

Chapter 1 Initial Provisions and General Definitions

Section A: Initial Provisions

Article 1.1: Establishment of a Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the General Agreement on Tariffs and Trade 1994 and Article V of the General Agreement on Trade in Services, hereby establish a free trade area.

Article 1.2: Objectives

1. The objectives of this Agreement are to:
 - (a) encourage expansion and diversification of trade between the Parties;
 - (b) facilitate trade in goods and services;
 - (c) establish comprehensible rules in order to ensure a predictable and transparent environment for trade in goods and services between the Parties;
 - (d) promote conditions of fair competition in the free trade area;
 - (e) increase investment opportunities in the territories of the Parties;
 - (f) ensure an adequate and effective protection of intellectual property rights in the territories of the Parties, taking into consideration the economic situation and the social or cultural need of each country;
 - (g) confirm their commitment to the promotion of trade and reaffirm their aspiration to achieve an appropriate balance between the economic, social and environmental components of sustainable development;
 - (h) create effective procedures for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and
 - (i) establish a framework for further bilateral cooperation to expand and enhance the benefits of this Agreement.

2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objectives set out in paragraph 1 and in accordance with applicable rules of international law.

Article 1.3: Relation to other Agreements

1. The Parties reaffirm their existing rights and obligations with respect to each other under the WTO Agreement and other existing agreements to which both Parties are party.

2. In the event of any inconsistency between this Agreement and the agreements referred to in paragraph 1, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.

Section B: General Definitions

Article 1.4: Definitions of General Application

For purposes of this Agreement, unless otherwise specified:

central level of government means

- (a) for Costa Rica, the national level of government; and
- (b) for Singapore, the national level of government;

chapters, headings and subheadings refers to the first two digits in the case of chapters, first four digits in the case of headings and first six digits in the case of subheadings, used in the classification of the Harmonized System (HS);

Commission means the Free Trade Commission established under Article 16.1 (The Free Trade Commission);

customs authority means the competent authority that is responsible under the law of a Party for the administration of customs laws and regulations;

customs duties includes any duty or charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such import, but does not include any:

- (a) charge equivalent to an internal tax imposed consistently with Article III.2 of GATT 1994, such as excise duties and sales tax¹;
- (b) antidumping or countervailing duty imposed pursuant to a Party's domestic law and consistently with Chapter 7 (Trade Remedies); or
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered and which does not represent a direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes;

Customs Valuation Agreement means the *WTO Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*;

days means calendar days;

existing means in effect on the date of entry into force of this Agreement;

GATS means the *WTO General Agreement on Trade in Services*;

GATT 1994 means the *WTO General Agreement on Tariffs and Trade 1994*;

goods of a Party means domestic products as these are understood in GATT 1994 or such goods as the Parties may agree, and includes originating goods of that Party;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes, and Chapter Notes, as adopted and implemented by the Parties in their respective tariff laws;

local level of government means

- (a) for Costa Rica, the municipalities; and
- (b) for Singapore, entities with sub-national legislative or executive powers under domestic law, including Town Councils and Community Development Councils;

measure includes any law, regulation, procedure, requirement, or practice;

¹ For Singapore, the sales tax refers to Goods and Services Tax.

national means a natural person who has the nationality of a Party according to Article 1.5 (Country-Specific Definitions) or a permanent resident of a Party;

originating means qualifying under the rules of origin set out in Chapter 3 (Rules of Origin);

Party means any State for which this Agreement is in force;

person means a natural person or an enterprise;

person of a Party means a national or an enterprise of a Party;

preferential tariff treatment means the duty rate applicable under this Agreement to an originating good;

Safeguards Agreement means the *WTO Agreement on Safeguards*;

sanitary or phytosanitary measure means any measure referred to in Annex A, paragraph 1, of the SPS Agreement;

SPS Agreement means the *WTO Agreement on the Application of Sanitary and Phytosanitary Measures*;

TBT Agreement means the *WTO Agreement on Technical Barriers to Trade*;

territory means for a Party the territory of that Party as set out in Article 1.5 (Country-Specific Definitions);

TRIPS Agreement means the *WTO Agreement on Trade-Related Aspects of Intellectual Property Rights*;

WTO means the World Trade Organization; and

WTO Agreement means the *Marrakesh Agreement Establishing the World Trade Organization*, done on 15 April 1994.

Article 1.5: Country-Specific Definitions

For purposes of this Agreement, unless otherwise specified:

1. **national** means:
 - (a) with respect to the Republic of Costa Rica, a Costa Rican as defined in Articles 13 and 14 of the *Constitución Política de la República de Costa Rica* (Political Constitution of the Republic of Costa Rica);

- (b) with respect to the Republic of Singapore, any person who is a citizen of Singapore within the meaning of its Constitution and its domestic laws.

2. **territory** means:

- (a) with respect to the Republic of Costa Rica, the national territory including air and maritime space, where the State exercises complete and exclusive sovereignty or special jurisdiction in accordance with Articles 5 and 6 of the *Constitución Política de la República de Costa Rica* and international law;
- (b) with respect to the Republic of Singapore, its land territory, internal waters and territorial sea, as well as any maritime area situated beyond the territorial sea which has been or might in the future be designated under its national law, in accordance with international law, as an area within which Singapore may exercise sovereign rights or jurisdiction with regards to the sea, the sea-bed, the subsoil and the natural resources.