

ARTICLE 4
Customs Unions and Free Trade Areas

1. Nothing in this Agreement shall preclude the maintenance or establishment of customs unions, free trade areas or other arrangements between either of the Parties and third countries, insofar as they do not alter the rights and obligations provided for in this Agreement.

2. At the request of a Party, consultations between them shall take place within the Joint Committee concerning agreements establishing or adjusting customs unions or free trade areas and, where required, on other major issues related to the Parties' respective trade policies with third countries.

ARTICLE 5
Definitions of General Application

For the purposes of this Agreement, unless otherwise specified:

- a) **“days”** means calendar days, including weekends and holidays;
- b) **“measure”** means any measure by a Party, whether in the form of a law, regulation, rule, procedure, practice, decision, administrative action or any other form;
- c) **“publish”** includes publication in written form or on the internet.

TITLE II
MARKET ACCESS FOR GOODS

CHAPTER I
COMMON PROVISIONS

ARTICLE 6
National Treatment

Each Party shall accord National Treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes; and to this end Article III of GATT 1994, and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 7
Classification and Valuation of Goods

1. The classification of goods in trade between the Parties shall be that set out in each Party's respective tariff nomenclature in conformity with the Harmonized Commodity Description and Coding System (hereinafter referred to as "the Harmonized System" or "HS").
2. For the purposes of determining the customs value of goods traded between the Parties, provisions of Part I of the Agreement on Implementation of Article VII of the GATT 1994, as may be amended, shall apply *mutatis mutandis*.

ARTICLE 8
Customs Duty

A customs duty includes any duty or charge of any kind imposed in connection with the importation or exportation of a good, including any form of surtax or surcharge in connection with such importation or exportation, but does not include any:

- a) internal taxes or other internal charges imposed consistently with Article 59;
- b) antidumping or countervailing duties applied consistently with Article 34; and
- c) fees or other charges imposed consistently with Article 14.

ARTICLE 9
Basic Duties

1. For each product, the basic duty to which successive reductions set out in this Agreement are to be applied shall be the Most Favored Nation (MFN) duty that was in force in the Parties on the date of entry into force of this Agreement.
2. If after the entry into force of this Agreement, any tariff reduction is applied on an *erga omnes* basis, in particular, reductions resulting from the tariff negotiations in the WTO, such reduced duties shall replace the basic duties referred to in paragraph 1 as from that date when such reductions are applied.

3. The Parties shall communicate to each other their respective basic duties.

ARTICLE 10

Rules of Origin and Cooperation between the Customs Administrations

1. Annex V to this Agreement lays down the rules of origin and related methods of administrative co-operation.
2. For the purposes of the effective implementation and operation of Annex V, the Parties hereby establish a Sub-Committee on Customs and Rules of Origin. The functions of the Sub-Committee on Customs and Rules of Origin shall be:
 - a) reviewing the implementation and operation of Annex V;
 - b) reporting its findings to the Joint Committee;
 - c) identifying areas, relating to Annex V to be improved for facilitating trade in goods between the Parties; and
 - d) carrying out other functions as may be delegated by the Joint Committee in accordance with Article 54.
3. The Sub-Committee on Customs and Rules of Origin shall meet as may be agreed by the Parties.
4. The Sub-Committee on Customs and Rules of Origin shall be composed by representatives from the competent authorities of the Parties. Other Governmental Authorities may be invited to the Sub-Committee on Customs and Rules of Origin meetings whenever it is deemed necessary.
5. The terms of reference of the Sub-Committee on Customs and Rules of Origin shall be determined in the first meeting of the Joint Committee.

ARTICLE 11

Customs Duties of a Fiscal Nature

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

ARTICLE 12
Customs Duties on Exports and Charges Having Equivalent Effect

1. Customs duties and charges having equivalent effect on exports shall be abolished between the Parties upon the entry into force of this Agreement.
2. From the date of entry into force of this Agreement, no new customs duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.

ARTICLE 13
Import and Export Restrictions

Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes; and to this end, Article XI of the GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.

ARTICLE 14
Fees and Other Charges

Each Party shall ensure, in accordance with Article VIII of the GATT 1994 and its interpretative notes, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charges, applied consistently with Article III paragraph 2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

ARTICLE 15
Re-export and Serious Shortage

1. Where compliance with the provisions of Article 13 leads to:

- a) re-export towards a third country against which the exporting Party to this Agreement maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect;
- b) a serious shortage, or threat thereof, of a product essential to the exporting Party; or
- c) a shortage of essential quantities of domestic materials for a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilization plan;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in this Article.

2. In the selection of measures, priority must be given to those which least disturb the functioning of the arrangements in this Agreement. Such measures shall not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination where the same conditions prevail, or a disguised restriction on trade, and shall be eliminated when the conditions no longer justify their maintenance. In addition, the measures which may be adopted pursuant to paragraph 1(c) shall not operate to increase the exports of or the protection afforded to the domestic processing industry concerned, and shall not depart from the provisions of this Agreement relating to non-discrimination.

3. Before taking the measures provided for in paragraph 1, or as soon as possible in cases to which paragraph 4 applies, the Party intending to take the measures shall supply the Joint Committee with all relevant information, with a view to seeking a solution acceptable to the Parties. The Parties within the Joint Committee may agree on any means needed to put an end to the difficulties. If no agreement is reached within 30 days of the matter being referred to the Joint Committee, the exporting Party may apply measures under this Article on the exportation of the product concerned.

4. Where exceptional and critical circumstances requiring immediate action make prior information or examination impossible, the Party intending to take the measures may apply forthwith the precautionary measures necessary to deal with the situation and shall inform the other Party immediately thereof.

5. Any measures applied pursuant to this Article shall be immediately notified to the Joint Committee and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their elimination as soon as circumstances permit.

CHAPTER II ELIMINATION OF CUSTOMS DUTIES

SECTION I INDUSTRIAL PRODUCTS

ARTICLE 16 Scope

The provisions of this Section shall apply to products originating in the Parties falling within Chapters 25 to 97 of the Harmonized System; with the exception of the products listed in Annex I of this Agreement.

ARTICLE 17 Customs Duties on Imports and Charges Having Equivalent Effect

1. Customs duties on imports into Turkey of goods originating in Chile shall be abolished upon the entry into force of this Agreement.

2. Customs duties on imports into Chile of goods originating in Turkey, other than those listed in Annex II and Annex III shall be abolished upon the entry into force of this Agreement.

3. Customs duties on imports into Chile of goods originating in Turkey, which are listed in Annex II shall be progressively abolished in accordance with the timetable laid down thereof.

4. Customs duties on imports of products which are listed in Annex III shall not be subject to the concessions referred to in this Article.
5. From the date of entry into force of this Agreement no new customs duties on imports or charges having equivalent effect shall be introduced in trade between the Parties.
6. Turkey and Chile shall abolish in trade between themselves any charges having an equivalent effect to customs duties on imports upon the entry into force of this Agreement.

SECTION II
AGRICULTURAL, PROCESSED AGRICULTURAL
AND FISHERY PRODUCTS

ARTICLE 18
Scope

1. The provisions of this Section shall apply to basic agricultural, processed agricultural and fishery products (hereinafter referred to as “agricultural products”) originating in the territory of each Party.
2. The term "agricultural products" means, for the purposes of this Agreement, the products falling within Chapters 01 to 24 of the Harmonized System and including the products listed in Annex I of this Agreement.

ARTICLE 19
Exchange of Concessions

1. The Parties to this Agreement shall mutually allocate concessions set forth in Annex IV in accordance with the provisions of this Section.
2. Taking into account the role of agriculture in their respective economies, the development of trade in agricultural products and the rules of their respective agricultural policies, the Parties shall examine in the Joint Committee the possibilities of granting further concessions to each other in trade in agricultural products. If a decision to improve the conditions of access is agreed, the Parties will evaluate the increase of the current quotas and the reduction or elimination of customs duties.

ARTICLE 20
Price Band System

Chile may maintain its price band system as established under its Law No. 18.525 or succeeding system for the products covered by that law, provided it is applied consistent with Chile's rights and obligations under the WTO Agreement and in a manner that does not afford more favorable treatment to imports of any third country, including countries with which Chile has concluded or will conclude in the future an agreement notified under Article XXIV of the GATT 1994.

TITLE III

OTHER TRADE RELATED PROVISIONS

CHAPTER I
SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 21
General Provisions

1. The Parties affirm their rights and obligations with respect to each other under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (hereinafter referred to as "the SPS Agreement").
2. The Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction on trade between them.

ARTICLE 22
Objectives

The objectives of this Chapter are:

- a) to facilitate bilateral trade in food, plants and animals and products thereof, while protecting human, animal or plant life or health in the territory of each Party;