

## TITLE III

## TRADE REGIME FOR GOODS

## CHAPTER 1

**Customs duties and non-tariff measures**

## Article 13

**Rules of origin**

1. For the purposes of this Chapter, 'originating' shall apply to goods that conform with the rules of origin in force on 1 January 2008 in the territories of the Parties.
2. A common reciprocal regime governing the rules of origin shall be annexed to this Agreement by the EPA Committee, and shall enter into force as of the date of provisional application of this Agreement.
3. Not later than three years after the date of this Agreement's entry into force, the Parties shall review the provisions in force governing the rules of origin, with a view to simplifying the concepts and methods used for the purpose of determining origin in the light of Central Africa's development goals. As part of this review, the Parties shall take into account technological development, production processes and all other factors including reforms under way in relation to rules of origin which could require amendments to the negotiated reciprocal regime. Any amendment or replacement shall be effected by decision of the EPA Committee.

## Article 14

**Customs duties**

'Customs duties' shall mean duties or charges of any kind, including any form of surcharge or supplement, imposed on or in connection with the import or export of goods. These do not include:

- (a) charges equivalent to taxes or other internal charges imposed in accordance with Article 23, below, on national treatment;
- (b) antidumping, countervailing or safeguard measures applied in accordance with the provisions of the Chapter on trade defence instruments;
- (c) fees or other charges imposed in accordance with Article 18.

## Article 15

**Elimination of customs duties on exports**

1. No new customs duties on exports shall be introduced in trade between the Parties, nor shall those already applied be increased, as of the date of this Agreement's entry into force.

2. However, in the event of a serious public finance problem or the need for greater environmental protection, the Central Africa Party may, after consultation with the EC Party, introduce customs duties on exports for a limited number of additional goods.

3. The EPA Committee shall undertake a regular evaluation in order to examine the impact and relevance of customs duties on exports applied under this Article.

## Article 16

**Movement of products**

1. Products originating in the European Community or in the Central African region shall be assessed duties only once in the territory of the other Party.
2. For products originating in the European Community, the customs duty to be paid in accordance with this Agreement shall be levied on behalf of the signatory Central African State whose territory constitutes the place of consumption.
3. The Central Africa Party shall take all necessary measures to ensure the effective implementation of the provisions of this Article and to promote the free movement of goods in the signatory Central African States. The two Parties agree to cooperate in relation to this matter as per Articles 7 and 8. This cooperation shall be adapted according to the type of mechanism ultimately chosen by the Central African region.
4. The Parties agree to cooperate with a view to facilitating the movement of goods and simplifying customs procedures as provided for under Chapter 3 of Title III.

## Article 17

**Classification of products**

The classification of products covered by this Agreement shall be that set out in each Party's respective tariff nomenclature in conformity with the Harmonised Commodity Description and Coding System ('HS').

## Article 18

**Fees and other charges**

1. Fees and other charges referred to in Article 14(c) shall be limited in amount to the approximate cost of services rendered and shall not constitute indirect protection for domestic products or taxation of imports or exports for fiscal purposes. They shall be subject to specific tariffs corresponding to the approximate cost of services rendered and shall not be calculated on an *ad valorem* basis. The fees and other charges shall not be imposed for consular formalities, such as consular certificates and invoices (exhaustive list to be drawn up by the EPA Committee).

2. In order to promote regional integration and ensure clarity for economic operators, the Central Africa Party agrees to introduce, not later than 1 January 2013, standardised provisions relating to the area covered by this Article.

#### Article 19

##### More favourable treatment on the basis of economic integration agreements

1. With regard to the areas covered by this Chapter, the EC Party shall grant the Central Africa Party any more favourable treatment which could result from the EC Party becoming party to an economic integration agreement with third parties after this Agreement has been signed.

2. With regard to the areas covered by this Chapter, the EC Party shall grant the Central Africa Party any more favourable treatment which could result from the EC Party becoming party to an economic integration agreement with a major trading partner after this Agreement has been signed.

3. If the Central Africa Party has received substantially more favourable treatment from a major trading partner than that provided by the EC Party in an economic integration agreement concluded by the Central Africa Party with that same partner, the Parties shall enter into consultations and decide together on the implementation of the provisions of paragraph 2.

4. For the purposes of this Article, 'economic integration agreement' shall mean an agreement which substantially liberalises trade and abolishes or eliminates discrimination between the Parties by eliminating existing discriminatory measures and/or prohibiting new or more discriminatory measures, either upon entry into force of this Agreement or on the basis of a reasonable time-frame.

5. For the purposes of this Article, 'major trading partner' shall signify any developed country or any country accounting for more than 1 % of world trade in the year before the entry into force of the economic integration agreement referred to in paragraph 2, or any group of countries acting individually, collectively or through an economic integration agreement accounting collectively for more than 1,5 % of world trade in the year before the entry into force of the economic integration agreement referred to in paragraph 2 <sup>(1)</sup>.

6. The provisions of this Chapter shall not be so construed as to oblige the Parties to extend reciprocally any preferential treatment applicable as a result of one of the Parties being party to a regional economic integration agreement with a third party on the date of signature of this Agreement.

<sup>(1)</sup> For this calculation, official WTO data on the world's leading exporters of products (excluding intra-EU trade) shall be used.

#### Article 20

##### Customs duties on products originating in the signatory Central African States

1. Products originating from the Central Africa Party shall be imported into the EC Party free of customs duties, with the exception of the products indicated, and under the conditions set out in Annex II.

2. No new customs duties shall be introduced in trade between the Parties, nor shall those already applied be increased.

#### Article 21

##### Customs duties on products originating in the European Community

1. For each product, the basic customs duty shall be that specified in Annex III.

2. No new customs duties shall be introduced in trade between the Parties, nor shall those specified in Annex III be increased.

3. Notwithstanding paragraph 2, in the context of introducing a common external tariff as of 1 January 2013 at the latest, and insofar as the general incidence of these duties is no higher than that of the duties specified in Annex III, Central Africa may revise the basic customs duties specified in Annex III which are applicable to products originating in the European Community. In that case, the EPA Committee shall modify Annex III accordingly.

4. Customs duties on imports of products defined as originating in the European Community and listed in Annex III under categories '1', '2' and '3' shall be definitively eliminated as per the table below. The tariff reduction percentages set out in the table below shall be applied either to the tariffs laid down in paragraph 1 or to any new tariffs laid down under the conditions of paragraph 3.

| Category | 1/01/<br>2008 | 1/01/<br>2009 | 1/01/<br>2010 | 1/01/<br>2011 | 1/01/<br>2012 | 1/01/<br>2013 | 1/01/<br>2014 |
|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1        | 0 %           | 0 %           | 25 %          | 50 %          | 75 %          | 100 %         |               |
| 2        | 0 %           | 0 %           | 0 %           | 15 %          | 30 %          | 45 %          | 60 %          |
| 3        | 0 %           | 0 %           | 0 %           | 0 %           | 0 %           | 0 %           | 10 %          |

| Category | 1/01/<br>2015 | 1/01/<br>2016 | 1/01/<br>2017 | 1/01/<br>2018 | 1/01/<br>2019 | 1/01/<br>2020 | 1/01/<br>2021 |
|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1        |               |               |               |               |               |               |               |
| 2        | 75 %          | 90 %          | 100 %         |               |               |               |               |
| 3        | 20 %          | 30 %          | 40 %          | 50 %          | 60 %          | 70 %          | 80 %          |

| Category | 1/01/2022 | 1/01/2023 |
|----------|-----------|-----------|
| 1        |           |           |
| 2        |           |           |
| 3        | 90 %      | 100 %     |

5. Imports of products originating in the European Community and listed in Annex III under category '5' shall comprise products for which customs duties are determined in accordance with the provisions of paragraphs 1 and 3 above; customs duties in this category shall be neither reduced nor eliminated.

6. In the event of serious difficulties in respect of imports of a given product, the schedule for tariff reduction and dismantling may be reviewed by the EPA Committee by common accord with a view to possibly extending the period of reduction or elimination. During a review of this kind, the calendar period for which the review has been requested may not be extended, for the product concerned, beyond the maximum transitional period for the reduction or elimination of tariffs provided for this same product. If the EPA Committee has not made a decision within 30 days of an application to review the timetable, the Central Africa Party may suspend the timetable provisionally for a period which may not exceed one year.

#### Article 22

##### Prohibition of quantitative restrictions

Upon entry into force of this Agreement, all prohibitions or restrictions on imports or exports affecting trade between the two Parties shall be eliminated, apart from the customs duties, taxes, fees and other charges referred to under Article 18 of this Chapter, whether made effective through quotas, import or export licenses or other measures. No new measures may be introduced. The provisions of this Article shall apply without prejudice to the provisions of the Chapter of this Agreement on trade defence instruments.

#### Article 23

##### National treatment on internal regulations and taxation

1. Imported products originating in the territory of the other Party shall not be subject, either directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like national products. Moreover, the Parties shall not otherwise apply internal taxes or other internal charges so as to afford protection to national production.

2. Imported products originating in the territory of the other Party shall be accorded treatment no less favourable than that accorded to like national products in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

The provisions of this paragraph shall not prevent the application of differential internal transportation charges which are based exclusively on the economic operation of the means of transport and not on the origin of the product.

3. Neither Party shall establish or maintain any internal regulation relating to the mixture, processing or use of products in specified amounts or proportions which requires, directly or indirectly, that any specified amount or proportion of any product which is the subject of the regulation must be supplied from national sources. Moreover, neither Party shall otherwise apply internal quantitative regulations so as to afford protection to national production.

No internal quantitative regulation relating to the mixture, processing or use of products in specified amounts or proportions shall be applied in such a manner as to allocate any such amount or proportion among external sources of supply.

4. In accordance with Article III.8(b) of the General Agreement on Trade and Tariffs of 1994 (GATT 1994), the provisions of this Article shall not prevent the payment of subsidies exclusively to national producers, including payments derived from the proceeds of internal taxes or charges applied consistently with the provisions of this Article and subsidies effected through governmental purchases of national products.

5. The provisions of this Article shall not apply to laws, regulations, procedures or practices governing public procurement.

6. The provisions of this Article shall apply without prejudice to the provisions of the Chapter of this Agreement on trade defence instruments.

#### Article 24

##### Agricultural export subsidies

1. No Party or signatory Central African State may introduce new export subsidies or increase any existing subsidy of this nature on agricultural products destined for the territory of the other Party. With regard to existing subsidies, this paragraph shall not prohibit increases due to variations in the world prices of the products in question.

2. For any group of products, as defined in paragraph 3, which receive an export refund under EC legislation for the same basic product for which the Central Africa Party has undertaken to eliminate its tariffs, the EC Party undertakes to dismantle all existing subsidies for exports of this group of products — corresponding to the same basic product — to the territory of the Central Africa Party. In the context of this paragraph, the Parties shall hold consultations by 31 December 2008 in order to establish the details of this dismantling process.

3. This Article shall apply to products covered by Annex I of the WTO Agreement on Agriculture.

4. This Article shall be without prejudice to the application by the Central Africa Party of Article 9.4 of the WTO Agreement on Agriculture and Article 27 of WTO Agreement on Subsidies and Countervailing Measures.

#### Article 25

### Food security

Should the implementation of this Agreement lead to problems with the availability of, or access to, the foodstuffs necessary to ensure food security, and where this situation gives rise or is likely to give rise to major difficulties for the Central Africa Party or a signatory Central African State, the Central Africa Party or this signatory Central African State may take appropriate measures in accordance with the procedures laid down in Article 31.

#### Article 26

### Special provisions on administrative cooperation

1. The Parties agree that administrative cooperation is essential for the implementation and control of the preferential treatment granted under this Title and underline their commitment to tackle irregularities and fraud in customs and related matters.

2. Where one party obtains proof, based on objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud, the Party concerned may temporarily suspend the preferential treatment of the product(s) concerned in accordance with this Article.

3. For the purposes of this Article, a failure to provide administrative cooperation shall be defined, *inter alia*, as:

- (a) a recurrent failure to respect the obligation to verify the originating status of the product(s) concerned;
- (b) a repeated refusal or undue delay in carrying out and/or communicating the results of subsequent verification of the proof of origin;
- (c) a repeated refusal or undue delay in granting authorisation to conduct a cooperation mission to verify the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.

4. The application of a temporary suspension shall be subject to the following conditions:

- (a) The Party which obtains proof, based on objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud shall without undue delay notify the EPA Committee of this proof together with

the objective information and enter into consultations within the EPA Committee with a view to reaching a solution acceptable to both Parties, on the basis of all relevant information and objective findings.

- (b) Where the Parties have entered into consultations in the EPA Committee as provided for above and have not been able to agree on an acceptable solution within three months of notification, the Party concerned may temporarily suspend the preferential treatment of the product(s) concerned. A temporary suspension shall be notified to the EPA Committee without undue delay.
- (c) Temporary suspensions under this Article shall be limited to that necessary to protect the financial interests of the Party concerned. They shall not exceed a period of six months, which may be renewed. The EPA Committee shall be notified of temporary suspensions immediately after their adoption. Such suspensions shall be the subject of periodic consultations within the EPA Committee, particularly with a view to their termination as soon as the conditions for their application no longer exist.

5. At the same time as the notification of the EPA Committee provided for in paragraph 4(a) of this Article, the Party concerned shall publish a notice to importers in its Official Journal or Gazette. This notice to importers shall indicate that, for the product concerned, proof has been obtained, based on objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud.

#### Article 27

### Management of administrative errors

In case of error by the competent authorities in the management of preferential systems for exports, and in particular in the application of rules defining the concept of 'originating' products and methods of administrative cooperation, where this error leads to consequences in terms of imports and exports the Party facing such consequences may request the EPA Committee to examine the possibility of adopting all appropriate measures with a view to resolving the situation.

#### Article 28

### Cooperation

In accordance with the provisions of Article 7, the Parties agree to cooperate in the following areas *inter alia*:

- supporting the implementation of trade policy commitments arising from this Agreement;
- training/support in the interpretation and application of these rules.



## CHAPTER 2

**Trade defence instruments***Article 29***Anti-dumping and countervailing measures**

1. Subject to the provisions of this Article, nothing in this Agreement shall be construed to prevent the EC Party or the signatory Central African States, individually or collectively, from adopting anti-dumping or countervailing measures in accordance with the relevant WTO Agreements. For the purposes of this Article, origin shall be determined in accordance with the Parties' non-preferential rules of origin.

2. Before imposing definitive anti-dumping or countervailing duties in respect of products from signatory Central African States, the EC Party shall consider the possibility of constructive remedies as provided for in the relevant WTO Agreements.

3. Where an anti-dumping or countervailing measure has been imposed on two signatory Central African States at least by a regional or sub-regional authority, there shall be one single instance of judicial review, including the stage of appeals.

4. Where anti-dumping or countervailing measures may be imposed on a regional or sub-regional basis and on a national basis, the Parties guarantee that these measures shall not be applied simultaneously to the same product by the regional or sub-regional authorities and the national authorities.

5. The EC Party shall notify the signatory Central African States of the receipt of a properly documented complaint before initiating any investigation.

6. The provisions of this Article shall be applicable in all investigations initiated after this Agreement enters into force.

7. The provisions of this Article shall not be subject to the dispute settlement provisions of this Agreement.

*Article 30***Multilateral safeguard measures**

1. Subject to the provisions of this Article, nothing in this Agreement shall be construed to prevent the signatory Central African States or the EC Party from adopting measures in accordance with Article XIX of the GATT 1994, the WTO Agreement on Safeguards and Article 5 of the WTO Agreement on Agriculture. For the purposes of this Article, origin shall be determined in accordance with the Parties' non-preferential rules of origin.

2. Without prejudice to the provisions of paragraph 1, in the light of the overall development objectives of this Agreement and the small size of the economies of the signatory Central African States, the EC Party shall exclude imports from signatory

Central African States from any measures taken pursuant to Article XIX of GATT 1994, the WTO Agreement on Safeguards and Article 5 of the WTO Agreement on Agriculture.

3. The provisions of paragraph 2 shall apply for a period of five years, beginning on the date on which this Agreement enters into force. Not later than 120 days before the end of this period, the EPA Committee shall review the implementation of these provisions in the light of the development needs of the signatory Central African States, with a view to determining whether to extend their application for a further period.

4. The provisions of paragraph 1 shall not be subject to the dispute settlement provisions of this Agreement.

*Article 31***Bilateral safeguard measures**

1. Without prejudice to the provisions of Article 30, after having examined alternative solutions, a Party may apply safeguard measures of limited duration which derogate from the provisions of Articles 20 and 21, under the conditions and in accordance with the procedures laid down in this Article.

2. Safeguard measures as referred to in paragraph 1 may be taken where a product originating in the territory of one Party is being imported into the territory of the other Party in such increased quantities and under such conditions as to cause or threaten to cause:

- (a) serious damage to the domestic industry producing like or directly competitive products in the territory of the importing Party, or
- (b) disruption in a sector of the economy, particularly where this disruption gives rise to major social problems or difficulties which could seriously jeopardise the economic situation of the importing Party, or
- (c) disruption in the markets of like or directly competitive agricultural products <sup>(1)</sup> or in the mechanisms regulating those markets.

3. The safeguard measures referred to in this Article shall not exceed what is necessary to remedy or prevent the serious damage or disruption, as defined in paragraphs 2 and 5(b). Those safeguard measures of the importing Party may only consist of one or more of the following:

- (a) the suspension of any further reduction of the applicable import duty provided for under this Agreement for the product concerned,
- (b) an increase in the customs duty on the product concerned to a level which does not exceed the customs duty applied to other WTO Members, and

<sup>(1)</sup> For the purposes of this Article, agricultural products shall be those covered by Annex I of the WTO Agreement on Agriculture.

- (c) the introduction of tariff quotas on the product concerned.
4. Without prejudice to the provisions of paragraphs 1, 2 and 3, where a product originating in one or more signatory Central African States is being imported in such increased quantities and under such conditions as to cause or threaten to cause one of the situations referred to under paragraph 2(a), (b) and (c) to one or more of the EC Party's outermost regions, the EC Party may take surveillance or safeguard measures limited to the region or regions concerned in accordance with the procedures laid down in paragraphs 6 to 9.
5. (a) Without prejudice to the provisions of paragraphs 1, 2 and 3, where a product originating in the EC Party is being imported in such increased quantities and under such conditions as to cause or threaten to cause one of the situations referred to under paragraph 2(a), (b) and (c) above to a signatory Central African State, this signatory Central African State may take surveillance or safeguard measures limited to its territory in accordance with the procedures laid down in paragraphs 6 to 9.
- (b) A signatory Central African State may take safeguard measures where a product originating in the EC Party, following the reduction of customs duties, is being imported into its territory in such increased quantities and under such conditions as to cause or threaten to cause disruption to an infant industry producing like or directly competitive products. This clause shall be applicable for a period of fifteen years from the date on which this Agreement enters into force. Measures must be taken in accordance with the provisions of paragraphs 6 to 9.
6. (a) The safeguard measures referred to in this Article shall be maintained only for such time as is necessary to prevent or remedy the serious damage or disruption as defined in paragraphs 2, 4 and 5 above.
- (b) The safeguard measures referred to in this Article shall be applied for a period not exceeding two years. Where the circumstances warranting the imposition of safeguard measures continue to exist, such measures may be extended for a further period of no more than two years. Where the signatory Central African States or a signatory Central African State applies a safeguard measure, or where the EC Party takes safeguard measures limited to the territory of one or more of its outermost regions, such measures may nevertheless be applied for a period not exceeding four years and, where the circumstances warranting the imposition of safeguard measures continue to exist, be extended for a further maximum period of four years.
- (c) The safeguard measures referred to in this Article which exceed one year shall have a clear timetable for being phased out by the end of the set period, at the latest.
- (d) No safeguard measure referred to in this Article shall be applied to a product that has previously been subject to such a measure for a period of at least one year since the expiry of the measure.
7. For the implementation of paragraph 1 to 6, the following provisions shall apply:
- (a) Where a Party is of the opinion that one of the circumstances referred to in paragraphs 2, 4 and/or 5 exists, it shall immediately refer the matter to the EPA Committee.
- (b) The EPA Committee may make recommendations to remedy the circumstances which have arisen. If the EPA Committee has not made recommendations to remedy the circumstances, or if a satisfactory solution has not been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures to remedy the situation in accordance with this Article.
- (c) Before taking any measure provided for in this Article or, in the cases to which paragraph 8 applies, the Party concerned shall, as soon as possible, supply the EPA Committee with all information required for a thorough examination of the situation, with a view to seeking a solution acceptable to the Parties concerned.
- (d) In selecting safeguard measures, priority must be given to those which solve the problem rapidly and effectively and disturb the functioning of this Agreement as little as possible.
- (e) All safeguard measures taken in accordance with this Article shall be notified immediately to the EPA Committee and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their termination as soon as circumstances permit.
8. Where exceptional circumstances require immediate measures, the importing Party concerned, whether the EC Party, the signatory Central African States or a signatory Central African State, may take the measures provided for in paragraphs 3, 4 and/or 5 on a provisional basis without complying with the requirements of paragraph 7. Such action may be taken for a maximum period of 180 days where measures are taken by the EC Party and 200 days where measures are taken by the signatory Central African States or a signatory Central African State, or where measures taken by the EC Party are limited to the territory of one or more of its outermost regions. The duration of any such provisional measure shall be counted as part of the period of duration of the measures and of any extension as referred to in paragraph 6. When taking such provisional measures, the interests of all stakeholders shall be taken into account. The importing Party concerned shall inform the other Party and shall refer the matter to the EPA Committee for examination.

9. If an importing Party subjects imports of a product to an administrative procedure having as its purpose the rapid provision of information on the trend of trade flows liable to give rise to the problems referred to in this Article, it shall inform the EPA Committee without delay.

10. The WTO Agreement shall not be invoked to prevent a Party from adopting safeguard measures in accordance with the provisions of this Article.

(e) encourage consultations and cooperation between all bodies concerned with international trade.

2. Notwithstanding paragraph 1, the Parties' customs administrations shall provide mutual administrative assistance in accordance with the provisions of the Protocol on Mutual Administrative Assistance in Customs Matters. As of 2008, the EPA Committee shall make any amendments which it considers necessary to Protocol 1 by consensus.

#### CHAPTER 3

### **Customs and trade facilitation**

#### Article 32

#### **Objectives**

1. The Parties acknowledge the importance of customs and of trade facilitation in the evolving global trading environment. The Parties agree to increase cooperation in this area with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfil the objectives of effective controls and facilitation of trade, and help promote the development and regional integration of the EPA signatory countries.

2. The Parties agree that legitimate public policy objectives, including those relating to security and the prevention of fraud, shall not be compromised in any way.

#### Article 33

### **Customs and administrative cooperation**

1. In order to ensure compliance with the provisions of this Agreement and effectively respond to the objectives laid down in Article 32, the Parties shall:

- (a) exchange information concerning customs legislation, regulations and procedures;
- (b) develop joint initiatives relating to import, export and transit procedures, and initiatives designed to provide an effective service for the business community;
- (c) cooperate on the automation of customs and trade procedures, and adopt, for the purpose of information exchange, the Customs Data Model of the World Customs Organisation (WCO);
- (d) cooperate in the planning and implementation of assistance with a view to facilitating customs reforms and implementing trade facilitation; and

#### Article 34

### **Terms of cooperation**

1. The Parties recognise the importance of cooperation as regards customs and trade facilitation measures for the implementation of this Agreement.

2. In accordance with the provisions of Article 7, the Parties agree to cooperate in the following areas, *inter alia*:

- (a) the application of modern customs techniques, including risk analysis and risk management, binding information, simplified procedures for imports and exports of products, subsequent verifications and company audit methods;
- (b) the introduction of procedures which reflect where possible the international instruments and standards applicable in the field of customs and trade, including WTO rules on customs valuation and WCO instruments and standards, *inter alia* the International Convention on the Simplification and Harmonisation of Customs Procedures, concluded at Kyoto on 18 May 1973, and revised at Brussels on 26 June 1999 (the 'revised Kyoto Convention') and the WCO Framework of Standards to Secure and Facilitate Global Trade; and
- (c) the computerisation of customs and trade procedures.

#### Article 35

### **Customs and trade standards**

1. The Parties agree that their legislation, regulations and procedures, in the fields of customs and international trade, shall be based on:

- (a) international standards and instruments, including the revised Kyoto Convention, the WCO Framework of Standards to Secure and Facilitate Global Trade, the WCO Customs Data Model and the International Convention on the Harmonised Commodity Description and Coding System ('HS');

- (b) the introduction of a single administrative document, or an electronic equivalent, for the purpose of establishing customs declarations at the import and export stages;
  - (c) modern customs techniques, including risk analysis and risk management, simplified procedures for imports and exports of products, subsequent verifications and company audit methods. Procedures should be transparent, efficient and simplified, in order to reduce costs and increase predictability for economic operators, including small and medium-sized enterprises;
  - (d) non-discrimination in terms of requirements and procedures concerning imports, exports and products in transit, although it shall be accepted that consignments may be treated differently in accordance with objective risk management criteria;
  - (e) regulations and procedures containing binding information, particularly on tariff classification, and origin;
  - (f) simplified procedures for authorised traders;
  - (g) the gradual development of information systems to facilitate the electronic exchange of data between traders, customs administrations and other bodies involved;
  - (h) the facilitation of transit movements;
  - (i) rules ensuring that penalties imposed for minor breaches of customs regulations or the requirements of international trade procedures are proportionate and non-discriminatory and that their application does not result in unwarranted delays;
  - (j) regular evaluation of the system of mandatory use of customs brokers in order to improve performance and efficiency, and if necessary move towards the elimination of this system;
- (b) simplify administrative formalities and requirements wherever possible in order to reduce the time needed for clearance, release and removal of products;
  - (c) implement effective, prompt and non-discriminatory procedures enabling the right of appeal against rulings, decisions and actions by customs and other administrations which affect imports, exports or goods in transit. Procedures for appeal shall be easily accessible and any costs shall be reasonable and not in excess of the costs necessary to process them;
  - (d) ensure that the highest standards of integrity are maintained by applying measures in line with the principles of the relevant international instruments and conventions.

#### Article 36

##### Transit of products

1. The Parties shall ensure freedom of transit through their territory via the route most convenient for transit. Any restrictions, controls or requirements must be non-discriminatory, proportionate and applied uniformly.
2. Without prejudice to legitimate customs control, the Parties shall accord to products in transit from the territory of one Party treatment not less favourable than that accorded to domestic products, in particular with respect to exports and imports and their movement.
3. The Parties shall operate bonded transport regimes that allow the transit of products without payment of duties or other charges, subject to the provision of an appropriate guarantee.
4. The Parties shall promote and implement regional transit arrangements.
5. The Parties shall use international standards and instruments relevant to transit.
6. The Parties shall ensure cooperation and coordination across all relevant agencies in their territories to facilitate traffic in transit and promote cross-border cooperation.

#### Article 37

##### Relations with the business community

The Parties agree:

- (a) take the necessary measures, based on the relevant international recommendations, to simplify and standardise the data and documentation required by customs and the other institutions involved with international trade;
- (a) to ensure that all information on legislation, regulations, procedures and required documents, duties and taxes, fees

2. The system of mandatory pre-shipment inspections of products shall be the subject of negotiations within the negotiations on a full EPA.

3. In order to improve working methods, as well as to ensure non-discrimination, transparency, efficiency, integrity and accountability of operations, the Parties shall:



and other charges may be made publicly available, where possible electronically;

- (b) on the need for regular consultations with the business community on the drafting of texts related to customs and international trade issues. To this end, appropriate mechanisms for regular consultation shall be put in place by the Parties;
- (c) that a sufficient period of time must elapse between the publication and entry into force of any legislation, procedure, duty or charge, whether new or amended.

The Parties shall make publicly available relevant notices of an administrative nature, including agency requirements, procedures, opening hours and operating procedures for customs offices at entry and/or exit points, and contact or information points;

- (d) to foster cooperation between operators and relevant administrations via the use of non-arbitrary and accessible procedures, such as memoranda of understanding based on the protocols promulgated by the WCO;
- (e) to ensure that administrations' requirements in terms of international trade continue to meet the needs of the business community, follow best practices, and remain as unrestrictive to trade as possible.

#### Article 38

##### Customs valuation

1. Article VII of the GATT (1994) and the WTO Agreement on the implementation of Article VII of the GATT (1994) shall govern customs valuation rules applied to reciprocal trade between the Parties.
2. The Parties shall cooperate with a view to achieving a common approach to issues relating to customs valuation, including problems relating to transfer pricing.

#### Article 39

##### Regional integration in Central Africa

In taking forward customs reforms, and in order to facilitate trade, the Parties shall promote regional integration, including in terms of developing standardised:

- requirements,
- documentation,
- data requirements,
- procedures,

- authorised trader schemes,
- border procedures and opening hours,
- transit requirements, bonded transport and guarantee schemes.

This should involve close cooperation between all relevant agencies and be based, wherever possible, on the use of relevant international standards.

#### CHAPTER 4

##### **Technical barriers to trade, and sanitary and phytosanitary measures**

#### Article 40

##### **Objectives**

The objectives of this Chapter are to facilitate trade in products between the Parties while increasing the capacity of the Parties to identify, prevent and eliminate obstacles to trade as a result of technical regulations, standards and conformity assessment procedures applied by either Party, and increasing the capacity of the Parties to protect plants, animals and public health.

#### Article 41

##### **Multilateral obligations and general background**

1. The Parties reaffirm their rights and obligations under the WTO Agreement, and in particular the WTO Agreements on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and on Technical Barriers to Trade (TBT Agreement). The Parties which are not members of the WTO also confirm their commitment to comply with the obligations set out in the SPS and TBT Agreements with regard to all matters concerning relations between the Parties.
2. The Parties reaffirm their commitment to improve public health in the territories of the signatory Central African States, in particular by strengthening their capacity to identify unsafe products, pursuant to Article 47.
3. These commitments, rights and obligations shall inform the activities of the Parties under this Chapter.

#### Article 42

##### **Scope and definitions**

1. This Chapter shall apply to those measures within the scope of the WTO TBT and SPS Agreements.

2. Unless specified otherwise, for the purposes of this Chapter, the definitions of the SPS and TBT Agreements, CODEX Alimentarius, the International Plant Protection Convention and the World Organisation for Animal Health shall apply, also for all references to 'products' in this Chapter.

#### Article 43

##### Competent authorities

With regard to SPS measures, the authorities in the EC Party and the signatory Central African States which are responsible for the implementation of the measures referred to in this Chapter are described in Appendix II.

The Parties shall inform each other in a timely manner of any significant changes to the competent authorities listed in Appendix II. The EPA Committee shall adopt any necessary amendment of Appendix II.

#### Article 44

##### Zoning

When defining import conditions, the Parties may, on a case-by-case basis, propose and identify zones with a defined sanitary or phytosanitary status, taking account of international standards.

#### Article 45

##### Transparency of trade conditions and information exchange

1. The Parties shall inform each other of any changes to their legal and administrative import requirements for products (including products of animals and/or vegetable origin).

2. The Parties reconfirm their obligations under the WTO SPS and TBT Agreements to inform each other of changes to the relevant standards or technical regulations through the mechanisms established under those Agreements.

3. The Parties shall also directly exchange information on other topics agreed by both Parties to be of potential importance for their trade relations, as and when necessary.

4. The Parties agree to collaborate in epidemiological surveillance on animal disease. Also in the domain of plant health, the Parties shall exchange information on the occurrence of pests of known and immediate danger to the other Party.

#### Article 46

##### Regional integration

1. The Central Africa Party undertakes to harmonise the standards and other measures within the scope of this Chapter at regional level within four years of this Agreement's entry into force.

2. With a view to facilitating trade between the Parties and in conformity with Article 40, the signatory Central African States agree on the need to harmonise import conditions applicable to products originating in the territory of the EC Party when these products enter a signatory Central African State. Where national import conditions already exist at the time of this Agreement's entry into force, and pending the introduction of harmonised import conditions, the existing import conditions shall be implemented by the signatory Central African States on the basis that a product from the EC Party legally placed on the market of a signatory Central African State may also be legally placed on the market of all other signatory Central African States without any further restriction or administrative requirement.

#### Article 47

##### Capacity-building and technical assistance

In accordance with the provisions of Article 7, the Parties agree to cooperate in the following areas *inter alia*:

- (a) For products referred to in Appendix IA, the Parties agree to cooperate with a view to strengthening both regional integration within the signatory Central African States and control capacity in accordance with the objectives of this Agreement, and in such a manner as to facilitate trade between the signatory Central African States.
- (b) For the products referred to in Appendix IB, the Parties agree to cooperate with a view to improving the competitiveness and quality of their products.

#### CHAPTER 5

##### Forestry governance and trade in timber and forest products

#### Article 48

##### Definitions

Unless specified otherwise, for the purposes of this Chapter the description 'forest products' shall also include non-timber forest products and their derivatives.

## Article 49

**Scope**

The provisions of this Chapter shall apply to trade in timber and forest products originating in Central Africa and to the sustainable management of the forests from which these products are extracted.

## Article 50

**Trade in timber, non-timber forest products and derivatives**

1. The Parties shall work together to facilitate trade between the EC Party and the Central Africa Party in timber and forest products which come from objectively verifiable legal sources and help to achieve sustainable development. The Parties agree to:

- (a) implement measures to increase market confidence regarding the origin of forest products, particularly their legal and/or sustainable origin. These measures may include systems to improve the traceability of timber and forest products sold both within Central Africa and between the Central Africa Party and the EC Party;
- (b) put in place an audit and surveillance system that is independent of the control chain.

2. The Parties shall explore possible ways of improving commercial opportunities for timber and forest products with a legal or sustainable origin in Central Africa on the market of the EC Party. These measures may include, *inter alia*, stronger public procurement policies, measures to raise consumer awareness, measures to promote the processing of forest products in Central Africa, and activities and initiatives in association with private-sector operators.

3. The Parties undertake to develop non-discriminatory policies and/or legislation within the scope of this Chapter; they also undertake to ensure the effective and non-discriminatory implementation of these policies and/or legislation, in accordance with WTO provisions.

## Article 51

**Regional integration**

1. The Central Africa Party undertakes to build and implement a regional framework to govern trade in timber and forest products originating in Central Africa, including the appropriate cooperation mechanisms and legislation to ensure that it is applied and implemented effectively.

2. The Central Africa Party shall develop protocols and/or guidelines for cooperation between the competent authorities in

Central Africa which are responsible for implementation, to ensure that intra-regional trade in timber and forest products from Central Africa come from objectively verifiable legal sources.

## Article 52

**Capacity-building and technical assistance**

In accordance with the provisions of Article 7, the Parties agree to cooperate in the following areas *inter alia*:

- (a) facilitating assistance with a view to strengthening regional integration, for example the implementation of the Treaty on the Conservation and Sustainable Management of Forests in Central Africa (COMIFAC) and the Sub-regional Convergence Plan, and with a view to building capacity in order to fulfil the commitments set out in this Chapter;
- (b) supporting public and private commercial initiatives, particularly in terms of exports to the market of the EC Party, for local processing of timber and forest products originating in Central Africa which come from objectively verifiable legal sources and help to achieve sustainable development.

## Article 53

**Other agreements**

Without prejudice to the provisions of this Chapter, trade in timber and forest products shall be governed in line with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and any voluntary partnership agreements to which signatory Central African States might adhere individually or collectively with the European Community under the European Union's action plan on forest law enforcement, governance and trade (FLEGT).

## TITLE IV

**ESTABLISHMENT, TRADE IN SERVICES AND E-COMMERCE**

## Article 54

**Framework**

1. The Parties reaffirm their respective commitments under the General Agreement on Trade in Services.

2. The Parties undertake to extend the scope of this Agreement, not later than 1 January 2009, by negotiating the necessary provisions for the gradual, asymmetrical and reciprocal liberalisation of establishment and trade in services.