

ARTICLE 5.15

Committee on Sanitary and Phytosanitary Measures

1. The Committee on Sanitary and Phytosanitary Measures (hereinafter referred to as the 'SPS Committee') established pursuant to Article 16.2 (Specialised Committees) shall include representatives of the competent authorities of the Parties.
2. The SPS Committee shall meet within one year of the entry into force of this Agreement. Thereafter it shall meet at least once a year or as agreed by the Parties. The SPS Committee shall establish its rules of procedure at its first meeting. It shall meet in person, by telephone conference, by video-conference, or through any other means, as agreed by the Parties.
3. The SPS Committee may agree to establish technical working groups consisting of experts of the Parties, which shall identify and address technical and scientific issues arising under this Chapter and shall explore opportunities for further collaboration on SPS matters of mutual interest. When additional expertise is needed, persons other than representatives of the Parties may participate in the work of a technical working group.
4. The SPS Committee may address any matter related to the effective functioning of this Chapter. In particular, it shall have the following responsibilities and functions:
 - (a) developing the necessary procedures or arrangements for the implementation of this Chapter, including Annexes 5-A and 5-B;
 - (b) monitoring the implementation of this Chapter; and
 - (c) providing a forum for discussion of problems arising from the application of certain SPS measures with a view to reaching mutually acceptable solutions. In this connection, the SPS Committee shall be convened as a matter of urgency, at the request of a Party, so as to carry out consultations. Such consultations are without prejudice to the rights and obligations of the Parties under Chapter Fourteen (Dispute Settlement) and Chapter Fifteen (Mediation Mechanism).
5. The SPS Committee shall exchange information, expertise and experiences in the field of animal welfare in order to promote the collaboration on animal welfare between the Parties.
6. The Parties may, by decision in the SPS Committee, adopt recommendations and decisions related to the authorisation of imports, exchange of information, transparency, recognition of regionalisation, equivalency and alternative measures, and any other matter referred to under paragraphs 4 and 5.

ARTICLE 5.16

Technical Consultations

1. Where a Party considers that a measure of the other Party is or might be contrary to the obligations under this Chapter, and considers that the measure causes or may cause an unjustified disruption to trade, it may request technical consultations in the SPS Committee with a view to reaching mutually acceptable solutions. The competent authorities set out in Annex 5-A shall facilitate these consultations.
2. Technical consultations in the SPS Committee shall be deemed concluded within 30 days following the date of submission of the request for technical consultations, unless the consulting Parties agree to continue with the consultations. The technical consultations may be made via telephone conference, video-conference, or any other mechanism agreed by the Parties.

CHAPTER SIX

CUSTOMS AND TRADE FACILITATION

ARTICLE 6.1

Objectives

1. The Parties recognise the importance of customs and trade facilitation matters in the evolving global trading environment. The Parties agree to reinforce cooperation in this area, with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfil the objectives of promoting trade facilitation while ensuring effective customs control.

2. To that end, the Parties agree that legislation shall be non-discriminatory, and that customs procedures shall be based upon the use of modern methods and effective controls to combat fraud and to protect legitimate trade.

3. The Parties recognise that legitimate public policy objectives, including in relation to security, safety and combating fraud, shall not be compromised in any way.

ARTICLE 6.2

Principles

1. The Parties agree that their respective customs provisions and procedures shall be based upon:

- (a) international instruments and standards applicable in the area of customs and trade which the respective Parties have accepted, including the substantive elements of the Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures, the International Convention on the Harmonized Commodity Description and Coding System, and the Framework of Standards to Secure and Facilitate Global Trade (hereinafter referred to as 'SAFE Framework') of the World Customs Organization (hereinafter referred to as 'WCO');
- (b) the protection of legitimate trade through the effective enforcement and compliance of legislative requirements;
- (c) legislation that avoids unnecessary or discriminatory burdens on economic operators, that provides for further trade facilitation for economic operators with high levels of compliance, and that ensures safeguards against fraud and illicit or damageable activities; and
- (d) rules that ensure that any penalty imposed for breaches of customs regulations or procedural requirements is proportionate and non-discriminatory, and that their application shall not unduly delay the release of goods.

2. In order to improve working methods, as well as to ensure non-discrimination, transparency, efficiency, integrity and accountability of operations, the Parties shall:

- (a) simplify requirements and formalities wherever possible with respect to the rapid release and clearance of goods; and
- (b) work towards the further simplification and standardisation of the data and documentation required by customs and other agencies.

ARTICLE 6.3

Customs Cooperation

1. The Parties shall cooperate on customs matters between their respective authorities in order to ensure that the objectives set out in Article 6.1 (Objectives) are attained.

2. In order to enhance cooperation on customs matters, the Parties shall, *inter alia*:

- (a) exchange information concerning their respective customs legislation, the implementation thereof, and their customs procedures, particularly in relation to the following areas:
 - (i) simplification and modernisation of customs procedures;
 - (ii) border enforcement of intellectual property rights by the customs authorities;
 - (iii) transit movements and transshipment; and
 - (iv) relations with the business community;
- (b) consider developing joint initiatives relating to import, export and other customs procedures, as well as towards ensuring an effective service to the business community;
- (c) work together on customs-related aspects of securing and facilitating the international trade supply chain in accordance with the SAFE Framework;

- (d) establish, where appropriate, mutual recognition of their respective risk management techniques, risk standards, security controls and trade partnership programmes, including aspects such as data transmission and mutually agreed benefits; and
- (e) strengthen coordination in international organisations such as the WTO and the WCO.

ARTICLE 6.4

Transit and Transshipment

1. Each Party shall ensure the facilitation and effective control of transshipment operations and transit movements through its territory.
2. The Parties shall promote and implement regional transit arrangements with a view to facilitating trade.
3. The Parties shall ensure cooperation and coordination between all concerned authorities and agencies in their respective territories to facilitate traffic in transit.

ARTICLE 6.5

Advance Rulings

Prior to the importation of goods into its territory, and in accordance with its legislation and procedures, each Party shall issue to traders established in its territory, through its customs authorities or other competent authorities, written advance rulings concerning tariff classification, origin, and any other matters as the Party may decide.

ARTICLE 6.6

Simplified Customs Procedure

1. Each Party shall provide simplified import and export procedures that are transparent and efficient, in order to reduce costs and increase predictability for economic operators, including small and medium sized enterprises. Easier access to customs simplifications shall also be provided for authorised traders, according to objective and non-discriminatory criteria.
2. A single customs declaration document or its electronic equivalent shall be used for the purpose of completing the formalities required for placing the goods under a customs procedure.
3. The Parties shall apply modern customs techniques, including risk assessment and post-clearance audit methods, in order to simplify and facilitate the entry and the release of goods.
4. The Parties shall promote the progressive development and use of systems, including those based upon information technology, to facilitate the electronic exchange of data among their respective traders, customs authorities and other related agencies.

ARTICLE 6.7

Release of Goods

Each Party shall ensure that its customs authorities, border agencies or other competent authorities shall apply requirements and procedures that:

- (a) provide for the prompt release of goods within a period no greater than that required to ensure compliance with its customs and other trade-related laws and formalities;
- (b) provide for pre-arrival processing (i.e. advance electronic submission and eventual processing of information before physical arrival of goods) to enable the release of goods on arrival; and
- (c) provide for the release of goods without the payment of customs duties, subject to the provision of a guarantee, if required according to the legislation of the Party concerned, in order to secure the final payment of customs duties.

ARTICLE 6.8

Fees and Charges

1. Fees and charges shall only be imposed for services provided in connection with the importation or exportation in question and for any formality required for undertaking such importation or exportation. They shall not exceed the approximate cost of the service provided, and shall not be calculated on an *ad valorem* basis.
2. The information on fees and charges shall be published via an officially designated medium, which may include the internet. This information shall include the reason for the fee or charge for the service provided, the responsible authority, the fee or charge that will be applied, and when and how payment is to be made.
3. New or amended fees and charges shall not be imposed until information in accordance with paragraph 2 is published and made readily available.

ARTICLE 6.9

Customs Brokers

The Parties agree that their respective customs provisions and procedures shall not require the mandatory use of customs brokers. The Parties shall apply transparent, non-discriminatory and proportionate rules when licensing customs brokers.

ARTICLE 6.10

Preshipment Inspections

The Parties agree that their respective customs provisions and procedures shall not require the mandatory use of pre-shipment inspections as defined in the Agreement on Preshipment Inspection, or any other inspection activity performed by private companies at the destination, before customs clearance.

ARTICLE 6.11

Customs Valuations

1. The Parties shall determine the customs value of goods in accordance with the Customs Valuation Agreement.
2. The Parties shall cooperate with a view to reaching a common approach to issues relating to customs valuation.

ARTICLE 6.12

Risk Management

1. Each Party shall base its examination and release procedures and its post-entry verification procedures on risk assessment principles and the use of audits, rather than examining each shipment in a comprehensive manner for compliance with all import requirements.
2. The Parties agree to adopt and apply their control requirements and procedures for the importation, exportation, transit and transshipment of goods on the basis of risk management principles which shall be applied to focus compliance measures on transactions that merit attention.

ARTICLE 6.13

Single Window

Each Party shall endeavour to develop or maintain single window systems to facilitate a single, electronic submission of all information required by customs and other legislation for the exportation, importation and transit of goods.

ARTICLE 6.14

Appeal Procedures

1. Each Party shall provide effective, prompt, non-discriminatory and easily accessible procedures to guarantee the right of appeal against the administrative actions, rulings and decisions by customs and other competent authorities that affect the importation or exportation of goods or that affect goods in transit.

2. Appeal procedures may include administrative review by the supervising authority and the judicial review of decisions taken at the administrative level in accordance with the legislation of the Parties.

ARTICLE 6.15

Transparency

1. Each Party shall publish or otherwise make available, including through electronic means, their legislation, regulations, and administrative procedures and other requirements relating to customs and trade facilitation.
2. Each Party shall designate or maintain one or more inquiry or information points to address inquiries by interested persons concerning customs and trade facilitation matters.

ARTICLE 6.16

Relations with the Business Community

The Parties agree:

- (a) on the importance of timely consultations with trade representatives when formulating legislative proposals and general procedures related to customs and trade facilitation issues; to that end, consultations shall be held between customs authorities and the business community, as appropriate;
- (b) to publish or otherwise make available, as far as possible through electronic means, new legislation and general procedures related to customs and trade facilitation issues prior to the application of any such legislation and procedures, as well as changes to and interpretations of such legislation and procedures; they shall also make publicly available relevant notices of an administrative nature, including agency requirements and entry procedures, hours of operation and operating procedures for customs offices at ports and border crossing points, and points of contact for information enquiries;
- (c) on the need for a reasonable time period between the publication of new or amended legislation, procedures and fees or charges and their entry into force, without prejudice to legitimate public policy objectives (e.g. changes in duty rates); and
- (d) to ensure that their respective customs and related requirements and procedures continue to meet the needs of the trading community, follow best practices, and that they remain the least trade-restrictive requirements and procedures possible.

ARTICLE 6.17

Committee on Customs

1. The Committee on Customs established by Article 16.2 (Specialised Committees) shall consist of representatives of the customs and other competent authorities of the Parties. The Committee on Customs shall ensure the proper functioning of this Chapter, Protocol 1 and any additional provisions relating to customs that the Parties may agree on. The Parties may examine and take decisions in the Committee on Customs on all issues arising thereunder.
2. The Parties may adopt recommendations and take decisions in the Committee on Customs on the mutual recognition of risk management techniques, risk standards, security controls and trade partnership programmes, including aspects such as data transmission and mutually agreed benefits, and any other issue covered by paragraph 1.
3. The Parties may agree to hold *ad hoc* meetings for any customs matter, including rules of origin, and any additional customs-related provisions as agreed between the Parties. They may also establish sub-groups for specific issues, where appropriate.