

- (c) customs duties on originating goods provided for in the items in staging category 'PM40' in the SACU Schedule shall be those resulting from the progressive reduction that has taken place in line with the schedule below, on the date referred to in paragraph 1 of this ANNEX.

	Year 1 2000	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Textiles — clothing	40	37	34	31	29	26	23	20	( <sup>1</sup> )			
Textiles — fabrics	22	20	19	17	15	13	12	10	( <sup>1</sup> )			
Textiles- household	35	32	29	26	24	21	18	15	( <sup>1</sup> )			
Textiles — yarns	17	15	14	12	10	8	7	5	( <sup>1</sup> )			

(<sup>1</sup>) In the period from year 8 to year 12, SACU would provide EU exports with a preference margin of 40 per cent compared to MFN applied tariffs.

8. Customs duties on originating goods provided for in the items in staging category 'X' in the SACU Schedule shall be excluded from tariff reduction commitments.

#### SECTION B

##### Tariff rate quotas (TRQs) for specific goods

9. The TRQs granted by SACU under this Agreement shall be managed in accordance with the following provisions:
- the TRQ shall be managed on a first-come, first-served basis for SACU as a whole, once SACU puts into place a customs management system to enable such TRQ management;
  - pending the establishment of a TRQ management system at the level of SACU, the following arrangements shall apply:
    - the TRQs shall be allocated amongst SACU States based on the historical trade as specified under each TRQ;
    - the TRQs shall be managed on a first-come, first-served basis, except for Namibia; and
    - on 1 September each year, any unused TRQ in a country allocation shall be made available for imports into any other member of SACU.
10. The TRQ that was applied to imports into South Africa of products originating in the EU under the TDCA that is granted under this Agreement under the same conditions, shall apply from the date referred to in paragraph 1 of this ANNEX. If the date referred to in paragraph 1 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the quantity of product imported into South Africa under the TDCA TRQ from 1 January of the year of the date referred to in paragraph 1 of this ANNEX until that date shall be subtracted from the quantity of product that may be imported into South Africa under the corresponding TRQ provided for under this Agreement.
11. Customs duties on goods entered in excess of the quantities listed in this Section, although not designated as such in the SACU Schedule, shall be treated in accordance with staging category 'X' as described in paragraph 8 of Section A.
12. Notwithstanding Article 116, the Parties, at the request of either Party, shall review the administration of the TRQs, including with regard to their effectiveness in ensuring quota fill. The Parties may make recommendations to adjust the operation of the TRQs in the light of this review.

13. The following staging categories shall apply to TRQs granted by SACU pursuant to Article 25(1):

- (a) [wheat and meslin] the aggregate quantity of originating goods in staging category 'D\*' that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

300 000 metric tons

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

Products under this TRQ may only be imported through the ports of Walvis Bay in Namibia, and Durban and Richards Bay in South Africa.

Products imported under this TRQ and destined for final consumption in South Africa shall only be allowed to enter from 1 February to 31 October.

Products imported under this TRQ and destined for final consumption in Namibia shall only be allowed to enter from 1 March to 30 November.

- (b) [barley] the aggregate quantity of originating goods in staging category 'E\*' that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

10 000 metric tons

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced *pro rata* to the remaining number of days of that calendar year.

- (c) [cheese] the aggregate quantity of originating goods in staging category 'F\*' that shall be permitted to enter each calendar year into South Africa duty-free, with effect from the date referred to in paragraph 1 of this ANNEX, is specified below:

Year	Quantity (metric tons)
2015	7 250
2016	7 400

After 2016, the quantity shall increase by 150 metric tons per annum.

By way of exception, with effect from the date referred to in paragraph 1 of this ANNEX until the date referred to in paragraph 2 of this ANNEX, goods subject to this TRQ classified under tariff lines 04061000, 04062000, 04064000 and 04069099 shall be permitted to enter into South Africa at an in-quota duty of 50 per cent of the MFN applied rate.

With effect from the date referred to in paragraph 2 of this ANNEX, the aggregate quantity, as specified in this paragraph, of originating goods in this staging category, shall be permitted to enter each calendar year into SACU duty-free.

- (d) [pig fat] the aggregate quantity of originating goods in staging category 'G\*' that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

200 metric tons

SECTION B Tariff rate quotas (TRQS) for specific goods 9. The TRQs granted by SACU under this Agreement shall be managed in accordance with the following provisions: (a) the TRQ shall be managed on a first-come, first-served basis for SACU as a whole, once SACU puts into place a customs management system to enable such TRQ management; (b) pending the establishment of a TRQ management system at the level of SACU, the following arrangements shall apply: (i) the TRQs shall be allocated amongst SACU States based on the historical trade as specified under each TRQ; (ii) the TRQs shall be managed on a first-come, first-served basis, except for Namibia; and (iii) on 1 September each year, any unused TRQ in a country allocation shall be made available for imports into any other member of SACU. 10. The TRQ that was applied to imports into South Africa of products originating in the EU under the TDCA that is granted under this Agreement under the same conditions, shall apply from the date referred to in paragraph 1 of this ANNEX. If the date referred to in paragraph 1 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the quantity of product imported into South Africa under the TDCA TRQ from 1 January of the year of the date referred to in paragraph 1 of this ANNEX until that date shall be subtracted from the quantity of product that may be imported into South Africa under the corresponding TRQ provided for under this Agreement. 11. Customs duties on goods entered in excess of the quantities listed in this Section, although not designated as such in the SACU Schedule, shall be treated in accordance with staging category 'X' as described in paragraph 8 of Section A. 12. Notwithstanding Article 116, the Parties, at the request of either Party, shall review the administration of the TRQs, including with regard to their effectiveness in ensuring quota fill. The Parties may make recommendations to adjust the operation of the TRQs in the light of this review. L 250/1236 EN Official Journal of the European Union 16.9.2016 13. The following staging categories shall apply to TRQs granted by SACU pursuant to Article 25(1): (a) [wheat and meslin] the aggregate quantity of originating goods in staging category 'D\*' that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below: Quantity 300 000 metric tons If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year. Products under this TRQ may only be imported through the ports of Walvis Bay in Namibia, and Durban and Richards Bay in South Africa. Products imported under this TRQ and destined for final consumption in South Africa shall only be allowed to enter from 1 February to 31 October. Products imported under this TRQ and destined for final consumption in Namibia shall only be allowed to enter from 1 March to 30 November. (b) [barley] the aggregate quantity of originating goods in staging category 'E\*' that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below: Quantity 10 000 metric tons If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.