

Part 4

Section 1

Notes for Schedule of the Republic of Indonesia

1. For the purposes of Article 16, the following categories indicated in Column 4 in the Schedule of the Republic of Indonesia, 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 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 2010;
- (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 "B3*" 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 2011.
- (e) customs duties on originating goods classified under the tariff lines indicated with "B4*" 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 2012.
- (f) 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;
- (g) customs duties on originating goods classified under the tariff lines indicated with "B5*" shall be eliminated in accordance with the following:
- (i) the rate of customs duty shall be 13.0 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 1 January 2009;
 - (iii) the rate of customs duty shall be 8.0 per cent, as from 1 January 2010;
 - (iv) the rate of customs duty shall be 6.0 per cent, as from 1 January 2011;
 - (v) the rate of customs duty shall be 4.0 per cent, as from 1 January 2012; and
 - (vi) customs duties shall be eliminated, as from 1 January 2013;
- (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 "B10" shall be eliminated in eleven (11) equal annual instalments from the Base Rate to free;
- (j) 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;

- (k) 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 the Republic of Indonesia, in Section 2 of this Part; and
- (l) the originating goods classified under the tariff lines indicated with "X" shall be excluded from any tariff commitment referred to in subparagraphs (a) through (k).

2. The terms and conditions in the following note shall apply to originating goods specified with the letter (a) in Column 5 in the Schedule of the Republic of Indonesia, in Section 2 of this Part.

The rate of customs duty shall be reduced in seventeen (17) equal annual instalments from the Base Rate to 5.0 per cent.

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.