

## CHAPTER 2

### TRADE IN GOODS

#### Article 2.1: Definitions

For the purposes of this Chapter:

**import licensing** means an administrative procedure requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body as a prior condition for importation into the Area of the importing Party;

**Import Licensing Agreement** means the *Agreement on Import Licensing Procedures*, set out in Annex 1A to the WTO Agreement; and

**Safeguards Agreement** means the *Agreement on Safeguards*, set out in Annex 1A to the WTO Agreement.

#### Article 2.2: Scope

Unless otherwise provided in this Chapter, this Chapter shall apply to trade in goods between the Parties.

#### Article 2.3: 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 is incorporated into and made part of this Agreement, *mutatis mutandis*.

#### Article 2.4: Elimination of Customs Duties

1. Each Party shall eliminate all customs duties on originating goods of the other Party. Such goods shall thereby be free of any customs duty from the date of entry into force of this Agreement.
2. Unless otherwise provided in this Agreement, neither Party shall introduce a new customs duty on an originating good of the other Party.

## **Article 2.5: Administrative Fees and Charges**

1. Each Party shall ensure that all fees and charges imposed in connection with the importation and exportation of goods are consistent with Article VIII:1 of GATT 1994.
2. Neither Party shall:
  - (a) require that any documentation supplied in connection with the importation of a good of the other Party be endorsed, certified or otherwise sighted or approved in the Area of the exporting Party by representatives of the importing Party, or persons or entities authorised to act on the importing Party's behalf; or
  - (b) impose any related fees or charges.
3. Each Party shall make publicly available online the fees and charges it imposes in connection with importation or exportation.

## **Article 2.6: Import and Export Restrictions**

1. Unless otherwise provided in this Agreement, neither Party shall 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 Area of the other Party, except in accordance with Article XI of GATT 1994. To this end, Article XI of GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.
2. For greater certainty, the Parties understand that the rights and obligations incorporated by paragraph 1 prohibit a Party from adopting or maintaining:
  - (a) export and import price requirements, except as permitted in enforcement of countervailing and anti-dumping duty orders and undertakings;
  - (b) import licensing conditioned on the fulfilment of a performance requirement; or
  - (c) voluntary export restraints.
3. 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 Area of the other Party, except in accordance with its rights and obligations under the WTO Agreement or this Agreement.
4. Each Party recognises the importance of maintaining transparency of its non-tariff measures permitted in paragraph 3 and shall ensure that any such measures are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary

obstacles to trade between the Parties.

5. The Parties shall consult on non-tariff measures covered by this Chapter with a view to considering the scope for additional means to enhance the facilitation of trade in goods between the Parties.

### **Article 2.7: Import Licensing**

1. Neither Party shall adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.

2. Each Party shall, promptly after the date of entry into force of this Agreement, notify the other Party of its existing import licensing procedures. Thereafter, each Party shall notify the other Party of any new import licensing procedure 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 60 days after the date of its publication. A notification provided in accordance with this Article shall include the information specified in Articles 5.2, 5.3 and 5.4 of the Import Licensing Agreement. A Party shall be deemed to be in compliance with this obligation if it has notified a new licensing procedure or a modification to an existing import licensing procedure to the WTO Committee on Import Licensing.

3. Each Party shall comply with Article 1.4(a) of the Import Licensing Agreement with respect to any new or modified import licensing procedure. Each Party shall also publish on its official government websites any information that it is required to publish under Article 1.4(a) of the Import Licensing Agreement.

4. If a Party denies an import licence application with respect to a good of the other Party, it shall, on request of the applicant and within a reasonable period after receiving the request, provide the applicant with a written explanation of the reason for the denial.

### **Article 2.8: Export Duties**

Neither Party shall adopt or maintain any duty on the export of a good to the other Party, unless such duty is not in excess of that imposed on the like good destined for domestic consumption.

### **Article 2.9: Temporary Admission of Goods**

1. Each Party shall allow, as provided for in its laws and regulations, goods to be brought into its Area conditionally relieved, totally or partially, from payment of import duties and taxes if such goods:

- (a) are brought into its Area for a specific purpose;
- (b) are intended for the re-exportation within a specific period; and
- (c) have not undergone any change except normal depreciation and wastage due to the use made of them.

2. Each Party shall grant duty and tax free temporary admission for containers, pallets and packing material used in the international transportation of goods.

#### **Article 2.10: Anti-dumping**

1. Each Party maintains its rights and obligations under Article VI of GATT 1994 and the AD Agreement.
2. This Agreement does not confer any additional rights or obligations on either Party with regard to actions taken pursuant to Article VI of GATT 1994 and the AD Agreement.

#### **Article 2.11: Subsidies and Countervailing Measures**

1. Each Party maintains its rights and obligations under Articles VI and XVI of GATT 1994 and the SCM Agreement.
2. Unless otherwise provided in paragraph 3, this Agreement does not confer any additional rights or obligations on either Party with regard to actions taken pursuant to Articles VI and XVI of GATT 1994 and the SCM Agreement.
3. When a Party receives a properly documented application for the initiation of a countervailing investigation against the imports from the other Party, the Party shall, as soon as possible and in any event before initiating any countervailing investigation, notify the other Party in writing and afford the other Party reasonable opportunities for consultations with a view to finding a mutually acceptable solution.

#### **Article 2.12: Global Safeguard Measures**

1. Each Party maintains its rights and obligations under Article XIX of GATT 1994 and the Safeguards Agreement.
2. This Agreement does not confer any additional rights or obligations on either Party with regard to actions taken pursuant to Article XIX of GATT 1994 and the Safeguards Agreement.

### **Article 2.13: Contact Points and Consultations**

1. Each Party shall designate a contact point to facilitate communications between the Parties on any matter relating to this Chapter. A Party shall notify the other Party promptly of any amendment to the details of its contact point.
2. If a Party considers that any proposed or actual measure, including non-tariff measures, of the other Party may materially affect trade in goods between the Parties, that Party may, through the contact point, request detailed information relating to that measure and, if necessary, request consultations with a view to resolving any concerns about the measure. The other Party shall respond promptly to such requests for information and consultations.
3. A Party shall provide a written reply to a request for information or consultations under paragraph 2 within 30 days of the date of receipt of the request.
4. Where a Party has requested consultations under paragraph 2, the Parties shall meet in person or via electronic means to discuss the matter identified in the request within 30 days of the date of receipt of the reply under paragraph 3.
5. Measures that fall within the scope of another Chapter shall be addressed through the consultation mechanism established under that Chapter.
6. Discussions and responses under this Article shall not affect the obligations of a Party under this Chapter and shall be confidential.