

ANNEX 2A
TARIFF COMMITMENTS

SECTION 2A
TARIFF SCHEDULE OF AUSTRALIA

PART 2A-1
NOTES FOR SCHEDULE OF AUSTRALIA

1. The provisions of this Section are generally expressed in terms of the corresponding items in Schedule 3 to the *Customs Tariff Act 1995* (Cth) ("Tariff Act"), and the interpretation of the provisions of this Section, including the product coverage of subheadings of this Section, shall be governed by the Tariff Act. To the extent that provisions of this Section are identical to the corresponding provisions of the Tariff Act, the provisions of this Section shall have the same meaning as the corresponding provisions of the Tariff Act.
2. Unless otherwise provided for in this Section, for the purposes of the elimination or reduction of customs duties in accordance with this Section, in the case of *ad valorem* duties any fraction less than 0.1 of a percentage point shall be rounded to the nearest one decimal place (in the case of 0.05 per cent, the fraction is rounded to 0.1 per cent), and in the case of specific duties any fraction smaller than 0.01 of one Australian dollar shall be rounded to the nearest two decimal places (in the case of 0.005, the fraction is rounded to 0.01).
3. The base rate of customs duty and staging category for an item are indicated in Part 2A-2 (Schedule of Tariff Commitments of Australia).
4. Unless otherwise provided in this Section, for the purposes of this Section, the term "year" means, with respect to the first year, the period from the date of entry into force of this Agreement until 31 December of the same year and, with respect to each subsequent year, the twelve-month period which starts on 1 January of that year.
5. For the purposes of implementing equal annual instalments, the annual instalments shall take place on the first day of each year (for the avoidance of doubt, for the first year the annual instalment will take place on the date of entry into force of this Agreement).
6. The following staging categories shall apply to the elimination of customs duties by Australia pursuant to Article 2.3 of Chapter 2 (Elimination or Reduction of Customs Duties – Trade in Goods):
 - (a) customs duties on originating goods provided for in the items in staging category 'A' shall be eliminated on the date this Agreement enters into force;
 - (b) customs duties on originating goods provided for in the items in staging category 'B5' shall be removed in five equal annual

instalments beginning on the date of entry into force of this Agreement, and such goods shall be free of customs duty from 1 January of year five.