

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.