CHAPTER 1

GENERAL PROVISIONS

ARTICLE 1.1

Establishment of a Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the WTO *General Agreement on Tariffs and Trade 1994* (hereinafter referred to as "the GATT 1994") and Article V of the WTO *General Agreement on Trade in Services* (hereinafter referred to as "the GATS"), hereby establish a free trade area by means of this Agreement and the complementary Agreements on Agriculture, concurrently concluded between Colombia and each individual EFTA State.

ARTICLE 1.2

Objectives

The objectives of this Agreement are:

(a) to achieve the liberalisation of trade in goods, in conformity with Article XXIV of the GATT 1994;

(b) to achieve the liberalisation of trade in services, in conformity with Article V of the GATS;

(c) to substantially increase investment opportunities in the free trade area;

(d) to achieve further liberalisation on a mutual basis of the government procurement markets of the Parties;

(e) to promote competition in their economies, particularly as it relates to economic relations between the Parties;

(f) to ensure adequate and effective protection of intellectual property rights;

(g) to contribute, by the removal of barriers to trade and investment, to the harmonious development and expansion of world trade; and,

(h) to ensure co-operation related to trade capacity building, in order to expand and improve the benefits of this Agreement, specially for small and medium-sized enterprises.

ARTICLE 1.3

Geographical Scope

1. This Agreement shall, unless otherwise specified therein, apply to the territories of the Parties, in accordance with their domestic law and international law.

2. This Agreement shall not apply to the territory of Svalbard, with the exception of trade in goods.

ARTICLE 1.4

Relation to Other International Agreements

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.

ARTICLE 1.5

Trade and Economic Relations Covered by this Agreement

1. The provisions of this Agreement apply to the trade and economic relations between, on the one side, each individual EFTA State and, on the other side Colombia, but not to trade relations between individual EFTA States**,** unless otherwise provided for in this Agreement.

2. As a result of the customs union established by the *Treaty of 29 March 1923 between Switzerland and the Principality of Liechtenstein*, Switzerland shall represent the Principality of Liechtenstein in matters covered thereby.

ARTICLE 1.6

Central, Regional and Local Government

Each Party shall ensure within its territory the observance of all obligations and commitments under this Agreement by its respective central, regional and local governments and authorities, and by non-governmental bodies in the exercise of governmental powers delegated to them by central, regional and local governments or authorities.

ARTICLE 1.7

Taxation

1. This Agreement shall not restrict a Party's fiscal sovereignty to adopt taxation measures, except for the disciplines referred to hereafter:

(a) Article 2.11 (National Treatment) and such other provisions of this Agreement as are necessary to give effect to that Article to the same extent as does Article III of the GATT 1994;

(b) Articles 4.3 (Most Favoured Nation Treatment) and 4.5 (National Treatment) to the extent relevant for taxation according to Article 4.15 (General Exceptions); and

(c) Article 5.3 (National Treatment) to the extent relevant for taxation according to Article 5.8 (Exceptions).

2. Notwithstanding paragraph 1, this Agreement shall not affect the rights and obligations of a Party under any tax convention. In the event of any inconsistency between this Agreement and such convention, 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 co-operation on electronic commerce for their mutual benefit. For that purpose the Parties have established the framework contained in Annex I (Electronic Commerce).

ARTICLE 1.9

Definitions of General Application

For purposes of this Agreement, unless otherwise provided for, or clearly understood from the specific context in which it is used:

(a) "days" means calendar days;

(b) "juridical person" means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

(c) “measure” means any measure by a Party whether in the form of a law, regulation, rule, procedure, requirement, provision, administrative action, or in any other form;

(d) “person” means a natural person or a juridical person.