

- (d) Subparagraph 4(f) and paragraphs 7 and 8 shall be applied *mutatis mutandis* to a provisional bilateral safeguard measure. The customs duty imposed as a result of a provisional bilateral safeguard measure shall be refunded if the subsequent investigation referred to in subparagraph 3(a) does not determine that increased imports of an originating good of the other Party have caused or threatened to cause serious injury to a domestic industry.

10. A written notice referred to in subparagraphs 4(a) and 9(b) and any other communication between the Parties shall be done in the English language.

11. The Parties shall review the provisions of this Article, if necessary, after five years of the date of entry into force of this Agreement.

Article 22 Restrictions to Safeguard the Balance of Payments

1. Nothing in this Chapter shall be construed to prevent a Party from taking any measure for balance-of-payments purposes. A Party taking such measure shall do so in accordance with the conditions established under Article XII of the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement, as may be amended.

2. Nothing in this Chapter shall preclude the use by a Party of exchange controls or exchange restrictions in accordance with the Articles of Agreement of the International Monetary Fund, as may be amended.

Chapter 3 Rules of Origin

Article 23 Definitions

For the purposes of this Chapter:

- (a) "competent governmental authority" means the authority that is responsible for the issuing of a certificate of origin or for the designation of certification entities or bodies. In the case of Japan, the Ministry of Economy, Trade and Industry, and in the case of Brunei Darussalam, the Ministry of Foreign Affairs and Trade;

- (b) "exporter" means a person located in an exporting Party who exports a good from the exporting Party;
- (c) "factory ships of the Party" or "vessels of the Party" respectively means factory ships or vessels:
 - (i) which are registered in the Party;
 - (ii) which sail under the flag of the Party;
 - (iii) which are owned to an extent of at least 50 percent by nationals of the Parties, or by a juridical person with its head office in either Party, of which the representatives, chairman of the board of directors, and the majority of the members of such board are nationals of the Parties, and which is owned by:
 - (A) nationals or juridical persons of the Parties to an extent of at least 50 percent; or
 - (B) nationals or juridical persons of the Parties, together with nationals or juridical persons of one of the non-Parties which are member countries of the Association of Southeast Asian Nations (hereinafter referred to in this Agreement as "ASEAN"), to an extent of at least 75 percent; and
 - (iv) of which at least 75 percent of the total of the master, officers and crew are nationals of the Parties or non-Parties which are member countries of the ASEAN;
- (d) "fungible originating goods of a Party" or "fungible originating materials of a Party" respectively means originating goods or materials of a Party that are interchangeable for commercial purposes, whose properties are essentially identical;

- (e) "Generally Accepted Accounting Principles" means the recognised consensus or substantial authoritative support within a Party at a particular time as to which economic resources and obligations should be recorded as assets and liabilities, which changes in assets and liabilities should be recorded, how the assets and liabilities and changes in them should be measured, what information should be disclosed and how it should be disclosed, and which financial statements should be prepared. These standards may be broad guidelines of general application as well as detailed practices and procedures;
- (f) "importer" means a person who imports a good into the importing Party;
- (g) "indirect materials" means goods used in the production, testing or inspection of another good but not physically incorporated into the good, or goods used in the maintenance of buildings or the operation of equipment associated with the production of another good, including:
 - (i) fuel and energy;
 - (ii) tools, dies and moulds;
 - (iii) spare parts and goods used in the maintenance of equipment and buildings;
 - (iv) lubricants, greases, compounding materials and other goods used in production or used to operate equipment and buildings;
 - (v) gloves, glasses, footwear, clothing, safety equipment and supplies;
 - (vi) equipment, devices and supplies used for testing or inspection;
 - (vii) catalysts and solvents; and
 - (viii) any other goods that are not incorporated into another good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;
- (h) "material" means a good that is used in the production of another good;

- (i) "originating material of a Party" means an originating good of a Party which is used in the production of another good in the Party, including that which is considered as an originating material of the Party pursuant to paragraph 1 of Article 25;
- (j) "packing materials and containers for shipment" means goods that are used to protect a good during transportation, other than packaging materials and containers for retail sale referred to in Article 34;
- (k) "preferential tariff treatment" means the rate of customs duties applicable to an originating good of the exporting Party in accordance with paragraph 1 of Article 16; and
- (l) "production" means a method of obtaining goods including manufacturing, assembling, processing, raising, growing, breeding, mining, extracting, harvesting, fishing, trapping, gathering, collecting, hunting and capturing.

Article 24 Originating Goods

1. Except as otherwise provided for in this Chapter, a good shall qualify as an originating good of a Party where:

- (a) the good is wholly obtained or produced entirely in the Party, as defined in paragraph 2;
- (b) the good is produced entirely in the Party exclusively from originating materials of the Party; or
- (c) the good satisfies the product specific rules set out in Annex 2, as well as all other applicable requirements of this Chapter, when the good is produced entirely in the Party using non-originating materials.

2. For the purposes of subparagraph 1(a), the following goods shall be considered as being wholly obtained or produced entirely in a Party:

- (a) live animals born and raised in the Party;
- (b) animals obtained by hunting, trapping, fishing, gathering or capturing in the Party;
- (c) goods obtained from live animals in the Party;

- (d) plants and plant products harvested, picked or gathered in the Party;
- (e) minerals and other naturally occurring substances, not included in subparagraphs (a), (b), (c) and (d), extracted or taken in the Party;
- (f) goods of sea-fishing and other goods taken by vessels of the Party from the sea outside the territorial sea of the Parties;
- (g) goods produced on board factory ships of the Party, outside the territorial sea of the Party from the goods referred to in subparagraph (f);
- (h) goods taken from the sea-bed or subsoil beneath the sea-bed outside the territorial sea of the Party, provided that the Party has rights to exploit such sea-bed or subsoil in accordance with the provisions of the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982;
- (i) articles collected in the Party which can no longer perform their original purpose in the Party nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;
- (j) scrap and waste derived from manufacturing or processing operations or from consumption in the Party and fit only for disposal or for the recovery of raw materials;
- (k) parts or raw materials recovered in the Party from articles which can no longer perform their original purpose nor are capable of being restored or repaired; and
- (l) goods obtained or produced in the Party exclusively from the goods referred to in subparagraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k).

3. For the purposes of subparagraph 1(c), the product specific rules set out in Annex 2 requiring that the materials used undergo a change in tariff classification or a specific manufacturing or processing operation shall apply only to non-originating materials.

4. (a) For the purposes of subparagraph 1(c), the product specific rules set out in Annex 2 using the value-added method require that the qualifying value content of a good, calculated in accordance with subparagraph (b), is not less than the percentage specified by the rule for the good.
- (b) For the purposes of calculating the qualifying value content of a good, the following formula shall be applied:

$$Q.V.C. = \frac{F.O.B. - V.N.M.}{F.O.B.} \times 100$$

Where:

Q.V.C. is the qualifying value content of a good, expressed as a percentage;

F.O.B. is, except as provided for in paragraph 5, the free-on-board value of a good payable by the buyer of the good to the seller of the good, regardless of the mode of shipment, not including any internal excise taxes reduced, exempted, or repaid when the good is exported; and

V.N.M. is the value of non-originating materials used in the production of a good.

5. F.O.B. referred to in subparagraph 4(b) shall be the value:

- (a) adjusted to the first ascertainable price paid for a good from the buyer to the producer of the good, if there is free-on-board value of the good, but it is unknown and cannot be ascertained; or
- (b) determined in accordance with Articles 1, 2, 3, 4, 5, 6, 7 and 8 of the Agreement on Customs Valuation, if there is no free-on-board value of a good.

6. For the purposes of calculating the qualifying value content of a good under subparagraph 4(b), the value of a non-originating material used in the production of the good in a Party:

- (a) shall be determined in accordance with the Agreement on Customs Valuation, and shall include freight, insurance where appropriate, packing and all the other costs incurred in transporting the material to the importation port in the Party where the producer of the good is located; or
- (b) if such value is unknown and cannot be ascertained, shall be the first ascertainable price paid for the material in the Party, but may exclude all the costs incurred in the Party in transporting the material from the warehouse of the supplier of the material to the place where the producer is located such as freight, insurance and packing as well as any other known and ascertainable cost incurred in the Party.

7. For the purposes of calculating the qualifying value content of a good under subparagraph 4(b) in determining whether the good qualifies as an originating good of a Party, V.N.M. of the good shall not include the value of non-originating materials used in the production of originating materials of the Party which are used in the production of the good.

8. For the purposes of subparagraph 5(b) or 6(a), in applying the Agreement on Customs Valuation to determine the value of a good or non-originating material, the Agreement on Customs Valuation shall apply *mutatis mutandis* to domestic transactions or to the cases where there is no transaction of the good or non-originating material.

Article 25 Accumulation

1. For the purposes of determining whether a good qualifies as an originating good of a Party, an originating good of the other Party which is used as a material in the production of the good in the former Party may be considered as an originating material of the former Party.

2. For the purposes of calculating the qualifying value content of a good under subparagraph 4(b) of Article 24 in determining whether the good qualifies as an originating good of a Party, the value of a non-originating material produced in either Party and to be used in the production of the good may be limited to the value of non-originating materials used in the production of such non-originating material, provided that the good qualifies as an originating good of that Party under subparagraph 1(c) of Article 24.

Article 26
De Minimis

For the application of the product specific rules set out in Annex 2, non-originating materials used in the production of a good that do not satisfy an applicable rule for the good, shall be disregarded, provided that the totality of such materials does not exceed specific percentages in value, weight or volume of the good and such percentages are set out in the product specific rule for the good.

Article 27
Non-qualifying Operations

A good shall not be considered to satisfy the requirement of change in tariff classification or specific manufacturing or processing operation set out in Annex 2 solely by reason of:

- (a) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine) and other similar operations;
- (b) changes of packaging and breaking up and assembly of packages;
- (c) disassembly;
- (d) placing in bottles, cases, boxes and other simple packaging operations;
- (e) collection of parts and components classified as a good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System;
- (f) mere making-up of sets of articles; or
- (g) any combination of operations referred to in subparagraphs (a), (b), (c), (d), (e) and (f).

Article 28
Consignment Criteria

1. An originating good of the other Party shall be deemed to meet the consignment criteria when it is:

- (a) transported directly from the other Party; or

- (b) transported through one or more non-Parties for the purpose of transit or temporary storage in warehouses in such non-Parties, provided that it does not undergo operations other than unloading, reloading and any other operation to preserve it in good condition.
2. If an originating good of the other Party does not meet the consignment criteria referred to in paragraph 1, that good shall not be considered as an originating good of the other Party.

Article 29 Exhibitions

Notwithstanding Article 28, an originating good of a Party imported into the other Party after an exhibition in a non-Party shall continue to qualify as an originating good of the former Party when it:

- (a) remained under the control of the customs authority of the non-Party while it was in the non-Party; and
- (b) was transported:
 - (i) directly to and from the non-Party; or
 - (ii) through other non-Parties for the purpose of transit or temporary storage in warehouses in such other non-Parties, provided that it did not undergo operations other than unloading, reloading and any other operation to preserve it in good condition.

Article 30 Unassembled or Disassembled Goods

1. Where a good satisfies the requirements of the relevant provisions of Articles 24, 25, 26 and 27 and is imported into a Party from the other Party in an unassembled or disassembled form but is classified as an assembled good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System, such a good shall be considered as an originating good of the other Party.

2. A good assembled in a Party from unassembled or disassembled materials, which were imported into the Party and classified as an assembled good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System, shall be considered as an originating good of the Party, provided that the good would have satisfied the applicable requirements of the relevant provisions of Articles 24, 25, 26 and 27 had each of the non-originating materials among the unassembled or disassembled materials been imported into the Party separately and not as an unassembled or disassembled form.

Article 31 Fungible Goods and Materials

1. For the purposes of determining whether a good qualifies as an originating good of a Party, where fungible originating materials of the Party and fungible non-originating materials that are commingled in an inventory are used in the production of the good, the origin of the materials may be determined pursuant to an inventory management method under the Generally Accepted Accounting Principles in the Party.

2. Where fungible originating goods of a Party and fungible non-originating goods are commingled in an inventory and, prior to exportation do not undergo any production process or any operation in the Party where they were commingled other than unloading, reloading and any other operation to preserve them in good condition, the origin of the good may be determined pursuant to an inventory management method under the Generally Accepted Accounting Principles in the Party.

Article 32 Indirect Materials

Indirect materials shall be, without regard to where they are produced, considered to be originating materials of a Party where the good is produced.

Article 33 Accessories, Spare Parts and Tools

1. In determining whether all the non-originating materials used in the production of a good undergo the applicable change in tariff classification or a specific manufacturing or processing operation set out in Annex 2, accessories, spare parts or tools delivered with the good that form part of the good's standard accessories, spare parts or tools, shall be disregarded, provided that:

- (a) the accessories, spare parts or tools are not invoiced separately from the good, without regard of whether they are separately described in the invoice; and
- (b) the quantities and value of the accessories, spare parts or tools are customary for the good.

2. If a good is subject to a qualifying value content requirement, the value of the accessories, spare parts or tools shall be taken into account as the value of originating materials of a Party where the good is produced or non-originating materials, as the case may be, in calculating the qualifying value content of the good.

Article 34 Packaging Materials and Containers for Retail Sale

1. In determining whether all the non-originating materials used in the production of a good undergo the applicable change in tariff classification or a specific manufacturing or processing operation set out in Annex 2, packaging materials and containers for retail sale, which are classified with the good pursuant to Rule 5 of the General Rules for the Interpretation of the Harmonized System, shall be disregarded.

2. If a good is subject to a qualifying value content requirement, the value of packaging materials and containers for retail sale shall be taken into account as the value of originating materials of a Party where the good is produced or non-originating materials, as the case may be, in calculating the qualifying value content of the good.

Article 35 Packing Materials and Containers for Shipment

Packing materials and containers for shipment shall be disregarded:

- (a) in determining whether all the non-originating materials used in the production of a good undergo the applicable change in tariff classification or a specific manufacturing or processing operation set out in Annex 2; and
- (b) in calculating the qualifying value content of a good.

Article 36
Claim for Preferential Tariff Treatment

1. The importing Party shall require a certificate of origin for an originating good of the exporting Party from importers who claim the preferential tariff treatment for the good.

2. Notwithstanding paragraph 1, the importing Party shall not require a certificate of origin from importers for:

- (a) an importation of originating goods of the exporting Party whose aggregate customs value does not exceed 200 United States dollars or its equivalent amount in the Party's currency, or such higher amount as it may establish, provided that the importation does not form part of importations that may reasonably be considered to have been made separately for the purpose of avoiding the requirement for a certificate of origin; or
- (b) an importation of an originating good of the exporting Party, for which the importing Party has waived the requirement for a certificate of origin.

3. In the case where an originating good of the exporting Party is imported after an exhibition in a non-Party, the importing Party may require importers, who claim the preferential tariff treatment for the good, to submit:

- (a) a certificate or any other information given by the customs authority of that non-Party or other relevant entities, which evidences that the good meets the requirements of subparagraph(a) of Article 29; and
- (b) (i) a copy of through bill of lading; or
(ii) if the good was transported through other non-Parties, a certificate or any other information given by the customs authorities of such other non-Parties or other relevant entities, which evidences that the good has not undergone operations other than unloading, reloading and any other operation to preserve it in good condition in those other non-Parties.

4. Where an originating good of the exporting Party is imported through one or more non-Parties except for the case referred to in paragraph 3, the importing Party may require importers, who claim the preferential tariff treatment for the good, to submit:

- (a) a copy of through bill of lading; or
- (b) a certificate or any other information given by the customs authorities of such non-Parties or other relevant entities, which evidences that the good has not undergone operations other than unloading, reloading and any other operation to preserve it in good condition in those non-Parties.

Article 37 Certificate of Origin

1. A certificate of origin referred to in paragraph 1 of Article 36 shall be issued by the competent governmental authority of the exporting Party on request having been made in writing by the exporter or its authorised agent. Such certificate of origin shall include minimum data specified in Annex 3.

2. For the purposes of this Article, the competent governmental authority of the exporting Party may designate other entities or bodies to be responsible for the issuance of certificate of origin, under the authorisation given in accordance with the applicable laws and regulations of the exporting Party.

3. Where the competent governmental authority of the exporting Party designates other entities or bodies to carry out the issuance of certificate of origin, the exporting Party shall notify in writing the other Party of its designees.

4. For the purposes of this Chapter, upon the entry into force of this Agreement, the Parties shall establish each Party's format of certificate of origin in the English language in the Operational Procedures referred to in Article 45.

5. A certificate of origin shall be completed in the English language.

6. The competent governmental authority of the exporting Party shall provide the other Party with specimen signatures and impressions of stamps used in the offices of the competent governmental authority of the exporting Party or its designees.

7. An issued certificate of origin shall be applicable to a single importation of originating goods of the exporting Party into the importing Party and be valid for 12 months from the date of issuance.

8. Where the exporter of a good is not the producer of the good in the exporting Party, the exporter may request a certificate of origin on the basis of:

- (a) a declaration provided by the exporter to the competent governmental authority of the exporting Party or its designees based on the information provided by the producer of the good to that exporter; or
- (b) a declaration voluntarily provided by the producer of the good directly to the competent governmental authority of the exporting Party or its designees by the request of the exporter.

9. A certificate of origin shall be issued only after the exporter who requests the certificate of origin, or the producer of a good in the exporting Party referred to in subparagraph 8(b), proves to the competent governmental authority of the exporting Party or its designees that the good to be exported qualifies as an originating good of the exporting Party.

10. Each Party shall ensure that the competent governmental authority of the exporting Party or its designees shall keep a record of issued certificate of origin for a period of three years after the date on which the certificate was issued. Such record will include all antecedents, which were presented to prove the qualification as an originating good of the exporting Party.

Article 38 Advance Rulings

The importing Party shall endeavour to, prior to the importation of a good, issue a written advance ruling as to whether the good to be imported qualifies as an originating good of the exporting Party to importers of the good of the exporting Party or their authorised agents and exporters and producers of the good in the exporting Party or their authorised agents, where a written application is made with all the necessary information.

Article 39
Obligations regarding Exportations

Each Party shall, in accordance with its laws and regulations, ensure that the exporter to whom a certificate of origin has been issued, or the producer of a good in the exporting Party referred to in subparagraph 8(b) of Article 37:

- (a) shall notify in writing the competent governmental authority of the exporting Party or its designees without delay when such exporter or producer knows that such good does not qualify as an originating good of the exporting Party; and
- (b) shall keep the records relating to the origin of the good for three years after the date on which the certificate of origin was issued.

Article 40
Request for Checking of Certificate of Origin

1. For the purposes of determining whether a good imported from the other Party under preferential tariff treatment qualifies as an originating good of the other Party, the relevant authority of the importing Party may request information relating to the origin of the good from the competent governmental authority of the exporting Party on the basis of the certificate of origin, where it has reasonable doubt as to the authenticity of the certificate of origin or the accuracy of the information included in the certificate of origin.

Note: For the purposes of Articles 40, 41, 42 and 43, "relevant authority of the importing Party" means:

- (a) in the case of Brunei Darussalam, the Ministry of Foreign Affairs and Trade; and
- (b) in the case of Japan, the Ministry of Finance.

2. For the purposes of paragraph 1, the competent governmental authority of the exporting Party shall, in accordance with the laws and regulations of the Party, provide the information requested in a period not exceeding three months after the date of receipt of the request.

If the relevant authority of the importing Party considers necessary, it may require additional information relating to the origin of the good. If additional information is requested by the relevant authority of the importing Party, the competent governmental authority of the exporting Party shall, in accordance with the laws and regulations of the exporting Party, provide the information requested in a period not exceeding two months after the date of receipt of the request.

3. For the purposes of paragraph 2, the competent governmental authority of the exporting Party may request the exporter to whom the certificate of origin has been issued, or the producer of the good in the exporting Party referred to in subparagraph 8(b) of Article 37, to provide the former with the information requested.

Article 41 Verification Visit

1. If the relevant authority of the importing Party is not satisfied with the outcome of the request for checking pursuant to Article 40, it may request the exporting Party to:

- (a) collect and provide information relating to the origin of a good and check, for that purpose, the facilities used in the production of the good, through a visit by the competent governmental authority of the exporting Party along with the relevant authority of the importing Party to the premises of the exporter to whom the certificate of origin has been issued, or the producer of the good in the exporting Party referred to in subparagraph 8(b) of Article 37; and
- (b) provide information relating to the origin of the good in the possession of the competent governmental authority of the exporting Party or its designees during or after the visit pursuant to subparagraph (a).

2. When requesting the exporting Party to conduct a visit pursuant to paragraph 1, the relevant authority of the importing Party shall deliver a written communication with such request to the exporting Party at least 40 days in advance of the proposed date of the visit, the receipt of which is to be confirmed by the exporting Party. The competent governmental authority of the exporting Party shall request the written consent of the exporter, or the producer of the good in the exporting Party whose premises are to be visited.

3. The communication referred to in paragraph 2 shall include:

- (a) the identity of the relevant authority of the importing Party issuing the communication;
- (b) the name of the exporter, or the producer of the good in the exporting Party, whose premises are requested to be visited;
- (c) the proposed date and place of the visit;
- (d) the objective and scope of the proposed visit, including specific reference to the good subject of the verification referred to in the certificate of origin; and
- (e) the names and titles of the officials of the relevant authority of the importing Party to be present during the visit.

4. The exporting Party shall respond in writing to the importing Party, within 30 days of the receipt of the communication referred to in paragraph 2, if it accepts or refuses to conduct the visit requested pursuant to paragraph 1.

5. The competent governmental authority of the exporting Party shall, in accordance with the laws and regulations of the Party, provide within 45 days or any other mutually agreed period from the last day of the visit, to the relevant authority of the importing Party the information obtained pursuant to paragraph 1.

6. (a) In cases where the relevant authority of the importing Party considers as urgent, that relevant authority may, before or during the request for checking referred to in Article 40, make a request referred to in paragraph 1 to the exporting Party.
- (b) Where the request referred to in subparagraph (a) is made, Article 40 shall be no longer applied.

Article 42
Determination of Origin
and Preferential Tariff Treatment

1. The relevant authority of the importing Party may deny preferential tariff treatment to a good for which an importer claims preferential tariff treatment where the good does not qualify as an originating good of the exporting Party or where the importer fails to comply with any of the relevant requirements of this Chapter.

2. The competent governmental authority of the exporting Party shall, when it cancels the decision to issue the certificate of origin, promptly notify the cancellation to the exporter to whom the certificate of origin has been issued, and to the relevant authority of the importing Party except where the certificate has been returned to the competent governmental authority of the exporting Party. The relevant authority of the importing Party may determine that the good does not qualify as an originating good of the exporting Party and may deny preferential tariff treatment when it receives the notification.

3. The relevant authority of the importing Party may determine that a good does not qualify as an originating good of the exporting Party and may deny preferential tariff treatment, and a written determination thereof shall be sent to the competent governmental authority of the exporting Party:

- (a) where the requirements to provide the information within the period referred to in paragraph 2 of Article 40 or paragraph 5 of Article 41 or to respond to the communication referred to in paragraph 2 of Article 41 within the period referred to in paragraph 4 of Article 41 are not met;
- (b) where the request referred to in subparagraph 1(a) of Article 41 is refused; or
- (c) where the information provided to the relevant authority of the importing Party pursuant to Article 40 or 41, is not sufficient to prove that the good qualifies as an originating good of the exporting Party.

4. After carrying out the procedures outlined in Article 40 or 41 as the case may be, the relevant authority of the importing Party shall provide the competent governmental authority of the exporting Party with a written determination of whether or not the good qualifies as an originating good of the exporting Party, including findings of fact and the legal basis for the determination. The competent governmental authority of the exporting Party shall inform such determination by the relevant authority of the importing Party to the exporter, or the producer of the good in the exporting Party, whose premises were subject of the visit referred to in Article 41.

Article 43 Confidentiality

1. Each Party shall maintain, in accordance with its laws and regulations, the confidentiality of information provided to it as confidential pursuant to this Chapter, and shall protect that information from disclosure that could prejudice the competitive position of the persons providing the information.

2. Information obtained by the relevant authority of the importing Party pursuant to this Chapter:

- (a) may only be used by such authority for the purposes of this Chapter; and
- (b) shall not be used by the importing Party in any criminal proceedings carried out by a court or a judge, unless a request for the information is made to the exporting Party and such information is provided to the importing Party, through the diplomatic channels or other channels established in accordance with the applicable laws and regulations of the exporting Party.

Article 44 Penalties and Measures against False Declaration

1. Each Party shall establish or maintain, in accordance with its laws and regulations, appropriate penalties or other sanctions against its exporters to whom a certificate of origin has been issued and the producers of a good in the exporting Party referred to in subparagraph 8(b) of Article 37, for providing false declaration or documents to the competent governmental authority of the exporting Party or its designees prior to the issuance of certificate of origin.

2. Each Party shall, in accordance with its laws and regulations, take measures which it considers appropriate against its exporters to whom a certificate of origin has been issued and the producers of a good in the exporting Party referred to in subparagraph 8(b) of Article 37, for failing to notify in writing to the competent governmental authority of the exporting Party or its designees without delay after having known, after the issuance of certificate of origin, that such good does not qualify as an originating good of the exporting Party.

Article 45 Operational Procedures

Upon the date of entry into force of this Agreement, the Joint Committee shall adopt the Operational Procedures that provide detailed regulations pursuant to which the competent governmental authorities and other authorities concerned of the Parties shall implement their functions under this Chapter.

Article 46 Miscellaneous

1. Communications between the importing Party and the exporting Party shall be conducted in the English language.

2. For the application of the relevant product specific rules set out in Annex 2 and the determination of origin, the Generally Accepted Accounting Principles in the exporting Party shall be applied.

Article 47 Sub-Committee on Rules of Origin

1. For the purposes of the effective implementation and operation of this Chapter, a Sub-Committee on Rules of Origin (hereinafter referred to in this Article as "Sub-Committee") shall be established on the date of entry into force of this Agreement.

2. The functions of the Sub-Committee shall be:

- (a) reviewing and making appropriate recommendations, as necessary, to the Joint Committee on:
 - (i) the implementation and operation of this Chapter;
 - (ii) any amendments to Annex 2 or 3, proposed by either Party; and

- (iii) the Operational Procedures referred to in Article 45;
 - (b) considering any other matter as the Parties may agree related to this Chapter;
 - (c) reporting the findings 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 11.
3. The Sub-Committee shall be:
- (a) composed of representatives of the Governments of the Parties; and
 - (b) co-chaired by officials of the Governments of the Parties.
4. The Sub-Committee may invite representatives of relevant entities other than the Governments of the Parties with the necessary expertise relevant to the issues to be discussed.
5. The Sub-Committee shall meet at such venues and times as may be agreed by the Parties.

Chapter 4 Customs Procedures

Article 48 Scope and Objectives

1. This Chapter shall apply to customs procedures required for the clearance of goods traded between the Parties.
2. This Chapter shall be implemented by the Parties in accordance with the laws and regulations of each Party and within the available resources of their respective customs authorities.
3. The objectives of this Chapter are to establish a framework to ensure transparency, proper application of customs laws and prompt clearance of goods and to promote cooperation in the field of customs procedures, with a view to facilitating trade in goods between the Parties.