

HAVE AGREED AS FOLLOWS:

CHAPTER ONE

General definitions and initial provisions

Section A

General definitions

Article 1.1

Definitions of general application

For the purposes of this Agreement and unless otherwise specified:

administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and fact situations that fall generally within its ambit and that establishes a norm of conduct but does not include:

- (a) a determination or ruling made in an administrative or quasi-judicial proceeding that applies to a particular person, good or service of the other Party in a specific case; or
- (b) a ruling that adjudicates with respect to a particular act or practice;

Agreement on Agriculture means the *Agreement on Agriculture*, contained in Annex 1A to the WTO Agreement;

agricultural good means a product listed in Annex 1 to the Agreement on Agriculture;

Anti-dumping Agreement means the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*, contained in Annex 1A to the WTO Agreement;

CETA contact points means the contact points established under Article 26.5 (CETA contact points);

CETA Joint Committee means the CETA Joint Committee established under Article 26.1 (The CETA Joint Committee);

CPC means the provisional Central Product Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, *CPC prov*, 1991;

cultural industries means persons engaged in:

- (a) the publication, distribution or sale of books, magazines, periodicals or newspapers in print or machine-readable form, except when printing or typesetting any of the foregoing is the only activity;
- (b) the production, distribution, sale or exhibition of film or video recordings;
- (c) the production, distribution, sale or exhibition of audio or video music recordings;
- (d) the publication, distribution or sale of music in print or machine-readable form; or
- (e) radio-communications in which the transmissions are intended for direct reception by the general public, and all radio, television and cable broadcasting undertakings and all satellite programming and broadcast network services;

customs duty means a duty or charge of any kind imposed on or in connection with the importation of a good, including a form of surtax or surcharge imposed on or in connection with that importation, but does not include:

- (a) a charge equivalent to an internal tax imposed consistently with Article 2.3 (National treatment);
- (b) a measure applied in accordance with the provisions of Articles VI or XIX of the GATT 1994, the Anti-dumping Agreement, the SCM Agreement, the Safeguards Agreement, or Article 22 of the DSU; or
- (c) a fee or other charge imposed consistently with Article VIII of the GATT 1994;

Customs Valuation Agreement means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*, contained in Annex 1A to the WTO Agreement;

days means calendar days, including weekends and holidays;

DSU means the *Understanding on Rules and Procedures Governing the Settlement of Disputes*, contained in Annex 2 to the WTO Agreement;

enterprise means an entity constituted or organised under applicable law, whether or not for profit, and whether privately or governmentally owned or controlled, including a corporation, trust, partnership, sole proprietorship, joint venture or other association;

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

GATS means the *General Agreement on Trade in Services*, contained in Annex 1B to the WTO Agreement;

GATT 1994 means the *General Agreement on Tariffs and Trade 1994*, contained in Annex 1A to the WTO Agreement;

goods of a Party means domestic products as these are understood in the GATT 1994 or such goods as the Parties may decide, 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, Chapter Notes and subheading notes;

heading means a four-digit number or the first four digits of a number used in the nomenclature of the HS;

measure includes a law, regulation, rule, procedure, decision, administrative action, requirement, practice or any other form of measure by a Party;

national means a natural person who is a citizen as defined in Article 1.2, or is a permanent resident of a Party;

originating means qualifying under the rules of origin set out in the Protocol on Rules of Origin and Origin Procedures;

Parties means, on the one hand, the European Union or its Member States or the European Union and its Member States within their respective areas of competence as derived from the Treaty on European Union and the Treaty on the Functioning of the European Union (hereinafter referred to as the 'EU Party'), and on the other hand, Canada;

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 application of the duty rate under this Agreement to an originating good pursuant to the tariff elimination schedule;

Safeguards Agreement means the *Agreement on Safeguards*, contained in Annex 1A to the WTO Agreement;

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

SCM Agreement means the *Agreement on Subsidies and Countervailing Measures*, contained in Annex 1A to the WTO Agreement;

service supplier means a person that supplies or seeks to supply a service;

SPS Agreement means the *Agreement on the Application of Sanitary and Phytosanitary Measures*, contained in Annex 1A to the WTO Agreement;

state enterprise means an enterprise that is owned or controlled by a Party;

subheading means a six-digit number or the first six digits of a number used in the nomenclature of the HS;

tariff classification means the classification of a good or material under a chapter, heading or subheading of the HS;

tariff elimination schedule means Annex 2-A (Tariff elimination);

TBT Agreement means the *Agreement on Technical Barriers to Trade*, contained in Annex 1A to the WTO Agreement;

territory means the territory where this Agreement applies as set out under Article 1.3;

third country means a country or territory outside the geographic scope of application of this Agreement;

TRIPS Agreement means the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, contained in Annex 1C to the WTO Agreement;

Vienna Convention on the Law of Treaties means the *Vienna Convention on the Law of Treaties*, done at Vienna on 23 May 1969;

WTO means the World Trade Organization; and

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

Article 1.2

Party-specific definitions

For the purposes of this Agreement, unless otherwise specified:

citizen means:

- (a) for Canada, a natural person who is a citizen of Canada under Canadian legislation;
- (b) for the EU Party, a natural person holding the nationality of a Member State; and

central government means:

- (a) for Canada, the Government of Canada; and
- (b) for the EU Party, the European Union or the national governments of its Member States;

Article 1.3

Geographical scope of application

Unless otherwise specified, this Agreement applies:

- (a) for Canada, to:
 - (i) the land territory, air space, internal waters, and territorial sea of Canada;
 - (ii) the exclusive economic zone of Canada, as determined by its domestic law, consistent with Part V of the *United Nations Convention on the Law of the Sea*, done at Montego Bay on 10 December 1982 ('UNCLOS'); and,
 - (iii) the continental shelf of Canada, as determined by its domestic law, consistent with Part VI of UNCLOS;
- (b) for the European Union, to the territories in which the Treaty on European Union and the Treaty on the Functioning of the European Union are applied and under the conditions laid down in those Treaties. As regards the provisions concerning the tariff treatment of goods, this Agreement shall also apply to the areas of the European Union customs territory not covered by the first sentence of this subparagraph.

Section B

Initial provisions

Article 1.4

Establishment of a free trade area

The Parties hereby establish a free trade area in conformity with Article XXIV of GATT 1994 and Article V of the GATS.

*Article 1.5***Relation to the WTO Agreement and other agreements**

The Parties affirm their rights and obligations with respect to each other under the WTO Agreement and other agreements to which they are party.

*Article 1.6***Reference to other agreements**

When this Agreement refers to or incorporates by reference other agreements or legal instruments in whole or in part, those references include:

- (a) related annexes, protocols, footnotes, interpretative notes and explanatory notes; and
- (b) successor agreements to which the Parties are party or amendments that are binding on the Parties, except where the reference affirms existing rights.

*Article 1.7***Reference to laws**

When this Agreement refers to laws, either generally or by reference to a specific statute, regulation or directive, the reference is to the laws, as they may be amended, unless otherwise indicated.

*Article 1.8***Extent of obligations**

1. Each Party is fully responsible for the observance of all provisions of this Agreement.
2. Each Party shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement, including their observance at all levels of government.

*Article 1.9***Rights and obligations relating to water**

1. The Parties recognise that water in its natural state, including water in lakes, rivers, reservoirs, aquifers and water basins, is not a good or a product. Therefore, only Chapters Twenty-Two (Trade and Sustainable Development) and Twenty-Four (Trade and Environment) apply to such water.
2. Each Party has the right to protect and preserve its natural water resources. Nothing in this Agreement obliges a Party to permit the commercial use of water for any purpose, including its withdrawal, extraction or diversion for export in bulk.
3. If a Party permits the commercial use of a specific water source, it shall do so in a manner consistent with this Agreement.

*Article 1.10***Persons exercising delegated governmental authority**

Unless otherwise specified in this Agreement, each Party shall ensure that a person that has been delegated regulatory, administrative or other governmental authority by a Party, at any level of government, acts in accordance with the Party's obligations as set out under this Agreement in the exercise of that authority.