

GENERAL NOTES
TARIFF SCHEDULE OF THE REPUBLIC OF COSTA RICA

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 Central American Import Tariff MFN rates of duty in effect on January 1, 2003.
3. In addition to the staging categories listed in Annex 3.3, paragraph 1, this Schedule contains staging categories **M, N, R, S, T, U** and **V**.
 - (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 of the base rate, and by an additional two percent of the base rate 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 through year nine, 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 the date this Agreement enters into force, 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 R shall remain at base rates for years one through six. Beginning January 1 of year seven, duties shall be reduced in nine equal annual stages, 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 S shall remain at base rates for years one through five. On January 1 of year six, 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 ten. On January 1 of year 11, duties shall be reduced by an additional 12 percent of the base rate, and by an additional 12 percent of the base rate each year thereafter through year 14, and such goods shall be duty-free effective January 1 of year 15.

- (e) Duties on originating goods provided for in the items in staging category T shall remain at base rates of duty for years one through four. On January 1 of year five, 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 nine. On January 1 of year ten, duties shall be reduced by an additional ten percent of the base rate, and by an additional ten percent of the base rate each year thereafter through year 14, and such goods shall be duty-free effective January 1 of year 15.
- (f) Duties on originating goods provided for in the items in staging category U shall remain at base rates for years one through ten. On January 1 of year 11, duties shall be reduced by 13.4 percent of the base rate, and by an additional 13.3 percent of the base rate each year thereafter through year 13. On January 1 of year 14, 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 sixteen, and such goods shall be duty-free effective January 1 of year 17.
- (g) Duties on originating goods provided for in the items in staging category V shall remain at base rates for years one through ten. On January 1 of year 11, 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 15. On January 1 of year 16, duties shall be reduced by an additional 12 percent of the base rate, and by an additional 12 percent of the base rate through year 19, and such goods shall be duty-free effective January 1 of year 20.

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 note, “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 or the Dominican Republic 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 Costa Rica 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 this Schedule shall apply only to a United States originating good. For purposes of this note, 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 or the Dominican Republic shall be considered as if the operations were performed in a non-Party or the material was obtained from a non-Party. In the event that Costa Rica provides preferential tariff treatment to a good covered by this note under the legal instruments of Central American integration or pursuant to an agreement with the Dominican Republic, this note shall no longer apply to such good.

7. (a) Except as Costa Rica and the Dominican Republic may otherwise agree, the tariff commitments set out in this Schedule shall not apply to an originating good classified under subheading 0703.10, 0713.31, 0713.32, 0713.33, 1006.10, 1006.20, 1006.30, or 1006.40, heading 2203, 2207, or 2208, or subheading 2401.20, 2402.20 (only goods containing *rubio*), or 2403.10 that is imported directly from the territory of the Dominican Republic.
- (b) Costa Rica and the Dominican Republic shall conclude negotiations on the tariff treatment to be applied to originating goods classified under subheadings 0207.11, 0207.12, 0207.13, 0207.14, 0402.10, 0402.21, 0402.29, 0703.20, and 1101.00, and headings 2710, except mineral solvents, 2712, 2713, except subheading 2713.20, and 2715 that are imported directly into the territory of Costa Rica from the territory of the Dominican Republic no later than the date that is one year after the date on which this Agreement enters into force with respect to Costa Rica and the Dominican Republic, and any agreed tariff treatment shall form part of this Schedule. During this one-year period, duties on such goods shall remain at base rates. At the expiration of the one-year period, if Costa Rica and the Dominican Republic have not reached an agreement regarding the tariff treatment for any such good, Costa Rica shall apply the following tariff treatment to any such good: Duties on the good shall remain at base rates through year ten. On January 1 of year 11, duties on the good 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 15. On January 1 of year 16, duties on the good shall be reduced by an additional 12 percent of the base rate, and by an additional 12 percent of the base rate through year 19, and the good shall be duty-free effective January 1 of year 20.
8. Costa Rica shall apply the following tariff treatment to originating goods classified under tariff item 1507.90.00, 1508.90.00, 1509.90.00, 1510.00.00, 1511.90.90 (except palm stearin), 1512.19.00, 1512.29.00, 1513.19.00, 1513.29.00, 1514.19.00, 1514.99.00, 1515.19.00, 1515.29.00, 1515.30.00, 1515.40.00, 1515.50.00, 1515.90.20, 1515.90.10, 1515.90.90, 1516.10.00, 1516.20.10, 1516.20.90, 1517.10.00, 1517.90.10, 1517.90.20, 1517.90.90, or 1518.00.00 that are imported directly from the territory of the Dominican Republic: Duties on these goods shall remain at base rates for years one through five. Beginning on January 1 of year six, duties shall be reduced by eight percent of the base rate annually through year ten. Beginning on January 1 of year 11, duties shall be reduced by an additional 12 percent of the base rate annually through year 14, and such goods shall be duty-free effective January 1 of year 15.
9. Appendix II provides tariff-rate quotas with respect to the goods set out in that Appendix.
10. For purposes of these General Notes, a good shall not be considered to be imported directly from the territory of the Dominican Republic if the good:
- (a) undergoes subsequent production or any other operation outside the territory of the Dominican Republic, other than unloading, reloading, or any other operation

necessary to preserve the good in good condition or to transport the good to the territory of Costa Rica; or

- (b) does not remain under the control of customs authorities in the territory of the United States or a non-Party.

Appendix I

Tariff-Rate Quotas

Notes

1. This Appendix contains modifications of the provisions of the *Arancel Centroamericano de Importación* (“ACI”) as applied by Costa Rica. Subject to note 4 of the General Notes of Costa Rica, originating goods included in 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 Costa Rica as provided in this Appendix. Furthermore, any quantity of goods imported from the United States under a tariff-rate quota provided in this Appendix shall not be counted toward the in-quota amount of any tariff-rate quota provided for such goods elsewhere in the ACI.

2. Except as otherwise provided in this Appendix, for a period not greater than three years from the date of entry into force of the Agreement, Costa Rica’s *Ministerio de Comercio Exterior* shall allocate the in-quota quantities of each qualifying good on an objective basis consistent with Article 3.13. Thereafter, the *Ministerio de Comercio Exterior* shall allocate the in-quota quantities of each qualifying good to persons based on the proportion of the total quantity of the good that each person imported during a previous representative period, while also allocating a reasonable proportion of the in-quota quantities to new entrants, if any. The *Ministerio de Comercio Exterior* shall establish a mechanism for reallocating unused in-quota quantities to interested persons.

Pork

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	1,100
2	1,200
3	1,300
4	1,400
5	1,500
6	1,625
7	1,750
8	1,875
9	2,000
10	2,125
11	2,275

12	2,425
13	2,575
14	2,725
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 R in paragraph 3(c) of the General Notes of Costa Rica to Annex 3.3.
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 02031100, 02031200, 02031900, 02032100, 02032200, and 02032900.

Chicken Leg Quarters

- 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	330
2	360
3	390
4	420
5	450
6	480
7	510
8	540
9	570
10	600
11	630
12	660
13	690
14	720
15	750
16	780
17	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 U in paragraph 3(f) of the General Notes of Costa Rica to Annex 3.3.

- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 02071399B and 02071499B.

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	200
2	210
3	221
4	232
5	243
6	255
7	268
8	281
9	296
10	310
11	326
12	342
13	359
14	377
15	396
16	416
17	437
18	458
19	481
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, and 04022900.

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	150
2	158
3	165
4	174
5	182
6	191
7	201
8	211
9	222
10	233
11	244
12	257
13	269
14	283
15	297
16	312
17	327
18	344
19	361
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 and 04052000.

Cheese

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	410
2	431
3	452
4	475
5	498
6	523
7	549
8	577
9	606
10	636
11	668
12	701
13	736
14	773
15	812
16	852
17	895
18	940
19	987
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.

Ice Cream

- 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	150
2	158
3	165
4	174
5	182
6	191
7	201
8	211
9	222
10	233
11	244
12	257
13	269
14	283
15	297
16	312
17	327
18	344
19	361
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, subparagraph 1(f).

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

Other Dairy Products

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	140
2	147

3	154
4	162
5	170
6	179
7	188
8	197
9	207
10	217
11	228
12	239
13	251
14	264
15	277
16	291
17	306
18	321
19	337
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) for the provisions listed in subparagraph (c).
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 04029990 and 22029090 (milk-based drinks only).

Rough Rice

- 10. (a) Costa Rica 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	51,000
2	52,000
3	53,000
4	54,000
5	55,000
6	56,000
7	57,000
8	58,000
9	59,000
10	60,000
11	61,000
12	62,000
13	63,000
14	64,000
15	65,000
16	66,000
17	67,000
18	68,000
19	69,000
20	unlimited

Costa Rica shall allocate the in-quota quantities that are subject to performance requirements to persons that satisfy those requirements in accordance with the existing provisions of Law No. 8285 of May 3, 2002.

- (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 V in paragraph 3(g) of the General Notes of Costa Rica to Annex 3.3.
- (d) Subparagraphs (a), (b) and (c) apply to the following SAC provision: 10061090.

Milled Rice

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	5,250
2	5,500
3	5,750
4	6,000
5	6,250
6	6,500
7	6,750
8	7,000
9	7,250
10	7,500
11	7,750
12	8,000
13	8,250
14	8,500
15	8,750
16	9,000
17	9,250
18	9,500
19	9,750
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 V in paragraph 3(g) of the General Notes of Costa Rica to Annex 3.3.
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 10062000, 10063010, 10063090, and 10064000.

Fresh Potatoes

12. (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	300
2	306
3	312
4	318
5	324
6	330
7	336
8	342
9	348
10	354
11	360
12	366
13	372
14	378
15	384

After year 15, the in-quota quantity grows at 6 MT per year.

- (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 H in Annex 3.3, paragraph 1(h).
- (c) Subparagraphs (a) and (b) apply to the following SAC provision: 07019000.

Fresh Onions

- 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	300
2	306
3	312
4	318
5	324
6	330

7	336
8	342
9	348
10	354
11	360
12	366
13	372
14	378
15	384

After year 15, the in-quota quantity grows at 6 MT per year.

- (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 H in Annex 3.3, paragraph 1(h).
- (c) Subparagraphs (a) and (b) apply to the following SAC provisions: 07031011, 07031012, 07031013, and 07031019.

Frozen French Fries

- 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	2,631
2	2,763
3	2,901
4	3,046
5	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 B in Annex 3.3, paragraph 1(b).
- (c) Subparagraphs (a) and (b) apply to the following SAC provision: 20041000 (frozen french fries only).

Appendix II

Tariff-Rate Quotas

Notes

1. This Appendix contains modifications of the provisions of the *Arancel Centroamericano de Importación* (“ACI”) as applied by Costa Rica. Pursuant to note 9 of the General Notes of Costa Rica, originating goods imported directly from the territory of the Dominican Republic and included in 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 imported directly from the territory of the Dominican Republic shall be permitted entry into Costa Rica as provided in this Appendix. Furthermore, any quantity of goods imported from the Dominican Republic under a tariff-rate quota provided in this Appendix shall not be counted toward the in-quota amount of any tariff-rate quota provided for such goods elsewhere in the ACI.

2. For a period not greater than three years from the date of entry into force of the Agreement, Costa Rica’s *Ministerio de Comercio Exterior* shall allocate the in-quota quantities of each originating good subject to this Appendix on an objective basis consistent with Article 3.13. Thereafter, the *Ministerio de Comercio Exterior* shall allocate the in-quota quantities of each such good to persons based on the proportion of the total quantity of the good that each person imported during a previous representative period, while also allocating a reasonable proportion of the in-quota quantities to new entrants, if any. The *Ministerio de Comercio Exterior* shall establish a mechanism for reallocating unused in-quota quantities to interested persons.

Chicken Breasts

3. (a) In any calendar year, an aggregate quantity of 2,070 metric tons of goods classified under the provisions listed in subparagraph (c) may be entered subject to the following duty treatment: 12.5 percent *ad valorem*.
- (b) Duties on goods entered in aggregate quantities in excess of the quantity set out in subparagraph (a), shall be applied in accordance with note 7(b) of Costa Rica’s General Notes.
- (c) Subparagraphs (a) and (b) apply to chicken breasts entered under the following SAC provisions: 0207.13.91 and 0207.14.91.

Milk Powder

4. (a) In any calendar year, an aggregate quantity of 2,200 metric tons of goods classified under the provisions listed in subparagraph (c) may be entered subject to the following duty treatment: Beginning on the date this Agreement enters into force,, duties shall be 20 percent *ad valorem*. Duties shall be removed in seven

equal annual stages beginning January 1 of year two, and such goods shall be duty-free effective January 1 of year eight.

- (b) Duties on goods entered in aggregate quantities in excess of the quantity set out in subparagraph (a), shall be applied in accordance with note 7(b) of Costa Rica's General Notes.
- (c) Subparagraphs (a) and (b) apply to milk powder entered under the following SAC provisions: 0402.10, 0402.21, and 0402.29.