

CHAPTER 2

TRADE IN GOODS

ARTICLE 2.1

Scope and Coverage

This Chapter applies to trade in goods between the Parties.

ARTICLE 2.2

Definitions

For the purposes of this Chapter:

customs duty¹ refers to any duty or charge of any kind imposed in connection with the importation of a product, including any form of surtax or surcharge in connection with such importation, but does not include any:

- (a) charge equivalent to an internal tax imposed consistently with a Party's WTO obligations, including excise duty as well as goods and services tax;
- (b) anti-dumping or countervailing duty that is applied consistently with the provisions of Article VI of the GATT 1994, the Agreement on the Implementation of Article VI of the GATT 1994, and the Agreement on Subsidies and Countervailing Measures in Annex 1A to the WTO Agreement; 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.

ARTICLE 2.3

National Treatment

1. The Parties shall accord national treatment in accordance with Article III of the GATT 1994, including its interpretative notes.
2. To this end, Article III of the GATT 1994 and its interpretative notes are incorporated into and form part of this Agreement, *mutatis mutandis*.

¹ This definition of customs duty shall apply to all references to "customs duty" appearing in this Agreement.

ARTICLE 2.4
Customs Duties

1. Upon the entry into force of this Agreement, Singapore shall eliminate its customs duties applied on goods originating from GCC Member States in accordance with Annex 2 and GCC Member States shall eliminate its customs duties applied on goods originating from Singapore in accordance with Annex 1.
2. GCC Member States shall not increase an existing customs duty or introduce a new customs duty on the importation of goods originating in the territory of Singapore, or *vice versa*.
3. The Parties agree that this Agreement will not result in restricting existing trade flows.

ARTICLE 2.5
Temporary Admission

1. Each Party shall, in accordance with its respective domestic laws, grant temporary admission free of customs duties for the following goods:
 - (a) professional and scientific equipment, including their spare parts, owned and accompanied by a resident of a Party; and
 - (b) goods intended for display or use at exhibitions, fairs or other similar events, including commercial samples for the solicitation of orders.
2. A Party shall not impose any condition on the temporary admission of a good referred to in paragraph 1 of this Article, other than to require that such good:
 - (a) be accompanied by a security deposit in an amount no greater than the charges that would otherwise be owed on importation, releasable on exportation of the good;
 - (b) be exported within three (3) months from the date it was temporarily admitted or such other period of time as is reasonably related to the purpose of temporary admission; and
 - (c) be capable of identification when exported.
3. If any condition that a Party imposes under paragraph 2 of this Article has not been fulfilled, that Party may apply the customs duty and any other charges that would normally be owed on importation of the good.
4. Each Party shall, at the request of the importer and for reasons deemed valid by its Customs Administration, extend the time limit for temporary

admission beyond the period initially fixed.

5. Each Party shall relieve the importer of liability for failure to export a temporarily admitted good upon presentation of satisfactory proof to the Party's Customs Administration that the good has been destroyed within the original time limit for temporary admission or any lawful extension. Prior approval will have to be sought from the Customs Administration of the importing Party before the good can be so destroyed.

ARTICLE 2.6

Non-tariff Measures

1. No Party shall adopt or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation of any good destined for the territory of another Party, except in accordance with its WTO rights and obligations or the provisions of this Agreement.

2. Each Party shall ensure the transparency of its non-tariff measures permitted under paragraph 1 of this Article and that such measures are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to trade between the Parties.

ARTICLE 2.7

Customs Valuation

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the Agreement on Implementation of Article VII of the GATT 1994 in Annex 1A to the WTO Agreement.

ARTICLE 2.8

Anti-dumping and Countervailing Duties, Subsidies and Safeguard Measures

The rights and obligations of each of the GCC Member States and Singapore on anti-dumping and countervailing duties, subsidies and safeguard measures shall be governed by Articles VI, XVI and XIX of the GATT 1994 respectively, and the Agreement on Subsidies and Countervailing Measures, the Agreement on Safeguards and the Agreement on Agriculture in Annex 1A to the WTO Agreement.

ARTICLE 2.9

Transparency

Article X of the GATT 1994 is incorporated into and form part of this Agreement.

ARTICLE 2.10

Technical Regulations, Standards and Conformity Assessment Procedures

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment procedures shall be governed by the Agreement on Technical Barriers to Trade in Annex 1A of the WTO Agreement (hereinafter referred to as “the TBT Agreement”).
2. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment procedures, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.
3. Without prejudice to paragraph 1 of this Article, where a Party considers that another Party has taken measures which are likely to create, or have created, an obstacle to trade, the Parties agree to hold consultations within the framework of the Joint Committee in order to find an appropriate solution, which is in conformity with the TBT Agreement.
4. For the purposes of this Chapter, the Parties shall exchange names and addresses of their official contact points with expertise in technical regulations, standards and conformity assessment procedures in order to facilitate technical consultations and the exchange of information.

ARTICLE 2.11

Sanitary and Phytosanitary Measures

1. The rights and obligations of the Parties in respect of sanitary and phytosanitary measures shall be governed by the Agreement on the Application of Sanitary and Phytosanitary Measures in Annex 1A to the WTO Agreement (hereinafter referred to as “the SPS Agreement”).
2. For the purposes of this Chapter, the Parties shall exchange names and addresses of their official contact points with expertise in sanitary and phytosanitary matters in order to facilitate technical consultations and the exchange of information.
3. Without prejudice to paragraph 1 of this Article, where a Party considers that another Party has taken measures which are likely to create, or have created, an obstacle to trade, the Parties agree to hold consultations within the framework of the Joint Committee in order to find an appropriate solution in conformity with the SPS Agreement.

ARTICLE 2.12
Restrictions to Safeguard the Balance-of-Payments

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance-of-payments purposes.
2. Any such measures taken for trade in goods shall be in accordance with Article XII of the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994, the provisions of which are incorporated into and form part of this Agreement.

ARTICLE 2.13
State Trading Enterprises

Nothing in this Agreement shall be construed to prevent a Party from maintaining or establishing a state trading enterprise in accordance with Article XVII of the GATT 1994.

ARTICLE 2.14
Revision Clause

Upon request by a Party, the Parties shall consult to consider accelerating the elimination of customs duties as set out in Annex 1 or incorporating into one Party's schedule, goods that are not subject to the elimination schedule. Further commitments between the Parties to accelerate the elimination of a customs duty on a good or to include a good in Annex 1 shall supersede any duty rate or staging category determined pursuant to their respective Schedules. These commitments shall enter into force after the Parties have exchanged notification certifying that they have completed the necessary internal legal procedures and on such dates as may be agreed between the Parties.