

### **Article 3**

#### **Tariff Reduction and Elimination**

1. The tariff reduction or elimination programme of the Parties shall require the applied MFN tariff rates on goods under listed tariff lines to be gradually reduced and, where applicable, eliminated in accordance with this Article.
2. All tariff lines are subject to the tariff reduction or elimination programme under this Agreement and shall be categorised as follows:
  - (a) Normal Track: tariff lines placed in the Normal Track by each Party on its own accord shall have their respective applied MFN tariff rates gradually reduced and eliminated in accordance with the modalities set out in Annex 1 with the objective of achieving the targets prescribed in the thresholds therein; and
  - (b) Sensitive Track: tariff lines placed in the Sensitive Track by each Party on its own accord shall have their respective applied MFN tariff rates reduced or eliminated in accordance with the modalities set out in Annex 2.
3. Subject to Annexes 1 and 2, all commitments undertaken by each Party under this Article shall be applied to all the other Parties.