

APPENDIX A-1

TARIFF RATE QUOTAS OF MEXICO

Section A: General Provisions

1. This Appendix sets out the country-specific tariff rate quotas (TRQs) that Mexico shall apply to certain originating goods of Parties under this Agreement. In particular, originating goods of Parties included under this Appendix shall be subject to the rates of duty set out in this Appendix in lieu of the rates of duty specified in Chapters 1 through 97 of the Mexico's tariff schedule of the General Import and Export Duties Law (*Tarifa de la Ley de los Impuestos Generales de Importación y de Exportación* – (LIGIE)). Notwithstanding any other provision of the LIGIE, originating goods of Parties to this Agreement in the quantities described in this Appendix shall be permitted entry into the territory of Mexico as provided in this Appendix. Furthermore, except as provided below, any quantity of originating goods imported from a Party under a TRQ provided for in this Appendix shall not be counted toward the in-quota quantity of any TRQ provided for such goods under Mexico's WTO Tariff Schedule or any other trade agreement.
2. Mexico shall administer its TRQs provided for in this Agreement and set out in Section B of this Appendix in accordance with the terms set out in this Appendix and Section D (Tariff Rate Quota Administration) of Chapter 2 (National Treatment and Market Access for Goods).
3. Should Mexico allocate quotas through auctioning, they shall be published online a month in advance, with no restrictions on participation or bid volumes, and all winning bidders shall pay the price of the lowest winning bid. Within two weeks of the auction, the names of winning bidders and prices and quantities of winning bids shall be published online.
4. For quotas administered on a first come, first served basis, Mexico may require importers to obtain an import licence from the *Secretaría de Economía* for each shipment. Such licences will be issued forthwith without any conditions, on presentation of a proof of purchase of goods covered by quotas listed below, provided quota volumes remain available. Mexico may consider the discontinuation of the import licence as improvements in customs operations permit.
5. The product or products covered by each TRQ set out in Section B are informally identified in the title to the paragraph setting out the TRQ. These titles are included solely to assist readers in understanding this Appendix and shall not

alter or supersede the coverage established through identification of covered codes of Mexico's LIGIE.

6. Each TRQ set out in this Appendix shall apply to an aggregate quantity of originating goods of the Parties identified in the first subparagraph of the paragraph setting out the TRQ.

7. For the purposes of this Appendix, the term "metric tonnes" shall be abbreviated as "MT".

Section B: Country Specific TRQs (CSQ)

8. CSQ-MX1: Milk and Cream, not Concentrated or Containing Added Sugar or Other Sweetening Matter.

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX1”.
- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (Litres) |
|-------------|--|
| 1 | 250,000 |
| 2 | 262,500 |
| 3 | 275,000 |
| 4 | 287,500 |
| 5 | 300,000 |
| 6 | 312,500 |
| 7 | 325,000 |
| 8 | 337,500 |
| 9 | 350,000 |
| 10 | 362,500 |
| 11 | 375,000 |

Starting in year 11, the quantity shall remain at 375,000 Litres per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico may allocate this CSQ through auctioning for no more than five years after the date of entry into force of this Agreement for Mexico. Starting in year 6, this CSQ shall be administered on a first come, first served basis.
- (e) Subparagraphs (a) through (d) apply to the following heading: 04.01.

9. **CSQ-MX2: Milk Powder**

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX2”.
- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 25,000 |
| 2 | 26,700 |
| 3 | 28,400 |
| 4 | 30,100 |
| 5 | 31,800 |
| 6 | 33,500 |
| 7 | 35,200 |
| 8 | 36,900 |
| 9 | 38,600 |
| 10 | 40,300 |
| 11 | 42,000 |

Starting in year 11, the quantity shall remain at 42,000 MT per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico shall apply the following provisions in the administration of this CSQ:
- (i) From year 1 to year 10, at least 80 per cent of the CSQ quantities set out in subparagraph (b) shall be allocated to tariff item 0402.21.01.
- (ii) Mexico may allocate this CSQ through auctioning for no more than three years after the date of entry into force of this Agreement for Mexico. Starting in year 4, this CSQ shall be administered on a first come, first served basis.

- (e) Subparagraphs (a) through (d) apply to the following tariff items: 0402.10.01 and 0402.21.01.

10. **CSQ-MX3: Evaporated Milk**

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX3”.
- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 500 |
| 2 | 525 |
| 3 | 550 |
| 4 | 575 |
| 5 | 600 |
| 6 | 625 |
| 7 | 650 |
| 8 | 675 |
| 9 | 700 |
| 10 | 725 |
| 11 | 750 |

Starting in year 11, the quantity shall remain at 750 MT per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico may allocate this CSQ through auctioning.
- (e) Subparagraphs (a) through (d) apply to the following tariff items: 0402.91.01 and 0402.91.99.

11. **CSQ-MX4: Condensed Milk**

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX4”.
- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 1,000 |
| 2 | 1,050 |
| 3 | 1,100 |
| 4 | 1,150 |
| 5 | 1,200 |
| 6 | 1,250 |
| 7 | 1,300 |
| 8 | 1,350 |
| 9 | 1,400 |
| 10 | 1,450 |
| 11 | 1,500 |

Starting in year 11, the quantity shall remain at 1,500 MT per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico may allocate this CSQ through auctioning
- (e) Subparagraphs (a) through (d) apply to the following tariff items: 0402.99.01 and 0402.99.99.

12. CSQ-MX5: Products Consisting of Natural Milk Constituents, Whether or not Containing Added Sugar or Other Sweetening Matter, not Elsewhere Specified or Included

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Malaysia, New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX5”.
- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 1,000 |
| 2 | 1,100 |
| 3 | 1,200 |
| 4 | 1,300 |
| 5 | 1,400 |
| 6 | 1,500 |
| 7 | 1,600 |
| 8 | 1,700 |
| 9 | 1,800 |
| 10 | 1,900 |
| 11 | 2,000 |

Starting in year 11, the quantity shall remain at 2,000 MT per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico may allocate this CSQ through auctioning for no more than five years after entry into force of this Agreement for Mexico. Starting in year 6, this CSQ shall be administered on a first come, first served basis.
- (e) Subparagraphs (a) through (d) apply to the following tariff item: 0404.90.99.

13. **CSQ-MX6: Butter**

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX6”.
- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 1,500 |
| 2 | 1,550 |
| 3 | 1,600 |
| 4 | 1,650 |
| 5 | 1,700 |
| 6 | 1,750 |
| 7 | 1,800 |
| 8 | 1,850 |
| 9 | 1,900 |
| 10 | 1,950 |
| 11 | 2,000 |

Starting in year 11, the quantity shall remain at 2,000 MT per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico may allocate this CSQ through auctioning for no more than three years after the date of entry into force of this Agreement for Mexico. Starting in year 4, this CSQ shall be administered on a first come, first served basis.
- (e) Subparagraphs (a) through (d) apply to subheadings: 0405.10 and 0405.20.

14. **CSQ-MX7: Cheese**

- (a) This paragraph sets out a country-specific tariff-rate quota for the originating goods of Australia, Brunei, Canada, Japan, Malaysia,

New Zealand, Singapore and Vietnam identified in subparagraph (e). The CSQ set out in this paragraph is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation “CSQ-MX7”.

- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 4,250 |
| 2 | 4,475 |
| 3 | 4,700 |
| 4 | 4,925 |
| 5 | 5,150 |
| 6 | 5,375 |
| 7 | 5,600 |
| 8 | 5,825 |
| 9 | 6,050 |
| 10 | 6,275 |

Schedule of Mexico to Annex 2-D (Tariff Commitments) with the designation "CSQ-MX8".

- (b) The aggregate quantity of originating goods of Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ

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- (b) The aggregate quantity of originating goods of Malaysia described in subparagraph (e) that shall be permitted to enter duty-free in each year under this CSQ is:

| Year | Aggregate Quantity (MT) |
|-------------|------------------------------------|
| 1 | 10,000 |
| 2 | 11,000 |
| 3 | 12,000 |

Starting in year 3, the quantity shall remain at 12,000 MT per year.

- (c) Goods entered in aggregate quantities in excess of the quantities set out in subparagraph (b) shall continue to receive the rate of customs duty applied under the WTO Agreement.
- (d) Mexico may allocate through auctioning.
- (e) Subparagraphs (a) through (d) apply to the following tariff items: 1511.10.01; 1511.90.99 and 1513.29.99.

APPENDIX A-2

COUNTRY SPECIFIC ALLOCATION FOR SUGAR OF MEXICO

1. **CSA-MX: Country Specific Allocation for Sugar**

- (a) Mexico shall grant tariff concessions for sugar under this Agreement only when it requires to import sugar to address its domestic demand through unilateral MFN tariff rate quotas (TRQs). Otherwise, all sugar imports into Mexico under this Agreement shall be subject to the rate of customs duty applied under the WTO Agreement.
- (b) The Country Specific Allocation (CSA) set out in this Appendix is designated in the Tariff Schedule of Mexico to Annex 2-D (Tariff Commitments) as “CSA-MX”.
- (c) Mexico shall grant to Australia 7 per cent of any unilateral MFN TRQ Mexico may open, subject to the following conditions:
 - (i) The CSA allocated to Australia shall be imported duty free.
 - (ii) Mexico shall allocate this CSA to Australia through auctioning in accordance with Mexico’s internal legal procedures.
 - (iii) Australia shall notify Mexico if it cannot fulfill the CSA, so that Mexico can reallocate it to other countries.
 - (iv) Australia may export to Mexico under the unilateral MFN TRQ during the two months following the date on which the respective certificates are issued. Nevertheless, in cases where the validity of the unilateral sugar TRQ under an MFN basis exceeds four months, Australia shall have three months to export to Mexico from the date that quota certificate is issued.
 - (v) To be eligible for the tariff preference established in subparagraph (i), the sugar from Australia shall comply with the applicable product specific rule of origin set out in Annex 3-D (Product-Specific Rules of Origin).
 - (vi) Any amount of CSA not used by Australia shall not be accumulated for subsequent periods.

- (vii) For the amount that exceeds the quantity of the CSA allocated to Australia, the conditions established for the unilateral MFN TRQ shall apply, without prejudice to the rights and obligations of this country under the WTO.
- (viii) For the purposes of this CSA, the scope of "sugar" covers those goods classified under heading 17.01, and tariff items 1702.90.01, 1806.10.01 and 2106.90.05. Mexico shall indicate in its official gazette, as appropriate, the specific tariff items subject to the CSA.