

CHAPTER TWO

NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

Article 201: Scope and Coverage

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

Section A – National Treatment

Article 202: 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, and to this end Article III of the GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.
2. The treatment to be accorded by a Party under paragraph 1 means, with respect to a sub-national government, treatment no less favorable than the most favorable treatment that sub-national government accords to any like, directly competitive or substitutable goods, as the case may be, of the Party of which it forms a part.
3. Paragraph 1 does not apply to the measures set out in Annex 202.

Section B – Tariff Elimination

Article 203: Tariff Elimination

1. Except as otherwise provided in this Agreement, no Party may 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 eliminate its customs duties on originating goods in accordance with its Schedules to Annex 203.
3. During the tariff elimination process the Parties agree to apply to originating goods traded between them the lesser of the customs duties resulting from a comparison between the rate established in accordance with Annex 203 and the existing rate pursuant to Article II of the GATT 1994.
4. On the request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in their Schedules to Annex 203. An agreement between 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 203 for that good when approved by each Party in accordance with its applicable legal procedures.
5. For greater certainty, a Party may:
 - (a) increase a customs duty to the level established in its Schedules to Annex 203 following a unilateral reduction;
 - (b) maintain or increase a customs duty as authorized by this Agreement, or the Dispute Settlement Body of the WTO or any covered agreement under the WTO Agreement; and
 - (c) modify its tariffs outside this Agreement on originating goods exempt from tariff elimination in its Schedules to Annex 203.

Section C – Special Regimes

Article 204: Temporary Admission of Goods

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin and of whether like, directly competitive or substitutable goods are available in the territory of the Party:
 - (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 Chapter Twelve (Temporary Entry For Business Persons);
 - (b) goods admitted for sports purposes and goods intended for display or demonstration;
 - (c) commercial samples and advertising films and recordings.
2. Each Party, at the request of the person concerned and for reasons its customs administration considers valid, shall extend the time limit for temporary admission beyond the period initially fixed.
3. Neither Party may condition the duty-free temporary admission of a good referred to in subparagraphs 1 (a) or (b), other than to require that such good:
 - (a) be imported by a national or resident of the other Party who seeks temporary entry;
 - (b) be used solely by or under the personal supervision of such person in the exercise of the business activity, trade, profession or sport of that person;

- (c) not be sold or leased while in its territory;
- (d) 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;
- (e) be capable of identification when exported;
- (f) be exported on the departure of that person or within such other period related to the purpose of the temporary admission; and
- (g) be admitted in no greater quantity than is reasonable for its intended use.

4. Neither Party may condition the duty-free temporary admission of a good referred to in subparagraph 1(c), other than to require that such good:

- (a) be imported solely for the solicitation of orders for goods, or services provided from the territory, of the other Party or a non-Party;
- (b) not be sold, leased or put to any use other than exhibition or demonstration while in its territory;
- (c) be capable of identification when exported;
- (d) be exported within such period as is reasonably related to the purpose of the temporary importation;
- (e) be imported in no greater quantity than is reasonable for its intended use; and
- (f) 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.

5. Where a good is temporarily admitted duty-free under paragraph 1 and any condition a Party imposes under paragraphs 3 and 4 has not been fulfilled, the Party may impose:

- (a) the customs duty and any other charge that would be owed on entry or final importation of the good; and
- (b) any penalties provided for under its law.

6. Each Party shall adopt 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 with the entry of that national or resident.

7. 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.

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

9. Except as otherwise provided in this Agreement, no Party may:

- (a) prevent a vehicle or container used in international traffic that enters its territory from the territory of the other Party to exit 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 vehicle or container;

- (c) condition the release of any obligation, including any security, that it imposes in respect of the entry of a vehicle or container into its territory on its exit through any particular port of departure; or
- (d) require that the vehicle or carrier bringing a container from the territory of the other Party into its territory be the same vehicle or carrier that takes such container to the territory of the other Party.

10. For purposes of paragraph 9, “vehicle” means a truck, a truck tractor, a tractor, a trailer unit or trailer, a locomotive, or a railway car or other railroad equipment.

Article 205: Goods Re-entered After Repair or Alteration

1. Neither Party may 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 could be performed in the territory of the Party from which the good was exported for repair or alteration.

2. Neither Party may 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 206: 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 contain no more than one copy of each such material and that neither such materials nor packets form part of a larger consignment.

Section D – Non-Tariff Measures

Article 207: Import and Export Restrictions

1. Except as otherwise provided in this Agreement, no Party may 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 to this end Article XI of the GATT 1994 is incorporated into and made a part of this Agreement, *mutatis mutandis*.¹
2. 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 antidumping duty orders and undertakings; or
 - (b) 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.
3. Paragraphs 1 and 2 do not apply to the measures set out in Annex 202.
4. In the event that a Party adopts or maintains a prohibition or restriction on the importation from or exportation to a non-Party of a good, no provision of this Agreement shall be construed to prevent the Party from:
 - (a) limiting or prohibiting the importation from the territory of the other Party of such good of that non-Party; or

¹ For greater certainty, this paragraph applies, *inter alia*, to prohibitions or restrictions on the importation of remanufactured goods.

- (b) requiring as a condition of export of such good of the Party to the territory of the other Party, that the good not be re-exported to the non-Party, directly or indirectly, without being consumed in the territory of the other Party.

5. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, on the request of either Party, the Parties shall consult with a view to avoiding undue interference with or distortion of pricing, marketing or distribution arrangements in the other Party.

6. Neither Party may, 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 relationship with a distributor in its territory.

7. Nothing in paragraph 6 prevents a Party from requiring the designation of an agent for the purpose of facilitating communications between regulatory authorities of the Party and a person of the other Party.

8. For purposes of paragraph 6 “distributor” means a person of a Party who is responsible for the commercial distribution, concession or representation in the territory of that Party of goods of the other Party.

Article 208: Import Licensing

1. Neither Party may adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.

2. Each Party shall notify the other Party of any existing import licensing procedures promptly after entry into force of this Agreement.

3. Each Party shall publish any new import licensing procedure and any modification to its existing import licensing procedures or list of products, whenever practicable, 21 days prior to the effective date of the requirement but in all events no later than such effective date.

4. Each Party shall notify the other Party of any other new import licensing procedures and any modification to its existing import licensing procedures within 60 days of publication. Such publication shall be in accordance with the procedures as set out in the Import Licensing Agreement.

5. Notification provided under paragraphs 2 and 4 shall:

- (a) include the information specified in Article 5 of the Import Licensing Agreement; and
- (b) be without prejudice as to whether the import licensing procedure is consistent with this Agreement.

Article 209: Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of the GATT 1994 that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III:2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

2. Neither Party may 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 210: Export Taxes

Except as provided in Annex 210, no 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 such duty, tax or charge is also adopted or maintained on any such good when destined for

Article 211: Customs Valuation

The Customs Valuation Agreement and any successor Agreement shall govern the customs valuation rules applied by the Parties to their reciprocal trade.

Article 212: Distinctive Products

1. Colombia shall recognize “*Canadian Whisky*” and “*Canadian Rye Whisky*” as distinctive products of Canada. Accordingly, Colombia shall not permit the sale of any product as “*Canadian Whisky*” and “*Canadian Rye Whisky*”, unless it has been manufactured in Canada in accordance with the laws and regulations of Canada governing the manufacture of “*Canadian Whisky*” and “*Canadian Rye Whisky*”.
2. At the request of a Party, the Committee on Trade in Goods shall consider whether to recommend that the Parties amend the Agreement to provide additional protection in the manner set out in the domestic law of the other Party.

Section E – Agriculture

Article 213: Scope and Coverage

1. This Section applies to the measures adopted or maintained by either Party relating to agricultural goods.
2. For agricultural goods, in the event of any inconsistency between the provisions of this Section and the provisions of any other Section or Chapter of this Agreement, the provisions of this Section shall prevail to the extent of the inconsistency.

Article 214: Agricultural Export Subsidies

1. The Parties share the objective of the multilateral elimination of agricultural export subsidies and shall work together toward an agreement in the WTO to eliminate those subsidies and avoid their reintroduction in any form.
2. A Party shall not maintain, introduce or re-introduce agricultural export subsidies on any agricultural good originating in or shipped from its territory that are exported directly or indirectly to the territory of the other Party.
3. If either Party maintains, introduces or re-introduces an export subsidy on a product that is exported to the other Party, the Party applying the measure shall, at the request of the other Party, consult with a view to agreeing on specific measures that either Party may adopt to counter the effects of such export subsidy. Should agreement on specific measures not be reached within a period of 90 days following the initial request, or such period as agreed by the Parties, the importing Party may adopt measures to counter the effect of the export subsidy, including an increase in the rate of duty on such imports to the applied most-favoured-nation (MFN) tariff rate. The applied measures shall be removed by the importing Party upon the elimination of the export subsidy.

Article 215: State Trading Enterprises

1. The rights and obligations of the Parties with respect to state trading enterprises shall be governed by Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, which are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. The Parties agree to cooperate in the WTO negotiations to ensure transparency regarding the operation and maintenance of state trading enterprises.

Article 216: Domestic Support Measures for Agricultural Goods

1. The Parties agree to cooperate in the WTO agricultural negotiations in order to achieve a substantial reduction of the production and trade-distorting domestic support measures.
2. If either Party maintains, introduces or re-introduces a domestic support measure that the other Party considers to distort bilateral trade covered by this Agreement, the Party applying the measure shall, at the request of the other Party, consult with a view to avoiding the nullification and impairment on the concessions granted under this Agreement. Such consultations shall be deemed to satisfy the requirements of Article 2104 (Dispute Settlement - Consultations).

Article 217: Agricultural Safeguard Measures

1. Notwithstanding Article 203, Colombia may apply an agricultural safeguard measure in the form of an additional customs duty on an originating agricultural good listed in Annex 217, provided the conditions of this Article are fulfilled. The total customs duties applied on such good, including the agricultural safeguard measure, shall not exceed the lesser of:
 - (a) the applied MFN tariff rate at the time the measure is adopted; or
 - (b) the base rate set out in a Party's Schedules to Annex 203.

2. Colombia may not apply or maintain an agricultural safeguard measure on an originating good:
 - (a) after the expiration of the tariff elimination period set out in Annex 203; or
 - (b) that increases the duty on in-quota goods subject to a TRQ.
3. Colombia may apply an agricultural safeguard measure during any calendar year on an originating agricultural good only where the quantity of imports of the good during that year exceeds the trigger volume for that good, set out in Annex 217.
4. Colombia may not apply or maintain a safeguard measure pursuant to this Article and at the same time apply or maintain with respect to the same good:
 - a) an emergency action pursuant to Chapter Seven (Emergency Action and Trade Remedies); or
 - b) a measure pursuant to Article XIX of the GATT 1994 and the WTO *Agreement on Safeguards*.
5. Colombia shall implement an agricultural safeguard measure in a transparent manner. To this end, Colombia shall, in writing, notify Canada and provide all relevant information regarding the measure within 60 days of its application. Colombia shall consult with Canada on Canada's request regarding the application of the agricultural safeguard measure.
6. Colombia may maintain an agricultural safeguard measure only until the end of the calendar year in which it applies the measure.
7. Neither Party may apply duties under Article 5 of the WTO *Agreement on Agriculture* on goods of the other Party that are subject to tariff elimination under Annex 203.
8. For purposes of this Article and Annex 217, **agricultural safeguard measure** means a measure described in paragraph 1.

Article 218: Price Band System

Except as otherwise provided in this Agreement, Colombia may apply the PBS only with respect to the agricultural goods listed in Annex 218 and subject to any applicable conditions set out in Annex 218.

Article 219: Administration and Implementation of Tariff-Rate Quotas

1. Colombia shall implement and administer its TRQs in accordance with Article XIII of the GATT 1994, and the Import Licensing Agreement.
2. Colombia shall ensure that:
 - (a) its procedures for administering its TRQs are transparent, made available to the public, timely, non-discriminatory, responsive to market conditions and minimally burdensome to trade;
 - (b) subject to subparagraph (c), a person of a Party that fulfills Colombia's legal and administrative requirements for TRQs shall be eligible to apply and to be considered for an import license or an in-quota quantity allocation under Colombia's TRQs;
 - (c) it does not, under its TRQs:
 - (i) allocate any portion of an in-quota quantity to a producer or a producer's group,
 - (ii) condition access to an in-quota quantity on purchase of domestic production,
 - (iii) limit access to an in-quota quantity only to processors, or
 - (iv) allocate any portion of an in-quota quantity to a distributor or a distributor's group;

- (d) only national governments or state-enterprises administer its TRQs and that this administration is not delegated to other persons except as otherwise provided in this Agreement; and
 - (e) it allocates in-quota quantities under its TRQs in commercially viable shipping quantities and, to the maximum extent possible, in the amounts that importers request.
3. Colombia shall make every effort to administer its TRQs in a manner that allows importers to fully utilize them.
 4. Colombia may not condition application for or use of an in-quota quantity allocation under a TRQ on the re-export of an agricultural good.
 5. Colombia may not count food aid or other non-commercial shipments in determining whether an in-quota quantity under a TRQ has been filled.
 6. Colombia shall consult with Canada on Canada's request regarding Colombia's administration of TRQs.

Section F – Institutional Provisions

Article 220: 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 the request of a Party or the Commission to consider matters arising under this Chapter, Chapter Three (Rules of Origin), Chapter Four (Origin Procedures and Trade Facilitation) or Chapter Seven (Emergency Action and Trade Remedies).
3. The Committee's functions shall include:
 - (a) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination 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 Commission for its consideration;
 - (c) providing to the Committee on Trade-Related Cooperation advice and recommendations on technical assistance needs regarding matters relating to this Chapter, Chapter Three (Rules of Origin), Chapter Four (Origin Procedures and Trade Facilitation) or Chapter Seven (Emergency Action and Trade Remedies);
 - (d) reviewing any subsequent amendments to the Harmonized System, and consulting to resolve any inconsistencies between:
 - (i) subsequent amendments to Harmonized System 2007 and Annex 203, or
 - (ii) Annex 203 and national nomenclatures; and,

- (e) consulting on and endeavoring to resolve any difference that may arise between the Parties on matters related to the classification of goods under the Harmonized System.

Article 221: Agricultural Sub-Committee

1. At the request of a Party, the Parties shall establish a Sub-Committee on Agriculture comprising representatives of each Party.

2. The Sub-Committee shall have the following functions:

- (a) monitoring and promoting cooperation on the implementation and administration of Section E in a way that real access to agricultural products is ensured;
- (b) providing a forum for the Parties to consult on issues resulting from the implementation and administration of this Agreement for agricultural goods;
- (c) consulting on matters related to Section E in coordination with other committees, sub-committees and other working groups established in this Agreement;
- (d) evaluating agricultural trade development under this Agreement, its impacts in the agricultural sector of each Party, the operation of the Agreement's tools, and recommending any necessary actions to the Committee on Trade in Goods;
- (e) submitting to the Committee on Trade in Goods for its consideration any matter arising under this article;
- (f) reporting to the Committee on Trade in Goods any other matter related to this Section; and
- (g) undertaking any additional work that the Committee on Trade in Goods may assign.

3. The Sub-Committee shall meet within 60 days of a request by a Party or as otherwise agreed by the Parties. The meetings of the Sub-Committee shall be chaired by the representatives of the hosting Party of the meeting. The Sub-Committee shall inform the Committee on Trade in Goods of the results of its meetings.

4. All the decisions taken by the Sub-Committee shall be reached by consensus.

Section G – Definitions

Article 222: Definitions

For purposes of this Chapter:

AD Agreement means the *WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*;

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;

agricultural export subsidies means export subsidies as defined in Article 1(e) of the *WTO Agreement on Agriculture*, including any amendment to that definition in force for the Parties;

agricultural goods means those goods referred to in Article 2 of the *WTO Agreement on Agriculture*;

fixed component of the PBS means the External Common Tariff of the Andean Communities and is indicated as the base rate in Colombia's Tariff Schedule for Agricultural Goods, attached to Annex 203;

commercial samples of negligible value means commercial samples having a value, individually or in the aggregate as shipped, of not more than one U.S. dollar, or the equivalent amount in the currency of a Party, 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 for 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;

consumed means:

- (a) actually consumed; or
- (b) further processed or manufactured so as to result in a substantial change in the value, form or use of the good or in the production of another good;

customs duty includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:

- (a) charge equivalent to an internal tax imposed consistently with Article III:2 of the GATT 1994, in respect of like, directly competitive or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;
- (b) antidumping or countervailing duty that is applied pursuant to a Party's domestic law; or
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered;

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 temporarily 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;

Import Licensing Agreement means the *WTO Agreement on Import Licensing Procedures*;

NANDINA means the common nomenclature classification system of the Andean Community (*Nomenclatura Comun de los Paises Miembros de la Comunidad Andina*);

PBS means the price band system established by *Decision 371 Sistema Andino de Franjas de Precios* of the Andean Community on 26 November 1994, and its amendments;

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;

SCM Agreement means the *WTO Agreement on Subsidies and Countervailing Measures*; and

TRQ means a tariff rate quota set out in Section C(iii) of Annex 203.

Annex 202

Exceptions to National Treatment and Import and Export Restrictions

Section A - Measures of Colombia

Articles 202 and 207 do not apply to any measure, including that measure's continuation, prompt renewal or amendment, in respect of the following:

- (a) controls on the export of coffee pursuant to Law No. 9 of 17 January 1991;
- (b) measures relating to the taxation of all beverages with any grade of alcohol content, pursuant to Law No. 788 of 27 December 2002 and Law No. 223 of 22 December 1995, until two years after the date of entry into force of this Agreement;
- (c) controls on the importation of goods listed in Article 3 of Decree 3803 of 2006, as amended, except for controls on remanufactured goods to which Articles 202 and 207 do apply;
- (d) controls on the importation of automotive vehicles, including used vehicles and new vehicles whose importation occurs more than two years following their date of production, in accordance with Decree 3803 of 2006, as amended; and
- (e) actions authorized by the Dispute Settlement Body of the WTO.

Section B - Measures of Canada

Articles 202 and 207 do not apply to any measure, including that measure's continuation, prompt renewal or amendment, in respect of the following:

- (a) controls by Canada on the export of logs of all species pursuant to the *Export and Import Permits Act*, R.S., 1985, c. E-19, as amended;
- (b) controls by Canada on the export of unprocessed fish pursuant to the following statutes, as amended:
 - (i) *New Brunswick Fish Processing Act*, S.N.B.1982, c. F-18.01, and *Fisheries Development Act*, S.N.B. 1977 c. F-15.1,
 - (ii) *Newfoundland Fish Inspection Act*, R.S.N.L. 1990, c. F-12,
 - (iii) *Nova Scotia Fisheries and Coastal Resources Act*, S.N.S. 1996, c. 25,
 - (iv) *Prince Edward Island Fish Inspection Act*, R.S.P.E.I. 1988, c. F-13, and
 - (v) *The Marine Products Processing Act* of Quebec, R.S.Q. 1999, C.T-11-01;
- (c) the importation of any goods of the prohibited provisions of tariff items 9897.00.00, 9898.00.00 and 9899.00.00 referred to in the Schedule of the *Customs Tariff* (1997, c. 36), as amended;
- (d) Canadian excise duties on absolute alcohol used in manufacturing under the existing provisions of the *Excise Act*, 2001, 2002, c.22, as amended;
- (e) measures by Canada relating to the use of ships in the coasting trade of Canada pursuant to the *Coasting Trade Act*, S.C. (1992, c. 31), as amended;

- (f) the internal sale and distribution of wine and distilled spirits; and
- (g) actions authorized by the Dispute Settlement Body of the WTO.

Annex 203

Tariff Elimination

1. Except as otherwise provided in a Party's tariff schedule:
 - (a) Canada shall apply the staging categories set out in Section A in eliminating customs duties pursuant to Article 203; and
 - (b) Colombia shall apply the staging categories set out in Sections B and C in eliminating customs duties pursuant to Article 203.
2. The staging category for determining the rate of customs duty at each stage of reduction for an item shall be the category indicated for the item in a Party's tariff schedule.
3. 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 0.001 of the official monetary unit of the Party.
4. Year one means the year this Agreement enters into force as provided in Article 2304 (Final Provisions - Entry into Force).
5. Beginning in year two, each annual stage of tariff reduction shall take effect on January 1 of the relevant year.

Section A - Tariff Schedule of Canada

This Section applies only to goods listed in Canada's Tariff Schedule, which is attached to this Annex.

i. Staging Categories

1. The base rate of customs duty shall be the most-favoured-nation customs duty rate applied on 1 January 2007, which is indicated for an item in Canada's Tariff Schedule.
2. Duties on originating goods provided for in the items in staging category **A** shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force.
3. Duties on originating goods provided for in the items in staging category **B** 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.
4. Duties on originating goods provided for in the items in staging category **C** 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;
5. Duties on originating goods provided for in the items in staging category **D17** shall be removed in 17 equal annual stages beginning on the date this Agreement enters into force and such goods shall be duty-free, effective January 1 of year 17.
6. Duties on originating goods provided for in the items in staging category **E** are exempt from tariff elimination.

ii. Agriculture Transversal Clause

1. Notwithstanding the staging categories in Canada's Tariff Schedule, attached to this Annex, if the Trade Promotion Agreement between Colombia and the United States of America, signed on 22 November 2006, (TPA) enters into force within two years of the entry into force of this Agreement, Canada shall apply to goods of tariff item 17019900 originating in Colombia, from the date of entry into force of the TPA, the tariff elimination period prescribed in Colombia's Agricultural Tariff Schedule in the TPA for the corresponding good.

2. The corresponding tariff item in Colombia's Agricultural Tariff Schedule to the TPA is 17019900. This tariff item reflects the Tariff Schedule of Colombia in the TPA, as of 22 November 2006.

iii. Tariff Elimination Schedule of Canada

(Tariff Elimination Schedule attached as a separate volume)

Section B - Tariff Schedule of Colombia for Non-Agricultural Goods

This Section applies only to goods listed in Colombia's Tariff Elimination Schedule for Non-Agricultural Goods, which is attached to this Annex.

i. Staging Categories

1. The base rate of customs duty shall be the most-favoured-nation customs duty rate applied on 1 April 2007, which is indicated for an item in Colombia's Tariff Schedule for Non-Agricultural Goods.

2. Duties on originating goods provided for in the items in staging category **A** shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force.

3. Duties on originating goods provided for in the items in staging category **B** 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.

4. Duties on originating goods provided for in the items in staging category **BU** shall be reduced by 10 percent of the base rate beginning on the date this Agreement enters into force. On January 1 of year two, duties shall be reduced by 20 percent of the base rate. On January 1 of year three, duties shall be reduced by 50 percent of the base rate. On January 1 of year four, duties shall be reduced by 70 percent of the base rate. On January 1 of year five, duties shall be eliminated entirely so that such goods shall be duty-free.

5. Duties on originating goods provided for in the items in staging category **C7** 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.

6. Duties on originating goods provided for in the items in staging category **C** shall be removed in 10 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.

7. Duties on originating remanufactured goods of Canada, as defined in Chapter One (Initial Provisions and General Definitions), shall remain at base rates during years one through five. Beginning on January 1 of year six, duties on these goods shall be removed in five equal annual stages and such goods shall be duty-free, effective January 1 of year 10.

ii. Tariff Elimination Schedule of Colombia for Non-Agricultural Goods

(Tariff Elimination Schedule attached as a separate volume)

Section C - Tariff Schedule of Colombia for Agricultural Goods

This Section applies only to goods listed in Colombia's Tariff Elimination Schedule for Agricultural Goods, which is attached to this Annex.

i. Staging Categories

1. The base rate of customs duty is indicated for each item in Colombia's Tariff Schedule for Agricultural Goods.
2. "AEC" as used in Colombia's Tariff Schedule for Agricultural Goods refers to the tariff rate of the Common External Tariff of the Andean Communities (*Arancel Externo Común de los Países Miembros de la Comunidad Andina*) that is indicated in the base rate column.
3. Duties on originating goods provided for in the items in staging category **A** shall be removed entirely and such goods shall be duty-free, effective the date this Agreement enters into force.
4. Duties on originating goods provided for in the items in staging category **B** 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.
5. Duties on originating goods provided for in the items in staging category **C** shall be removed in 10 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.
6. Duties on originating goods provided for in the items in staging category **D** 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.

7. Duties on originating goods provided for in the items in staging category **E** shall be removed in six equal annual stages beginning on the date this Agreement enters into force and such goods shall be duty-free, effective January 1 of year six.
8. Duties on originating goods provided for in the items in staging category **F** 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.
9. Duties on originating goods provided for in the items in staging category **G** shall be removed in five equal annual stages beginning in year three and such goods shall be duty-free, effective January 1 of year seven.
10. The fixed component of the PBS applied on originating goods provided for in the items in staging category **H** shall be removed in seven equal annual stages beginning on the date this Agreement enters into force and such goods shall be free of this fixed component, effective January 1 of year seven.
11. The fixed component of the PBS applied on originating goods provided for in the items in staging category **I** shall be removed completely in year seven so that such goods shall be free of this fixed component, effective January 1 of year seven.
12. Duties on originating goods provided for in the items in staging category **J** shall be removed in eight equal annual stages beginning on the date this Agreement enters into force and such goods shall be duty-free, effective January 1 of year eight.
13. The fixed component of the PBS applied on originating goods provided for in the items in staging category **K** shall be removed in 10 equal annual stages beginning on the date this Agreement enters into force and such goods shall be free of this fixed component, effective January 1 of year 10.
14. Duties on originating goods provided for in the items in staging category **L** shall be removed in seven equal annual stages beginning in year four and such goods shall be duty-free, effective January 1 of year 10.

15. The fixed component of the PBS applied on originating goods provided for in the items in staging category **M** shall be removed in seven equal annual stages beginning in year four and such goods shall be free of this fixed component, effective January 1 of year 10.

16. Duties on originating goods provided for in the items in staging category **N** shall be removed in 11 equal annual stages beginning on the date this Agreement enters into force and such goods shall be duty-free, effective January 1 of year 11.

17. The fixed component of the PBS applied on originating goods provided for in the items in staging category **O** shall be removed in 11 equal annual stages beginning on the date this Agreement enters into force and such goods shall be free of this fixed component, effective January 1 of year 11.

18. Duties on originating goods provided for in the items in staging category **P** 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.

19. The fixed component of the PBS applied on originating goods provided for in the items in staging category **Q** shall be removed completely in year 12 so that such goods shall be free of this fixed component, effective January 1 of year 12.

20. Duties on originating goods provided for in the items in staging category **R** 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.

21. The fixed component of the PBS applied on originating goods provided for in the items in staging category **S** shall be removed in 13 equal annual stages beginning on the date this Agreement enters into force and such goods shall be free of this fixed component, effective January 1 of year 13.

22. The fixed component of the PBS applied on originating goods provided for in the items in staging category **T** shall be removed in three equal annual stages beginning in year 11 and such goods shall be free of this fixed component, effective January 1 of year 13.

23. Duties on originating goods provided for in the items in staging category **U** shall be removed in 14 equal annual stages beginning on the date this Agreement enters into force and such goods shall be duty-free, effective January 1 of year 14.

24. Duties on originating goods provided for in the items in staging category **V** shall be reduced by 20 percentage points in 15 equal annual stages beginning on the date this Agreement enters into force and such goods shall maintain a duty of 25 percent, effective January 1 of year 15.

25. The fixed component of the PBS applied on originating goods provided for in the items in staging category **W** shall be removed in 15 equal annual stages beginning on the date this Agreement enters into force and such goods shall be free of this fixed component, effective January 1 of year 15.

26. The fixed component of the PBS applied on originating goods provided for in the items in staging category **X** shall be removed in two equal annual stages beginning in year 16, and such goods shall be free of this fixed component, effective January 1 of year 17.

27. Duties on originating goods provided for in the items in staging category **Y** shall be removed in 17 annual stages, in which the duty at each stage is calculated as the MFN rate, less a percentage of preference that increases in equal annual increments beginning on the date this Agreement enters into force and reaches 100 per cent, and such goods shall be duty-free by January 1 of year 17.

28. Duties on originating goods provided for in the items in staging category **AA** 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.

29. Duties on originating goods provided for in the items in staging category **BB** shall be reduced by 15 percentage points in 16 equal annual stages beginning in year seven and such goods shall maintain a duty of 65 percent, effective January 1 of year 22.

30. Duties on originating goods provided for in the items in staging category **CC** shall be reduced by 20 percentage points in 16 equal annual stages beginning in year seven and such goods shall maintain a duty of 60 percent, effective January 1 of year 22.

31. Originating goods provided for in the items in staging category **Z** are exempt from tariff elimination.

ii. Agricultural Transversal Clause

Notwithstanding the staging categories in Colombia's Tariff Schedule for Agricultural Goods, attached to this Annex, if the Trade Promotion Agreement between Colombia and the United States of America, signed on 22 November 2006, (TPA) enters into force:

- (a) within one year of the entry into force of this Agreement, Colombia shall apply to a good listed below that originates in Canada, from the date of entry into force of the TPA, the tariff elimination period set out below;
- (b) between one and two years of the entry into force of this Agreement, Colombia shall apply to a good listed below that originates in Canada, from the date of entry into force of the TPA, the tariff elimination period set out below, plus one year.

NANDINA 2007	Elimination period
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07133290	10 years
07133391	
07133392	
07133399	
07133999	

22083000	10 years
22086000	

17022000	5 years
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17019910	15 years
17019990	

02011000	10 years
02012000A	
02012000B	
02013010	
02013090	
02021000	
02022000A	
02022000B	
02023010	
02023090	

02061000	10 years
02062100	
02062200	
02062900	
05040010	
05040020	
05040030	

iii. Tariff Rate Quotas

1. High Quality Beef

Duties on originating goods provided for in the items listed below shall be removed by Colombia 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. Nevertheless, the following aggregate quantities shall be duty-free in any calendar year specified herein:

NANDINA 2007	Year	Quantity Metric Tonnes
02012000A 02022000A 02013010 02023010	1	1750
	2	1803
	3	1855
	4	1908
	5	1960
	6	2013
	7	2065
	8	2118
	9	2170
	10	2223
	11	2275
	12	Unlimited

- (a) For purposes of this Section, “high quality beef” (“*Cortes Finos*”) means any bone-in and boneless cuts, whether fresh, chilled or frozen, derived from carcasses graded “Canada Prime”, “Canada AAA”, “Canada AA” and “Canada A”.
- (b) On the importation of high-quality beef, and in addition to the requirements of Chapter Four (Origin Procedures and Trade Facilitation), an importer will be required by Colombia’s competent authority to include information in conformity with the requirements of *Ley 914 de 2004*, *Decreto 1500 de 2007*, *Resolucion 2905 de 2007*, *Resolucion 5109 de 2005*, as amended, including labeling requirements such as the name of the cut, date of packaging, name of processing plant, and country of origin and weight).

2. Standard Quality Beef

Duties on originating goods provided for in the items listed below shall be removed by Colombia 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. Nevertheless, the following aggregate quantities shall be duty-free in any calendar year specified herein:

NANDINA 2007	Year	Quantity Metric Tons
	1	1750
	2	1803
	3	1855
02011000	4	1908
02012000B	5	1960
02013090	6	2013
02021000	7	2065
02022000B	8	2118
02023090	9	2170
	10	2223
	11	2275
	12	Unlimited

3. Variety Meats

Duties on originating goods provided for in the items listed below shall be removed by Colombia 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. Nevertheless, the following aggregate quantities shall be duty-free in any calendar year specified herein:

NANDINA 2007	Year	Quantity Metric Tons
02061000 02062100 02062200 02062900 05040010 05040020 05040030	1	1750
	2	1803
	3	1855
	4	1908
	5	1960
	6	2013
	7	2065
	8	2118
	9	2170
	10	2223
	11	2275
	12	Unlimited

4. Swine meat

Duties on originating goods provided for in the items listed below shall be removed by Colombia 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. Nevertheless, the duties on the following aggregate quantities shall be 20 per cent on the date this Agreement enters into force and shall thereafter be eliminated in five equal annual stages beginning in year two, so that the goods shall be duty-free effective January 1 of year six, as specified herein:

NANDINA 2007	Year	Quantity Metric Tons	In-Quota Tariff Rate
02031100 02031200 02031900 02032100 02032200 02032900 02063000 02064100 02069000 02101200 02101900	1	5000	20%
	2	5150	16%
	3	5300	12%
	4	5450	8%
	5	5600	4%
	6	5750	0%
	7	5900	0%
	8	6050	0%
	9	6200	0%
	10	6350	0%
	11	6500	0%
	12	6650	0%
	13	Unlimited	0%

5. Beans

Duties on originating goods provided for in the items listed below shall be removed by Colombia 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. Nevertheless, the following aggregate quantities shall be duty-free in any calendar year specified herein:

NANDINA 2007	Year	Quantity Metric Tons
07133290 07133391 07133392 07133399 07133999	1	4000
	2	4120
	3	4240
	4	4360
	5	4480
	6	4600
	7	4720
	8	4840
	9	4960
	10	5080
	11	5200
	12	Unlimited

iv. Tariff Elimination Schedule of Colombia for Agricultural Goods

(Tariff Elimination Schedule attached as a separate volume)

Annex 210

Export Taxes

Colombia

Article 210 does not apply to the following measures, including those measures' continuation, prompt renewal or amendment:

- (a) a charge on the export of coffee pursuant to *Law No. 101* of 1993; and
- (b) a charge on the export of emeralds pursuant to *Law No. 488* of 1998.

Annex 217

Agricultural Safeguard Measures

1. Colombia may apply an agricultural safeguard measure, in accordance with Article 217, only on an originating agricultural good from Canada listed in the table below.

1. The agricultural safeguard trigger level shall be determined in any given year by multiplying the TRQ for that year, as determined in accordance with Section C to Annex 203, by the percentage set out in the table below.

Good	Tariff Classification	Trigger Level
High Quality Beef	02013010 02023010 02012000A 02022000A	150% of TRQ
Standard Quality Beef	02011000 02012000B 02013090 02021000 02022000B 02023090	120% of TRQ
Variety Meats	02061000 02062100 02062200 02062900 05040010 05040020 05040030	120% of TRQ
Beans	07133290 07133391 07133392 07133399 07133999	120% of TRQ

Annex 218

Price Band System