

PART I GENERAL ASPECTS

CHAPTER 1 INITIAL PROVISIONS

Article 1.1: Establishment of the Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the General Agreement on Tariffs and Trade 1994 (“GATT”) and Article V of the General Agreement on Trade in Services (“GATS”), which are part of the WTO Agreement, hereby establish a free trade area.

Article 1.2: Objectives

1. The objectives of this Agreement, as elaborated more specifically through its principles and rules, including national treatment, most-favoured-nation treatment and transparency, are to:
 - (a) encourage expansion and diversification of reciprocal trade between the Parties;
 - (b) eliminate barriers to trade in, and facilitate the cross-border movement of, goods and services between the territories of the Parties;
 - (c) promote conditions of fair competition in the free trade area;
 - (d) substantially increase investment opportunities between the territories of the Parties;
 - (e) provide adequate and effective protection and enforcement of intellectual property rights in each Party's territory;
 - (f) create effective procedures for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and
 - (g) establish a framework for further bilateral and multilateral cooperation in order to expand and enhance the benefits of this Agreement.
2. The Parties shall interpret and apply the provisions of this Agreement in the light of the objectives set out in paragraph 1 and in accordance with the applicable rules of international law.

Article 1.3: Relation to Other International Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under the WTO Agreement and other international agreements to which both Parties are party.
2. In the event of any inconsistency between this Agreement and such other agreements under paragraph 1, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.

Article 1.4: Succession of Treaties or International Agreements

Any reference in this Agreement to any other treaty or international agreement shall be made in the same terms to its successor treaty or international agreement to which the Parties are party.

Article 1.5: Extent of Obligations

The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement in their respective territories.

CHAPTER 2 GENERAL DEFINITIONS

Article 2.1: Definitions of General Application

For purposes of this Agreement, unless otherwise specified:

Agreement means the free trade agreement between the Parties;

APEC means Asia-Pacific Economic Cooperation;

citizen means a citizen as defined in Annex 2.1 for the Party specified in that Annex;

Commission means the Free Trade Commission established under Article 18.1;

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, including its interpretative notes, which is part of the WTO Agreement;

days means calendar days;

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

enterprise of a Party means an enterprise constituted or organized under the law of a Party;

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

GATS means the General Agreement on Trade in Services, which is part of the WTO Agreement;

GATT means the General Agreement on Tariffs and Trade 1994, which is part of the WTO Agreement;

Generally Accepted Accounting Principles means the recognized consensus or substantial authoritative support in the territory of a Party with respect to the recording of revenues, expenses, costs, assets and liabilities, disclosure of information and preparation of financial statements. These standards may be broad guidelines of general application as well as detailed standards, practices and procedures;

goods of a Party means domestic products as these are understood in the GATT or such goods as the Parties may agree upon, including originating goods of that Party. The goods of the Parties may incorporate materials of other countries;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes, as adopted and implemented by the Parties in their respective tariff laws;

heading means a code of tariff classification of the Harmonized System at the level of four digits;

measure means, *inter alia*, any law, regulation, procedure or administrative action, requirement or practice;

national means a natural person who is a citizen or permanent resident of a Party;

originating good means a good qualifying under the rules of origin set out in Chapter 4;

person means a natural person or an enterprise;

person of a Party means a national or an enterprise of a Party;

Secretariat means the Secretariat established under Article 18.2;

standards-related measures means a standard, technical regulation or conformity assessment procedure;

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

subheading means a code of tariff classification of the Harmonized System at the level of six digits;

Tariff Elimination Schedule means the Tariff Elimination Schedule referred to in Article 3.4;

territory means for a Party, the territory of that Party as set out in Annex 2.1;

TBT Agreement means the Agreement on Technical Barriers to Trade, which is part of the WTO Agreement;

TRIPS Agreement means the Agreement on Trade Related Aspects of Intellectual Property Rights, which is part of the WTO Agreement;

Uniform Regulations means the regulations established under Article 5.12; and

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

Annex 2.1

Country-Specific Definitions

For purposes of this Agreement, unless otherwise specified:

citizen means:

- (a) with respect to Chile, a Chilean as defined in Article 13 of the Political Constitution of the Republic of Chile ("Constitución Política de la República de Chile"); and
- (b) with respect to Korea, a Korean as defined in Article 2 of the Constitution of the Republic of Korea and its relevant law.

territory means:

- (a) with respect to Chile, the land, maritime, and air space under its sovereignty, and the exclusive economic zone and the continental shelf over which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law; and
- (b) with respect to Korea, the land, maritime, and air space under its sovereignty, and those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea over which it exercises sovereign rights or jurisdiction in accordance with international law and its domestic law.