

GENERAL NOTES
TARIFF SCHEDULE OF THE REPUBLIC OF GUATEMALA

1. The provisions of this schedule are generally expressed in terms of the *Arancel Centroamericano de Importación*, which includes the *Sistema Arancelario Centroamericano* (“SAC”), 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 *Arancel Centroamericano de Importación*. To the extent that provisions of this schedule are identical to the corresponding provisions of the *Arancel Centroamericano de Importación* the provisions of this schedule shall have the same meaning as the corresponding provisions of the *Arancel Centroamericano de Importación*.
2. The base rates of duty set out in this schedule reflect the *Arancel Centroamericano de Importación* MFN rates of duty in effect June 7, 2003.
3. In addition to the staging categories listed in Annex 3.3, paragraph 1, this schedule contains staging categories **M**, **N**, **O** and **P**.
 - (a) Duties on originating goods provided for in the items in staging category M shall be removed in ten stages. On the date this Agreement enters into force, duties shall be reduced by two percent, and by an additional two percent on January 1 of year two. On January 1 of year three duties shall be reduced by an additional eight percent of the base rate, and by an additional eight percent each year thereafter through year six. On January 1 of year seven, duties shall be reduced by an additional 16 percent of the base rate, and by an additional 16 percent of the base rate each year thereafter, and such goods shall be duty-free effective January 1 of year ten.
 - (b) Duties on originating goods provided for in the items in staging category N shall be removed in 12 equal annual stages beginning on January 1 of year one, and such goods shall be duty-free, effective January 1 of year 12.
 - (c) Duties on originating goods provided for in the items in staging category O shall remain at base rates for years one through six. On January 1 of year seven, duties shall be reduced by eight percent of the base rate, and by an additional eight percent of the base rate each year thereafter through year 11. On January 1 of year 12, duties shall be reduced by an additional 15 percent of the base rate, and by an additional 15 percent of the base rate each year thereafter through year 14, and such goods shall be duty-free effective January 1 of year 15.
 - (d) Duties on originating goods provided for in the items in staging category P shall remain at base rates for years one through ten. Beginning January 1 of year 11, duties shall be reduced by 8.25 percent of the base rate, and by an additional 8.25 percent of the base rate each year thereafter through year 14. On January 1 of year 15, duties shall be reduced by an additional 16.75 percent of the base rate, and by an additional 16.75 percent of the base rate each year thereafter through year 17, and such goods shall be duty-free effective

January 1 of year 18.

4. During the transition period, only a qualifying good is eligible for the in-quota tariff rate for each such good specified in Appendix I; originating goods that are not qualifying goods shall be subject to the over-quota tariff rate for the good specified in Appendix I. For purposes of this paragraph, “qualifying good” means a good that satisfies the requirements of Chapter Four (Rules of Origin and Origin Procedures), except that operations performed in or material obtained from a Central American Party shall be considered as if the operations were performed in a non-Party and the material was obtained from a non-Party.

5. Originating goods imported into Guatemala shall not be subject to any duties applied pursuant to Article 5 of the WTO Agreement on Agriculture.

6. With respect to goods provided for in heading 1701 and subheadings 0901.11, 0901.12, 0901.21, and 0901.22, the tariff commitments set out in the attached Schedule shall apply only to a United States originating good. For purposes of this paragraph, a “United States originating good” means a good that satisfies the requirements of Chapter Four (Rules of Origin and Origin Procedures), except that operations performed in or material obtained from a Central American Party shall be considered as if the operations were performed in a non-Party and the material was obtained from a non-Party. In the event that Guatemala provides preferential tariff treatment to a good covered by this paragraph to one or more Central American Parties under the legal instruments of Central American integration, this note shall no longer apply to such good.

Appendix I

Tariff-Rate Quotas

Notes

1. This Appendix contains temporary modifications of the provisions of the *Arancel Centroamericano de Importación* (“ACI”) pursuant to this Agreement. Subject to note 4 of the General Notes of Guatemala, originating goods included in the provisions of this Appendix are subject to the rates of duty set out in this Appendix in lieu of the rates of duty set out in Chapters 1 through 97 of the ACI. Notwithstanding any tariff-rate quota provisions provided for elsewhere in the ACI, originating goods shall be permitted entry into Guatemala according to the provisions of this Appendix. Furthermore, any quantity of goods provided for the United States under a tariff-rate quota provided in this Appendix shall not be counted toward any tariff-rate quota provided for such goods elsewhere in the ACI.

2. Except as otherwise provided in this Appendix, Guatemala shall allocate the in-quota quantities of each qualifying good to persons based on the proportion of the total quantity of imports of the good that each person imported during a previous representative period, while also allowing access for new entrants. Guatemala shall establish, on entry into force of this Agreement, a mechanism for reallocating unused in-quota quantities to interested persons.

Beef

3. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	1,060
2	1,120
3	1,180
4	1,240
5	1,300
6	1,360
7	1,420
8	1,480
9	1,540
10	unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category C in Annex 3.3, paragraph 1(c).
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 02012000, 02013000, 02022000, and 02023000, except for prime and choice beef, for which duties shall be removed in accordance with the provisions of staging category A in Annex 3.3, paragraph 1(a). **Prime and choice beef** shall mean prime and choice grades of beef as defined in the United States Standards for Grades of Carcass Beef, promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. §§ 1621-1627), as amended.

Cheese

- 4. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	450
2	473
3	496
4	521
5	547
6	574
7	603
8	633
9	665
10	698
11	733
12	770
13	808
14	849
15	891
16	936
17	982
18	1,031
19	1,083
20	unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging

category F in Annex 3.3, paragraph 1(f).

- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 04061000, 04062090, 04063000, 04069010, 04069020, and 04069090.

Milk Powder

- 5. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	400
2	420
3	441
4	463
5	486
6	511
7	536
8	563
9	591
10	621
11	652
12	684
13	718
14	754
15	792
16	832
17	873
18	917
19	963
20	unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category F in Annex 3.3, paragraph 1(f).

- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 04021000, 04022111, 04022112, 04022121, 04022122, 04022900, 04039010, and 04039090.

Butter

6. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	100
2	105
3	110
4	116
5	122
6	128
7	134
8	141
9	148
10	155
11	163
12	171
13	180
14	189
15	198
16	208
17	218
18	229
19	241
20	unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category F in Annex 3.3, paragraph 1(f).
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 04051000, 04052000, 04059090, and 04013000.

Ice Cream

7. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and

shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	160
2	168
3	176
4	185
5	194
6	204
7	214
8	225
9	236
10	248
11	261
12	274
13	287
14	302
15	317
16	333
17	349
18	367
19	385
20	unlimited

(b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category F in Annex 3.3, paragraph 1(f).

(c) Subparagraphs (a) and (b) apply to the following SAC provision: 21050000.

Other Dairy Products

8. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	182
2	191

3	201
4	211
5	221
6	232
7	244
8	256
9	269
10	unlimited

(b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category C in Annex 3.3, paragraph 1(c).

(c) Subparagraphs (a) and (b) apply to the following SAC provision: 22029090

Pork

9. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	4,148
2	4,345
3	4,543
4	4,740
5	4,938
6	5,135
7	5,333
8	5,530
9	5,728
10	5,925
11	6,123
12	6,320
13	6,518
14	6,715
15	unlimited

(b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category D in Annex 3.3, paragraph 1(d).

- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 02031100, 02031200, 02031900, 02032100, 02032200, and 02032900.
- (d) In the event that an Export Trade Certificate (ETC) is approved pursuant to the provisions of the *Export Trading Company Act of 1982*, 15 U.S.C. Sec. 4011-4021 (2000), the allocations of the duty-free quantities under subparagraph (a) that are established pursuant to the terms of the ETC shall be respected by Guatemala through the adoption or maintenance of appropriate procedures. There shall be no separate import licensing requirement for such access. In the event that an ETC is not approved, Guatemala shall allocate the in-quota quantities pursuant to paragraph 2.

Yellow Corn

- 10. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	525,000
2	550,000
3	575,000
4	600,000
5	625,000
6	650,000
7	675,000
8	700,000
9	725,000
10	unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category C in Annex 3.3, paragraph 1(c).

- (c) Subparagraphs (a) and (b) apply to the following SAC provision: 10059020.

White Corn

- 11. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and

shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	20,400
2	20,800
3	21,200
4	21,600
5	22,000
6	22,400
7	22,800
8	23,200
9	23,600
10	24,000
11	24,400
12	24,800
13	25,200
14	25,600
15	26,000

After year 15, the in-quota quantity grows at 400 MT per year.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be treated in accordance with the provisions of staging category H in Annex 3.3, paragraph 1(h).
- (c) Subparagraphs (a) and (b) apply to the following SAC provision: 10059030.

Rough Rice

- 12. (a) Guatemala may maintain and administer performance requirements existing on the date of entry into force of this Agreement for rough rice provided that:
 - (i) the performance requirements are maintained at a level not to exceed the total in-quota quantity specified for the good;
 - (ii) the performance requirements are administered so as not to impair the orderly fill of the in-quota quantity; and
 - (iii) the performance requirements are eliminated when the over-quota duty reaches zero.
- (b) The aggregate quantity of goods entered under the provisions listed in subparagraph (d) shall be free of duty in any calendar year specified herein, and

shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	54,600
2	57,200
3	59,800
4	62,400
5	65,000
6	67,600
7	70,200
8	72,800
9	75,400
10	78,000
11	80,600
12	83,200
13	85,800
14	88,400
15	91,000
16	93,600
17	96,200
18	unlimited

Guatemala shall allocate the in-quota quantities that are subject to performance requirements to persons that satisfy those requirements.

- (c) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (b) shall be removed in accordance with the provisions of staging category P in paragraph 3(d) of the General Notes of Guatemala to Annex 3.3.
- (d) Subparagraphs (a), (b) and (c) apply to the following SAC provision: 10061090.

Milled Rice

- 13. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity (Metric tons)
1	10,500

2	11,000
3	11,500
4	12,000
5	12,500
6	13,000
7	13,500
8	14,000
9	14,500
10	15,000
11	15,500
12	16,000
13	16,500
14	17,000
15	17,500
16	18,000
17	18,500
18	unlimited

For a period not greater than three years from the date of entry into force of the Agreement, Guatemala shall allocate the in-quota quantities on an objective basis consistent with Article 3.13. Thereafter, Guatemala shall allocate the in-quota quantities to persons based on the proportion of the total quantity of the good that each person imported during a previous representative period, while also allowing access for new entrants. Guatemala shall establish a mechanism for reallocating unused in-quota quantities to interested persons.

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category P in paragraph 3(d) of the General Notes of Guatemala to Annex 3.3.
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 10062000, 10063010, 10063090, and 10064000.

Poultry

- 14. (a) The aggregate quantity of goods entered under the provisions listed in subparagraph (c) shall be free of duty in any calendar year specified herein, and shall not exceed the quantity specified below for the United States in each such year:

Year	Quantity
	(Metric tons)
1	21,810
2	21,810

3	20,494
4	19,179
5	17,683
6	16,548
7	15,232
8	13,917
9	12,601
10	11,285
11	9,970
12	8,654
13	To Be Determined
14	To Be Determined
15	To Be Determined
16	To Be Determined
17	To Be Determined
18	unlimited

- (b) Duties on goods entered in aggregate quantities in excess of the quantities listed in subparagraph (a) shall be removed in accordance with the provisions of staging category P in paragraph 3(d) of the General Notes of Guatemala to Annex 3.3.
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 02071399, 02071499, and 16023200.
- (d) The aggregate quantity of goods entered under subparagraph (a) in years 13 to 17 shall be determined through consultations between the United States and Guatemala. In the event that the United States and Guatemala fail to reach an agreement, the aggregate quantity of goods entered under subparagraph (a) in any such year shall be equal to five percent of the national poultry production of Guatemala.
- (e) If an Export Trade Certificate (“ETC”) is approved pursuant to the Export Trading Company Act of 1982, 15 U.S.C. Sec. 4011-4021 (2000), and if Guatemala and the United States agree that the in-quota quantities should be allocated pursuant to that ETC, Guatemala shall adopt or maintain appropriate procedures to allocate the in-quota quantities under subparagraph (a) pursuant to the terms of the ETC. There shall be no separate import licensing requirement for quantities allocated pursuant to the ETC.
- (f) If Guatemala and the United States do not agree that the in-quota quantities should be allocated pursuant to the ETC, or the ETC is not approved, the in-quota quantities shall be allocated pursuant to an open and public auction system, the terms of which are to be established by mutual agreement of Guatemala and the United States.