chloromethyl methyl ether
2921.44.00ex	4-amino diphenyl ; 4-amino diphenyl hcl
2921.45.00ex	2-naphthylamine (beta-naphthylamine) ; 2-naphthylamine (beta-naphthylamine) acetate ; 2-naphthylamine (beta-naphthylamine) hcl
2929.90.00ex	Alpha-bromobenzyl cyanide (benzeneacetonitrile, bromo)
2931.00.30	Organo-mercury compounds

3301.90.11ex	Extracted oleoresins of opium
3403.19.90ex	Lubricating preparations, containing polychlorinated biphenyls, polychlorinated naphthalene, chloronaphthalene, polychlorinated terphenyls or hexachloro benzene, perchlorobenzene, (as basic constituents,70% or more by weight of petroleum oils or of oils obtained from bituminous minerals are classified in heading No. 2710)
3404.90.90ex	Waxes composed of polychloro-biphenyls or polychloronaphthalenes
3813.00.00ex	Preparations and charges for fire-extinguishers, containing bromotrifluoromethane (halon-1301), bromochlorodifluoromethane (halon-1211)or dibromotetrafluoroethane (halon-2402)
3824.90.23ex	Condenser oil not of mineral oil origin, (containing polychlorinated biphenyls, polychlorinated naphthalene, chloronaphthalene, polychlorinated terphenyls or hexachloro benzene, perchlorobenzene) ;
3824.90.99ex	Polychlorobiphenyls
8112.92.21	Insulated copper, aluminum wire scrap
8112.92.22	Other Mixed metal scrap
8424.10.00ex	Fire-extinguishers, containing bromotrifluoromethane (halon-1301), bromochlorodifluoromethane (halon-1211)or dibromotetrafluoroethane (halon-2402)
8548.10.10	Waste lead-acid accumulators and spent lead-acid accumulators

2. Commodities subject to export prohibition

CCC Code	Description
0208.90.20ex	Meat of dogs, fresh, chilled or frozen
0301.91.00	Live trout (Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarki, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster)
0302.11.00	Trout (Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarki, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster), fresh or chilled

0302.12.10	Pacific salmon (<i>Oncorhynchus nerka</i> , <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , <i>Oncorhynchus tshawytscha</i> , <i>Oncorhynchus kisutch</i> , <i>Oncorhynchus masou</i> and <i>Oncorhynchus rhodurus</i>), fresh or chilled
0302.12.20	Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>), fresh or chilled
0302.19.00	Other salmonidae, fresh or chilled
0303.11.00	Sockeye salmon (red salmon) (<i>Oncorhynchus nerka</i>), frozen, excluding livers and roes
0303.19.00	Other pacific salmon (<i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , <i>Oncorhynchus tshawytscha</i> , <i>Oncorhynchus kisutch</i> , <i>Oncorhynchus masou</i> and <i>Oncorhynchus rhodurus</i>), frozen, excluding livers and roes
0303.21.00	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>), frozen
0303.22.00	Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>), frozen
0303.29.00	Other salmonidae, frozen
0304.10.50	Trout fillets and its meat (whether or not minced), fresh or chilled
0304.10.90ex	Salmon fillets and its meat (whether or not minced), fresh or chilled
0304.20.20ex	Salmon fillets, frozen
0304.20.30	Trouts, fillets, frozen
0305.30.90ex	Salmon and trouts fillets, dried, salted or in brine, but not smoked
0305.41.00	Pacific salmon (<i>Oncorhynchus nerka</i> , <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , <i>Oncorhynchus tshawytscha</i> , <i>Oncorhynchus kisutch</i> , <i>Oncorhynchus masou</i> and <i>Oncorhynchus rhodurus</i>), Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>), smoked
0305.49.30	Trout, smoked
0305.69.10	Fish, salmon, salted or in brine
0602.90.10ex	Mushroom spawn, containing narcotics (the composition of

	which is as set forth in article 2.3 of Executive Yuan "Statute for Narcotics Hazard Control")
1211.90.60	Putchuck, new (Radix Saussureae)
1211.90.91ex	Guang Fang Jee (Radix Aristolochiae Fangchi), Guan Mu Tong (Caulis Aristolochiae Manshuriensis), Mar Doe Ling (Fructus Aristolochiae), Ten Shen Tirng (Caulis Aristolochiae)
1404.90.99ex	Mushroom products, containing narcotics (the composition of which is as set forth in article 2.3 of Executive Yuan "Statute for Narcotics Hazard Control".)
1604.11.00	Salmon, whole or in piece, but not minced, prepared or preserved, frozen ; Salmon, whole or in pieces, but not minced, prepared or preserved, canned ; Other salmon, whole or in pieces, but not minced, prepared or preserved.
1604.19.90ex	Trouts, whole or in pieces, but not minced, prepared or preserved, frozen ; Trouts, whole or in pieces, but not minced, prepared or preserved, canned ; Other trouts, whole or in pieces, but not minced, prepared or preserved
2903.51.00	1, 2, 3, 4, 5, 6-Hexachlorocyclohexane
2921.44.00ex	4-amino diphenyl ; 4-amino diphenyl hcl
2921.45.00ex	2-naphthylamine (beta-naphthylamine) ; 2-naphthylamine (beta-naphthylamine) acetate ; 2-naphthylamine (beta-naphthylamine) hcl
8710.00.00	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons ; Parts of tanks and other armoured fighting vehicles, motorized
8906.10.00	Warships
9301.11.00	Self-propelled, artillery weapons
9301.19.00	Other artillery weapons
9301.20.00	Rocket launchers; flame-throwers; grenade launchers; torpedo tubes and similar projectors
9301.90.00	Other military weapons
9705.00.00ex	Collections and collectors' pieces of weapon ; Other collections and collectors pieces of zoological, botanical, mineralogical,

	anatomical, historical, archaeological, palaeontological, ethnographic or numismatic interest
9706.00.00ex	Other antiques of an age exceeding one hundred years

B. Measures of the Republic of El Salvador

Articles 3.03 and 3.10 shall not apply to:

- (a) controls on the importation of weapons and ammunition, parts, and accessories included in Harmonized System chapter 93, pursuant to Ley de control y Regulacion de armas, municiones, explosivos y articulos similares, Decree No. 655 of July 26, 1999 and its amendment pursuant to Decree No. 1035 of November 13, 2002;
- (b) controls on the importation of motor vehicles older than eight years, and on buses and trucks older than fifteen years, pursuant to Article 1 of , Decree No. 357 of April 6, 2001, Reformas al articulo 34 de la Ley de Transporte Terrestre, Transito y Seguridad Vial;
- (c) controls on the importation of sacks and bags made out of jute and other similar textile fibers in subheading 6305.10 pursuant to Article 1 of Decree No. 1097 of July 10, 1953;
- (d) controls on the importation of the products pursuant to the Legislative Decree No. 647 of December 6, 1990 and its amendments;
- (e) controls on the exportation of smelting wastes, wastes and scrap of steel, iron, copper, nickel, aluminium, lead, zinc and tin; and
- (f) actions authorized by the Dispute Settlement Body of the WTO.

C. Measures of the Republic of Honduras

Articles 3.03 and 3.10 shall not apply to:

- (a) controls on the exportation of wood from broadleaved forests, pursuant to Decree No. 323-98 of December 29, 1998, creation of the *Programa Nacional de Reforestacion Forestal y Ambiente*;
- (b) controls on the importation of weapons and ammunitions, pursuant to Article 292 of Decree No. 131 of January 11, 1982, *Constitución de la República de Honduras*;
- (c) controls on the importation of motor vehicles older than seven years and buses older than ten years, pursuant to Article 7 of Decree No. 194-2002 of May 15, 2002, *Ley del Equilibrio Financiero y Social*;
- (d) sanitary measures for prohibition and use of products with included asbestos in the Republic of Honduras, pursuant to *Acuerdo No. 32-94 of January 16 , 2004*;
- (e) controls on the importation of all oil and derivate products, the executive power by means of the Comisión Administradora del Petróleo (CAP) is authorized exclusively to contract directly the purchasing and selling of crude, reconstructed or refined oil and their derivatives in the international market pursuant to Decreto Legislativo No 94 of April 28, 1983; Article 2 and Article 5 pursuant to Decreto PCM-30-2006;
- (f) controls on the importation and usage of substances that deplete the ozone layer pursuant to the Acuerdo 907-2002 of October 15, 2002; and
- (g) actions authorized by the Dispute Settlement Body of the WTO.

ANNEX 3.04

TARIFF REDUCTION SCHEDULE

1. Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the reduction of customs duties by each Party:

- (a) duties on originating goods provided for in the items in staging category "A" in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free as the Agreement enters into force;
- (b) duties on originating goods provided for in the items in staging category "B" in a Party's Schedule shall be removed in five (5) equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year five (5);
- (c) duties on originating goods provided for in the items in staging category "C" in a Party's Schedule shall be removed in ten (10) equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year ten (10);
- (d) duties on originating goods provided for in the items in staging category "C-" will remain at the base rate during years one (1) through five (5). Beginning on January 1st of year six (6), such tariff lines shall be removed in five (5) equal annual stages, and such goods shall be duty-free, effective January 1 of year ten (10);
- (e) duties on originating goods provided for in the items in staging category "D" in a Party's Schedule shall be removed in fifteen (15) equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year fifteen (15);
- (f) duties on originating goods provided for in the items in staging category "D-" will remain at the base rate during years one (1) through ten (10). Beginning on January 1st of year eleven (11), such tariff lines shall be removed in five (5) equal annual stages, and such goods shall be duty-free, effective January 1 of year fifteen (15);
- (g) duties on originating goods provided for in the items in staging category "E" in a Party's Schedule shall be deemed as sensitive and free from any reduction commitment;
- (h) duties on originating goods provided for in the items in staging category "F" in a Party's Schedule shall be reduced by twenty percent (20%) from the base rate beginning on the date this Agreement enters into force and afterward the said

reduced duties will remain at that level and without any further reduction; and

- (i) duties on originating goods provided for in the items in staging category “G” in a Party’s Schedule shall remain at base rates for years one (1) through ten (10). Beginning January 1 of year eleven (11), duties shall be removed in ten equal annual stages, and such goods shall be duty-free effective January 1 of year twenty (20).

2. The goods included in the tariff lines marked “Q” in the staging column are described below:

- (a) the Republic of China (Taiwan) shall implement a duty-free (0%) quota for sugar originating from the Republic of El Salvador or from the Republic of Honduras for the tariff lines set below. For the sugar included in the duty-free (0%) quota, the Republic of China (Taiwan) will require the Certificate of Origin and Tariff Quota Certificate (TQC) issued by the Republic of El Salvador or by the Republic of Honduras, depending on the origin of the sugar;
- (b) for year one, the quota level will be set at 35,000 metric tons for the Republic of El Salvador and 35,000 metric tons for the Republic of Honduras. For year two the quota level will be set at 50,000 metric tons for the Republic of El Salvador and 50,000 metric tons for the Republic of Honduras. For year three and next years the quota level will be set at 60,000 metric tons for the Republic of El Salvador and 60,000 metric tons for the Republic of Honduras. The use of quota quantity shall be based on free market mechanism;
- (c) the quota will have a limit of 5,000 metric tons of refined sugar each for the Republic of El Salvador and for the Republic of Honduras, to be exported from the aforementioned countries to the Republic of China (Taiwan), every year. However the Republic of El Salvador or the Republic of Honduras may choose to export raw sugar instead of refined sugar, up to 100% of the total quota;
- (d) the relevant tariff lines for raw sugar and refined sugar are set out below:

Goods	Tariff lines of the Republic of China (Taiwan)
Raw sugar	1701.11.00
	1701.91.10
Refined sugar	1701.91.20
	1701.99.10
	1701.99.20
	1701.99.90

In case the Republic of China (Taiwan) includes a new tariff line for raw or refined sugar, this tariff code will be automatically included in this list; and

- (e) the sugar quota administration shall only require a Certificate of Origin and a Tariff Quota Certificate (TQC), which will be provided by the Consejo Salvadoreño de la Agroindustria Azucarera (CONSAA) of the Republic of El Salvador; and the Secretaría de Estado en los Despachos de Industria y Comercio of the Republic of Honduras, according to the exporting country.

3. Additional requirements for beef import under preferential treatment:

The Republic of China (Taiwan) shall require the government authority of the Republic of Honduras to issue certificate including the following information:

- (a) serial number of cattle;
- (b) farm in which cattle were born;
- (c) feeding farm before slaughter; and
- (d) slaughterhouse.

The said beefs are including goods classified under tariff classification 0202.10.10, 0202.10.90, and 0202.30.90.

4. The base rate, which shall be the Most-Favored-Nation (MFN) rate in effect January 1, 2006 for the Republic of China (Taiwan) and July 1, 2006 for the Republic of El Salvador and the Republic of Honduras, of the Imported Tariff Schedule of the respective Party, 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.

5. For the purpose of the elimination of customs duties, 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 0.1 of the official monetary unit of the Party.

6. For purposes of this Annex and a Party's Schedule, year one (1) means the year the Agreement enters into force as provided in Article 18.03 (Entry into Force).

7. For purposes of this Annex and a Party's Schedule, beginning in year two (2), each annual stage of tariff reduction shall take effect on January 1 of the following years.

ANNEX 3.14

Goods Subject to the Special Safeguard Measure (SSM)

A. Measures established by the Republic of China (Taiwan)

HS	Description	Trigger Levels (Imports percentage)
0409.00.00	Natural honey	15%
0602.90.99	Other live plants	15%
0805.50.10	Lemons and limes, fresh or dried (imported from 1st January to 30th September each year)	15%
0805.50.90	Other lemons and limes , fresh or dried	15%
1905.90.60	Ships' biscuits	15%
2008.99.30	Mangoes, otherwise prepared or preserved	10%
2009.41.22	Pineapple juice , unfermented and not containing added spirit , concentrated , of a Brix value not exceeding 20 , in a package less than 18 kg	20%
2009.71.22	Apple juice , unfermented and not containing added spirit , concentrated , of a Brix value not exceeding 20 , in a package less than 18 kg	20%
2009.80.10	Mango juices	10%
2009.80.20	Coconut juice	15%
2009.80.91	Juice of any other single fruit or vegetable, nature, unfermented and not containing added spirit	15%

B. Measures established by the Republic of El Salvador

SAC	Description*	Trigger Levels (Imports percentage)
0304.20.90	- - Other (Frozen fillets)	15%
0306.13.11	- - - - Cultivated (Shrimps and prawns)	10%

0306.13.19	- - - - Other (Shrimps and prawns)	10%
0306.13.90	- - - Other (Shrimps and prawns)	10%
0706.10.00	- Carrots and turnips	10%
0706.90.00	- Other	10%
0710.90.00	- Mixtures of vegetables	10%
0804.50.10	- - Mangoes	8%
0804.50.20	- - Guavas and mangosteens	10%
0807.20.00	- Papaws (papayas)	8%
0810.90.90	- - Other	15%
1108.19.00	- - Other starches	15%
1806.32.00	- - Not filled	15%
2004.90.00	- Other vegetables and mixtures of vegetables (frozen)	15%
2005.90.00	- Other vegetables and mixtures of vegetables (not frozen)	8%
2008.99.00	- - Other	10%
2009.80.90	- - Other	8%
2103.10.00	- Soya sauce	15%
2106.90.90	- -Other(Food preparations)	8%

*: Non exhaustive Descriptions.

C. Measures established by the Republic of Honduras

SAC	Description*	Trigger Levels (Imports percentage)
0710.90.00	- Mixtures of vegetables	10%
1806.32.00	- - Not filled	15%
2004.90.00	- Other vegetables and mixtures of vegetables (frozen)	15%
2005.90.00	- Other vegetables and mixtures of vegetables (not frozen)	8%
2007.91.00	- - Citrus fruit	15%

2007.99.90	- - - Other	15%
2008.99.00	- - Other	10%
2009.80.90	- - Other	8%
2103.10.00	- Soya sauce	15%
2106.90.20	- - Powders for table creams, jellies, ice creams and similar preparations, whether or not sweetened	15%
2106.90.90	- -Other(Food preparations)	8%

*: Non exhaustive Descriptions.

ANNEX 3.16

Committee on Trade in Goods

The Committee on Trade in Goods under Article 3.16 shall be composed of:

- (a) in the case of the Republic of China (Taiwan), the Ministry of Economic Affairs, represented by the Bureau of Foreign Trade, or its successor;
- (b) in the case of El Salvador, the Ministerio de Economía, or its successor; and
- (c) in the case of Honduras, the Secretaría de Estado en los Despachos de Industria y Comercio, or its successor.