

Chapter III

National Treatment and Market Access for Goods

Article 6 Scope and Coverage

Except as otherwise provided, this Chapter applies to trade in goods between the Parties.

Article 7 National Treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, and to this end Article III of GATT 1994, and its interpretative notes, are incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 8 Tariff Elimination

1. Except as otherwise provided in this Agreement, neither Party may increase any existing import customs duty, or adopt any new import customs duty, on a good of the other Party.

2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its import customs duties on originating goods in accordance with Annex 1.

3. If a Party reduces its applied most favored nation import customs duty rate (except for the interim duty rate referred in the Article 4 and 9 of *Regulation on Import and Export Tariff of the People's Republic of China*) after the entry into force of this Agreement and before the end of the tariff elimination period, the tariff elimination schedule (Schedule) of that Party shall apply to the reduced rate.

4. On the request of either Party, the Parties shall consult to consider accelerating the elimination of import customs duties set out in their Schedules. An agreement between the Parties to accelerate the elimination of an import customs duty on a good shall supersede any duty rate or staging category determined pursuant to their Schedules for such good when approved by each Party in accordance with their respective applicable legal procedures and subparagraph b of paragraph 3 of Article 97.

Article 9 Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of the GATT 1994 and its interpretive notes, that all fees and charges of whatever character (other than import customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III:2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

2. Neither Party may require consular transactions, including related fees and charges, in connection with the importation of any good of the other Party.

3. Each Party shall make available through the *Internet* or a comparable computer-based telecommunications network a current list of the fees and charges it imposes in connection with importation or exportation.

Article 10 Geographical Indications

1. The terms listed in Annex 2A are geographical indications in China, within the meaning of paragraph 1 of Article 22 of the TRIPS Agreement. Subject to domestic laws and regulations, in a manner that is consistent with the TRIPS Agreement, such terms will be protected as geographical indications in the territory of the other Party.

2. The terms listed in Annex 2B are geographical indications in Chile, within the meaning of paragraph 1 of Article 22 of the TRIPS Agreement. Subject to domestic laws and regulations, in a manner that is consistent with the TRIPS Agreement, such terms will be protected as geographical indications in the territory of the other Party.

Article 11 Special Requirements Related to Border Measures

1. Each Party shall provide that any right holder initiating procedures for suspension by the customs authorities of the release of suspected counterfeit trademark or pirated copyright goods¹ into free circulation is required to provide adequate evidence to satisfy the competent authorities that, under the laws of the Party of importation, there is *prima facie* an infringement of the right holder's intellectual property right and to supply sufficient information to make the suspected goods reasonably recognizable to the customs authorities. The sufficient information required shall not unreasonably deter recourse to these procedures.

2. Each Party shall provide the competent authorities with the authority to require an applicant to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

3. Where the competent authorities have made a determination that goods are counterfeit or pirated, a Party shall grant the competent authorities the authority to inform the right holder, at the right holder's request, of the names and addresses of the consignor, the importer, and the consignee, and of the quantity of the goods in question.

4. Each Party shall provide that the competent authorities are permitted to initiate border measures *ex officio*, without the need for a formal complaint from a person or

¹ For the purposes of this Article:

(a) **counterfeit trademark goods** means any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the Party of importation;

(b) **pirated copyright goods** means any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the Party of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the Party of importation.

right holder. Such measures shall be used when there is reason to believe or suspect that goods being imported, or destined for export are counterfeit or pirated.

5. This Article shall be implemented no later than two years upon entry into force of this Agreement.

Article 12 Agricultural Export Subsidies

1. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods and shall work together toward an agreement in the World Trade Organization to eliminate those subsidies and prevent their reintroduction in any form.

2. Neither Party shall introduce or maintain any export subsidy on any agricultural good destined for the territory of the other Party.

Article 13 Committee on Trade in Goods

1. The Parties hereby establish a Committee on Trade in Goods, comprising representatives of each Party.

2. The Committee shall meet on the request of either Party or the Commission to consider any matter arising under this Chapter, Chapter IV or Chapter V.

3. The Committee's functions shall include:

- (a) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement and other issues as appropriate; and
- (b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, if appropriate, referring such matters to the Commission for its consideration.

Article 14 Definitions

For purposes of this Chapter:

agricultural goods means those goods referred to in Article 2 of the *Agreement on Agriculture*, which is part of the WTO Agreement;

consular transactions means requirements that goods of a Party intended for export to the territory of the other Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations or any other customs documentation required on or in connection with importation; and

export subsidies shall have the meaning assigned to that term in Article 1(e) of the *Agreement on Agriculture*, which is part of the WTO Agreement, including any amendment of that Article.