

**Schedule CLIII - The Separate Customs Territory of
Taiwan, Penghu, Kinmen and Matsu**

PART I - MOST-FAVOURED-NATION TARIFF

SECTION I - B Tariff Quotas

1. The tariff quota access specified in Column 3 shall be implemented on the date of accession. Expansion of tariff quota access shall be implemented in equal installments on 1 January of each subsequent year over the period specified in Column 5. The initial reduction in the in-quota tariff rate shall be implemented in one step on the date of accession, with any subsequent reduction implemented in equal annual installments over the period specified in Column 5.

2. Rice Quota Administration:

Chinese Taipei shall ensure that rice from central stocks shall no longer be prohibited from entering domestic marketing channels for industrial and/or food use. Imports of rice for re-export shall not count against imports under the quota. Chinese Taipei shall lift its ban on imported rice upon accession to the WTO, and establish a quota along the lines of Annex 5, calculated on a brown rice basis. This quota shall be 144,720 metric tons in the first year after accession. Any portion of the quota for

private trade which is not filled by 31 December shall be imported by Chinese Taipei authorities by 31 March of the subsequent year. Continuation of the quota beyond the first year after accession, or conversion to a tariff-rate quota, shall be subject to the provisions of paragraph 175 of the Working Party Report and Annex 5 of the Agreement on Agriculture, in particular paragraph 4. Future quota growth shall be consistent with commitments undertaken by WTO Members in connection with negotiations conducted pursuant to Article 20 of the Agreement on Agriculture.

CENTRALIZED IMPORTS

Specification of Imported Rice: Rice imported by the Chinese Taipei authorities shall be tendered to meet internationally recognized standards for trade in rice.

Disposal of Imported Rice: Imported rice shall be accorded no less favourable treatment than rice produced in Chinese Taipei. Imported rice shall have full access to

normal marketing channels, wholesalers, distributors, and end users. It shall be priced at a level which ensures that it enters the domestic market at prices competitive with rice produced in Chinese Taipei. Imported rice shall be marketed in a timely fashion so that its quality for table use is not adversely affected by storage time. Imported rice shall not be exported as food aid, nor used for livestock feed.

PRIVATE SECTOR TRADE

Direct Private Sector Trade: Chinese Taipei quota system for private rice trade shall be conducted through direct private-sector importation. The quota system shall be operated with the objective of ensuring the quota fills with a minimal level of market distortion and that the imported rice enters Chinese Taipei domestic wholesale and retail

markets on conditions no less favourable than exist for rice produced in Chinese Taipei. Chinese Taipei shall increase the market access quota allocated to the private trade by no less than the percentage tendered by WTO Members having recourse to Annex 5, Section A of the Agreement on Agriculture. Chinese Taipei agrees to increase the percentages of private trade to 35% upon accession.

Terms of Trade: Quota allocation certificates shall serve as automatic import licences, in compliance with the Agreement on Import Licensing Procedures and consistent with Article XIII of GATT 1994. All commercial terms of trade, including product specifications, origin, pricing, packaging, etc. shall be at the sole determination of the parties engaged in the transaction. Partial shipments against a single allocation shall be permitted. Traders may import any product or mixture of products subject to the same quota as noted in Chinese Taipei schedule. All products imported under the quota shall be permitted to be distributed freely within Chinese Taipei without further

trade-based restrictions. Allocation certificates shall be freely transferable and tradable, and certificate holders may have certificates reissued to combine or divide 116

Allocation:

Initial distribution of allocations: The initial allocation certificates shall be issued on a first come, first served basis. Allocations shall be established for commercially viable shipping quantities, but a ceiling on the size of any given allocation may be established in advance and published as part of the allocation notification procedures. Allocation certificates shall be valid for product arriving between 1 January and 1 September. The date of arrival shall be defined in accordance with Article 5 of the implementing regulations of the Customs Law of Chinese Taipei as currently in place. Upon request and proof of signed contract before 1 September, COA shall automatically extend the validity date of the certificate to cover products arriving on or before 31 December.

Reallocation of unused allocations: In any year, if the holder of a quota allocation certificate has not contracted for import of the holder total allocation by 1 September, the unused portion of the allocation shall be reallocated on a first come, first served basis. Reallocation certificates shall be valid for 90 days.

<u>Description of products</u>	<u>Tariff item number</u>	<u>Initial quota quantity and in-quota tariff</u>	<u>Final quota quantity and in-quota tariff rate</u>	<u>Implementation period</u>	<u>Initial negotiating right</u>	<u>Other terms and conditions</u>
Pork belly Pork belly (including spare ribs), whether or not cut --fresh or chilled		6,160 MT	15,400 MT	2004	-	TRQ shall be phased out by 1 January 2005. The tariff rate shall be bound at 12.5% by 1 January 2005.
----boneless	02031911	15%	12.5%			
----with bone in	02031991	15%	12.5%			
--frozen						
----boneless	02032911	15%	12.5%			
----with bone in	02032991	15%	12.5%			
Chicken Meat of chicken (including capon) --not cut in pieces		19,163 MT	45,990 MT	2004		TRQ shall be phased out by 1 January 2005. The tariff rate shall be bound at 20% by 1 January 2005.
----fresh or chilled	02071100	25%	20%			
----frozen	02071200	25%	20%			
--cut in pieces						
----drum sticks and wings (including legs and leg quarters)						
-----fresh or chilled	02071311	25%	20%			
-----frozen	02071411	25%	20%			
-----salted, in brine dried or smoked	02109012	25%	20%			
----others allocations.						
-----fresh or chilled	02071319	25%	20%			

Application: All applications for allocation of quota quantities shall be submitted to the Council of Agriculture (COA). Specific conditions for applying for the first quota allocation for each year shall be published in the official journal sixty days in advance of the start of the application period. The application period for initial allocations shall be closed by 30 September of the previous year, unless the timing of accession necessitates a change in schedule for the first year. The application period for reallocations shall be closed by 1 September. COA shall grant allocations and publish and notify the names of recipients and allocation amounts within two weeks of the close of the application period.

Associated Fees: Any and all fees, charges, deposits, duties, etc. associated with the allocation process shall be made explicit in the advance public notification process, and with the exception of ordinary customs duties and/or other charges as noted in Chinese Taipei schedule, shall be commensurate with the cost of the services rendered. No special performance or bid bond requirements shall be instituted.

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-----frozen	02071419	25%	20%		-	
-----salted, in brine dried or smoked	02109019	25%	20%			
--prepared or preserved						
----drum sticks and wings (including legs and leg quarters)	16023210	25%	20%			
----others	16023220	25%	20%			
Pork meat offals		10,000 MT	27,500 MT	2004		TRQ shall be phased out by 1 January 2005. The tariff rate shall be bound at 15% by 1 January 2005.
Hocks, feet, and skirt of swine						
--fresh or chilled	02063020	25%	15%			
--frozen	02064930	25%	15%			
Guts (including intestines and rectum) and stomach of swine, whole and pieces thereof	05040021	25%	15%			
Other prepared or preserved hocks, feet, stomachs, skirt, intestine and rectum	16024930	25%	15%			
Poultry Offals		1,836.3 MT	3,672.6 MT	2004		TRQ shall be phased out by 1 January 2005. The tariff rate shall be bound at 25% by 1 January 2005.
Poultry Offals other than livers						
--guts, bladders and stomachs of poultry	05040022	25%	25%			
--others						
----fresh or chilled	02071399	25%	25%			
(excluding heart, feet, neck of chicken; heart	02072690	25%	25%			
	02073599	25%	25%			

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of ducks and geese ----frozen -----of chicken (excluding heart, feet and neck)	02089030	25%	25%			
-----of other poultry	02071429	25%	25%			
	02072729	25%	25%			
	02073699	25%	25%			
	02089030	25%	25%			
----salted, in brine, dried or smoked (excluding heart and feet of chicken ----prepared or preserved (excluding heart and feet of chicken)	02109029	25%	25%			
	16023120	25%	25%			
	16023290	25%	25%			
	16023920	25%	25%			
	16029040	25%	25%			
Deer Velvet Deer velvet, fresh, chilled, chilled or frozen		1.5 MT	5.0 MT	2004		
	05079020	22.5%	22.5%			
Liquid Milk Milk (excluding milk of goat and sheep), not concentrated and unsweetened		10,649 MT	21,298 MT	2004	AU (excluding 18069053, 19019025, 18069055, 19019027)	
--fresh milk	04011010	15%	15%			
	04012010	15%	15%			
	04013010	15%	15%			
--longlife milk	04011020	15%	15%			
	04012020	15%	15%			
	04013020	15%	15%			

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Milk (excluding milk of goat and sheep), containing added sugar or other sweetening matter	04029910	15%	15%			
	04029920	15%	15%			
	04029992	15%	15%			
	04039059	15%	15%			
Buttermilk (excluding fresh, dry, concentrated)	04039029	15%	15%			
Flavoured, modified, or fermented milk (excluding sour)						
Cream (excluding sour)	04039090	15%	15%			
Curdled milk	04039040	15%	15%			
Prepared milk, evaporated, containing added sugar or other sweetening matter	18069053	15%	15%			
	19019025	15%	15%			
Flavoured milk	18069055	15%	15%			
	19019027	15%	15%			
Peanuts		2,618 MT	5,235 MT	2004		
Ground-nuts						
--in shell	12021000	25%	25%			
	20081111	25%	25%			
	20081191	25%	25%			
--shelled	12022000	25%	25%			
	20081112	25%	25%			
	20081192	25%	25%			
--mixtures (containing ground-nuts exceeding 20%)	20081942	25%	25%			
Flours and meals of ground-nuts						
--edible	12089011	25%	25%			

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--inedible Ground-nuts oil	12089021	25%	25%			
--crude	15081000	25%	25%			
--refined	15089000	25%	25%			
Red Bean		1,500 MT	2,500 MT	2004		
Red beans						
--frozen	07102910	22.5%	22.5%			
--dried	07133200	22.5%	22.5%			
Flour and meal of red bean	11061010	22.5%	22.5%			
Prepared or preserved red bean						
--frozen	20049010	22.5%	22.5%			
	20060011	22.5%	22.5%			
--not frozen						
----shelled	20055110	22.5%	22.5%			
	20060025	22.5%	22.5%			
----not shelled	20055910	22.5%	22.5%			
	20060025	22.5%	22.5%			
Red bean paste	21069097	22.5%	22.5%			
Garlic Bulbs		1,844 MT	3,520 MT	2004		
Garlic bulbs, for planting	07032010	0%	0%			
Other garlic, fresh or chilled	07032090	22.5%	22.5%			
Dried garlic bulb, whole, cut, sliced, broken or in powder	07129040	22.5%	22.5%			
Dried Shiitake (Forest Mushroom)		115 MT	288 MT	2004		
Shiitake (forest						

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mushroom), dried	07123030	25% or NT\$110/kg whichever is higher	25% or NT\$110/kg whichever is higher		-	
Dried Day Lily Day lily, dried	07129050	40 MT 22.5%	101 MT 22.5%	2004		
Young Coconut Other coconuts, fresh or dried	08011900	8,000 MT 15% or NT\$0.9/kg whichever is higher	10,000 MT 15% or NT\$0.9/kg whichever is higher	2004		
Betel Nuts Areca (betel) nuts, fresh or dried	08029030	4,412 MT 17.5%	8,824 MT 17.5%	2004		
Bananas Bananas, including plantains, fresh or dried	08030000	5,335 MT 12.5%	13,338 MT 12.5%	2004	CO	
Pineapples Pineapples, fresh or dried	08043000	9,548 MT 15%	23,870 MT 15%	2004		
Mangoes Mangoes, fresh or dried	08045020	5,120 MT 25%	12,755 MT 25%	2004	AU,CO	
Shaddocks Shaddock, fresh or dried	08059010	1,720 MT 25%	4,300 MT 25%	2004		

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Fresh Pears (excluding European Pears)		4,900 MT	9,800 MT	2004		
Other pear, fresh	08082019	18%	18%			
Persimmons		576 MT	1,440 MT	2004		TRQ shall be phased out at the end of the sixth year after Chinese Taipei's WTO accession. The tariff rate shall be bound at 35%.
Persimmons, fresh	08109030	25%	25%			
Dried Longans and Longan Pulp		110 MT	330 MT	2004		
Lungngans, dried and lungngan pulp	08134010	15%	15%			
Sugar		120,000 MT	205,000 MT	2004	AU	Upon accession of Chinese Taipei to the WTO, market access for private sector trade shall be 1% of the annual sugar tariff quota. In 2004, market access for private sector trade shall increase to 2% of the annual sugar tariff quota.
Raw sugar not containing added flavouring or colouring matter						
--cane sugar	17011100	12.5%	12.5%			
--beet sugar	17011200	12.5%	12.5%			
Containing added flavouring or colouring matter						
--raw sugar	17019110	12.5%	12.5%			
--refined sugar	17019120	17.5%	17.5%			
Other						
--cube and loaf sugar	17019910	17.5%	17.5%			
--rock sugar	17019920	17.5%	17.5%			
--other refined sugar	17019990	17.5%	17.5%			
Rice ST-Annex 5		144,720 MT	144,720 MT	First year after accession		CENTRALIZED IMPORTS
Rice						Duties and mark-up: The in-quota duty shall be 0%(zero percent) for rice in HS chapter 10. The sum of the other fees, charges, and
--in the husk	10061000	free	free			
--husked	10062000	free	free			

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--semi-milled or wholly milled	10063000	free	free			mark-ups on any individual importation and resale shall not exceed NT\$23.26/kg for rice and NT\$25.59/kg for rice products. If the product does not move onto the domestic market at any given price, Chinese Taipei will re-announce the distribution within two weeks, reducing the price by NT\$3/kg or greater to ensure that it is not priced above market clearing levels. The process will be repeated if necessary to move the rice out of central stocks.
--broken Rice flour	10064000	free	free			
--glutinous rice flour	11023010	20%	20%			
--other rice flour	11023090	25%	25%			
Rice groats, meal and pellets	11031400	free	free			
	11032910	25%	25%			
Rolled or flaked rice	11041910	20%	20%			
Other worked rice	11042920	20%	20%			
Rice starch	11081910	15%	15%			
Prepared food by the swelling or roasting of rice						
--rice threads, puffed or roasted	18069071	20%	20%			PRIVATE SECTOR TRADE Duties and Mark-up: The in-quota duty shall be 0 percent (zero) for rice in HS chapter 10. The sum of the other fees, charges, and mark-ups on any individual importation shall not exceed NT\$23.26/kg for rice and NT\$25.59/kg for rice products. If the quota is under subscribed after the first announcement, Chinese Taipei will re-announce the distribution within two weeks, reducing the sum of other fees, charges and mark-ups by NT\$3/kg or greater to ensure that they do not restrict imports, nor price imports above market clearing level. The process will be repeated if necessary. If the initial tender is over subscribed, it will be allocated on a first come, first served basis.
	19023020	20%	20%			
	19041020	20%	20%			
	19042011	20%	20%			
	19042021	20%	20%			
--others	19021110	20%	20%			
	19021910	20%	20%			
	19022010	20%	20%			
Rice products						
--in grain form, precooked or otherwise prepared	18069061	30%	20%			
	19049010	30%	20%			
--others, containing not less than 30% of rice	18069092	25%	25%			
	19019091	25%	25%			
	21069098	30%	20%			