

CHAPTER TWO
NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

ARTICLE 2.1: SCOPE

Except as otherwise provided in this Agreement, this Chapter shall apply to trade in goods of a Party.

SECTION A: NATIONAL TREATMENT

ARTICLE 2.2: NATIONAL TREATMENT

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, and to this end Article III of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. For greater certainty, the treatment to be accorded by a Party under paragraph 1 means, with respect to a sub-central level of government or authority, treatment no less favorable than the most favorable treatment that a sub-central level of government or authority accords to any like, directly competitive, or substitutable goods, as the case may be, of the Party.
3. Paragraphs 1 and 2 shall not apply to the measures set out in Annex 2.2.

SECTION B: ELIMINATION OF CUSTOMS DUTIES

ARTICLE 2.3: ELIMINATION OF CUSTOMS DUTIES

1. Except as otherwise provided in this Agreement, neither Party shall increase any existing customs duty, or adopt any new customs duty, on an originating good.
2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on originating goods, in accordance with its Schedule to Annex 2-A.
3. If at any moment after the date of entry into force of this Agreement a Party reduces its applied most favored nation (hereinafter referred to as “MFN”) customs duty, such customs duty shall apply only if it is lower than the customs duty calculated in accordance with its Schedule to Annex 2-A.
4. On request of either Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in their Schedules to Annex 2-A. An agreement by the Parties to accelerate the elimination of a customs duty on a good shall supersede any duty rate

or staging category determined pursuant to their Schedules to Annex 2-A for that good when approved by each Party in accordance with its applicable legal procedures.

5. For greater certainty, a Party may:

- (a) raise a customs duty to the level established in its Schedule to Annex 2-A following a unilateral reduction; or
- (b) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

6. Either Party may adopt or maintain import measures to allocate in-quota imports made pursuant to a tariff rate quota set out in Appendix 2-A-1, provided that such measures do not have trade restrictive effects on imports additional to those caused by the imposition of the tariff rate quota.

SECTION C: SPECIAL REGIMES

ARTICLE 2.4: WAIVER OF CUSTOMS DUTIES

1. Neither Party shall adopt any new waiver of customs duties, or expand with respect to existing recipients or extend to any new recipient the application of an existing waiver of customs duties, where the waiver is conditioned, explicitly or implicitly, on the fulfillment of a performance requirement.

2. Neither Party shall, explicitly or implicitly, condition on the fulfillment of a performance requirement the continuation of any existing waiver of customs duties.

ARTICLE 2.5: 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 or television, software, and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;
- (b) goods intended for display or demonstration;
- (c) commercial samples and advertising films and recordings; and
- (d) goods admitted for sports purposes.

2. Each Party shall, at the request of the person concerned and for reasons its customs authority considers valid, extend the time limit for temporary admission beyond the period initially fixed.

3. Neither Party shall condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that the good:

- (a) be used solely by or under the personal supervision of a national or resident of the other Party in the exercise of business, trade, profession, or sport activities of that person;
- (b) not be sold or leased while in its territory;
- (c) be accompanied by a security in an amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;
- (d) be capable of identification when exported;
- (e) be exported on or before the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within one year, unless extended;
- (f) be admitted in no greater quantity than is reasonable for its intended use; and
- (g) be otherwise admissible into the Party's territory under its law.

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 good plus any other charges or penalties provided for under its law.

5. Each Party shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that, when such a good accompanies a national or resident of the other Party who is seeking temporary entry, the good shall be released simultaneously with the entry of that national or resident.

6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted.

7. Each Party shall provide that its customs authority or other competent authority relieves the importer or another person responsible for a good admitted under this Article of any liability for failure to export the good on presentation of satisfactory proof to the customs authority of the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension.

8. Neither Party shall:

- (a) prevent a vehicle or container used in international traffic that enters its territory from the territory of the other Party from exiting its territory on any route that is reasonably related to the economic and prompt departure of such vehicle or container;
- (b) require any security 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) condition the release of any obligation, including any security, 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) require that the carrier bringing a container from the territory of the other Party into its territory be the same carrier that takes the container to the territory of the other Party.

ARTICLE 2.6: GOODS RE-ENTERED AFTER REPAIR OR ALTERATION

1. Neither Party shall apply a customs duty to a good, regardless of its origin, that re-enters its territory after that good has been temporarily exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repair or alteration:

- (a) could be performed in the territory of the Party from which the good was exported for repair or alteration; or
- (b) has increased the value of the good.

2. Neither Party shall apply a customs duty to a good, regardless of its origin, admitted temporarily from the territory of the other Party for repair or alteration.

3. For purposes of this Article, “repair or alteration” does not include an operation or process that:

- (a) destroys the essential characteristics of a good or creates a new or commercially different good; or
- (b) transforms an unfinished good into a finished good.

ARTICLE 2.7: DUTY-FREE ENTRY OF COMMERCIAL SAMPLES OF NEGLIGIBLE VALUE AND PRINTED ADVERTISING MATERIALS

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

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

SECTION D: NON-TARIFF MEASURES

ARTICLE 2.8: IMPORT AND EXPORT RESTRICTIONS

1. Except as otherwise provided in this Agreement, neither Party shall adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes, and to this end Article XI of the GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.
2. Paragraph 1 shall not apply to the measures set out in Annex 2.2.
3. The Parties understand that the GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:
 - (a) export and import price requirements, except as permitted in enforcement of countervailing and anti-dumping duty orders and undertakings;
 - (b) import licensing conditioned on the fulfillment of a performance requirement; or
 - (c) voluntary export restraints inconsistent with Article VI of the GATT 1994, as implemented under Article 18 of the SCM Agreement and Article 8.1 of the AD Agreement.
4. Neither Party shall, as a condition for engaging in importation or for the import of a good, require a person of the other Party to establish or maintain a contractual or other relationship with a distributor in its territory.
5. Nothing in paragraph 4, prevents a Party from requiring the designation of an agent for the purpose of facilitating communications between the regulatory authorities of the Party and a person of the other Party.
6. For purposes of paragraph 4, **distributor** means a person of a Party who is responsible for the commercial distribution, agency, concession, or representation in the territory of that Party of goods of the other Party.

ARTICLE 2.9: IMPORT LICENSING

1. Neither Party shall adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.
2.
 - (a) Promptly after this Agreement enters into force, each Party shall notify the other Party of its existing import licensing procedures, if any. The notification shall:
 - (i) include the information specified in Article 5 of the Import Licensing Agreement; and
 - (ii) be without prejudice as to whether the import licensing procedure is consistent with this Agreement.
 - (b) Before applying any new or modified import licensing procedure, a Party shall publish the new procedure or modification on an official government Internet site or in a single official journal. To the extent possible, the Party shall do so at least 20 days before the new procedure or modification takes effect.
3. Neither Party shall apply an import licensing procedure to a good of the other Party unless it has provided notification in accordance with paragraph 2.

ARTICLE 2.10: ADMINISTRATIVE FEES AND FORMALITIES

1. Each Party shall ensure that all fees and charges imposed in connection with importation and exportation shall be consistent with their obligations under Article VIII:1 of the GATT 1994 and its interpretive notes, which are hereby incorporated into and made a part of this Agreement, *mutatis mutandis*.
2. Neither Party shall require consular transactions, including related fees and charges, in connection with the importation of any good of the other 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 2.11: EXPORT DUTIES, TAXES, OR OTHER CHARGES

Except as otherwise provided in Annex 2.11, neither Party may adopt or maintain any duty, tax, or other charge on the export of any good to the territory of the other Party, unless the duty, tax, or charge is also adopted or maintained on the good when destined for domestic consumption.

ARTICLE 2.12: STATE TRADING ENTERPRISES

The rights and obligations of the Parties in respect of state trading enterprises shall be governed by Article XVII of the GATT 1994, its interpretative notes and the *Understanding on the Interpretation of Article XVII of the GATT 1994*, which are hereby incorporated into and made part of this Agreement, *mutatis mutandis*.

SECTION E: OTHER MEASURES

ARTICLE 2.13: AGRICULTURAL SAFEGUARD MEASURES

1. Notwithstanding Article 2.3, a Party may apply a measure in the form of a higher import duty on an originating agricultural good listed in that Party's Schedule set out in Annex 2-B, consistent with this Article, if the aggregate volume of imports of that good in any year exceeds a trigger level as set out in its Schedule included in Annex 2-B.
2. The higher import duty under paragraph 1 shall not exceed the lesser of:
 - (a) the prevailing MFN applied rate;
 - (b) the MFN applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement; or
 - (c) the duty rate set out in its Schedule included in Annex 2-B.
3. Neither Party shall apply or maintain an agricultural safeguard measure under this Article and at the same time apply or maintain, with respect to the same good:
 - (a) a bilateral safeguard measure under Chapter 7 (Trade Remedies); or
 - (b) a measure under Article XIX of the GATT 1994 and the Safeguards Agreement
4. A Party shall implement any agricultural safeguard measure in a transparent manner. Within 60 days after imposing an agricultural safeguard measure, the Party applying the measure shall notify the other Party in writing and provide the other Party with relevant data concerning the measure. Upon written request of the exporting Party, the Parties shall consult regarding the application of the measure.
5. The Committee on Trade in Goods established under Article 2.16 may review and discuss the implementation and operation of this Article.
6. Neither Party shall apply or maintain an agricultural safeguard measure on an originating agricultural good if the period specified in the agricultural safeguard provisions of the Party's Schedule set out in Annex 2-B has expired.

ARTICLE 2.14: AGRICULTURAL EXPORT SUBSIDIES

Neither Party shall introduce or reintroduce an export subsidy on an agricultural good destined for the territory of the other Party¹.

ARTICLE 2.15: ANDEAN PRICE BAND SYSTEM

Colombia may maintain the Andean Price Band System established in 1994 by Decision 371 of the Andean Community and its modifications with respect to the goods listed in Annex 2-C.

SECTION F: INSTITUTIONAL PROVISIONS

ARTICLE 2.16: COMMITTEE ON TRADE IN GOODS

1. The Parties hereby establish a Committee on Trade in Goods, comprising representatives of each Party.
2. The Committee shall meet on request of a Party or the Joint Commission to consider matters arising under this Chapter and Chapter 7 (Trade Remedies).
3. The Committee's functions shall include, *inter alia*:
 - (a) promoting trade in goods between the Parties, including through consultations on accelerating elimination of customs duties under this Agreement and other issues as appropriate;
 - (b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, if appropriate, referring such matters to the Joint Commission for its consideration;
 - (c) reviewing the amendments to the Harmonized System to ensure that each Party's obligations under this Agreement are not altered, and consulting to resolve any conflicts between:
 - (i) such amendments to the Harmonized System and Annex 2-A; or
 - (ii) Annex 2-A and national nomenclatures; and
 - (d) consulting on and endeavoring to resolve any difference that may arise among the Parties on matters related to the classification of goods under the Harmonized System.
4. The Parties hereby establish an *ad-hoc* Working Group on Trade in Agricultural Goods. In order to address any obstacle to the trade of agricultural goods between the Parties,

¹ The Parties confirm that no subsidized agricultural goods are exported to the other Party. The Parties will consult with a view to resolving issues related to agricultural export subsidies upon request of a Party.

the *ad-hoc* Working Group shall meet upon request of a Party. The *ad-hoc* Working Group shall report to the Committee on Trade in Goods.

SECTION G: DEFINITIONS

ARTICLE 2.17: DEFINITIONS

For purposes of this Chapter:

advertising films and recordings means recorded visual media or audio materials, consisting essentially of images and/or sound, showing the nature or operation of goods or services offered for sale or lease by a person established or resident in the territory of a Party, provided that such materials are of a kind suitable for exhibition to prospective customers but not for broadcast to the general public;

commercial samples of negligible value means commercial samples having a value, individually or in the aggregate as shipped, of not more than the amount specified in a Party's laws, regulations, or procedures governing temporary admission, or so marked, torn, perforated, or otherwise treated that they are unsuitable for sale or use except as commercial samples;

consular transactions means requirements that goods of a Party intended for export to the territory of the other Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations, or any other customs documentation required on or in connection with importation;

duty-free means free of customs duty;

goods admitted for sports purposes means sports requisites for use in sports contests, demonstrations, or training in the territory of the Party into whose territory such goods are admitted;

goods intended for display or demonstration includes their component parts, ancillary apparatus, and accessories;

import licensing means an administrative procedure requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body as a prior condition for importation into the territory of the importing Party;

performance requirement means a requirement that:

- (a) a given level or percentage of goods or services be exported;

- (b) domestic goods or services of the Party granting a waiver of customs duties or an import license be substituted for imported goods;
- (c) a person benefiting from a waiver of customs duties or an import license purchase other goods or services in the territory of the Party granting the waiver of customs duties or the import license, or accord a preference to domestically produced goods;
- (d) a person benefiting from a waiver of customs duties or an import license produce goods or supply services, in the territory of the Party granting the waiver of customs duties or the import license, with a given level or percentage of domestic content; or
- (e) relates in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows;

but does not include a requirement that an imported good be:

- (f) subsequently exported;
- (g) used as a material in the production of another good that is subsequently exported;
- (h) substituted by an identical or similar good used as a material in the production of another good that is subsequently exported; or
- (i) substituted by an identical or similar good that is subsequently exported; and

printed advertising materials means those goods classified in Chapter 49 of the Harmonized System, including brochures, pamphlets, leaflets, trade catalogues, yearbooks published by trade associations, tourist promotional materials, and posters, that are used to promote, publicize, or advertise a good or service, are essentially intended to advertise a good or service, and are supplied free of charge.

ANNEX 2.2
NATIONAL TREATMENT AND IMPORT AND EXPORT RESTRICTIONS

1. With respect to Colombia, Articles 2.2 and 2.8 shall not apply to:
 - (a) export controls of coffee, pursuant to Law No. 9 of 17 January 1991;
 - (b) taxation of alcoholic beverages pursuant to Law No. 788 of 27 December 2002 and Law No. 223 of 22 December 1995 until no later than 1 August 2013;
 - (c) import controls on goods as provided for in Articles 3 and 6 of Decree 3803 of October 2006, except for remanufactured goods²; and
 - (d) import controls on automotive vehicles, including used vehicles and new vehicles imported after more than two years following the date of their manufacture, notwithstanding the provisions of Article 6 of Decree 3803 of October 2006.
2. The need to maintain the measures referred to in subparagraph (c) and (d) of paragraph 1 shall be reviewed ten years after the entry into force of this Agreement.

² The Parties shall consult with a view to resolving any issue related to the trade of remanufactured goods after the entry into force of this Agreement, and agree to make a joint decision on the definition of remanufactured goods included in Annex 2.2 at the Committee on Trade in Goods established under Article 2.16.

ANNEX 2.11
EXPORT TAXES

1. With respect to Colombia, Article 2.11 shall not apply to:
 - (a) a contribution required on the export of coffee pursuant to Law No. 101 of 1993; and
 - (b) a contribution required on the export of emeralds pursuant to Law No. 488 of 1998.
2. If, after the date of entry into force of this Agreement, Colombia lowers or eliminates its export contributions as set out in paragraph 1 to a non-Party, Colombia shall accord the same treatment to Korea.

ANNEX 2-A
ELIMINATION OF CUSTOMS DUTIES

1. Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 2.3.2:

- (a) customs duties on originating goods provided for in the items in staging category "0" in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force;
- (b) customs duties on originating goods provided for in the items in staging category "3" in a Party's Schedule shall be removed in three equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year three;
- (c) customs duties on originating goods provided for in the items in staging category "5" in a Party's Schedule shall be removed in five 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;
- (d) customs duties on originating goods provided for in the items in staging category "7" in a Party's Schedule shall be removed in seven equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year seven;
- (e) customs duties on originating goods provided for in the items in staging category "10" in a Party's Schedule shall be removed in ten equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 10;
- (f) customs duties on originating goods provided for in the items in staging category "12" in a Party's Schedule shall be removed in 12 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 12;
- (g) customs duties on originating goods provided for in the items in staging category "15" in a Party's Schedule shall be removed in 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 15;
- (h) customs duties on originating goods provided for in the items in staging category "16" in a Party's Schedule shall be removed in 16 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 16;
- (i) customs duties on originating goods provided for in the items in staging category "19" in a Party's Schedule shall be removed in 19 equal annual

stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 19; and

- (j) customs duties on originating goods provided for in the items in staging category “E” in a Party’s Schedule shall remain at base rates.

2. The base rate 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 items in each Party’s Schedule.

3. Interim staged rates shall be rounded down, at least to the nearest tenth of a percentage point. In the case of Korea, if the rate of customs duty is expressed in monetary units, the interim staged rates shall be rounded down at least to the nearest Korean won.

4. For purposes of this Annex and a Party’s Schedule, **year one** means the year this Agreement enters into force as provided in Article 22.4 (Entry into Force).

5. For purposes of this Annex and a Party’s Schedule, beginning in year two, each annual stage of tariff reduction shall take effect on January 1 of the relevant year.

GENERAL NOTES
TARIFF SCHEDULE OF KOREA

1. Relation to the Harmonized Tariff Schedule of Korea (“HSK”). The provisions of this Schedule are generally expressed in terms of the HSK and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes, and Chapter Notes of the HSK. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HSK, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HSK.
2. Base Rates of Customs Duty. The base rate of customs duties to which the successive reductions are to be applied under Article 2.3.2, are those specified in this Annex.
3. Staging. In addition to the staging categories listed in Annex 2-A, this Schedule contains staging categories 12-A, 13, 16-A, 16-S and X:
 - (a) customs duties on originating goods provided for in the items in staging category “12-A” shall be removed in 12 years including a two year grace period. Customs duties shall remain at base rates during years one through two. Beginning on January 1 of year three, customs duties shall be removed in ten equal annual stages, and such goods shall be duty-free, effective January 1 of year 12;
 - (b) customs duties on originating goods provided for in the items in staging category “13” shall be removed in 13 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 13;
 - (c) customs duties on originating goods provided for in the items in staging category “16-A” shall be removed in 16 years including a two year grace period. Customs duties shall remain at base rates during years one through two. Beginning on January 1 of year three, customs duties shall be removed in 14 equal annual stages, and such goods shall be duty-free, effective January 1 of year 16;
 - (d) customs duties on originating goods provided for in the items in staging category “16-S” shall be subject to the following provisions:
 - (i) for goods entered into Korea from May 1 through October 31, customs duties shall remain at base rate; and
 - (ii) for goods entered into Korea from November 1 through April 30, customs duties shall be removed in 16 equal annual stages, and such goods shall be free of any customs duty, effective January 1 of year 16; and

- (e) no obligations regarding customs duties in this Agreement shall apply with respect to items in staging category “X”. Nothing in this Agreement shall affect Korea’s rights and obligations with respect to its implementation of the commitments set out in the WTO document WT/Let/492 (Certification of Modifications and Rectifications to Schedule LX-Republic of Korea) dated April 13, 2005 and amendments thereto.

APPENDIX 2-A-1
KOREA

1. This Appendix applies to tariff rate quotas (“TRQs”) provided for in this Agreement and sets out modifications to the HSK that reflect the TRQs that Korea shall apply to certain originating goods under this Agreement. In particular, originating goods of Colombia included under this Appendix shall be subject to the rates of customs duty set out in this Appendix in lieu of the rates of customs duty specified in Chapters 1 through 97 of the HSK. Notwithstanding any other provisions of the HSK, originating goods of Colombia in the quantities described in this Appendix shall be permitted entry into the territory of Korea as provided in this Appendix. Furthermore, any quantity of originating goods imported from Colombia shall not be counted toward the in-quota amount of any TRQ provided for such goods elsewhere in the HSK.
2. Korea shall allow duty free importation of an annual aggregate quantity of 100 metric tons of originating goods classified under headings 0402101010, 0402101090, 0402109000, 0402211000, and 0402219000. The Korea Agro-Fisheries and Food Trade Corporation shall administer these TRQs and allocate the in-quota quantity of the TRQ through quarterly auctions.
3. Customs duties on originating goods entered in excess of the quantities set out in paragraph 2 shall be treated in accordance with staging category “E” as described in paragraph 1(j) of Annex 2-A.

GENERAL NOTES
TARIFF SCHEDULE OF COLOMBIA

1. Relation to the *Arancel de Aduanas de la República de Colombia* (“AACOL”³). The provisions of this Schedule are generally expressed in terms of the AACOL, and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes, and Chapter Notes of the AACOL. To the extent that provisions of this Schedule are identical to the corresponding provisions of the AACOL, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the AACOL.

2. Base Rates of Customs Duty. The base rate of customs duties to which the successive reductions are to be applied under Article 2.3.2, are those specified in this Annex.

3. Staging. In addition to the staging categories listed in Annex 2-A, this Schedule contains staging categories 9, 18, 18-A, and 20:

- (a) customs duties on originating goods provided for in the items in staging category “9” shall be removed in nine equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year nine;
- (b) customs duties on originating goods provided for in the items in staging category “18” shall be removed in 18 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 18;
- (c) customs duties on originating goods provided for in the items in staging category “18-A” shall be removed in 18 years including a five year grace period. Customs duties shall remain at base rates during years one through five. Beginning on January 1 of year six, customs duties shall be removed in 13 equal annual stages, and such goods shall be duty-free, effective January 1 of year 18; and
- (d) customs duties on originating goods provided for in the items in staging category “20” shall be removed in 20 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 20.

4. Notwithstanding Article 2.3.3, Colombia shall apply a preferential customs duty rate which is 0.5 percentage point less than the applied MFN customs duty rate on the date of entry into force of this Agreement to the originating goods from Korea for as long as the applied MFN customs duty rate is lower than the customs duty rate calculated in accordance with its Schedule included in Annex 2-A. Pursuant to this principle, Colombia shall apply

³ For purposes of this Agreement, AACOL stands for *Harmonized Tariff Schedule of Colombia* (“HTSC”) in English.

such preferential customs duty rate based on MFN customs duty rates as of August 13, 2012 as follows⁴:

- (a) customs duties on originating goods provided for in the items indicated as “a” in Colombia’s Schedule shall be 0.5 percentage point less than the applied MFN customs duty rates for year one;
- (b) customs duties on originating goods provided for in the items indicated as “b” in Colombia’s Schedule shall be 0.5 percentage point less than the applied MFN customs duty rates for year one and year two;
- (c) customs duties on originating goods provided for in the items indicated as “c” in Colombia’s Schedule shall be 0.5 percentage point less than the applied MFN customs duty rates for year one, year two, and year three; and
- (d) customs duties on originating goods provided for in the items indicated as “d” in Colombia’s Schedule shall be 0.5 percentage point less than the applied MFN customs duty rates for year one, year two, year three, and year four.

⁴ If the applied MFN customs duty rates on the date of entry into force of this Agreement are different from the applied MFN customs duty rates as of August 13, 2012, Colombia shall apply a preferential customs duty rate which is 0.5 percentage point less than the applied MFN customs duty rates on the date of entry into force of this Agreement to the originating goods from Korea for as long as the applied MFN customs duty rate is lower than the customs duty rate calculated in accordance with its Schedule included in Annex 2-A. Both Parties agree to exchange Tariff Elimination Schedules of this Agreement on the date of entry into force of this Agreement, which is determined in accordance with Article 22.4 (Entry into Force).

APPENDIX 2-A-1
COLOMBIA

1. This Appendix applies to TRQs provided for in this Agreement and sets out modifications to the Harmonized Tariff Schedule of Colombia (“HTSC”) that reflect the TRQs that Colombia shall apply to certain originating goods under this Agreement. In particular, originating goods of Korea included under this Appendix shall be subject to the rates of customs duty set out in this Appendix in lieu of the rates of customs duty specified in Chapters 1 through 97 of the HTSC. Notwithstanding any other provisions of the HTSC, originating goods of Korea in the quantities described in this Appendix shall be permitted entry into the territory of Colombia as provided in this Appendix. Furthermore, any quantity of originating goods imported from Korea shall not be counted toward the in-quota amount of any TRQ provided for such goods elsewhere in the HTSC.
2. Colombia shall allow duty free importation of an annual aggregate quantity of 100 metric tons of originating goods classified under headings 04021010, 04021090, 04022111, 04022119, 04022191 and 04022199. The Ministry of Agriculture and Rural Development shall administer these TRQs.
3. Customs duties on originating goods entered in excess of the quantities set out in paragraph 2 shall be treated in accordance with staging category “E” as described in paragraph 1(j) of Annex 2-A.

ANNEX 2-B
AGRICULTURAL SAFEGUARD MEASURES

SCHEDULE OF KOREA

Subject Goods, Trigger Levels, and Maximum Safeguard Duties

1. This Annex sets out those originating goods that may be subject to agricultural safeguard measures under Article 2.13, the trigger levels for applying such measures, and the maximum safeguard duties that may be applied each year for each such good.

2. No agricultural safeguard measure may be applied or maintained after the date the safeguard duties set out below are zero.

(a) For beef as covered below:

Coverage: HSK 0201.30.0000, 0202.30.0000

Year	1	2	3	4	5	6	7	8	9
Trigger Level (MT)	9,900	10,098	10,299	10,505	10,716	10,930	11,149	11,371	11,599
Safeguard Duty (%)	40.0	40.0	40.0	40.0	40.0	40.0	30.0	30.0	30.0

Year	10	11	12	13	14	15	16	17	18
Trigger Level (MT)	11,831	12,068	12,309	12,555	12,806	13,062	13,324	13,591	13,862
Safeguard Duty (%)	30.0	30.0	30.0	24.0	24.0	24.0	24.0	24.0	24.0

Year	19	20
Trigger Level (MT)	14,140	N/A
Safeguard Duty (%)	24.0	0

(b) For mandarin as covered below:

Coverage: HSK 0805.20.9000

Year	1	2	3	4	5	6	7	8	9
Trigger Level (MT)	7,223	7,367	7,514	7,665	7,818	7,974	8,134	8,297	8,462
Safeguard Duty (%)	144.0	144.0	144.0	144.0	144.0	144.0	144.0	108.0	108.0

Year	10	11	12	13	14	15	16	17	18
Trigger Level (MT)	8,632	8,804	8,980	9,160	9,343	9,530	9,721	9,915	10,113

Safeguard Duty (%)	108.0	108.0	108.0	108.0	108.0	86.4	86.4	86.4	86.4
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Year	19	20	21
Trigger Level (MT)	10,316	10,522	N/A
Safeguard Duty (%)	86.4	86.4	0

SCHEDULE OF COLOMBIA

Subject Goods, Trigger Levels, and Maximum Safeguard Duties

1. This Annex sets out those originating goods that may be subject to agricultural safeguard measures under Article 2.13, the trigger levels for applying such measures, and the maximum safeguard duties that may be applied each year for each such good.

2. No agricultural safeguard measure may be applied or maintained after the date the safeguard duties set out below are zero.

(a) For beef as covered below:

Coverage: HTSC 0201.30.00, 0202.30.00

Year	1	2	3	4	5	6	7	8	9
Trigger Level (MT)	9,900	10,098	10,299	10,505	10,716	10,930	11,149	11,371	11,599
Safeguard Duty (%)	80	80	80	80	80	80	60	60	60

Year	10	11	12	13	14	15	16	17	18
Trigger Level (MT)	11,831	12,068	12,309	12,555	12,806	13,062	13,324	13,591	13,862
Safeguard Duty (%)	60	60	60	48	48	48	48	48	48

Year	19	20
Trigger Level (MT)	14,140	N/A
Safeguard Duty (%)	48	0

ANNEX 2-C
GOODS SUBJECT TO THE ANDEAN PRICE BAND SYSTEM⁵

HTSC2007	Description
02031100	- - Carcasses and half-carcasses
02031200	- - Hams, shoulders, and cuts thereof, with bone in
02031900	- - Other
02032100	- - Carcasses and half-carcasses
02071100	- - Not cut in pieces, fresh or chilled
02101200	- - Bellies (streaky) and cuts thereof
02101900	- - Other
04011000	- Of a fat content, by weight, not exceeding 1 %
04012000	Of a fat content, by weight, exceeding 1 % but not exceeding 6 %
04051000	- Butter
10059011	- - - Yellow
10059012	- - - White
10059030	- - White maize (Zea mays amilacea cv. gigante)
10059040	- - Purple maize (Zea mays amilacea cv. morado)
10059090	- - Other
10070090	- Other
11022000	- Maize (corn) flour
11081200	- - Maize (corn) starch
11081900	- - Other starches
12010090	- Other
12021090	- - Other
12022000	- Shelled, whether or not broken
12051090	- - Other
12059090	- - Other
12060090	- Other
12074090	- - Other
12079991	- - - - Karite seed
12079999	- - - - Other
12081000	- Of soya beans
12089000	- Other
15010010	- Pig fat (including lard)
15010030	- Poultry fat
15020011	- - Denatured

⁵ For the goods listed in this Annex, the fixed component of the Andean Price Band (“APB”) System, which is the base rate, shall be eliminated in accordance with the Schedule set out in Annex 2-A. The variable component of the APB System shall be maintained.

HTSC2007	Description
15020019	- - Other
15020090	- Other
15030000	Lard stearin, lard oil, oleostearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared.
15060010	- Oil of ox foot
15060090	- Other
15071000	- Crude oil, whether or not degummed
15079010	- - Containing added denatured substances in a proportion not exceeding 1%
15079090	- - Other
15081000	- Crude oil
15089000	- Other
15111000	- Crude oil
15119000	- Other
15121110	- - - Of sunflower
15121120	- - - Of safflower
15121910	- - - Of sunflower
15121920	- - - Of safflower
15122100	- - Crude oil, whether or not gossypol has been removed
15122900	- - Other
15131100	- - Crude oil
15131900	- - Other
15132110	- - - Of palm kernel
15132910	- - - Of palm kernel
15141100	- - Crude oil
15141900	- - Other
15149100	- - Crude oil
15149900	- - Other
15152100	- - Crude oil
15152900	- - Other
15153000	- Castor oil and its fractions
15155000	- Sesame oil and its fractions
15159000	- Other
15162000	- Vegetable fats and oils and their fractions
15171000	- Margarine, excluding liquid margarine
15179000	- Other
15180010	- Linoxyn
15180090	- Other
16010000	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products.

HTSC2007	Description
16023210	- - - Seasoned and frozen pieces
16023910	- - - Seasoned and frozen pieces
16024100	- - Hams and cuts thereof
16024200	- - Shoulders and cuts thereof
17019100	- - Containing added flavouring or colouring matter
17023020	- - Glucose syrup
17023090	- - Other
23012011	- - - Of a fat content by weight exceeding 2%
23012019	- - - Of a fat content by weight not exceeding 2%
23021000	- Of maize (corn)
23024000	- - Of other cereals
23040000	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soyabean oil.
23061000	- Of cotton seeds
23063000	- Of sunflower seeds
23069000	- Other
23080090	- Other
23091090	- - Other
35051000	- Dextrins and other modified starches
35052000	- Glues
38231100	- - Stearic acid
38231200	- - Oleic acid
38231900	- - Other