

2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on goods in accordance with its Schedule to Annex C-02.2.<sup>4</sup>

3. On the request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in their Schedules. 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 for such good when approved by each such Party in accordance with its applicable legal procedures.

4. Except as otherwise provided in this Agreement, either Party may adopt or maintain import measures to allocate in-quota imports made pursuant to a tariff rate quota set out in Annex C-02.2, provided that such measures do not have trade restrictive effects on imports additional to those caused by the imposition of the tariff rate quota.

5. On written request of either Party, a Party applying or intending to apply measures pursuant to paragraph 4 shall consult to review the administration of those measures.

#### **Article C-03: Waiver of Customs Duties**

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

2. Except as set out in Annex C-03.2, neither Party may, explicitly or implicitly, condition on the fulfilment of a performance requirement the continuation of any existing waiver of customs duties.

3. If a waiver or a combination of waivers of customs duties granted by a Party with respect to goods for commercial use by a designated person can be shown by the other Party to have an adverse impact on the commercial interests of a person of that Party, or of a person owned or controlled by a person of that Party that is located in the territory of the Party granting the waiver, or on the other Party's economy, the Party granting the waiver shall either cease to grant it or make it generally available to any importer.

4. This Article shall not apply to drawback and duty deferral programs.

#### **Article C-04: Temporary Admission of Goods**

1. Each Party shall grant duty-free temporary admission, including exemption from fees as specified in Annex C-04.1 for:

- (a) professional equipment necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to Chapter K (Temporary Entry for Business Persons),
- (b) equipment for the press or for sound or television broadcasting and cinematographic equipment,
- (c) goods imported for sports purposes and goods intended for display or demonstration, and
- (d) commercial samples and advertising films,

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<sup>4</sup> Paragraphs 1 and 2 of this Article are not intended to prevent either Party from maintaining or increasing a customs duty as may be authorized by any dispute settlement provision of the WTO Agreement or any agreement under the WTO Agreement.