

## **CHAPTER TWO**

### **TRADE IN GOODS**

#### **Article 2.1**

##### **Scope**

Except as otherwise provided, this Chapter applies to trade in all goods between the Parties.

#### **Article 2.2**

##### **National Treatment**

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994. To this end, Article III of GATT 1994 and its interpretative notes are incorporated into and shall form part of this Agreement, *mutatis mutandis*.

#### **Article 2.3**

##### **Elimination of Customs Duties**

Except as otherwise provided in this Agreement and subject to a Party's Tariff Schedule as set out in Annex 1 (Schedules of Tariff Commitments), as at the date of entry into force of this Agreement each Party shall eliminate all Customs duties on originating goods of the other Party.

#### **Article 2.4**

##### **Accelerated Tariff Elimination**

1. At the request of either Party, the Parties shall promptly enter into consultations to consider accelerating the elimination of Customs duties on originating goods as set out in its Tariff Schedule in Annex 1 (Schedules of Tariff Commitments).
2. An agreement by the Parties to accelerate the elimination of Customs duties on originating goods shall enter into force after the Parties have exchanged written notification advising that they have completed the necessary internal legal procedures, and on such date or dates as may be agreed between them.
3. A Party may at any time accelerate unilaterally the elimination of Customs duties on originating goods of the other Party set out in its Tariff Schedule in Annex 1 (Schedules of Tariff Commitments). A Party considering doing so shall

inform the other Party before the new rate of Customs duties takes effect, or in any event as early as practicable.

## **Article 2.5**

### **Administrative Fees and Formalities**

1. Each Party shall ensure, in accordance with Article VIII.1 of GATT 1994, that all fees and charges of whatever character (other than Customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III.2 of GATT 1994, and anti-dumping and countervailing duties) imposed on, or in connection with, import or export are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation on imports or exports for fiscal purposes.

2. Each Party shall make available in print form, or on the Internet or a comparable computer-based telecommunications network where feasible, a current list of the fees and charges it imposes in connection with importation or exportation.

## **Article 2.6**

### **Agricultural Export Subsidies**

1. For the purposes of this Article, agricultural goods means those products listed in Annex 1 of the *WTO Agreement on Agriculture* and export subsidies shall have the meaning assigned to that term in Article 1(e) of the *WTO Agreement on Agriculture*, including any amendment of that Article.

2. The Parties share the objective of the multilateral elimination of all forms of export subsidies for agricultural goods and shall continue to cooperate in an effort to achieve an agreement to their elimination and prevent their reintroduction in any form.

3. Consistent with their rights and obligations under the WTO Agreement, the Parties agree to eliminate, as of the date of entry into force of this Agreement, all forms of export subsidy for agricultural goods destined for the other Party, and to prevent the reintroduction of such subsidies in any form.

## **Article 2.7**

### **Non-Tariff Measures**

Neither 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 the other Party, except in accordance with its rights and obligations under the WTO Agreement or in accordance with

this Agreement.

## **Article 2.8**

### **Import Licensing**

1. Each Party shall ensure that all automatic and non-automatic import licensing measures are implemented in a transparent and predictable manner, and applied in accordance with the *WTO Agreement on Import Licensing Procedures*.
2. Each Party shall promptly notify the other Party of existing import licensing procedures. Thereafter, each Party shall notify the other Party of any new import licensing procedures and any modification to its existing import licensing procedures, to the extent possible 60 days before it takes effect, but in any case no later than within 60 days of publication. The information in any notification under this Article shall be in accordance with Articles 5.2 and 5.3 of the *WTO Agreement on Import Licensing Procedures*.
3. Each Party shall respond within 60 days to all reasonable enquiries from the other Party with regard to the criteria employed by its respective licensing authorities in granting or denying import licenses.

## **Article 2.9**

### **Notification and Consultation**

1. Where a Party considers that any proposed or actual measure might materially affect trade in goods between the Parties, that Party shall promptly notify the other Party.
2. On request of the other Party, a Party shall provide information and respond to questions pertaining to any actual or proposed measure within 30 days from the date of the request, whether or not that other Party has been previously notified of that measure.
3. Either Party may request technical discussions with the other Party on any matter affecting trade in goods between the Parties. Unless the Parties mutually determine otherwise, such technical discussions shall be held within 30 days from the date of the request.
4. This Article is without prejudice to the Parties' rights and obligations under Chapter 16 (Dispute Settlement).
5. This Article does not preclude that a proposed or actual measure or matter affecting trade in goods might be more appropriately addressed under either Chapter 6 (Sanitary and Phytosanitary Measures) or Chapter 7 (Technical Barriers to Trade).

**Article 2.10**  
**Committee on Trade in Goods**

1. The Parties shall establish a Committee on Trade in Goods (“the Committee”) to consider any matters relating to the implementation of this Chapter and the implementation of Chapter 3 (Rules of Origin) including:

- (a) any matter raised pursuant to Article 2.9 (Notification and Consultations);
- (b) any other matter affecting trade in goods between the Parties that is not more appropriately addressed by either the Sanitary and Phytosanitary Measures or Technical Barriers to Trade Committees.

2. The Committee shall meet as mutually determined by the Parties.