

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.

Article 13

National Treatment

Each Party shall accord national treatment to the goods of the country of the other Party in accordance with Article III of the GATT 1994.

Article 14

Reduction or Elimination of Customs Duties

1. Customs duties which are levied at zero percent or nil on the date of signing of this Agreement shall be kept at zero percent or nil by the Parties.
2. Customs duties in excess of zero percent or nil shall be reduced and where relevant, eliminated by the Parties on originating goods of the other Party in accordance with each Party's Schedule of Concessions in Annex 1.

Article 15

Modification or Withdrawal of Concessions

1. Nothing in this Agreement shall prevent a Party from accelerating the implementation of concessions provided for in this Agreement or to incorporate new goods into such concessions, provided that such arrangements are notified to the other Party.
2. Either Party may, by mutual agreement, modify or withdraw any concession provided in Annex 1. Such mutual agreement shall include provisions for compensatory adjustment with respect to other goods. The Party modifying or withdrawing any concession provided in Annex 1 shall maintain a general level of reciprocal and mutually advantageous concessions not less favourable to trade than provided in this Agreement prior to such agreement.
3. The modification or withdrawal of concessions shall be treated as an amendment to Annex 1 and shall enter into force in accordance with the procedures set out in Article 131.

Article 16

Customs Valuation

For the purposes of determining the customs value of goods traded between the countries of the Parties, provisions of Part I of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement, as may be amended shall, *mutatis mutandis*, be incorporated into and made part of this Agreement.

Article 17
Non-Tariff Measures

1. Except where expressly permitted by this Agreement or by the Parties' obligations under the WTO Agreement, neither Party shall adopt or maintain any non-tariff measure which constitutes a restriction on goods traded between the Parties.
2. Each Party shall ensure the transparency of its non-tariff measures permitted under paragraph 1 of this Article and that they are not constituted, adopted or applied with a view to or with the effect of creating unnecessary restrictions to trade between the Parties.
3. Each Party shall identify the non-tariff measures which are creating unnecessary restrictions to trade for elimination upon the entry into force of this Agreement. The time frame for elimination of these non-tariff measures shall be mutually agreed upon by the Parties.

Article 18
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 measure taken for balance-of-payments purposes shall be in accordance with Article XII, Section B of Article XVIII and the Understanding on the Balance-of-Payments Provisions of the GATT 1994, which shall, *mutatis mutandis*, be incorporated into and made part of this Agreement.
3. Nothing in this Chapter shall be regarded as altering the rights enjoyed and obligations undertaken by a Party as a party to the Articles of Agreement of the International Monetary Fund, as may be amended.

Article 19
Sub-Committee on Trade in Goods

1. For the purposes of the effective implementation and operation of this Chapter, the functions of the Sub-Committee on Trade in Goods (hereinafter referred to in this Article as "the Sub-Committee") established in accordance with Article 9 shall be:
 - (a) reviewing and monitoring the implementation and operation of this Chapter;
 - (b) discussing any issues related to this Chapter;
 - (c) reporting the findings and the outcome of discussions of the Sub-Committee to the Joint Committee; and
 - (d) carrying out other functions as may be delegated by the Joint Committee in accordance with Article 8.

2. The Sub-Committee shall meet at such venue and time as may be agreed by the Parties.

3. The Sub-Committee shall be:

- (a) composed of representatives of the Parties; and
- (b) co-chaired by officials of the Parties.

CHAPTER 3 RULES OF ORIGIN

Article 20 Definitions

For the purposes of this Chapter:

- (a) “CIF” means the value of the good imported, and includes the cost of freight and insurance up to the port or place of entry into the country of importation;
- (b) “designated government authority” means the government authority of each Party that is responsible for the issuing of the Certificate of Origin in accordance with Article 33;
- (c) “FOB” means the free-on-board value of the good, inclusive of the cost of transport to the port or site of final shipment abroad;
- (d) “goods” shall include materials and products which can be wholly obtained or produced, or manufactured, even if they are intended for later use in another manufacturing operation;
- (e) “materials” include raw materials, ingredients, parts, components, sub-components, sub-assembly or goods that are physically incorporated into another good or are subject to a process in the production of another good;
- (f) "originating goods" mean goods that qualify as originating in accordance with Article 21;
- (g) “preferential treatment” means the rate of customs duties applicable to an originating good of the country of an exporting Party in accordance with Article 14;
- (h) "production" means methods of obtaining goods including growing, mining, harvesting, raising, breeding, extracting, gathering, collecting, capturing, fishing, trapping, hunting, manufacturing, producing, processing or assembling a good;