

Section B: Tariff Schedule of New Zealand

1. Relation to the *New Zealand Tariff Act 1988*. The items set forth in Section B of this Annex are generally expressed in terms of the corresponding items as described in Section 9B(2) of the *New Zealand Tariff Act 1988* (hereinafter referred to as the “Tariff Act”) and the interpretation of the items in Section B of this Annex, including the product coverage of subheadings in Section B of this Annex, shall be governed by the Tariff Act. To the extent that the items set forth in Section B of this Annex are identical to the corresponding items as described in Section 9B(2) of the Tariff Act, the items in Section B of this Annex shall have the same meaning as the corresponding items in the Tariff Act.
2. Base Rates of Customs Duty. The base rates of customs duty set out in this Schedule reflect the New Zealand Customs Duty MFN rates of duty in effect on 1 January 2009.
3. Staging. The following staging categories apply to the elimination of customs duties by New Zealand pursuant to Article 2.4.2:
 - (a) customs duties on originating goods provided for in the items in staging category “0” shall be eliminated entirely and such goods shall be free of customs duty on the date of entry into force of this Agreement;
 - (b) customs duties on originating goods provided for in the items in staging category “3” shall be removed in three equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of customs duty, effective 1 January of year three;
 - (c) customs duties on originating goods provided for in the items in staging category “5” shall be removed in five equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of customs duty, effective 1 January of year five; and
 - (d) customs duties on originating goods provided for in the items in staging category “7” shall be removed in seven equal annual stages beginning on the date of entry into force of this Agreement, and such goods shall be free of customs duty, effective 1 January of year seven.
4. The base rate of customs duty and staging category for an item are indicated in New Zealand’s Schedule.
5. 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 New Zealand dollar.
6. For the purposes of this Schedule, “year one” means the year of entry into force of this Agreement.

7. For the purposes of this Schedule, beginning in year two, each annual stage of tariff reduction shall take effect on 1 January of the relevant year.