

Part 6

Section 1

Notes for Schedule of Malaysia

1. For the purposes of Article 16, the following categories indicated in Column 4 in the Schedule of Malaysia, in Section 2 of this Part, shall apply:

- (a) customs duties on originating goods classified under the tariff lines indicated with "A" shall be eliminated as from the date of entry into force of this Agreement;
- (b) customs duties on originating goods classified under the tariff lines indicated with "B2\*" shall be eliminated in accordance with the following schedule:
  - (i) the rate of customs duty shall be the CEPT rate applicable on the date of entry into force of this Agreement, or not more than 5.0 per cent, whichever is the less, as from the date of entry into force of this Agreement;
  - (ii) the rate of customs duty shall be the CEPT rate applicable on 1 January 2009 or not more than 5.0 per cent, whichever is the less, as from 1 January 2009; and
  - (iii) customs duties shall be eliminated, as from 1 January 2010;

Note: For the purposes of subparagraphs (i) and (ii), the term "the CEPT rate" means the rate of customs duty applied by Malaysia, under the Agreement of the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area, and all related Agreements and Protocols;

- (c) customs duties on originating goods classified under the tariff lines indicated with "B3" shall be eliminated in four (4) equal annual instalments from the Base Rate to free;
- (d) customs duties on originating goods classified under the tariff lines indicated with "B4" shall

be eliminated in five (5) equal annual instalments from the Base Rate to free;

- (e) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated in six (6) equal annual instalments from the Base Rate to free;
- (f) customs duties on originating goods classified under the tariff lines indicated with "B5\*" shall be eliminated in accordance with the following schedule:
  - (i) the rate of customs duty shall be 20.0 per cent, as from the date of entry into force of this Agreement;
  - (ii) the rate of customs duty shall be 10.0 per cent, as from the first day of the fourth year; and
  - (iii) customs duties shall be eliminated, as from the first day of the sixth year;
- (g) customs duties on originating goods classified under the tariff lines indicated with "B6" shall be eliminated in seven (7) equal annual instalments from the Base Rate to free;
- (h) customs duties on originating goods classified under the tariff lines indicated with "B7" shall be eliminated in eight (8) equal annual instalments from the Base Rate to free;
- (i) customs duties on originating goods classified under the tariff lines indicated with "B7\*" shall be eliminated in accordance with the following schedule:
  - (i) the rate of customs duty shall be 20.0 per cent, as from the date of entry into force of this Agreement;
  - (ii) the rate of customs duty shall be 10.0 per cent, as from the first day of the sixth year; and
  - (iii) customs duties shall be eliminated, as from the first day of the eighth year;

- (j) customs duties on originating goods classified under the tariff lines indicated with "B9" shall be eliminated in ten (10) equal annual instalments from the Base Rate to free;
- (k) customs duties on originating goods classified under the tariff lines indicated with "B9\*" shall be eliminated in equal annual instalments from the Base Rate to free, in accordance with the following:
  - (i) the first and subsequent reductions shall take place in accordance with subparagraphs 4(a) and (b) of Part 1; and
  - (ii) the final reduction shall take place on 1 January 2017;
- (l) customs duties on originating goods classified under the tariff lines indicated with "B10" shall be eliminated in eleven (11) equal annual instalments from the Base Rate to free;
- (m) customs duties on originating goods classified under the tariff lines indicated with "B10\*" shall be eliminated in accordance with the following schedule:
  - (i) the rate of customs duty shall be 15.0 per cent, as from the date of entry into force of this Agreement;
  - (ii) the rate of customs duty shall be 10.0 per cent, as from the first day of the sixth year;
  - (iii) the rate of customs duty shall be 5.0 per cent, as from the first day of the eighth year; and
  - (iv) customs duties shall be eliminated, as from the first day of the eleventh year;
- (n) customs duties on originating goods classified under the tariff lines indicated with "C" shall apply at the Base Rate as from the date of entry into force of this Agreement;
- (o) customs duties on originating goods classified

under the tariff lines indicated with "R" shall be reduced in accordance with the terms and conditions set out in the note indicated in Column 5 in the Schedule of Malaysia, in Section 2 of this Part; and

- (p) the originating goods classified under the tariff lines indicated with "X" shall be excluded from any tariff commitment referred to in subparagraphs (a) through (o).

2. The terms and conditions in the following note indicated with (a) through (d) shall apply to originating goods specified with the corresponding letter in Column 5 in the Schedule of Malaysia, in Section 2 of this Part:

- (a) the rate of customs duty shall be reduced in eleven (11) equal annual instalments from the Base Rate to 5.0 per cent;
- (b) the rate of customs duty shall be reduced in eleven (11) equal annual instalments from the Base Rate to 10.0 per cent;
- (c) the rate of customs duty shall be reduced in eleven (11) equal annual instalments from the Base Rate to 20.0 per cent; or
- (d) the rate of customs duty shall be reduced in accordance with the following schedule:
  - (i) 50.0 per cent, as from the date of entry into force of this Agreement;
  - (ii) 30.0 per cent, as from the first day of the sixth year; and
  - (iii) 20.0 per cent, as from the first day of the eleventh year.

3. For the purposes of this Part, the term "year" means, with respect to the first year, the period from the date of entry into force of this Agreement until the coming 31 December and, with respect to each subsequent year, the twelve-month period which starts on 1 January of that year.