

DESIRING to promote greater regional economic integration through this Agreement,

HAVE AGREED as follows:

CHAPTER 1 GENERAL PROVISIONS

Article 1 Objectives

The objectives of this Agreement are to:

- (a) establish a free trade area that will promote market opportunities for goods, services and investment between the countries of the Parties;
- (b) progressively liberalise and promote trade in goods and services, and cross-border investment flows;
- (c) promote and enhance economic, trade and investment cooperation activities between the Parties;
- (d) establish a framework of transparent, predictable and facilitative rules to govern and regulate trade and investment between the countries of the Parties including the protection of investments and investment activities;
- (e) improve the efficiency and competitiveness of their goods and services sectors; and
- (f) establish a framework to enhance closer cooperation on socio-economic partnership in areas of mutual interest as agreed by the Parties.

Article 2 Definitions

For the purposes of this Agreement:

- (a) “days” means calendar days, including weekends and holidays;
- (b) “GATT 1994” means the General Agreement on Tariffs and Trade 1994 in Annex 1A to the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on 15 April 1994, as may be amended. For the purposes of this Agreement, references to Articles in the GATT 1994 include the interpretative notes;

- (c) “GATS” means the General Agreement on Trade in Services in Annex 1B to the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on 15 April 1994, as may be amended;
- (d) “Harmonized System” (“HS”) means the Harmonized Commodity Description and Coding System set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System, as may be amended;
- (e) “Malaysia” means the territories of the Federation of Malaysia, the territorial waters of Malaysia and the sea-bed and subsoil of the territorial waters, and the airspace above such areas, and includes any area extending beyond the limits of the territorial waters of Malaysia, and the sea-bed and subsoil of any such area, which has been or may hereafter be designated under the laws of Malaysia and in accordance with international law as an area over which Malaysia has sovereign rights or jurisdiction for the purposes of exploring and exploiting the natural resources, whether living or non-living; and
- (f) “Pakistan” means all the territories of the Islamic Republic of Pakistan, including its territorial sea, in which the laws and regulations of Pakistan are in force, and all the area beyond its territorial sea, including the sea-bed and subsoil thereof, over which Pakistan exercises sovereign rights or jurisdiction in accordance with international law and the laws and regulations of Pakistan;
- (g) “Parties” means the Government of Malaysia and the Government of the Islamic Republic of Pakistan and “Party” means either the Government of Malaysia or the Government of the Islamic Republic of Pakistan;
- (h) “TRIPS Agreement” means the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement; and
- (i) “WTO Agreement” means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on 15 April 1994, as may be amended.

Article 3

Transparency

1. The Parties shall make publicly available their laws, regulations and national policies of general application with respect to any matter covered by this Agreement.

2. The Parties shall make easily available to the public, the names or designations of the competent authorities responsible for the laws, regulations and national policies of general application referred to in paragraph 1 of this Article.

3. Each Party shall, upon request by the other Party, within a reasonable period of time, respond to specific questions from, and provide information to the other Party in the English language with respect to matters referred to in paragraph 1 of this Article.

4. At the request of the interested persons of the countries of the Parties, each Party shall endeavour to provide information relating to the specific matters raised by the interested persons and pertaining to this Agreement. Each Party may also supply other pertinent information relating to this Agreement which it consider the interested persons should be made aware of.

Article 4

Administrative Procedures

1. Where administrative decisions, which pertain to, or affect the implementation and operation of this Agreement are taken by the competent authorities of a Party, the competent authorities shall, in accordance with the laws and regulations of the country of that Party, endeavour to:

- (a) inform the applicant of the decision within a reasonable period of time after the submission of an application considered complete under the laws and regulations of the country of that Party; and
- (b) provide, within a reasonable period of time, information concerning the status of the application, at the request of the applicant.

2. The competent authorities shall, where so required by the laws and regulations of the country of the Party, establish standards for taking administrative decisions in response to applications submitted to it. The competent authorities shall endeavour to make such standards:

- (a) as specific as possible; and
- (b) publicly available except when it would extraordinarily raise administrative difficulties for the Party.

Article 5

Review and Appeal

1. Each Party shall maintain judicial or quasi-judicial tribunals or procedures for the purpose of prompt review or appeal as the case may be, and where warranted, correction of actions taken by the respective

competent authorities in the matters covered by this Agreement. Such tribunals or procedures shall be independent of the authorities entrusted with the administrative enforcement of such actions.

2. Each Party shall ensure that the parties in such tribunals or procedures are provided with the right to:

- (a) a reasonable opportunity to support or defend their respective positions; and
- (b) a decision based on the evidence and submissions of record.

3. Each Party shall ensure, subject to appeal or further review as provided in its laws and regulations, that the decision referred to in paragraph 1 of this Article is implemented by the relevant authorities.

Article 6

Confidentiality

1. Each Party shall undertake, in accordance with its laws and regulations, to observe the confidentiality of information provided by the other Party.

2. Notwithstanding paragraph 1 of this Article, the information provided under this Agreement may be transmitted to a third party subject to the prior written consent of the providing Party.

3. Nothing in this Agreement shall require any Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

4. In the event of termination of this Agreement, the Parties agree that the provisions of this Article shall continue to apply, unless otherwise agreed by the Parties.

Article 7

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 8

Joint Committee

1. A Joint Committee shall be established under this Agreement.

2. The functions of the Joint Committee shall be to:
 - (a) review the implementation and operation of this Agreement;
 - (b) submit a report to the Parties through the focal points referred to in Article 10 on the implementation and operation of this Agreement;
 - (c) consider and recommend to the Parties any amendments to this Agreement;
 - (d) facilitate the avoidance and settlement of disputes arising from this Agreement;
 - (e) supervise and coordinate the work of all Sub-Committees established under this Agreement;
 - (f) adopt any necessary decisions; and
 - (g) carry out any other function as the Parties may agree.
3. The Joint Committee:
 - (a) shall be co-chaired by senior officials of the Parties, unless the Parties agree to convene the meeting at ministerial level; and
 - (b) may establish and delegate its responsibilities to Sub-Committees.
4. The Joint Committee shall establish its rules and procedures and financial arrangements.
5. The Joint Committee shall convene its inaugural meeting within one year after the entry into force of this Agreement. Its subsequent meetings shall be held at such frequency as the Parties may agree upon. The Joint Committee shall convene alternately in Malaysia and Pakistan, unless the Parties otherwise agree. Special meetings of the Joint Committee may be convened within 30 days upon the request of either Party.

Article 9

Sub-Committees

The following Sub-Committees shall be established upon the entry into force of this Agreement:

- (a) Sub-Committee on Trade in Goods;
- (b) Sub-Committee on Trade in Services;
- (c) Sub-Committee on Customs Procedures; and
- (d) Sub-Committee on Investment.

Article 10 Focal Points

Communications between the Parties on any matter relating to this Agreement shall be facilitated through the following focal points:

- (a) in the case of Malaysia, the Ministry of International Trade and Industry; and
- (b) in the case of Pakistan, the Ministry of Commerce.

CHAPTER 2 TRADE IN GOODS

Article 11 Definitions

For the purposes of this Chapter:

- (a) “customs duties” means duties imposed in connection with the importation of a good provided that such customs duties shall not include:
 - (i) charges equivalent to internal taxes, including excise duties, sales tax, and goods and services taxes imposed in accordance with a Party’s commitments under paragraph 2 of Article III of the GATT 1994;
 - (ii) anti-dumping or countervailing duty or safeguard duty applied in accordance with Chapter 5; or
 - (iii) fees or other charges that are limited in amount to the approximate cost of services rendered, and do not represent a direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes;
- (b) “customs value of goods” means the value of goods for the purposes of levying *ad valorem* customs duties on imported goods;
- (c) “originating goods” means the goods that qualify as originating goods in accordance with Chapter 3;
- (d) “goods” includes manufactured goods and commodities in their raw, semi-processed and processed forms.

Article 12 Classification of Goods

For the purposes of this Agreement, the classification of goods in trade between the countries of the Parties shall be in conformity with the Harmonized System.