

Annex 2-1
Schedules of Tariff Commitments

Explanatory Notes

1. The tariff lines subject to tariff reduction and/or elimination under this Annex are categorised as follows:

(a) Normal Track

- (i) Applied MFN tariff rates for tariff lines placed in the Normal Track will be reduced and subsequently eliminated in accordance with the following tariff reduction and elimination schedule:

(AA) Normal Track 1: 1 July 2011 to 30 September 2013;

(BB) Normal Track 2: 1 July 2011 to 30 June 2016

- (ii) Where the applied MFN tariff rates are at 0 per cent, they shall remain at 0 per cent. Where they have been reduced to 0 per cent, they shall remain at 0 per cent. No Party shall be permitted to increase the tariff rates for any tariff line, except as otherwise provided in this Agreement.

(b) Sensitive Track

Applied MFN tariff rates above five per cent for tariff lines in the Sensitive Track will be reduced to five per cent by 30 June 2016.

(c) Special Products

- (i) Special Products refer to India's crude palm oil (CPO), refined palm oil (RPO), palm kernel oil, palm kernel oil and its fractions, margarine of vegetable origin (edible grade), coffee, black tea and pepper.

- (ii) Applied MFN tariff rates for the Special Products will be reduced in accordance with the following tariff reduction schedules:

Tariff Line	Base Rate	MICECA Preferential Tariffs									
		EIF*	Not Later than								
			1.1. 2012	1.1. 2013	1.1. 2014	1.1. 2015	1.1. 2016	1.1. 2017	1.1. 2018	31.12. 2018	31.12. 2019
CPO	80	72	68	64	60	56	52	48	44	40	37.5
RPO	90	82	78	74	70	66	62	58	54	45	45
Coffee	100	90	85	80	75	70	65	60	55	50	45
Black Tea	100	90	85	80	75	70	65	60	55	50	45
Pepper	70	66	64	62	60	58	56	54	52	51	50
palm kernel oil	100	94	88	82	76	70	64	58	52	45	45
palm kernel oil and its fractions	100	94	88	82	76	70	64	58	52	45	45
margarine of vegetable origin (edible grade)	80	76	72	68	64	60	56	52	48	45	45
*EIF: Entry Into Force of this Agreement											

- (iii) Any better offers made by India to other competing oils or fats shall also be duly offered to palm products.

- (iv) If the applied MFN tariff rate for CPO and RPO is lower than the preferential tariff under this Agreement, the lower applied rate shall prevail.

(d) Highly Sensitive Lists

Tariff lines placed by the Parties in the Highly Sensitive List are classified into three categories, i.e.:

- (i) Category 1: reduction of applied MFN tariff rates to 50 per cent;
 - (ii) Category 2: reduction of applied MFN tariff rates by 50 per cent; and
 - (iii) Category 3: reduction of applied MFN tariff rates by 25 per cent,
- and such tariff reduction shall be achieved by 31 December 2018.

(e) Special Track

Malaysia

- (i) The tariff will be reduced for the following items as per the Schedule indicated in the table below:

Products	Base Rate	1.7. 2011	1.1. 2012	1.1. 2013	1.1. 2014	1.1. 2015	31.12. 2015	1.1. 2016	31.12. 2016
Basmati Rice	40	30	28	26	24	22	20	20	20
Motorcycle CBU new (8711 20 921)	30	27	24	21	18	15	15	12	10

- (ii) The in-quota and out-quota tariff rate for the items set out in the table below will be as follows:

NO	HS 9 (HS2007)	DESCRIPTION	MFN RATES	SPECIFIC ANNUAL* QUOTA FOR INDIA (EIF)** (UNIT)	IN-QUOTA RATE	OUT-QUOTA RATE
1	040700111	hens' eggs	In-quota rate – 10% Out-quota rate – 50%	1,000,000	0%	10%
2	040700112	ducks' eggs	In-quota rate – 10% Out-quota rate – 50%	500,000	0%	10%
3	040700910	hens' eggs	In-quota rate – 10% Out-quota rate – 50%	1,000,000	0%	10%

4	040700920	ducks' eggs	In-quota rate – 10% Out-quota rate – 50%	500,000	0%	10%
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* Note; Annual means one calendar year (1 January – 31 December)

**Note: Entry into force

India

The tariff will be reduced for the following items as per the Schedule indicated in the table below:

Products	Base Rate	1.7. 2011	1.1. 2012	1.1. 2013	1.1. 2014	1.1. 2015	31.12. 2015	1.1. 2016	30.6. 2016	31.12. 2016
Pineapples (0804.30.00)	30	27	24	21	18	15	15	12	12	10
Of the species <i>gallus domesticus</i> and ducks for hatching (0407.00.10)	30	15	10	10	10	10	10	10	5	5
Of the species <i>gallus domesticus</i> and ducks for hatching (0407.00.20)	30	15	10	10	10	10	10	10	5	5
Other (0407.00.90)	30	15	10	10	10	10	10	10	5	5

(f) Exclusion List

Exclusion Lists shall be subject to an annual tariff review with a view to improving market access.

2. No applied tariff among the Parties shall exceed the rates scheduled in this Agreement. However, if the applied MFN tariff rate is lower than the scheduled rate, it shall be applied to the other Party.

3. For tariff lines subject to specific tariff rates, tariff reduction and/or elimination are in accordance with the modality and timeframes of the category within which such tariff lines are placed. The proportion of tariff reduction for these tariff lines is equal to the average margin of tariff reduction of the tariff lines with *ad-valorem* tariff rates that are subject to tariff reduction in the same year.

4. Notwithstanding the Schedules in this Annex, nothing in this Agreement shall prevent any Party from unilaterally transferring any of the products or tariff lines in the Highly Sensitive or Special Product Lists to the Sensitive Track or Normal Track, or tariff lines in the Sensitive Track to the Normal Track.

5. The tariff rates specified in the Schedules in this Annex set out only the level of the preferential tariff rates to be applied by each Party for the tariff lines concerned in the specified year of implementation and do not prevent any Party from unilaterally accelerating its tariff reduction or elimination at any time.

Schedule of Tariff Commitments

India

Schedule of Tariff Commitments

Malaysia