

Chapter 12
Improvement of Business Environment

Article 123
Basic Principles

1. With a view to promoting trade and investment between the Parties, each Party shall, in accordance with its laws and regulations, take appropriate measures to further improve the business environment for the enterprises of the other Party conducting their business activities in its Area.
2. The Parties shall, in accordance with their respective laws and regulations, promote cooperation to further improve the business environment in their respective Areas.

Article 124
Sub-Committee on Improvement of Business Environment

1. For the purposes of the effective implementation and operation of this Chapter, a Sub-Committee on Improvement of Business Environment (hereinafter referred to in this Chapter as "the Sub-Committee") shall be established on the date of entry into force of this Agreement.
2. The functions of the Sub-Committee shall be:
 - (a) supervising the activities of each Consultative Group established in accordance with Article 125;
 - (b) addressing and resolving issues that the Sub-Committee considers appropriate taking into account, as necessary, the findings reported by each Consultative Group and each Liaison Office designated in accordance with Article 126;
 - (c) reporting the findings and making recommendations to the Parties including the measures to be taken by the Parties, regarding such functions as referred to in subparagraphs (a) and (b) and relevant issues. Such recommendations shall be taken into consideration by the Parties;

- (d) where appropriate, reviewing the measures taken by the Parties in relation to the recommendations referred to in subparagraph (c);
- (e) making available to those concerned, in an appropriate manner, the recommendations referred to in subparagraph (c) and the results of the review referred to in subparagraph (d), to the extent allowed by the respective laws and regulations of the Parties; and
- (f) reporting the findings and recommendations referred to in subparagraph (c) and other findings in relation to the implementation and operation of this Chapter to the Joint Committee as fully and expeditiously as possible.

3. The Sub-Committee shall be composed of representatives of the Governments of the Parties. The Sub-Committee may, by mutual consent of the Parties, invite representatives of local governments of the Parties and invite representatives of other relevant entities including those from the private sector with the necessary expertise relevant to the issues to be addressed.

4. The Sub-Committee shall meet at such venues and times as may be agreed by the Parties.

5. The Sub-Committee shall cooperate with other relevant Sub-Committees in an appropriate manner with a view to avoiding unnecessary duplication of works with those of other relevant Sub-Committees.

6. The other details of the Sub-Committee shall be set forth in the Implementing Agreement.

Article 125 Consultative Group

1. Each Party shall establish a Consultative Group as a subsidiary body of the Sub-Committee.

2. The composition, functions, and frequency of meetings of the Consultative Groups shall be set forth in the Implementing Agreement.

Article 126
Liaison Office

1. For the purposes of this Chapter, each Party shall designate and maintain a Liaison Office.
2. The functions and other details of the Liaison Offices shall be set forth in the Implementing Agreement.

Article 127
Non-Application of Chapter 14

The dispute settlement procedures provided for in Chapter 14 shall not apply to this Chapter.