

- (d) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

ARTICLE 2

Geographical scope

1. Without prejudice to Annex C and except as otherwise provided elsewhere in this Agreement, this Agreement shall apply to:
 - (a) the land territory, air space, internal waters and territorial sea over which a Party exercises sovereignty; and
 - (b) the exclusive economic zone and the continental shelf of a Party, as determined by its domestic law, consistent with international law.
2. Annex A applies with respect to the Kingdom of Norway.

II TRADE IN GOODS

ARTICLE 3

Coverage

1. This Agreement applies to trade in goods of a Party, except as otherwise provided in this Agreement and in the bilateral Agreements on trade in agricultural products referred to in paragraph 2.
2. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products. In pursuance of this objective, Canada and each individual EFTA State have concluded bilateral Agreements on trade in agricultural products. These Agreements shall form part of the instruments establishing the free trade area between Canada and the EFTA States.
3. In this Agreement:
 - (a) “goods of a Party” means domestic products as these are understood in the *General Agreement on Tariffs and Trade 1994* (hereinafter referred to as the “GATT 1994”), or such goods as the Parties may agree, and includes originating products of that Party;

- (b) “originating products of a Party” means goods of a Party qualifying under the rules of origin set out in Annex C.

ARTICLE 4

National treatment

1. The Parties shall apply national treatment in accordance with Article III of the GATT 1994, which is incorporated into and made part of this Agreement.
2. Paragraph 1 does not apply to the measures set out in Annex B.

ARTICLE 5

Import and export restrictions

1. Prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be prohibited in trade between the Parties in accordance with Article XI of the GATT 1994, which is incorporated into and made part of this Agreement.
2. Paragraph 1 does not apply to the measures set out in Annex B.

ARTICLE 6

Sanitary and phytosanitary measures

The rights and obligations of the Parties in respect of sanitary and phytosanitary measures shall be governed by the *WTO Agreement on the Application of Sanitary and Phytosanitary Measures*.

ARTICLE 7

Technical regulations

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment shall be governed by the *WTO Agreement on Technical Barriers to Trade* (hereinafter referred to as the “WTO TBT Agreement”).
2. Notwithstanding paragraph 1, the rights and obligations of Canada and the EFTA States in the field of mutual recognition of conformity assessment shall be governed:

- (a) as between Canada and the Swiss Confederation, by the *Agreement on Mutual Recognition in Relation to Conformity Assessment* of 3 December 1998; and
- (b) as between Canada, on the one hand, and the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway, on the other, by the *Agreement on Mutual Recognition in Relation to Conformity Assessment* of 4 July 2000.

3. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment.

4. Without prejudice to paragraph 1, where Canada or an EFTA State considers that one or more EFTA States or Canada have taken a measure that is likely to create, or has created, an obstacle to trade, the Parties concerned shall hold consultations under the framework of the Joint Committee in order to attempt to find an appropriate solution in conformity with the WTO TBT Agreement. This paragraph is limited to matters falling within the scope of paragraph 1 and does not apply to matters falling within the scope of either of the Agreements on Mutual Recognition listed in paragraph 2. In matters falling within the scope of paragraph 2, the procedures of the applicable Agreement on Mutual Recognition shall apply.

ARTICLE 8

Rules of origin and administrative co-operation

The provisions on rules of origin and administrative co-operation are set out in Annex C.

ARTICLE 9

Sub-Committee on Rules of Origin and Trade in Goods

- 1. The Parties hereby establish a Sub-Committee on Rules of Origin and Trade in Goods of the Joint Committee.
- 2. The mandate of the Sub-Committee is set out in Annex D.

ARTICLE 10

Customs duties

- 1. Customs duties shall be prohibited in respect of the following originating products of the Parties as of the date of entry into force of this Agreement, except as otherwise provided for in Annex E:

- (a) products falling within Chapters 25 through 97 of the Harmonized Commodity Description and Coding System (hereinafter referred to as the “Harmonized System”), excluding the products listed in Annex F;
 - (b) products falling within Chapters 1 through 24 of the Harmonized System specified in Annex G, with due regard to the provisions of that Annex; and
 - (c) fish and other marine products as provided for in Annex H.
2. A customs duty includes any duty or charge of any kind imposed in connection with the importation or exportation of a product, including any form of surtax or surcharge in connection with such importation or exportation, but does not include any:
- (a) charge equivalent to an internal tax imposed consistently with Article 4;
 - (b) anti-dumping or countervailing duty; or
 - (c) fee or other charge, provided that it is limited in amount to the approximate cost of services rendered.
3. Paragraphs 1 and 2 shall not prevent any Party from introducing, reintroducing or increasing a customs duty vis-à-vis another Party, as may be authorized by or pursuant to the WTO Agreement, in particular pursuant to the rules and procedures on dispute settlement, but excluding any modification of schedules and tariff modifications in accordance with Article XXVIII of the GATT 1994.

ARTICLE 11

Base rate of customs duties

For each product, the base rate of customs duties, to which the successive reductions set out in Annex E are to be applied, shall be the most-favoured nation (hereinafter referred to as “MFN”) customs duty rate applied on 1 January 2007.