

Annex 308.1

Most-Favored-Nation Rates of Duty on Certain Automatic Data Processing Goods and Their Parts

Section A - General Provisions

1. Each Party shall reduce its most-favored-nation rate of duty applicable to a good provided for under the tariff provisions set out in Tables 308.1.1 and 308.1.2 in Section B to the rate set out therein, to the lowest rate agreed by any Party in the Uruguay Round of Multilateral Trade Negotiations, or to such reduced rate as the Parties may agree, in accordance with the schedule set out in Section B, or with such accelerated schedule as the Parties may agree.
2. Notwithstanding Chapter Four (Rules of Origin), when the most-favored-nation rate of duty applicable to a good provided for under the tariff provisions set out in Table 308.1.1 in Section B conforms with the rate established under paragraph 1, each Party shall consider the good, when imported into its territory from the territory of another Party, to be an originating good.
3. A Party may reduce in advance of the schedule set out in Table 308.1.1 or Table 308.1.2 in Section B, or of such accelerated schedule as the Parties may agree, its most-favored-nation rate of duty applicable to any good provided for under the tariff provisions set out therein, to the lowest rate agreed by any Party in the Uruguay Round of Multilateral Trade Negotiations, or the rate set out in Table 308.1.1 or 308.1.2, or to such reduced rate as the Parties may agree.
4. For greater certainty, most-favored-nation rate of duty does not include any other concessionary rate of duty.

Section B - Rates of Duty and Schedule for Reduction

Table 308.1.1

	Tariff Rate	Schedule ¹
Automatic Data Processing Machines (ADP)		
8471.10	3.9%	S
8471.20	3.9%	S

Digital Processing Units		
8471.91	3.9%	S
Input or Output Units		
<u>Combined Input/Output Units</u>		
Canada:		
8471.92.10	3.7%	S
Mexico:		
8471.92.09	3.7%	S
United States:		
8471.92.10	3.7%	S
<u>Display Units:</u>		
Canada:		
8471.92.32	3.7%	S
8471.92.33	Free	S
8471.92.34	3.7%	S
8471.92.39	3.7%	S
Mexico:		
8471.92.10	3.7%	S
8471.92.11	Free	S
United States:		
8471.92.30	Free	S
8471.92.40.75	3.7%	S
8471.92.40.85	3.7%	S
<u>Other Input or Output Units:</u>		
Canada:		
8471.92.40	3.7%	S
8471.92.50	Free	S
8471.92.90	Free	S
Mexico:		
8471.92.12	3.7%	S
8471.92.99	Free	S
United States:		
8471.92.20	Free	S

8471.92.80	Free	S
8471.92.90.20	Free	S
8471.92.90.40	3.7%	S
8471.92.90.60	Free	S
8471.92.90.80	Free	S
Storage Units		
8471.93	Free	S
Other Units of Automatic Data Processing Machines		
8471.99	Free	S
Parts of Computers		
8473.30	Free	R
Computer Power Supplies		
Canada:		
8504.40.40	Free	S
8504.90.80	Free	S
Mexico:		
8504.40.12	Free	S
8504.90.08	Free	S
United States:		
8504.40.00A	Free	S
8504.40.00B	Free	S
8504.90.00B	Free	S

¹ R on the date of entry into force of this Agreement

S in five equal annual stages commencing January 1, 1999.

Table 308.1.2

	Tariff Rate	Schedule ¹
Metal Oxide Varistors		
Canada:		
8533.40.10	Free	R

Mexico:		
8533.40.07	Free	R
United States:		
8533.40.00A	Free	R
Diodes, Transistors and Similar Semiconductor Devices; Photosensitive Semiconductor Devices; Light Emitting Diodes; Mounted Piezo-electric Crystals		
8541.10	Free	R
8541.21	Free	R
8541.29	Free	R
8541.30	Free	R
8541.50	Free	R
8541.60	Free	R
8541.90	Free	R
Canada:		
8541.40	Free	R
Mexico:		
8541.40	Free	R
United States:		
8541.40.20	Free	S
8541.40.60	Free	R
8541.40.70	Free	R
8541.40.80	Free	R
8541.40.95	Free	R
Electronic Integrated Circuits and Microassemblies		
8542	Free	R

¹ R on the date of entry of this Agreement

S in five equal annual stages commencing January 1, 1999.