ANNEX 1

SCHEDULES OF TARIFF COMMITMENTS
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General Notes

1. For the purposes of this Annex:

   (a) “HS Code” and “Description” refers to the relevant national tariff line of a Party and its corresponding description as they existed in that Party’s national tariff schedule as of 1 January 2005; and

   (b) “Base Rate” refers to the applied most-favoured-nation (MFN) rates of duty in effect on 1 January 2005 in the Customs Tariff schedules of each of the Parties and, for non-WTO Parties, the rates of duty applied to Australia and New Zealand on 1 January 2005.

2. Entry into force of this Agreement shall refer to the date of entry into force of this Agreement pursuant to Article 7.1 and 7.2 (Entry into Force) of Chapter 18 (Final Provisions).

3. For the purposes of implementing reduction and/or elimination of customs duties, the first reduction shall take place on the date of entry into force of this Agreement, and subsequent reductions shall take place on 1 January of each following year.

4. Irrespective of the year of entry into force of this Agreement, the initial reduction or elimination of customs duties shall be implemented at the level of reduction or elimination specified for that year in the schedules of tariff commitments in this Annex.

5. For a Party for which this Agreement enters into force at a later date than provided for in Article 7.1 and 7.2 (Entry into Force) of Chapter 18 (Final Provisions), the initial reduction or elimination of customs duties shall be implemented at the level specified in that Party’s schedule of tariff commitments for the year in which the Agreement enters into force for that Party.
6. Issues arising from implementation of changes to the HS Code shall be dealt with in accordance with procedures adopted by the FTA Joint Committee established pursuant to Article 1 (FTA Joint Committee) of Chapter 16 (Institutional Provisions).