

Annex 3.4.1

- (f) duties on originating goods provided for in the items in staging category F1 shall be removed in 10 stages. On the date this Agreement enters into force, duties shall be reduced by 2% of the base rate, and by an additional 2% of the base rate on January 1 of year 2. On January 1 of year 3 duties shall be reduced by an additional 8% of the base rate, and by an additional 8% of the base rate each year thereafter through year 6. On January 1 of year 7, duties shall be reduced by an additional 16% of the base rate, and by an additional 16% of the base rate each year thereafter through year 9, and such goods shall be duty-free effective January 1 of year 10;
 - (g) duties on originating goods provided for in the items in staging category G in a Party's Schedule shall be removed in 12 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 12;
 - (h) duties on originating goods provided for in the items in staging category H in a Party's Schedule shall be removed in 15 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 15;
 - (i) duties on originating goods provided for in the items in staging category H1 shall remain at base rates for years 1 through 6. Beginning January 1 of year 7, duties shall be reduced by 8% of the base rate, and by an additional 8% of the base rate each year thereafter through year 11. On January 1 of year 12, duties shall be reduced by an additional 15% of the base rate, and by an additional 15% of the base rate each year thereafter through year 14, and such goods shall be duty-free effective January 1 of year 15;
 - (j) goods provided for in the items in staging category E in a Party's Schedule shall continue to receive most-favoured-nation treatment.
3. The base rate of customs duty and staging category for determining the interim rate of customs duty at each stage of reduction for an item is specified in a Party's Schedule to this Annex.
4. For the purposes of this Annex and a Party's Schedule to this Annex, beginning in year 2, each annual stage of tariff reduction shall take effect on January 1 of the relevant year.
5. The Parties agree that:
- (a) Canada's Schedule is authentic in the English and French languages; and
 - (b) Honduras' Schedule is authentic in the Spanish language.