

CHAPTER 1

GENERAL PROVISIONS

ARTICLE 1.1

Establishment of a Free Trade Area

The Parties, consistent with Article XXIV of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as “the GATT 1994”) and Article V of the General Agreement on Trade in Services (hereinafter referred to as “the GATS”), hereby establish a free trade area, based on the respect of democratic principles and human rights by means of this Agreement.

ARTICLE 1.2

Objectives

The objectives of this Agreement are to:

- (a) achieve the liberalisation of trade in goods, in conformity with Article XXIV of the GATT 1994;
- (b) achieve the liberalisation of trade in services, in conformity with Article V of the GATS;
- (c) mutually enhance investment opportunities;
- (d) promote competition in their economies, particularly as it relates to economic relations between the Parties;
- (e) achieve further liberalisation on a mutual basis of the government procurement markets of the Parties;
- (f) ensure adequate and effective protection of intellectual property rights, in accordance with international standards;
- (g) develop international trade in such a way as to contribute to the objective of sustainable development and to ensure that this objective is integrated and reflected in the Parties’ trade relationship; and
- (h) contribute in this way to the harmonious development and expansion of world trade.

ARTICLE 1.3

Geographical Scope

1. This Agreement shall, except as otherwise specified in Annex I, apply:
 - (a) to the land territory, internal waters, and the territorial sea of a Party, and the air-space above the territory of a Party, in accordance with domestic legislation and international law; and
 - (b) beyond the territorial sea, with respect to measures taken by a Party in the exercise of its sovereign rights or jurisdiction in accordance with domestic legislation and international law.
2. This Agreement shall not apply to the Norwegian territory of Svalbard, with the exception of trade in goods.

ARTICLE 1.4

Trade and Economic Relations Governed by this Agreement

1. This Agreement shall apply to the trade and economic relations between, on the one side, the individual EFTA States and, on the other side, the individual Central American States, but not to the trade relations between individual EFTA or individual Central American States, unless otherwise provided for in this Agreement.
2. As a result of the customs union established by the Customs Treaty of 29 March 1923 between Switzerland and Liechtenstein, Switzerland shall represent Liechtenstein in matters covered thereby.

ARTICLE 1.5

Relationship to Other International Agreements

1. The Parties confirm their rights and obligations under the WTO Agreement and the other agreements negotiated thereunder to which they are a party, and any other international agreement to which they are a party.
2. If a Party considers that the maintenance or establishment of customs unions, free trade areas, arrangements for frontier trade or other preferential agreements by another Party has the effect of altering the trade regime provided for by this Agreement, it may request discussions with the Party concluding such agreement. That Party shall afford the opportunity for such discussions with the requesting Party.

ARTICLE 1.6

Taxation

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.
2. Nothing in this Agreement shall affect the rights and obligations of any Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency. In the case of a tax convention between two or more Parties, the competent authorities under that convention shall have sole responsibility for determining whether any inconsistency exists between this Agreement and that convention.
3. Notwithstanding paragraphs 1 and 2:
 - (a) Article 2.8 and such other provisions of this Agreement as are necessary to give effect to that Article shall apply to taxation measures to the same extent as does Article III of the GATT 1994; and
 - (b) Article 2.4 shall apply to taxation measures.
4. For the purposes of this Article, taxation measures do not include a “customs duty” as defined in Article 2.3.

ARTICLE 1.7

Transparency

1. The Parties shall publish or otherwise make publicly available, their laws, regulations, judicial decisions, administrative rulings of general application as well as their respective international agreements, that may affect the operation of this Agreement.
2. The Parties shall promptly respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1.
3. Nothing in this Agreement shall be construed to require any Party to disclose or allow access to confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest or that would prejudice the legitimate commercial interests of any economic operator.
4. In case of any inconsistency between the provisions of this Article and provisions relating to transparency in other Chapters of this Agreement, the latter shall prevail to the extent of the inconsistency.

ARTICLE 1.8

Electronic Commerce

The Parties recognise the growing role of electronic commerce for trade between them. With a view to supporting provisions of this Agreement related to trade in goods and services, the Parties undertake to intensify their cooperation on electronic commerce for their mutual benefit. For that purpose, the Parties have established the framework contained in Annex II.

ARTICLE 1.9

Definitions of General Application

Unless otherwise provided for in this Agreement, “days” means calendar days.