Free Trade Agreement Central America - Dominican Republic

The Government of the Republic of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic,

Determined to

Strengthen ties of friendship and spirit of cooperation between their peoples;

To achieve a better balance in their trade relationship;

Promote an expanded and secure market for goods produced and mutual exchange of services in their territories;

Increasing the competitiveness of the services sector, requirement sine qua non for the facilitation of trade in goods and the flow of capital and technology, contribute decisively to consolidate the competitiveness of countries in the Free Trade Area;

Reduce distortions in their reciprocal trade;

Establish a legal system with clear rules, transparent and mutually beneficial for the promotion and protection of investment and trade in goods and services;

Respecting their respective rights and obligations under the Marrakesh Agreement Establishing the World Trade Organization (WTO) Agreement and other bilateral and multilateral instruments of cooperation and integration;

Strengthen the competitiveness of their enterprises in global markets;

The protection of intellectual property rights;

Creating job opportunities and the improvement of living standards in their respective territories;

To promote economic development in a manner consistent with the protection and conservation of the environment and sustainable development;

Preserving its ability to safeguard the public welfare;

Promoting the active participation of the various economic operators, in particular the private sector, in efforts to deepen their economic relations; and

Improve the negotiation capacity of the Parties in the commercial forums in which they participate jointly;

Celebrate the Present Free Trade Agreement Central America-Dominican Republic

General provisions

Part I. General Provisions

Chapter I. Initial Provisions

Article 1.01. Establishment of the Free Trade Area

The parties establish a free trade area in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and article V of the General Agreement on Trade in Services (GATS) of the WTO Agreement.

Unless otherwise provided in this Treaty shall apply between the Dominican Republic and each of the Central American countries individually.

Article 1.02. Objectives

The main objectives of this Treaty is as follows:

Encourage expansion and diversification of trade in goods and services between the parties;

Promote conditions of fair competition in the Free Trade Area;

Reciprocally eliminate barriers to trade in goods and services originating in the Parties;

Eliminating barriers to the movement of capital and business persons between

The territories of the Parties;

Increase investment opportunities in the territories of the Parties;

Promotion and protection of investments to subject the advantages offered by the markets of the Parties and to strengthen the competitiveness of the signatory countries in the world trade flows; and

Create effective procedures for the implementation and application of this Treaty, for its joint administration and for the resolution of disputes.

The Parties shall interpret and apply the provisions of this Treaty in the light of the objectives set out in paragraph 1 and in accordance with applicable rules of international law.

Article II. General Definitions

Article 2.01. Definitions of General Application

For purposes of this Treaty, unless otherwise specified:

WTO Agreement: Agreement Establishing the World Trade Organization;

Good: the goods or national products as understood in GATT 1994 either originates or not;

Originating good: it refers to a good which complies with the rules of origin set out in chapter IV (rules of origin);

Customs valuation code: it means the Agreement on Implementation of article VII GATT 1994, including its interpretative notes;

Council: the Joint Council of Administration established in accordance with article 18.01;

Days: Calendar days;

Tariff: the percentage breakdown of a code of tariff classification of the harmonized system for more than six digits;

GATT 1994 means the General Agreement on Tariffs and Trade 1994, as defined in annex 1A to the Marrakesh Agreement Establishing the World Trade Organization;

Measure: it means any law, regulation, provision or administrative procedure, practice, among others;

National: it means a natural person who has the nationality of a Party according to its legislation;

NAD: Dominican tariff nomenclature, based on the Harmonized Commodity Description and Coding System of goods with tariff openings, used by the Dominican Republic;

Party: any State which has consented to be bound by this Treaty and with respect to which the treaty is in force.

Exporting Party: the Party from whose territory goods or services are exported;

Importing Party: means the party into whose territory goods or services are imported;

Person: it means a natural or legal person;

Legal person: means any legal entity duly constituted or organized under the applicable law, with or non-profit, whether public, private or mixed;

SAC: the Central American tariff system used by the member states of the Central American Economic Integration Treaty, based on the Harmonized Commodity Description and Coding System of goods;

Secretarial: the secretariat established under article 18.02;

Harmonized System (HS): it means the Harmonized Commodity Description and Coding System (HS), including its general rules of classification and their legal notes and explanatory notes;

Territory: means the territory of each party.

Part II. Provisions Relating to Trade and Investment

Chapter III. National Treatment and Access to the Market of Goods

Article 3.01. Definitions

For purposes of this chapter:

Tariff: any customs duty or charge imposed on imports and any charge of any kind imposed in connection with the importation of goods, including any form of surtax or surcharge on imports, except:

Any charge equivalent to an internal tax established in accordance with Article III.2 of GATT 1994 or any equivalent provision of a successor agreement to which the parties are party;

Any quota or right originated in the imposition of measures against unfair trade practices or application of safeguard measures;

Any duty or other charge in connection with importation commensurate with the cost of services rendered;

Any exchange difference taken by any of the Parties.

Article 3.02. Coverage

This chapter shall apply to trade in goods between the parties.

For the purposes of this chapter, in case of any inconsistency between the provisions and any other provision of this Treaty, the rules of this chapter will prevail.

Article 3.03. National Treatment

Each Party shall accord National Treatment to goods of the other Party in accordance with article III GATT 1994 and any equivalent provision of a successor agreement to which all are contracting parties, which are incorporated into this Agreement and form an integral part thereof.

The provisions of paragraph 1 means with respect to a party, including its departments, municipalities and provinces, treatment no less favourable than the most favourable treatment that party, including its departments, municipalities and provinces, grant to any similar goods, direct competitors or replacement of national origin.

Article 3.04. Liberalization of Trade In Goods

From the entry into force of this Treaty, the parties undertake to ensure access to their respective markets through the total elimination of customs duties on primary goods, except those contained in the annex of this article.

Notwithstanding paragraph 1, Nicaragua may apply the Customs Tariff component shown in column ATP of its tariff and eliminated as from 1 January 1999, except for the products specified in the annex to this article.

The parties agree that upon the request of any party, consultations to discuss the possibility of eliminating the Customs Tariff to goods contained in the annex to this article will be made.

Article 3.05. Restrictions to the Refund of Import Customs Duties on Goods Exported and Deferral of Tariffs

The Parties shall apply their domestic legislation governing on refund of import customs duties on goods exported and on programmes of deferral of customs duties in accordance with its rights and obligations under the World Trade Organization.

Article 3.06. Customs Valuation

The customs value of an imported good shall be determined in accordance with the domestic legislation of the importing country, while it adopts the Customs Valuation Code of GATT 1994.

Notwithstanding the above, from the entry into force of this Treaty, no party shall apply reference prices or minimum prices for purposes of customs valuation of primary goods.

Article 3.07. Restrictions on Imports and Exports

With the exception of the Rights of the Parties in accordance with Article XX of the GATT 1994 and those covered in chapter VI (sanitary and phytosanitary measures) and chapter XIII (Technical Barriers to Trade) of this Treaty, the parties undertake to ensure access to their respective markets through the immediate and complete elimination of non-tariff barriers.

Unless otherwise specified in other chapters of this treaty, neither party may adopt or maintain a prohibition or restriction on the importation of any good of the other party or on the exportation for sale or export of any good destined for the territory of another party, except as provided in article XI of the GATT 1994. To this end article XI of the GATT 1994 or any equivalent provision of a successor agreement to which they belong the parties are incorporated into this Agreement and form an integral part thereof.

In the event that a party adopts or maintains prohibitions or restrictions on the importation of goods originating of another party, shall demonstrate to the other party that these measures are consistent with the WTO Agreement.

Article 3.08. Rights of Customs Formalities and Consular Rights

Neither party shall increase customs duties in respect of service provided by the customs and eliminate such duties on goods originating from the entry into force of this Treaty, except those permitted under the WTO Agreement.

Neither party will charge consular fees or require consular formalities on goods originating from the entry into force of this Treaty.

Article 3.09. Country of Origin

The annex to this article applies to measures relating to the country of origin policies.

Article 3.10. Support, Domestic Support and Export Subsidies

The Parties confirm their rights and obligations under the WTO Agreement in the area of support, domestic support and export subsidies.

Article 3.11. Notification and Publication

Each Party shall publish and shall notify the other party within a period no greater than forty (40) days from the date of entry into force of this Treaty, measures in respect of laws, regulations, judicial decisions, administrative regulations and procedures of general application that has entered into force and are linked to the requirements of this chapter.

To the extent possible, each of the Parties shall publish and notify the other party of any measure referred to in paragraph 1 that it proposes to adopt interested party; and provide a reasonable opportunity to comment on such proposed measures.

The provisions of this article do not require any party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of public or private enterprises.

Each Party, at the request of the other Party shall provide information and reply promptly to any question relating to existing measures or project, without prejudice to the Party concerned has been previously notified of that measure.

Article 3.12. Committee on Trade In Goods

The Council shall establish a Committee on Trade in Goods comprising representatives of each party. The Committee shall meet at least once a year.

Chapter IV. Rules of Origin

Article 4.01. Definitions

For the purposes of this chapter:

Chapter: refers to the first breakdowns of sections identified by the two digits in the Harmonized Commodity Description and Coding System (HS) or the Central American tariff system (SAC) or the tariff nomenclature (NAD);

CIF: it is an international acronym which means insurance, cost and freight;

Customs valuation code means the Agreement on Implementation of article VII of GATT 1994, including its interpretative notes;

FOB : international acronym which means in spanish free on board (LAB). It applies to all means of transport;

Import: entry of goods in the territory of a Party for use or consumption after fulfilment of customs formalities;

Materials or products: goods used in the production of another goods. The Parties included;

Goods means any material, product or a part may be sold;

Fungible goods: goods interchangeable for commercial purposes and whose properties are essentially identical that it is impractical to differentiate by a mere visual examination by another;

Identical goods: equal goods in all its aspects, including physical characteristics, quality and reputation, trademark, where the minor differences of aspects not impede consideration as identical;

Indirect goods: any material or product, which is not physically incorporated into a good used in the production, verification and inspection of goods, operation of related equipment or maintenance of buildings. Includes:

Fuel and energy; catalysts and solvents;

b) equipment and devices used for testing or inspecting the goods;

Gloves, spectacles, footwear, clothing, equipment and security devices;

Tools, moulds and dies;

Renovation or spare parts and materials used in the maintenance of equipment and buildings;

Lubricants, fats, composite products and other products used in the production, operation of equipment or maintenance of buildings;

Any other matters or product that is not incorporated into the good but is properly documented as part of that production;

Similar goods: goods that although not alike in all respects, has similar characteristics and compositions, particularly as regards quality and reputation, enabling them to perform the same functions and commercially interchangeable;

Goods, material, product or native goods: a material or product that qualifies as originating under this chapter;

Heading: refers to the identified by contain breakdowns of chapters at the 4-digit HS SAC nad; or

Generally accepted accounting principles means the principles used in the territories of the Parties, to confer substantial authoritative support with respect to the recording of income, expenditure, assets and liabilities involved in information and the preparation of financial statements. These indicators may be broad guidelines of general application as well as those standards and practices usually employed in the accounting procedures;

Production: the cultivation, production, harvesting, the birth and upbringing, fishing, hunting, manufacture, processing or assembling electrical goods;

Producer: natural or legal person who invests it extracts, harvest, breeding animals born in its country and products obtained therefrom; fishing, hunting, manufacture, processing or assembles a good;

The transaction value of a good means the price actually paid or payable for a good. For the purposes of determining the transaction value shall apply the law in force in the parties.

Article 4.02. Origin Criteria

It is understood that a good is considered as originating in the Parties to this treaty if it has been wholly obtained in any of their territories or when non-originating goods are incorporated shall be a degree of processing.

Article 4.03. Determination, Certification and Verification of Origin

The determination of the origin of the goods and the corresponding certification and verification procedures shall be made in accordance with this chapter.

Article 4.04. Scope

The scope of application of the rules of origin and its amendments are limited to exchange of goods governed by the provisions of this Treaty.

Article 4.05. Core Principles for the Determination of Origin When Incorporating Materials or Not Originating Products

The rules of origin of this chapter are based on the general principle of change in tariff classification accompanied, where necessary, with other requirements as specified in this chapter and annex.

Article 4.06. Means of Implementation

For the purposes of this article, the classification of goods is SA and for those goods codified more than six digit the NAD or the SAC.

In determining the transaction value of a good shall be applided the law in force in each of the Parties.

Article 4.07. Originating Goods

Are considered originating goods from the territory of a party:

Products and by-products obtained entirely in a party:

Live animals born and raised in that party. "Animal" means all live animals, including mammals, birds, fish, crustaceans, molluscs, reptiles and viruses, bacteria;

Animals obtained from hunting, fishing, trapping and gathering or capturing in the party. It also covers animals obtained in the nature of the Parties;

Products obtained from live animals in that party. It includes among others; products obtained from live animals without further elaboration, including milk, eggs natural honey;

Plants and plant products harvested or gathered in that party. It includes inter alia, including any vegetation, cuttings, fruit, vegetables, flowers, seed trees, seaweeds, fungi and live plants floods in the Parties;

Mineral and other sustances arise naturally, it does not included in the above definitions, extracted or taken in the Party; includes inter alia: salt; marine mineral raw sulphur arising in the Free State, natural sands, clays, stones, ores, crude oil, natural gas, bituminous minerals, natural land, natural waters, natural mineral water;

Waste and scrap resulting from manufacturing or processing operations or from consumption in the Party and fit only for disposal or for the recovery of raw materials. It covers all waste and scrap, including those resulting from manufacturing or processing operations or consumption in the same party machinery, defective packaging discarded waste, and all products that can no longer fulfil the purpose for which they were produced and fit only for disposal or for the recovery of raw materials. such operations means from the other manufacture chemical, industrial or mining, agriculture, construction, refined copper and sewage treatment;

Collected articles in the party which can no longer perform their original nor be repaired or restored and are fit only for disposal or for the recovery of parts or raw materials;

Parts or raw materials recovered or obtained in the Party from which articles are not dangerous substances according to

national and international norms and standards:

Which can no longer perform their original function without being restored or repaired; or

Collected in that Party or unfit for their originally intended to be repaired or restored and are fit only for disposal or for the recovery of parts or raw materials;

Goods produced or obtained in the party exclusively from products of previous definitions, provided that they do not constitute dangerous substances according to national and international norms and standards:

The product shall have been obtained or produced with products of that Party mentioned in previous definitions;

The products of the above definitions provided that have not been processed in another country; and

The product must not contain materials that are not considered wholly obtained in that Party;

b) The sea products extracted from marine soil or subsoil outside their territorial waters, by vessels registered with the national flag or leased by firms legally established in their territories. The fishing products and other products obtained outside the territorial sea and maritime areas where the parties exercise jurisdiction, shall be considered as wholly obtained in the states of registration of the vessel conducting such operations. The term "register" includes the registration by awarded to a country or factory ships chartered vessels registered or provided that it is in accordance with the laws of that Party;

c) Goods produced on board of factory ships from fish, crustaceans, molluscs and other aquatic invertebrates, obtained from the Sea by vessels registered or recorded with a party and flying their flag;

d) The goods produced entirely in the territories of the Parties from originating goods; and

Goods produced in the territories of the parties not incorporating materials or originating products from a transformation process that gives rise to a new identity. these new goods must comply with a change in tariff classification pursuant to this chapter or other requirements as specified in the annex.

Article 4.08. Minimal Processes or Operations

Minimal processes or operations which alone or in combination thereof, do not confer origin to goods, when used for:

To ensure the proper conservation status of the goods during transportation or storage;

Facilitating shipment or transportation;

Packaging or presenting goods for sale. Those minimal operations or processes are the following:

Aeration, ventilation, drying, chilling, freezing;

Cleaning, washing, sifting or sifting screening sorting, grading or;;

Peeling husking or desconchado boning estrujado, or who;

Removal of dust or damaged parts or damaged, implementation of oil or protective coatings, paint oxide;

Testing or division; calibration of bulk shipments; grouping in packages; accession of marks or labels, products or distinguishing signs on their packaging;

Packaging, repackaging or unpacking;

Dilution with water or in any other aqueous solution; ionization and salting;

Armed or simple assembly of parts of products to constitute a complete product; and

The slaughter of animals.

Minimal operations or processes referred to above shall not be taken into account when determining whether a product has been obtained entirely in one or more of the Parties.

A minimum process or a combination of them shall not preclude to confer originto any goods if there is a sufficient transformation as a result of other operations or processes.

Article 4.09. Indirect Goods

Indirect goods shall be considered as originating in the region regardless of their development or production. book value registered may be used in the calculation of value.

Article 4.10. Cumulation

For the implementation of the requirements of origin, the materials and products originating in the territory of any of the Parties, incorporated into a good in the territory of the other party shall be considered as originating in the territory of the latter.

Article 4.11. Regional Value Content

The regional value content of the goods shall be calculated on the basis of the transaction value method, which shall apply to the following formula: VCR=[(VT-VMN)/VT]*100

Where:

VCR = regional value content, expressed as a percentage.

VT = the transaction value of the good adjusted on the basis of FOB

VMN = non-originating goods value of the Parties used in the production of the good.

It is obtained from subtract the transaction value of the good or the value of the non-originating goods used in the region in the development or production, and shall be divided between the transaction value of the same; all of which is multiplied by 100.

When the producer of a good exported not directly, the transaction value shall be adjusted to the point at which the buyer receives the good within the territory where the producer is located.

When the origin is determined by the regional value content of the required percentage specified in annex corresponding to the specific rules of origin.

All costs considered for the calculation of regional value content shall be recorded and maintained in accordance with generally accepted accounting principles applicable in the territory of the Party where the good is produced.

Article 4.12. De Minimis

A good that does not satisfy a change in tariff classification as set out in the annex of this chapter shall be considered originating if the value of all the materials or not originating products used in production does not exceed the following percentages:

10 per cent in the year 2000;

7 percent in year 2001 onwards.

In the case of goods classified in Chapters 50 to 63 of the SAC or NAD percentages shall relate to the weight of fibers and yarns with respect to the weight of the material produced.

Article 4.13. Fungible Goods (Interchangeable)

Where in the development or production of goods using fungible or iterchangaeble goods, originating and non originating of the Parties, even when mixed or combined and exported, the origin of these goods may be determined by the application of any of the following three inventory management methods, at the choice of the producer.

Method of first entrance, first out (PEPS): method by which the origin of fungible goods first received in the inventory is considered to be the origin of an equal number of units of the first fungible goods that are withdrawn from the inventory.

Method of last entrance, first out (UEPs): method by which the origin of fungible goods received in the last inventory is considered to be the origin of an equal number of units of the first fungible goods that are withdrawn from the inventory.

Average method means the method by which the origin of fungible goods withdrawn from the inventory is based on the

percentage of goods and non-originating originating in the existing inventory.

The average non-originating goods shall be determined using the following formula:

PMNO = VTMFNO*100 VTMFOYNO*

Where:

PMNO = average of non-originating goods.

VTMFNO = total value of fungible or non-originating fungible goods forming part of the inventory prior to departure.

VTMFOYNO = total value of fungible goods or interchangeable originating and non-originating forming part of the inventory prior the departure.

Selected once one of the inventory management methods, it shall be used throughout the fiscal period.

Article 4.14. Sets or Assortment

It is applied to goods that are classified in accordance with the general rule 3 for the interpretation of the SAC or NAD and may qualify as originating, provided that each of the goods in the set or assortment complies with the established rules of origin in this chapter and annex.

"de minimis" rule may apply to the games or sets.

Article 4.15. Blending

They shall be originating goods as set out in this chapter, the goods in accordance with the SAC or NAD, or incorporated in the production process or production, spare parts and not originating because:

In accordance with rule for 2 to the interpretation of the SAC or NAD, non assembling goods are classified as an assembled good in the same heading or subheading; or

The goods and their parts are classified in the same heading and subheading or;

The Assembly also confers originating when it incorporates unit components that are classified in a heading other than that of the product.

Article 4.16. Accessories, Spare Parts and Tools

Spare parts and accessories, tools delivered with the good as a normal part thereof shall not be taken into account in determining whether all the non-originating materials or products used in the production of a good satisfy the applicable change in tariff classification established in this chapter and its annex, provided that:

Accessories, spare parts and tools are not invoiced separately from the good regardless of whether they are disaggregated or detail each in the invoice; and

The quantity and value of the accessories, spare parts and tools are customary for the good clasificante.

Accessories, spare parts and tools that do not meet the conditions mentioned above shall apply the rule of origin for each of them separately.

Article 4.17. Containers and Packaging Products for Retail Sale

Packaging products and packaging presented together with the goods for retail sale and classified by containing the goods, shall not be taken into account for determining the origin of the goods traded.

Article 4.18. Containers, Products and Packing Materials for Shipment

Containers, products and packing materials for shipment of a good shall not be taken into account for determining the origin of the goods traded, when they are routinely used.

Article 4.19. Transhipment and Direct Consignment or International Transit

Originating goods do not lose that status when are exported from one party to the other party and their transport pass through the territory of any other party or of a non- Party provided that they comply with the following requirements:

The transit is justified by reasons or by geographical considerations related to international transport requirements;

It is not intended to use or trade, employment or transit countries, whether or not party; and

During transport and storage is processed or not undergo operations other than packaging, handling, packaging, reempaque manipulation or to ensure the conservation.

Otherwise, such goods shall lose their status as originating.

Article 4.20. Certification and Declaration of Origin

The Parties shall use the format of certificate of origin, which shall prepare technical comittee on rules of origin and shall enter into force within thirty (30) days after the date of entry into force of this Treaty.

The certificate of origin shall include certification and declaration of origin.

Article 4.21. Certificate of Origin and Declaration

To verify that a good qualifies as an originating in one of the Parties, the exporter shall deliver the certification of origin. This certificate must bear the name, signature and seal from the issuing and shall be endorsed by the competent authority designated by each party.

Where the exporter is not the producer of the goods, the first may request a declaration of origin in order to issue the applicable certification. Where the exporter is not the producer of such goods shall require the declaration of origin.

An exporter who has issued a certificate of origin is correct and incorrect shall notify in writing prior to the importation, to persons who has re-delivered such certification, as well as to the competent authority of the importing Party, in which case it shall not be penalized.

Any corrections to the certificate of origin shall be requested in writing to the competent authority and shall, where appropriate, the issuer of that document.

Article 4.22. Exports Under the Certificate of Origin

The certificate of origin may cover:

A single export of goods, or one or more

A number of exports of identical or similar goods, for a period not exceeding one year, to the same importer.

In both cases, during the validity of the certificate, for subsequent exports to the first, a photocopy of the original or copy.

Article 4.23. Accounting Records and other Documents

The exporter certifying the origin of the goods, must retain for a minimum period of five (5) years after the certification of all the records and documents relating to the origin of the goods.

Article 4.24. Direct Consignment

Where exported goods originating from one party to the other party and their transport pass through the territory of the other parties, without being processed; the certificate of origin shall be issued by the exporter.

Article 4.25. The Re-exportation

When a product originating in a Party is being imported into the territory of the other party and that are exported to the other party, the certificate of origin shall be endorsed by the competent governmental entity of the importing country, indicating that the good has not been processed and attaching a copy of the certificate of the country of origin.

Article 4.26. No Requirement for Certificate of Origin

Shall not require a certificate of origin in the following cases:

For purposes of commercial imports goods whose customs value does not exceed the equivalent in national currency to one thousand United States dollars (US $1,000.00). In this case the commercial invoice indicating that the good qualifies as originating;

Non-commercial imports of goods whose customs value does not exceed the equivalent in national currency to one thousand United States dollars (US $1,000.00).

Exceptions above shall not apply where an importation has been divided into two or more shipments.

Article 4.27. Omission or Anomalies In the Certificate of Origin

Where the exporter does not present the certificate or certifies incorrectly the origin of certain goods, the importing Party shall not deny the importation. However, the competent authority shall require a security in an amount equivalent to the amount of taxes, which may be returned within the time period established by the legislation of each Party, upon presentation of the certificate of origin.

Article 4.28. False or Unsupported Declarations

Where the exporter has certified in a false or unfounded way that qualifies the good as originating, the competent authority of the importing Party shall as non-originating goods until the exporter proves that complies with the provisions under this chapter.

Each party commits to impose criminal, civil or administrative sanctions according to its national law.

Article 4.29. Cooperation between Competent Authorities

The competent authority of the importing Party may request the exporter to its counterpart all the necessary technical cooperation, and it will do it promptly.

Article 4.30. Confidentiality

The competent authority of each Party shall maintain the confidentiality of the information collected in the process of verification of origin

Article 4.31. Means of Verification

For the verification of origin of a good shall be taken into account, inter alia, the following:

The official statistical information provided by each Party;

Questionnaires, forms and letters of request for information to importers, exporters or producers or other; and

Visits to the premises of the exporter or producer to review the records and documents referred to in article 4.23 and inspect the facilities and materials or products that are used in the production of the goods.

Article 4.32. Forms of Notification

In case of denial or acceptance of the application, the competent authority of the importing party within a period not exceeding five (5) days of the issuance of the respective decision shall notify the interested parties when it is appropriate and to the competent authority of the exporting Party.

Article 4.33. Guarantee of Payment

Where there is doubt as to the origin of a good at the time of importation, the customs authority shall not preclude the entry to the same but shall request to the competent authority of the initiation of the investigation process, pursuant to article 4.34.

When the competent authority of the importing Party shall notify the customs authority that there is a process of verification of origin on goods, it shall not prevent the placement of identical goods sent by the exporter subject to investigation, but a guarantee shall be required to support the payment of taxes.

Article 4.34. Request for Verification

Where there is doubt on the origin of goods from the territory of one of the Parties, any natural or legal person having proved legal interest thereon, may submit the request for verification corresponding to the competent authority of the country, providing expertise, documents and other evidence to substantiate the application. Verification, may also be initiated when they have the necessary facts.

Article 4.35. Admission or Rejection of the Application

1. The competent authority shall deliver the resolution of admission or rejection of the request within ten (10) days. That decision shall contain the evidence that exist.

2. If an application is rejected or the competent authority has not taken a decision within the specified period, the goods shall be considered as originating in the exporting country.

Article 4.36. Notification

In making the notifications referred to in this instrument, the competent authorities of the Parties may use any communication system provided that ensures the receipt.

Once notified the resolution of admission to the competent authority of the exporting Party shall, within ten (10) days, notify the exporter or the producer of the initiation of the procedure to verify the origin of the goods.

With the notification of acceptance shall be sent questionnaires, forms and letters of request for information.

Article 4.37. Probationary Period

When the stakeholders are notified they have up to twenty (20) days for the submission of their arguments and evidence before the competent authority. Upon receipt of these documents, the competent authority of the exporting party within a period not exceeding five (5) days shall be forwarded to the competent authority of the importing Party.

Within or outside the probationary period, the competent authority of the importing Party may use any means of verification stipulated in article 4.3.1.

Article 4.38. Non-compliance with the Submission of Evidence and Arguments

When the exporter or producer does not speak within twenty (20) days referred to in article 4.37, the competent authority of the importing Party shall within five (5) days, that the goods covered by the licence is not originating, in this case, within five (5) days, notify the institution concerned and the corresponding to the cancellation of taxes.

Article 4.39. Notification of the Visit

Prior to conducting a verification visit, the competent authority of the importing Party shall notify the competent authority of the exporting party of its intention to conduct the same who, within five (5) days of receipt of the notification shall notify the exporter or producer, as the case may be.

From the date of notification and until it is entered into the record of the verification visit the probationary period referred to in article 4.37, shall be interrupted, resume the diligence.

The exporter or producer who receives a notification to conduct a visit shall appear thereon within a maximum period of ten (10) days from the date on which the notification is received.

Article 4.40. Requirements of the Notification of the Visit

The notification referred to in article 4.39 shall contain at least the following information:

The identification of the relevant authority issuing the notification;

The name of the exporter or producer to be visited;

The date and place of the visit;

The object and scope of the verification visit, including specific reference to the goods subject to verification and the specific rule of origin referred to in the certificate of origin;

The names and titles of the officials who will conduct the visit; and

Legal basis for the verification visit.

Article 4.41. Amendments to the Content of the Notice

Any modification of the information referred to in article 4.40, shall be notified in writing to the competent authority of the exporting party who in turn shall notify the producer or exporter, at least ten (10) days in advance of the visit.

Article 4.42. Scope of Verification

The competent authority of the importing Party may request the producer or exporter in the verification visit was made available to the accounting records and other documents attesting to compliance with the rules of origin. It may also request the inspection of the materials, products, processes and facilities used in the production of the good.

Article 4.43. Request for Extension

During the period established in paragraph 3 of article 4.39, the exporter or producer may request in writing to the competent authority of the importing Party, an extension of which shall be no more than ten (10) days.

Article 4.44. Lack of Consent to the Visit

If the exporter or producer does not or not expressly consents in writing, for conducting the verification visit within the time period established in article 4.43, the competent authority of the importing Party shall deny, through resolution, the origin of the goods covered in the respective certificate and it must in this case within five (5) days, notify the importer and the competent authority of the exporting Party, who shall notify the exporter or producer where appropriate.

Within the same period it shall also communicate officially the resolution to the appropriate institution for the cancellation of taxes.

Article 4.45. Designation of Witnesses

The competent authority of the exporting Party shall request the exporter or producer the appointment of three (3) witnesses who will be present during the visit provided that they intervene solely with such quality. If there is no designation of witnesses, that omission shall not result in the postponement of the visit, or for the nullity of the proceedings.

Article 4.46. Record of the Visit

From the verification visit, the competent authority of the importing Party shall record containing the relevant facts established by the present, who signed at the end of the visit.

The record shall constitute evidence that must be incorporated in the relevant file and be valued at its opportunity within the procedure.

Article 4.47. Final Resolution

After exhausting all procedures for verification of origin, within a period of twenty (20) days, the competent authority of the importing Party shall issue its final resolution, determining if the goods are subject to investigation or not qualify as originating. In the resolution shall include the fact finding fact and the legal basis for the determination.

If within the time period established in article 4.37, for the provision of evidence, the competent authority of the importing party sufficient information to the rule on the matter under investigation, may issue the final resolution after acceptance of

the investigated for the period may be reduced.

The deadline for decision shall be discontinued when the competent authority of the importing Party considers that the evidence or some of the facts are insufficient to render the Resolution shall resume that period at the end of the relevant administrative proceedings.

The notice to interested parties of the final decision shall be made within five (5) days of its issuance.

If the origin of the goods, the competent authority that issued the final resolution shall send within five (5) days after the formal communication to the institution, for the cancellation of taxes. Otherwise, the security shall be released.

Article 4.48. Resources for Review and Appeal

Article 4.49. Committee on Rules of Origin

The Committee on Rules of Origin, which will be determined by the Council and shall have a representative of each party, and advisers as it deems appropriate.

The Committee shall be established within two (2) months from the entry into force of this Treaty and shall normally meet at least two (2) times a year and extraordinarily at the express request of one of the Parties.

The Committee shall include the following functions:

a) Propose to the Council any amendments to this chapter;

b) To ensure the effective enforcement, implementation and administration of this chapter; and

c) Other functions assigned to it by the Council.

Chapter V. Customs Procedures

Article 5.01. Customs Procedures

The provisions of this chapter are the general framework of principles applicable to the Customs Administration of the Parties.

The specific procedures relating to the various schemes and customs operations shall be governed by the provisions of the domestic legislation of the Parties.

The Parties shall establish minimum requirements for the release of the goods of the other party into its territory. For this purpose, as far as possible, it shall be used automated controls selective and random, without prejudice to the exercise of the type of physical and documentary checks empowered to each party, in accordance with its customs legislation.

Article 5.02. Customs Cooperation and Mutual Assistance

The parties, through its Customs Authorities shall:

Strengthen their cooperation and mutual assistance in the settlement of disputes that arise in the administration of this chapter;

Encourage, as far as possible, the practices of coordination among themselves, defining the fields of activity, procedures, terms and scope of assistance and strengthen relations between them with the aim of exchanging experiences to improve and harmonize systems and procedures applicable customs based on the principle of reciprocity; and

Strengthen trade between them through mechanisms that facilitate the movement of goods and the customs clearance, without prejudice to the application of controls aimed at preventing illegal trade, unfair trade practices and other practices which cause distortions to international trade.

In particular, the Parties shall facilitate the clearance of goods originating and maintain the level of conformity of customs facilitation measures agreed by them, relating to this chapter after the Entry into Force of this Treaty.

Under subparagraph (a) of paragraph 1 of this article, the Parties shall give priority to those areas of harmonization of customs procedures, information and training.

The Parties shall endeavour to jointly organizing training programmes in customs matters that include:

Training for officials who participate directly in customs procedures; and

Training for users.

Article 5.03. International Transit of Goods

The Parties shall simplify as possible and shall make known to users, international transit of goods, the documentation required, the conditions required for the transport units, the hours of operation of information on customs, ports and airports and authorized access and infrastructure of the customs administrations of the Parties.

Article 5.04. Release of Goods

Each Party through its customs authority shall make the clearance of goods of the other party into its territory. for this purpose, as far as possible, use of automated checks length of stay and selectivity or random revision, weighing, physical verification of goods and direct clearance in companies.

The Parties shall endeavour to simplify the internal transit documents to allow importers and request the change of customs procedure in accordance with the legislation of the importing Party.

Each Party shall inform the other party procedures to facilitate and expedite the release of goods, including requirements for its entry into the territory of the Party to the receipt, loading and storage according to the laws of the Import and Export of Goods, in accordance with the legislation of each party.

Article 5.05. Samples or Samples

Each Party shall grant facilities for entry into its territory of samples or samples and develop an instructive thereof which shall include the procedure and the commercial bank or customs documentation required to identify the samples or samples of importation.

Article 5.06. Use of Electronic Information Systems

Each party, taking into account its means shall implement systems of electronic transmission of information to the customs administration.

Each Party shall establish rules for the operation of electronic transmission of information systems that include:

Use of codes of key users and access;

Evidentiary value of data and records;

Confidentiality of information;

Liability of officers operating system and users; and

The system of storage of information.

Article 5.07. Exchange of Information

The Parties shall exchange, within its capabilities and through their Customs authorities, information and experience on:

Tariff classification and customs valuation;

Rules of origin;

Documents and requirements for the import and export of goods;

Statistics on import and export; whether general or specific in terms of the legislation of each party;

Goods subject to non-tariff measures;

The laws and customs procedures;

New techniques to combat customs fraud, where it has been proven efficiency; and

New trends concerning customs offences, means and methods used to commit.

Mechanisms for the exchange of information shall be defined by the Committee on Customs procedures established in article 5.09.

Article 5.08. Procedure for Facilitating Trade

Without prejudice to other chapters, from the entry into force of this Treaty, the parties agree that any new customs regulations to establish in trade between the parties shall be communicated in advance within thirty (30) days in advance of the proposed date of effect. These rules shall be published in accordance with national legislation and within ten (10) days of the publication, the authority of the importing Party shall notify the authority of the exporting Party such regulations.

Article 5.09. Committee on Customs Procedures

The parties establish a committee on customs procedures comprising representatives of each party who shall meet at least once a year and at the request of either party.

The Committee shall, in addition to the functions assigned to it by the Council:

Customs propose policies supportive of trade between the parties;

Endeavour to agree on:

The interpretation, implementation and administration of this chapter;

Matters of tariff classification and customs valuation;

Any other matter referred to it by a party;

Proposing uniform guidelines for the improvement of customs procedures;

Inform the Council of any customs procedure that is incompatible with the provisions of this chapter;

Report annually to the Council on its activities; and

Considering proposals for administrative or operational modifications relating to this chapter in customs matters that may affect the flow of trade between the parties.

Chapter VI. Sanitary and Phytosanitary Measures

Article 6.01. Definitions

For the purposes of this chapter:

Food Additive: any substance that itself is not normally consumed as food, nor is used as a key ingredient in foodstuffs, whether or not, and their nutritional value added to food at the stage of production, manufacture, processing, preparation, treatment, packaging, storage or transport, packaging, it can reasonably be expected to (or) is directly or indirectly by itself or its by-products, a component of the food or affect its characteristics. This definition does not include "polluting" substances or added to food to maintain or improve the nutritional qualities;

Food: any substance processed, semi-processed or gross, which are intended for human or animal consumption, including chicle beverages, and any other substances that are used in the preparation or manufacture or processing of food, but does not include the cosmetic or tobacco substances or used only as medicines;

Animal or invertebrada are: any kind, including aquatic and wild fauna;

Good: food, animals, plants, products and their byproducts;

Harmonization: establishment, recognition and implementation of sanitary and phytosanitary measures by the parties;

Pollutant: any substance or organism not intentionally added to food, be present in the food production as a result of operations (including in agriculture, animal husbandry and veterinary medicine), manufacture, processing, preparation,

treatment, packaging, packaging, transport or storage of such food or as a result of environmental pollution. The term includes physical contaminants;

Risk assessment:

The likelihood of entry, establishment and propagation of a disease or pest and possible biological and economic consequences agronomic; and the likely adverse effects to life or health, animal or plant from the presence of pollutants, additives, toxins or agencies responsible for diseases in a good;

Food safety: ensures that food quality that presented no risk to human and animal health;

Scientific information: data or information derived from the use of scientific principles and methods;

Sanitary or phytosanitary measure means that a party adopts a measure or maintains or applies to:

Protect human life, human and animal health as well as plant health in its territory from risks arising from the introduction, establishment or a spread of disease or pest;

Protect human life and health, animal and plant in its territory from risks arising from the presence of an additive pollutant toxin, or an agency pathogen on a good;

Protect human life and health in its territory from risks arising from a person of a disease or pest transported by an animal or plant or a derived therefrom;

To prevent or limit other damage in its territory from the introduction, establishment and dissemination of a disease or pest; and

Sanitary and phytosanitary measures include all laws, regulations, requirements and procedures, including an approach to the final product or process; a production method directly related to

The testing or good; inspection and certification or approval procedure; a relevant statistical method; sampling method; an assessment of risk; a requirement of packaging and labelling directly related to food safety; and a system of quarantine as a relevant prerequisite associated with the transport of animals or plants, or with the necessary material for their survival during transport;

Appropriate level of sanitary or phytosanitary protection: level of protection to the life, health, human and animal and plant health, that a Party considers appropriate;

International standards, guidelines or recommendations: any of these, established:

With regard to the harmlessness in food, the Codex Alimentarius Commission, including those regarding decomposition of products produced by the Committee on fish and fishery products of the Codex Alimentarius, food additives and contaminants, hygiene practices and methods of sampling and analysis;

In relation to animal health and zoonoses, developed under the auspices of the International Office of Epizootics (OIE);

With regard to health, plant developed under the auspices of the secretariat of the International Plant Protection Convention; and

Those established by other international organizations agreed by the parties;

Disease: designates the infection, clinical or not caused by one or several aetiological agents of the diseases listed in the International Animal Health Code of the OIE;

Though: animal feed balanced for use;

Pest: any strain, species or biotype of plant or animal pathogen harmful or potentially harmful to plants and animals and their products;

Approval procedure: any registration procedure, certification, notification or any other binding administrative procedure for approving the use of an additive or establishment of a tolerance for purposes of a pollutant defined or under conditions agreed in a food, drink or feedingstuff, prior to allow its use marketing or when they contain the additive or contaminant;

Control or inspection procedure: any procedure used, directly or indirectly, to determine whether there is a sanitary or phytosanitary measure, including sampling, testing, inspection, verification, monitoring, auditing of accreditation, conformity assessment, or other procedures involving the physical examination of a good, packaging, or equipment or installations

directly connected with the production, marketing or use of a good, but not means an approval procedure;

Mobilization: means of transport, packaging and mode of transport, established in a sanitary or phytosanitary measure;

Pesticide: any substance intended to destroy, attract, prevent, combat any use or plague species, including the undesirable plants or animals, during the production, storage, transport, distribution and processing of food, agricultural products, or feedingstuffs or may be administered to animals to combat ectoparasitics. The term includes substances intended to be used as Plant Growth Regulators, defoliants, desecantes agents, to reduce density fruit or inhibit the germination and substances applied to crops before or after the harvest to protect the product against the deterioration during storage and transport. The term does not normally include fertilizers, animal or vegetable nutrients food additives or medicines for animals;

Pesticide residues: any substance specified in this agricultural products or foodstuffs feedingstuffs, as a result of the use of pesticide. The term includes any derivative products, as a pesticide metabolites, conversion and reaction products and impurities deemed important toxicological;

Plant: live plants and parts thereof, including seeds and germplasm;

An area of low disease or pest prevalence: area designated by the competent authorities, which may include the entirety of a country as part of a country or all or parts of several countries in which a specific disease or pest that there is limited and that is subject to effective monitoring, control or eradication pest or disease;

A free zone of pests or diseases: area designated by the competent authorities, which may include the entirety of a country as part of a country or all or parts of several countries in which there is a specific disease or pest. A free zone of pests or diseases may be surrounded by encircle, or be a zone adjacent to, whether within a country or in a geographical region which may include all or parts of several countries - in which it is known that there is a specific disease or pest but that is subject to a regional control measures such as the establishment of protection, surveillance and buffer zones that distilled or eradicate the disease or pest in question.

Article 6.02. Rights and Obligations

Each Party may, in accordance with the agreement on the Application of Sanitary and Phytosanitary Measures (ASPM) of the WTO agreement; establish, adopt, maintain or apply any sanitary and phytosanitary measures necessary for the protection of human life and health (food safety) and animal or plant in its territory, even those which are stricter than a measure, international standards, guidelines or recommendations.

Each Party shall ensure that any sanitary or phytosanitary measure that it adopts or maintains or apply:

It is based on scientific principles taking into account, where appropriate, the relevant factors such as the different regional conditions;

It is maintained only where there is a scientific basis that is provided;

Based on a risk evaluation to the appropriate circumstances;

Not restrict trade more than necessary to protect human life or health, animal or to protect plants;

They do not have the purpose or effect of creating a disguised restriction and between the parties;

Actions shall be based on international standards, guidelines or recommendations or their relevant parts or imminent, except where such measures do not constitute an effective or appropriate means to protect human life or health or animal or plant in its territory.

Notwithstanding any other provision of this chapter each party, to protect human life or health or animal or plant in its territory, may fix its appropriate levels of protection, taking into account the associated risk from the point of view of the consequences of the introduction or spread of a disease or pest. For this purpose, they shall take into account the methods of analysis and assessment of risk of international agencies (Codex Alimentarius, International Plant Protection Convention and the International Office of Epizootics), as well as the specialized agencies to which the parties are members to the areas of food safety, animal health and plant health.

The analysis and assessment of risk to develop the importing Party shall not exceed a period of three months to establish the respective sanitary or phytosanitary measure since it is requested by the competent authority.

The Parties shall, before the Committee on Sanitary and Phytosanitary Measures, the competent authority of notification

and information centres used as a channel to notify the other party.

The Parties shall notify the sanitary or phytosanitary measure by the relevant channels. In case of emergency measures, the Parties shall notify in writing the measure the information centre at least three (3) days before the Entry into Force, or failing that, three (3) days after that have an effect on trade of the other party.

The Parties shall make their respective equivalent sanitary and phytosanitary measures through bilateral protocols for the mutual recognition of their sanitary and phytosanitary systems of each party.

The Parties shall observe the procedures of control, inspection and approval of the sanitary and phytosanitary measures listed in the annex to this article.

Article 6.03. Administration

The parties establish a Committee on Sanitary and Phytosanitary Measures, which shall be composed of officials in the areas of food safety, health, animal and plant health trade of each party.

The Committee shall meet at least once a year, or when so requires and may convene ad hoc technical working groups to address specific issues, which will bring the recommendations to the Committee for decision-making.

The parties agree to the organisational structure, functions and general procedures of the Committee on Sanitary and Phytosanitary Measures based on the provisions in the annex to this article.

The Committee shall establish an annual work programme to strengthen and promote the implementation of amsf of the WTO Agreement, in particular, the process of harmonization and equivalence of sanitary or phytosanitary measures and promote technical cooperation between the parties.

The Committee will produce an annual report to the Council on the implementation of this chapter.

Article 6.04. Settlement of Disputes

The Parties shall waive twisting application of sanitary and phytosanitary measures in the framework of their reciprocal trade. It shall be presumed twisting measures on the basis of reciprocity.

The parties, through its competent authorities may request in writing consultations to clarify or to resolve any difference on the provisions of this chapter and the requested Party shall respond within a period of fifteen (15) days of any request in this regard.

The difference is not resolved through the technical consultations referred to in paragraph 2, either party may request a dispute settlement procedure under chapter XVI (dispute settlement), in which case the arbitral tribunal shall require the advice of specialists recognized in the subject-matter of the dispute, provided that it is a matter under discussion of technical and scientific on the Application of Sanitary and Phytosanitary Measures.

To this end, the Committee will constitute a register of qualified specialists in the areas of food safety, animal health and plant health outside government management.

Chapter VII. Unfair Trading Practices

Article 7.01. General Principle

Parties reject any unfair practice of international trade that causes or threatens to cause distortions to trade. There are not considered unfair practices acquired rights in the framework of the World Trade Organization.

Article 7.02. Scope

The Parties confirm their rights and obligations under the Agreement on Subsidies and Countervailing Measures of the World Trade Organization and the Agreement on the implementation of article VI of GATT 1994.

The investigation procedure and the application of anti-dumping or countervailing duties shall be in accordance with the Agreement on Subsidies and Countervailing Measures of the World Trade Organization and the Agreement on the implementation of article VI of GATT 1994 as well as other laws governing the application of the same in each party.

Article 7.03. Explanatory

Established an anti-dumping or countervailing duty, provisional or final, the Parties may request the competent authority to clarify whether a good is or is not subject to the same.

The submission of the request referred to in the preceding paragraph shall not be interrupted during the investigation or suspend the application of anti-dumping or countervailing duties adopted.

Article 7.04. Settlement of Disputes

Where a party affected by a measure adopted by a final decision within the meaning of article 16.03, may refer the dispute to the dispute settlement procedure established in chapter XVI (dispute settlement) of this Treaty.

Chapter VIII. Safeguard Measures

Article 8.01. Definitions

For purposes of this chapter:

"threat of serious injury" means clearly imminent threat of serious harm. the determination of the existence of a threat of serious injury shall be based on facts and not merely on allegation, conjecture or remote possibility;

"serious injury" means a significant overall impairment of a domestic industry;

"the domestic industry" means producers as a whole of the like or directly competitive products operating within the territory of a party or those whose collective output of the like or directly competitive products constitutes a major proportion of the total domestic production of those products. Such major proportion may not be less than 25 percent (25 per cent).

Article 8.02. General Provisions

1. Parties maintain their rights and obligations to apply safeguard measures in accordance with Article XIX of GATT 1994 and the Agreement on Safeguards of the World Trade Organization.

2. Parties may apply safeguard measures for imports of products originating in the territory of one of the Parties, which shall be based on clear, strict criteria defined and temporality. Parties may adopt safeguard measures bilateral or global.

For the application of the bilateral safeguards measures the competent authorities shall be as provided for in this chapter and, subsidiarily, in accordance with Article XIX of GATT 1994 and the Agreement on Safeguards of the World Trade Organization and the national legislation.

Parties reiterate their commitment to respect the right of defence to importers and exporters and other interested parties to present evidence and to be heard during the course of the proceedings.

Article 8.03. Bilateral Safeguard Measures

1. Provisions on bilateral safeguard measures shall be applied in accordance with paragraph 2 of article 1.01.

2. Parties may adopt and implement bilateral measures if the volume of imports of one or more goods increases at a pace and under such conditions as to cause or threaten to cause serious injury to the domestic industry of like or directly competitive products.

3. These measures may only be made when strictly necessary to counter the threat or serious injury caused by imports from the territory of the other party.

4. Measures shall be tariff rate. Applied tariffs shall be the most favoured nation actually applied.

5. Measures shall be applied for a period of one year, which may be extended by an equal and consecutive period. Extension shall be as provided for in paragraph 14 of articles 8.04.

6. Parties may initiate investigations for the application of a safeguard measure still until 24 months after the stipulated in paragraph 1 of Article 3.04. this provision shall apply to the products listed in the annex to article 3.04 from the date on

which are incorporated in the Free Trade Area.

7. At the conclusion of the application of the Bilateral measure, it shall be subject to the provisions of paragraph 1 of Article 3.04.

8. Parties to this Treaty shall apply bilateral safeguard measures on the same product only once.

Article 8.04. Procedure Bilateral Safeguard Measures

1. Each Party shall establish clear and strict procedures for the adoption and application of safeguard measures in accordance with the provisions of this chapter.

2. In determining the origin of the application of a safeguard measure the competent investigating authority of the importing Party shall carry out the investigation.

3. The party decides to initiate a procedure that could be taken bilateral safeguard measures shall publish the initiation of the same through their respective official bodies and notify in writing to the exporting party within the (3) third working day following the publication.

4. The exporting Party shall be notified to the seven (7) days from the date on which the written notification and their accompanying documents have been delivered to the diplomatic representation of the exporting party without prejudice to a copy sent by mail, fax or e-mail.

5. In determining whether increased imports have caused or threatened to cause serious damage, the competent investigating authority shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the domestic industry concerned, in particular the rate and the amount of increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken over by increased imports, the changes in the level of domestic prices, sales, production, productivity utilisation, capacity, market share, profits and losses and employment.

6. In determining the validity of the safeguard measures, it shall show a direct causal link between increased imports of the product concerned and the injury or threat of serious injury to the domestic industry. If there were factors other than the increased imports from the other party that simultaneously damage or threatens to cause damage to a domestic industry, the threat thereof or injury caused by these factors cannot be attributed to imports.

7. If as a result of the investigation, the competent authority determines on the basis of objective evidence that it satisfies the conditions laid down in this chapter, the importing Party may initiate consultations with the other party.

8. The request shall contain sufficient information to support the implementation of the measures, including:

The names and addresses available of domestic producers of like or directly competitive products representing the national industry, its participation in the domestic industry of the product and the reasons for claiming that they are representative of the sector;

A clear and comprehensive description of the product subject to the procedure, the tariff classification and description of the like or directly competitive product;

Import data for each of the three most recent years (3) which constitute the basis for that product is being imported in such increased quantities, either in absolute terms or relative to domestic production;

The data on total domestic production of the like or directly competitive product for the last three years; (3)

The data showing the serious injury or threat thereof caused by imports to the sector in question in accordance with the information referred to in subparagraphs (c) and (d);

An enumeration and description of the alleged causes of the serious injury or threat thereof, based on the information required under subparagraphs (a) to (d) and a summary of the basis for the claim that the increase in imports of the like or directly competitive product, in absolute or relative terms to the domestic industry, is the cause of it; and

The information of the safeguard measures to be implemented and its duration.

The request for consultations shall be notified in accordance with paragraph 4 of this article.

9. The consultations shall begin from the day following the receipt by the exporting Party of the notification of the request for consultations. This period shall be thirty (30) days, unless the parties have agreed to a shorter period.

10. During the consultations, the exporting Party shall make all comments, in particular as from the proposed measure and its compensation.

11. The party affected by a safeguard measure may impose a compensatory tariff measure mutually agreed, in the period for consultation with trade effects equivalent to the impact of the safeguard measure. If the parties are unable to agree on compensation the party intending to take a bilateral action shall be entitled to do so and the affected party may unilaterally impose compensation.

12. Bilateral measures provided for in this chapter may be taken only after the completion of consultations. the final resolution through the imposition of a safeguard measure and the compensatory, shall be published in the official bodies for the party to take, as appropriate and shall be notified to the other party within three (3) working day following its publication.

13. Consultations do not require a party to disclose information provided on a confidential basis, the disclosure of which would impede the enforcement of the party concerned or injure commercial interests. Without prejudice to the importing Party that intends to apply the safeguard measure shall provide to the other party a non-confidential Summary of the information that is confidential or indicate why such a summary cannot be provided.

14. If the importing Party determines that the reasons that led to the application of the safeguard measure, shall notify the competent authorities of the other party of its intention to renew at least ninety (90) days before the expiry of its validity and provide evidence that causes leading to the adoption of the respective measure to initiate consultations, which shall be made in accordance with this article. The notification of the extension and compensation shall be implemented as provided for in this article before the expiry of the measures taken.

Chapter IX. Investment

Article 9.01. Definitions

For purposes of this chapter:

ICSID means International Centre for Settlement of Investment Disputes, established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington on 18 March 1965;

Enterprise of a legal party means any person or any other entity constituted or organized under the law in force of either of the Parties, having its registered office in the territory of that Party, whether or not for profit and whether private or government owned companies, including their branches and with economic activities in the territory of a party, trusts, interests, sole proprietorship or business enterprise co-investments;

Investment means every kind of assets or rights of any kind defined in accordance with the laws of the host country, acquired or used for the purpose of obtaining an economic benefit or other business purposes, acquired with resources transferred to the territory of a party, or reinvested in it, by investors of another Party, provided that the investment has been made in accordance with the laws of the Party in whose territory they are undertaken, and shall include in particular though not exclusively:

Actions and other fees and any other form of participation in economic, at any rate, in companies constituted or organised under the law of the other party;

Credit rights or any other provision having an economic value directly related to investment;

Movable and immovable property as well as any other rights in rem, such as mortgages, liens and pledges usufructs;

Rights in the field of intellectual property in accordance with the domestic legislation of the respective parties;

Rights derived from concessions or similar rights conferred by law or under contract or other act in accordance with the domestic legislation of each country, to conduct economic activities or trade.

The definition of investment does not include:

A payment obligation or a credit granted by the State or a state enterprise;

Monetary claims derived exclusively from:

Commercial contracts for the sale of goods or services by an investor of a Party in the territory of that party to an investor in

the territory of the other party; or

The granting of credit in connection with a commercial transaction, the expiry date is less than one year, such as trade financing;

An investor of a Party means a Party or businesses owned by the same means a national according to the legislation of each party or a corporation incorporated in a party who carry out the legal acts aimed at achieving an investment and is in the process of committing capital or, where appropriate, to conduct or has made an investment in the territory of another party;

Transfers means transfers and international payments as specified in Article 9.10.

Article 9.02. Scope and Extent of Obligations

1. This chapter applies to measures adopted or maintained by a Party relating to:

a) Investors of another party in all directly measures related to an investment; and

b) Investments of investors of a Party in the territory of the other party from the date of entry into force of this Treaty. However, it shall apply to investments made prior to its entry into force and application of the quality of foreign investment, pursuant to paragraph 2 (c) of this article.

2. This chapter shall not apply to:

a) Economic activities reserved for each Party according to its domestic legislation in force at the date of signing of this Treaty;

b) The measures taken by a party to restrict the participation of investments of investors of another party in its territory for reasons of national security or public order, the protection of cultural heritage and environmental and conservation of the environment; and

c) Claims or disputes arising prior to its Entry into Force, or related events which occurred prior to its entry into force, even if their effects are still thereafter.

Article 9.03. Minimum Standard of Treatment

Each Party shall ensure a treatment in accordance with international law, including fair and equitable treatment and shall enjoy full protection and security in its territory to investments of investors of the other party.

Each Party shall comply with the commitments they have entered into with regard to investments and in no way affect Arbitrary Measures or through discriminatory Arbitrary Measures the management, maintenance, use, enjoyment, acquisition, expansion or disposition of investments.

Article 9.04. National Treatment

Each Party shall accord to investors of another party directly related to their investments and to investments of investors of another party treatment no less favourable than that accorded to its own to investors and investments of such investors.

Article 9.05. Most Favoured Nation Treatment

Each Party shall accord to investors of another party directly related to their investments and to investments of investors of another party treatment no less favourable than that accorded to investors and to investments of investors of the other party or of a country that is not a party, except as provided in paragraph 2 of this article.

If a party has granted special treatment to investors or investments of such, from a country that is not a Party under agreements laying down provisions for the avoidance of double taxation, free trade area, customs union, common market, economic or monetary unions, that Party shall not be obliged to accord the treatment of investors or investments of the other party.

Article 9.06. Treatment In Case of Loss

Each Party shall accord to investors of another party, in respect of their investments to suffer losses in the territory of the Party where they are established, due to war, armed conflict or civil strife, a state of national emergency or other similar

events, non-discriminatory treatment with respect to that accorded to its domestic investors or investors of any third State with respect to any measure adopted or maintained in connection with such losses.

Article 9.07. Performance Requirements

Parties may not impose, in relation to permit the establishment of an investment or acquisition, or enforce, under the rules of such investment, any performance requirements stipulated in the Agreement on Trade-related Investment of the WTO Agreement.

Article 9.08. Migration Status of Investors

1. Subject to its domestic law relating to the entry and sojourn of aliens, each Party shall permit the Entry and Sojourn in its territory to investors of the other party and persons contracted by them under posts of senior management or by virtue of their expertise, with the aim of establishing and administering or developing, advising on the operation of the investment, such investors in the commitment of capital or other resources.

In order to comply with this article, the Parties shall apply the provisions in chapter XI (temporary entry for business persons) of this Treaty.

Article 9.09. Senior Management and Boards of Directors

Neither party may require that an enterprise of a party, appoint individuals of any particular nationality to senior management positions, except as provided for in the legislation of each party.

Article 9.10. Transfers

1. Each Party shall permit all transfers relating to an investment of an investor of a Party in the territory of another party, be made freely and without delay, according to its domestic legislation.

Such transfers include:

a) Profits, dividends, interests, capital gains, royalties and other payments amounts derived from the investment;

b) Expenses for administration;

c) Amounts derived from the sale or the total or partial liquidation of the investment;

d) The additional contributions to capital for the maintenance or development of an investment;

e) Payments made under a contract which either party of an investor in relation to its investment including payments made pursuant to a loan agreement;

f) Resulting payments of compensation for expropriation; and

g) Payments arising out of the implementation of the provisions on dispute settlement mechanism under this Treaty.

2. Each Party shall permit transfers to be made in a freely convertible currency at the market rate of exchange prevailing on the date of transfer in accordance with the domestic legislation of each party.

3. Furthermore, each Party may, through the equitable and non-discriminatory application of its laws, seek information and establish requirements concerning reports of transfers of currency or other monetary instruments.

4. Notwithstanding the provisions of this article, the Parties may establish temporary controls on currency transactions, provided that the balance of payments of the Party concerned shall present a serious imbalance and incorporate a programme in accordance with internationally accepted standards. Restrictions adopted or maintained by a Party in accordance with this paragraph, as well as their elimination shall be notified promptly to the other party.

Article 9.11. Expropriation and Compensation

Investments of investors of a Party in the territory of another party, shall not be subjected to any expropriation or nationalization or any other measures having equivalent effect (hereinafter referred to as expropriation), unless the following conditions are met according to its domestic legislation:

Measures are taken for public purposes in accordance with the annex to this article;

Measures are not discriminatory; and

Measures are accompanied by prompt, effective and adequate compensation.

Compensation shall be equivalent to the fair price that had the expropriated investment immediately before the expropriation was taken before the measure or impending outside public knowledge, whichever comes first. The compensation shall include interest calculated from the date of dispossession of the expropriated property until the date of payment. These interest shall be calculated on the basis of a passive average rate of national banking system of the Party where the expropriation is made. Compensation shall be paid without delay in a freely convertible currency and shall be effectively realizable and freely transferable. The amount of compensation shall be determined as follows:

An expert opinion according to the national legislation of each of the Parties, which shall include all the information necessary for identifying the goods being valued;

In the case of buildings, the opinion shall contain the valuation regardless of the field, crops, buildings, tenant rights, leases, deposits, commercial rights and other assets or rights capable of compensation;

c) In the case of movable property, each will be assessed separately and shall specify the characteristics that affect their valuation;

d) The valuation shall take into account only the actual damages. It shall not be taken into account future developments and expectations of the law affecting good. It shall be recognized capital gains arising from the project which generates expropriation;

e) Any expert opinion shall indicate in a comprehensive and detailed manner, the elements underlying the value assigned to it and the methodology used.

Investor affected shall have a right, under the domestic law of the party making the expropriation, to prompt review by a judicial authority or another competent and independent authority of that party of its case to determine whether such expropriation and the valuation of its investment have been adopted in accordance with the principles set out in this article.

Nothing in this article shall affect the powers of the Government of a party decide to negotiate with the other party, or with third States, quantitative restrictions on exports or its authority to define the allocation of quotas negotiated through appropriate mechanisms and criteria as it deems appropriate, in accordance with multilateral disciplines.

Article 9.12. Special Formalities and Information Requirements

Nothing in Article 9.03 shall be construed to prevent a Party from adopting or maintaining a measure that determines special formalities connected with the establishment of investments by investors of the other party, such as that investments be constituted under the law of the Party provided that such formalities do not materially impair the protections afforded by a Party pursuant to this chapter.

Notwithstanding articles 9.03 9.04, and the parties may require an investor of the other party in connection with an investment in its territory to provide routine information concerning that investment or informational solely for statistical purposes. Such Party shall protect any confidential information that the disclosure that could prejudice the competitive position of the investor or the investment.

Each Party shall publish all kinds of laws, decrees and administrative regulations relating to investments.

Article 9.13. Relationship to other Chapters

For the purposes of this chapter, in the event of incompatibility between any of its provisions and the other chapter, the latter shall prevail to the extent of the inconsistency.

Article 9.14. Denial of Benefits

A Party, subject to prior notification and consultation with the other Party may deny the benefits of this chapter to an investor of another party that is of such an enterprise and party to such investments of investors of non- investor if a party are owners of the enterprise and that party has no substantial business activities in the territory of the party under whose law it is constituted or organized.

Article 9.15. Measures Related to the Environment

Each Party may adopt or maintain any implementing measure consistent with this chapter that it considers appropriate to ensure that investment activity in its territory observe the environmental legislation in that party.

Article 9.16. Investment Promotion and Exchange of Information

1. Each Party shall, subject to its general policy in the field of foreign investment, encourage and create favourable conditions for investments in its territory by investors of the other Contracting Party and shall admit in accordance with its legislation.

2. With the aim of increasing investment flows between the parties, the Parties shall develop documents on investment opportunities and will develop mechanisms for dissemination. In particular, each Party shall, at the request of any Party, to inform the latter on:

a) Investment opportunities in its territory that may be developed by investors of the other party;

b) Opportunities for strategic alliances between investors of the Parties; and

c) Opportunities based on their respective privatization or capitalization of public sector enterprises, to an investor interest of the other party.

3. Each Party shall notify the competent national authority or entity for the purposes of paragraph 2 of this article.

Article 9.17. Subrogation

1. Where a Party or an authorised agency has granted a contract of insurance or other form of financial guarantee against non-commercial risks with regard to an investment by one of its investors in the territory of the other, the latter party shall recognise the rights of the first party to the rights of subrogation of the investor, when it has made a payment under the contract or guarantee.

2. Where a Party has paid to its investor and has taken by its rights and benefits, the investor shall not claim such rights and benefits to the other party, except with the express authorization of the first party.

Article 9.18. Double Taxation

Parties, for the purpose of promoting investment within their respective territories through the removal of obstacles to fiscal nature and surveillance in tax compliance through the exchange of tax information, agree to start negotiations for the conclusion of agreements to avoid double taxation, in accordance with the timetable established between the competent authorities of the Parties.

Article 9.19. Specific Commitments

Investments that would have been the subject of a particular commitment by a Party to investors of the other party shall be managed, without prejudice to the provisions of this Treaty, by the terms of that commitment in the event that it includes provisions more favourable than those provided for by this Treaty.

Article 9.20. Settlement of Disputes between a Party and an Investor of the other Party

1. Disputes arising within the scope of this Treaty, between an investor and a party of the other Party that has made investments in the territory of the first, shall, as far as possible, be settled through amicable consultations.

2. If consultations fail to produce an solution within five (5) months from the date of request for settlement, the investor may submit the dispute to:

a) The competent courts of the Party in whose territory the investment was made; or

b) The arbitration a national of the Party in whose territory the investment has been made; or

c) To international arbitration:

i) The ICSID if both parties are members of this; or

ii) The rules of the additional facility for the administration of conciliation or arbitration proceedings and Fact-Finding by the secretariat of ICSID, where one of the Parties is not a member of the ICSID; or

iii) The arbitration in accordance with the rules of the United Nations Commission on International Trade Law (UNCITRAL, in the event that no party is a member of the ICSID. To this end, each party consents to advance and irrevocably any difference cannot be referred to arbitration.

3. Once the investor has submitted the dispute to the competent court of the Party in whose territory the investment has been made or an arbitral tribunal, the choice of one or other of the procedure shall be final.

4. The arbitral tribunal shall decide on the basis of:

a) The provisions of this Treaty and other agreements concluded between the parties;

b) The national law of the Party in whose territory the investment was made, including the terms of any specific agreement concluded in relation to the investment; and

c) The rules and the universally accepted principles of international law.

5. The arbitral awards shall be final and binding upon the parties to the dispute and shall be executed in accordance with the domestic law of the Party in whose territory the investment has been made.

6. The parties shall treat through diplomatic channels matters related to disputes submitted to court proceedings or to arbitration in accordance with this article, until the relevant processes are completed, except where the other party to the dispute has failed to comply with the court decision or arbitral tribunal's decision on the terms established in the respective decision or judgement and in accordance with domestic law.

ANNEX ARTICLE 9.11

For the purposes of subparagraph (a) of article 9.11 shall be covered by the term public interest to:

Costa Rica: public Interest legally established;

El Salvador: public purpose or social interest;

Guatemala: usefulness collective social interest or public interest;

Honduras: public need or interest;

Nicaragua: public purpose or social interest; and

Dominican Republic: public purpose or social interest.

Chapter X. Trade In Services

Article 10.01. Objective

This chapter is intended to establish a framework for the liberalization of trade in services between the parties in accordance with the General Agreement on Trade in Services (GATS) of the WTO Agreement. This framework will promote the interests of the Parties, on the basis of mutual benefit and the achievement of an overall balance of rights and obligations between the parties.

Article 10.02. Definitions

1. For the purposes of this chapter:

Trade in services: it means the supply of a service in any sector through the following modes of delivery:

From the territory of one party to the territory of another party;

In the territory of a party to a consumer of the other party;

By a service supplier of a Party through commercial presence in the territory of the other party; and

By a service supplier through presence of natural persons of a Party in the territory of another party;

Services means any service in any sector except services supplied in the exercise of governmental authority;

A service supplied in the exercise of governmental authority means any service supplied by a public institution, which is supplied neither on a commercial basis nor in competition with one or more service suppliers;

The supply of a service: the production, distribution, sale and delivery of a service;

Commercial presence means any type of business or professional through, inter alia, the Constitution, acquisition or retention of a legal person, as well as branches and Representative Offices located in the territory of a party, in order to provide a service;

Service of another party means a service supplied:

From or in the territory of that other party; or

By a service supplier of that other party through commercial presence or through the presence of natural persons;

Service supplier means any person that supplies a service;

Consumer service means any person that receives or uses a service;

Natural person of another party means a national of the other party;

Juridical person of another party means a juridical person constituted or organized under the law of that other party and to develop or schedule develop substantive business operations in the territory of that Party or any other party;

Specialty air services means services air, surveying, mapping aerial photography, control of forest fires, aerial firefighting services, advertising, towing planeadores, parachutists, air services for construction, air transport sawn timber, flights overview, training, inspection and monitoring and aerial spraying air.

2. Any definition that is not contained in paragraph 1 of this article shall be the definitions contained in the GATS of the WTO Agreement.

Article 10.03. Scope

This chapter shall apply to measures that a party adopts or maintains on trade in services of another party, including those relating to:

The production, distribution, marketing, sale and delivery of a service;

The purchase or use of a service;

The access to services offered to the public generally limitation of use of the Parties, and in connection with the supply of a service;

The presence of natural persons of a party into the territory of another party for the supply of a service; and

The provision of a bond or other form of financial security as a condition for the supply of a service.

This chapter shall not apply to:

Promoting and encouraging measures granted by a party or a state enterprise, including loans and guarantees and insurance, donations and fiscal incentives granted by the Governments of the Parties;

Air services including domestic and international air transportation, with or without routing equipment and ancillary activities in support of air services except:

Maintenance services and repair of aircraft during the period

An aircraft is withdrawn from service;

Air and specialty services;

Computer reservation systems;

Governmental functions or services, including but not limited to, the enforcement of laws, rehabilitation, social security insurance or insurance on income security or public social welfare, education, training and public health care for children.

3. Nothing in this chapter shall be construed as:

a) Impose any obligation on a Party with respect to a national of another party seeking access to its employment market or who is permanently employed in its territory, or confer any right on that with respect to that national access or employment; or

b) Impose any obligations or confer any right on a Party with respect to government procurement by the other party, except as provided in paragraph 3 of Article 12.02.

4. For purposes of this chapter "measures taken by the parties" means any provision, whether in the form of law, decree, regulation, rule, procedure, administrative decision, or in any other manner with effect on trade in services, taken by:

a) Governments and central authorities, regional, provincial, departmental, municipal or local; or

b) Non-governmental bodies in the exercise of powers delegated by the authorities referred to in subparagraph (a) above.

5. In respect of non-governmental bodies referred to in paragraph 4 (b) of this article, to exercise powers or other governmental and administrative regulations which have been granted in accordance with the legislation of each party, the Central Government shall take such reasonable measures as may be available to it to ensure that they comply with the provisions of this chapter.

6. The provisions of this chapter shall apply to measures relating to the services referred to in annex on professional services, only to the extent and terms set out in that annex.

Article 10.04. Most Favoured Nation Treatment

Each Party shall accord immediately and unconditionally to services and service suppliers of another party treatment no less favourable than that accorded to like services and service suppliers of any other country.

The provisions of this chapter shall not be construed to prevent a party advantages accorded to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are produced or consumed locally.

Article 10.05. Transparency

Each Party shall promptly publish and shall report to the Committee on Trade in Services and each Party shall, no later than the date of its Entry into Force, all measures which relate to or affect the operation of this chapter. It shall also, and publish international agreements pertaining to or affecting trade in services to which a Party is a signatory.

Where it is not practicable or practically the publication of the information referred to in the preceding paragraph, the Parties shall make every effort to be required to make them available to the public.

Each Party shall promptly notify the other parties on the Entry into Force of new laws, regulations or administrative guidelines, or any amendments to existing significantly affecting trade in services.

Each Party shall respond promptly to all requests for specific information made by the other parties of the measures specified in paragraph 1 of this article.

For the purposes of implementing the provisions of this article, the Parties shall use the information services nationally established pursuant to paragraph 4 of article III of the GATS of the WTO Agreement.

Article 10.06. Disclosure of Confidential Information

Nothing in this chapter shall be construed to impose obligations on the parties to provide confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of state enterprises or private.

Article 10.07. Domestic Regulation

With a view to ensuring that any measure that adopts or maintains a Party with respect to the requirements and procedures for the granting of licences and permits and authorizations to nationals of the other party does not constitute an

unnecessary barrier to trade, each Party shall endeavour to ensure that such measure:

a) Based on objective and transparent criteria, such as the capacity, competence and the ability to provide a service;

b) Not more burdensome than necessary to ensure the quality of a service; and

c) Do not constitute a disguised restriction on the supply of a service.

Article 10.08. General Exceptions

Notwithstanding this and other chapters of this Treaty, the Parties may adopt measures or apply for:

To protect public morals or to maintain public order;

Protection of life and health of humans, animals, plants and conserve the environment;

The protection of national security;

Ensure compliance with laws and regulations relating to:

The prevention of practices which lead to errors and fraudulent practices or to lead to a breach of contracts for the purpose of providing services to natural or juridical persons of the Parties;

The protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts; or

Public security;

e) The protection of national treasures of artistic, historical or archaeological.

The measures referred to in this article shall not be applied in a manner which would constitute a subregional or restriction on trade in services, or a means of discrimination between countries or not parties to the Treaty of this chapter, in which prevails similar conditions.

Article 10.09. Restrictions to Safeguard the Balance of Payments

In case of any financial difficulties or threat of serious balance of payments or external, a Party may adopt or maintain restrictions on trade in services with respect to measures covered by articles 10.04, 10.10 and 10.12 and paragraph 1 of Article 10.13, including on payments or transfers for transactions relating to sectors affected by such measures. It is recognised that particular pressures on the balance of payments may need the use of restrictions to achieve, inter alia, the maintenance of a adequate level of financial reserves for the implementation of its programme of economic development or economic transition.

The restrictions referred to in paragraph 1 above:

Shall not discriminate between the parties;

Shall be consistent with the Articles of Agreement of the International Monetary Fund (IMF);

They shall avoid unnecessary damage the economic, commercial and financial interests of the Parties;

Shall not exceed what is necessary to deal with the circumstances described in paragraph 1 above; and

They shall be temporary and be phased out progressively as the situation improves referred to in paragraph 1 above.

In determining the incidence of such restrictions, the parties may give priority to the supply of services which are more necessary to their economic or development programmes, but such restrictions shall not be adopted or maintained for the purpose of protecting a particular service sector.

Restrictions adopted or maintained under paragraph 1 above, or any changes that may be made, shall be notified promptly to the parties.

5. (a) the parties that implement the provisions of this article shall promptly consult on the restrictions adopted pursuant to those provisions.

The Council shall establish procedures for the periodic consultations in order to be able to make recommendations to the

Party concerned as it deems appropriate.

In such consultations shall assess the balance of payments situation of the Party concerned and the restrictions adopted or maintained under this Article, taking into account, inter alia, factors such as:

The nature and scope of the external financial difficulties; and balance of payments

The external economic and trading environment of the consulting Party;

Alternative corrective measures which may be used.

The consultations shall examine the conformity of restrictions that are applied in accordance with paragraph 2 of this article, in particular as regards the progressive elimination of the same in accordance with subparagraph (e) of this paragraph.

In such consultations shall be accepted all findings of statistical or other IMF present on issues of change, monetary reserves and balance of payments and the conclusions shall be based on the assessment by the IMF of the financial position and external balance of payments of a Party in the consultations.

Article 10.10. Local Presence

No Party shall require a service provider of the other party to establish or maintain a representative office or other company or resident in its territory as a condition for the supply of a service.

Article 10.11. Non-discriminatory Quantitative Restrictions

No later than six (6) months after the date of Entry into Force of this Treaty, each Party shall establish a list of existing measures that constitute non-discriminatory quantitative restrictions.

Periodically, at least once every two (2) years, the Parties shall endeavour to negotiate for liberalizing or eliminate:

Existing quantitative restrictions maintained by a party, the list referred to in paragraph 1 above; or

Quantitative restrictions adopted by a Party after the Entry into Force of this Treaty.

Each Party shall notify the other party of any measure constitutes a quantitative restriction that is non-discriminatory, adopted after the Entry into Force of this Treaty, and shall set out the restriction in the list referred to in paragraph 1 of this article.

Article 10.12. National Treatment

Each Party shall accord to services and service suppliers of the other party treatment no less favourable than that accorded to its own like services or service suppliers.

Article 10.13. Consolidation of Measures

From the date of Entry into Force of this Treaty, any party increase the degree of inconsistency of their existing measures with respect to articles 10.04, 10.10 and 10.12. Any reform of any of these measures does not decrease the level of conformity of the measure as it was in force immediately before the amendment.

No later than six (6) months after the date of Entry into Force of this Treaty, the Parties shall exchange a list of measures that do not conform with articles 10.04, 10.10 and 10.12.

Article 10.14. Denial of Benefits

A Party may deny the benefits of this chapter to a service supplier of another party, subject to prior notification and consultation, where the party establishes that the service is being supplied by an enterprise that has no substantive business operations in the territory of the other party and that, in accordance with the legislation of each country, is owned or controlled by persons of a non-party.

Article 10.15. Future Liberalization

Through future negotiations to be convened by the Council, the parties reached the deepen liberalization in services sectors

with a view to achieving the elimination of the remaining restrictions listed in accordance with article 10.11 and paragraph 2 of article 10.13.

Article 10.16. Committee on Trade In Services

1. The Committee on Trade in Services, comprising representatives from the relevant authorities of each party. It may also include representatives of other institutions where the responsible authorities as appropriate.

2. The Committee shall have the following functions:

Monitor the implementation and administration of this chapter;

Consider matters relating to trade in services that are submitted by either party;

On Trade in Services discuss matters of interest to the Parties;

Discuss issues related to these matters discussed in other international fora;

To facilitate the exchange of information between the parties and cooperate in the field of advice on trade in services; and

Create convene working groups or panels of experts on matters of mutual interest to the parties.

3. The Committee shall meet at least once a year, or at any time upon the request of either party.

Article 10.17. Dispute Settlement

Any dispute which may arise in the implementation of this chapter shall be settled in accordance with chapter XVI (dispute settlement).

Article 10.18. Relationship with Multilateral Agreements on Services

The parties undertake to apply themselves among the provisions contained in the multilateral agreements to which the parties are members.

Notwithstanding paragraph 1 above, in the event of any inconsistency between this Agreement and this chapter, the latter shall prevail over those.

Article 10.19. Anti-competitive Business Practices

With respect to the anti-competitive business practices adversely affecting competition and / or trade in services between and / or within the parties shall apply the provisions on competition each party, as well as on the same competition rules established through international conventions.

Article 10.20. Future Work

The Committee on Trade in Services shall determine inter alia the procedures for the establishment of necessary disciplines relating to:

Emergency safeguard measures; and

Trade-distorting subsidies services.

The Committee on Trade in Services may delegate with specificity and temporary working groups; discussing matters relating to the harmonization of regulations on specific services sectors.

For purposes of paragraphs 1 and 2 of this article shall be taken into account in the work of relevant international bodies.

Article 10.21. Review

For the purpose of attaining the objectives of this chapter the Parties shall evaluate annually, taking into account the development and regulation of trade in services in each of the Parties, as well as the progress made in this area in the World Trade Organization and other fora.

When deciding on the need to review this chapter, the parties shall work in the framework of the Committee on Trade in Services, paying a report to the Council for the decision of the Parties.

Article 1. Definitions

Professional means a natural person who has received a university degree as a result of higher education and credited to carry out a profession;

Professional services means services that require higher education to be supplied and which is authorised or regulated in each case by a party but does not include services supplied by persons practising a trade, or to the crews of vessels and aircraft;

Professional practice means the realization of any act or the supply of any service of each profession authorisation in accordance with the legislation of each party;

Higher education means any education which has led to a degree conferred by an establishment of higher education and training which contains a level equivalent training;

Recognition of qualifications means the acceptance by the Government and / or non-governmental body as competent by a party, the qualification obtained by a professional of another party;

Licences for the performance refers to the authorization granted to a professional, by governmental and / or non-governmental bodies of a party to the profession of title recognized within its territory.

Article 2. Object

The purpose of this annex is to establish the rules to be observed by the parties to harmonize measures that will regulate the recognition of qualifications and the provision of professional services including through:

a) The mutual recognition of diplomas for the exercise of professional and academic degrees with certificates; or

The licensing of professional practice.

Article 3. Recognition of Certificates

Where a party recognise unilaterally or by agreement with another State, qualifications obtained in the territory of the other party or of any non-party:

a) Nothing in Article 1004 of chapter X (trade in services), shall be construed as requiring a party to recognition of qualifications obtained in the territory of the other party; and

b) A Party shall provide to the other party, the opportunity to demonstrate that the qualifications obtained in the territory of that other party should also be recognized or to conclude an agreement or arrangement or having equivalent effect.

Article 4. Basis for the Recognition of Qualifications and Licences for the Professional Practice

The parties agree that the processes of mutual recognition of qualifications and licensing of professional practice, shall be made on the basis of improving the quality of professional services through the establishment of standards and criteria for those processes, while protecting consumers and safeguarding the public interest.

The Parties shall encourage the relevant agencies, inter alia, to the competent governmental authorities and professional associations and bodies to:

Make such criteria and standards; and

Formulate and to provide recommendations on mutual recognition of professional qualifications and licensing of professional practice.

Set standards and criteria referred to in paragraph 1 above, it may consider the legislation of each country and indicative elements: education; examinations; experience; conduct and ethics; professional development and recertification; scope of

action; local knowledge; monitoring and consumer protection.

The Parties shall provide detailed necessary information to the recognition of qualification and licensing of professional practice, including for academic courses, guides and materials, fees, dates of examinations, schedules,

Locations, participation in companies and / or professional associations. This information shall include the laws, regulations and measures of general application of central and those developed by governmental and non-governmental institutions.

Article 5. Adoption of Recommendations

Based on the recommendations received by the parties and to the extent that they are consistent with the provisions of this Treaty, of the GATS Article VII of the WTO Agreement, as well as the results of the negotiations on professional services in the World Trade Organization, the Parties shall ensure that the competent authority takes such recommendations.

Article 5. Revision

The Parties shall review, at least annually the implementation of the provisions of this annex.

Chapter XI. Temporary Entry of Business Persons

Article 11.01. Definitions

For purposes of this chapter:

Labour certification: It is the procedure conducted by the competent administrative authority to determine whether an alien individual from a party seeking temporary entry into the territory of another party displaces domestic labour force in the same sector or significantly affects the working conditions;

Temporary entry means business entry by a person of a Party in the territory of the other party without the intent to establish permanent residence;

Immigration measure means any measure relating to migration;

Business person means a national of a party who is engaged in trade in goods or services or investment activities;

Recurrent practice: a practice carried out by the immigration authorities in the form of a Party representative repetitive during a relevant period and immediately to the implementation thereof;

Business activity: legitimate commercial activities nature established and operated in order to gain market. It does not include the possibility of obtaining employment and wages or remuneration from a source of the Parties;

Force: the quality of compulsory legislative regulations of the Parties at the time of Entry into Force of this Treaty;

Authorisation to use: for purposes of paragraph 1 of section A, a written permission granted by the competent administrative authority of a party to an individual national of another party who are allowed to work in salaried employment in the territory of the authorizing Party;

Specialized knowledge essential to the enterprise: for purposes of paragraph 1 of section C, if an individual has expertise on the good or service offered by the company, or has a high level of knowledge on the processes and procedures of the enterprise;

In the process of committing a substantial amount of capital: for purposes of paragraph 1 of section B, when funds are irrevocably directed towards investment in such a way that it is irreversible;

Oversight functions: for purposes of paragraph 1 of section B, those functions in which the individual has oversight responsibilities of a substantial part of the operations of an enterprise and does not involve the monitoring of employees of low level;

Executive functions: for purposes of paragraphs 1, sections B and C, those functions within an organization under which the individual is primarily the following responsibilities:

a) The direct management of the organization or a component or function within it;

b) Establishing the policies and objectives of the Organization, component or function; or

c) Receiving supervision or general direction from only executives in a higher level, the Board of Directors or the Administrative Council of the Organization or shareholders;

Managerial functions: for purposes of paragraph 1 of section C, those functions within an organization under which the individual is primarily the following responsibilities:

a) Managing the organization or an essential function within it;

b) Supervising and controlling the work of other professional employees, supervisors or administrators;

c) Having the authority to dismiss or to engage and recommend these actions, as well as other with respect to the management of personnel being directly supervised by the individual and implement a senior functions within the Organization hierarchy or functions related to his position; or

d) Implementing actions under its discretion with regard to the daily operation of the function over which this person has the authority;

Functions involving essential skills: for purposes of paragraph 1 of section B, where an individual with specialized knowledge or skills own that are essential for the effective operation of the enterprise. The individual should be used in a position of responsibility that requires independent trial, creativity, training or supervision of other employees and shall not be used for routine that may be implemented by skilled labour. It shall have a high level of qualification and experience in the operation of the company.

Article 11.02. General Principles

The provisions of this chapter reflects the preferential trading relationship between the parties, whether to facilitate the temporary entry of business persons and the need to establish transparent criteria and procedures for this purpose. It also reflects the need to ensure border security and to protect the work of its nationals and permanent employment in their respective territories.

Article 11.03. General Obligations

1. Each Party shall apply its measures relating to this chapter in accordance with article 11.02, in particular the apply expeditiously to avoid undue delay or damages in trade in goods and services or investment activities under this Treaty.

2. The Parties shall endeavour to develop and adopt common standards, definitions and interpretations for the implementation of this chapter.

3. Each Party may modify its immigration measures, provided that they do not impair the commitments under this chapter.

Article 11.04. Authorisation for Temporary Entry

1. In accordance with the provisions of this chapter including those contained in the annex to this article, each Party shall grant temporary entry to business persons who meet the other applicable measures relating to public health and safety and national security.

2. Each Party may refuse to issue an immigration document authorizing employment to a business person where the temporary entry adversely affecting:

a) The settlement of any labour dispute that is in the place where he is employed or will be used; or

b) The employment of any person who is involved in such dispute.

3. When a party refuses to issue an immigration document authorizing employment in accordance with paragraph 2, that Party:

a) It shall inform the person affected business in writing the reasons for the refusal; and

b) Shall without delay and in writing of the reasons for the refusal to the Party in whose national refused entry.

4. Each Party shall limit the rights that causes the processing of applications for temporary entry to the approximate cost of services rendered processing.

5. The temporary entry of a business person not authorize the professional practice.

Article 11.05. Availability of Information

1. Each Party shall:

a) The other Party shall provide information to enable them to know measures relating to this chapter; and

b) Not later than twelve (12) months after the date of Entry into Force of the Treaty, shall publish and make available in its territory and the other party a consolidated document explaining the

The requirements for temporary entry under this chapter to know the business persons of the other party.

2. Each Party shall collect and maintain and make available to the other Party in accordance with its legislation, information concerning the granting of temporary entry of authorisations under this chapter to the other party of persons who have been issued immigration documentation.

Article 11.06. Committee of Temporary Entry of Business Persons

1. The parties establish a committee on temporary entry of business persons, consisting of representatives, including migration officials.

2. The Committee shall meet, initially by six (6) months after the date of Entry into Force of this Treaty and at least once each year to consider:

a) The implementation and administration of this chapter;

b) The development of measures to further facilitate temporary entry of business persons; and

c) The proposed modifications or additions to this chapter.

Article 11.07. Settlement of Disputes

1. The Parties shall not initiate the procedures laid down in article 16.07 related to council intervention, good offices, conciliation and mediation regarding a refusal of authorisation of temporary entry under this chapter or a particular case covered by article 11.03, except that:

a) The case concerns a recurrent practice; and

b) The affected person has exhausted the available administrative remedies regarding the particular matter.

2. The remedies referred to in subparagraph 1 (b) shall be deemed to be exhausted if the competent authority has issued a final decision within twelve (12) months after the beginning of the Administrative Procedure and the determination is not attributable to delay caused by the business person.

Article 11.08. Relationship to other Chapters

Except as provided in this chapter and chapters of this treaty provisions and general definitions (initial publication, notification and guarantees and legality, dispute settlement and Final Provisions), no provision of this Agreement shall impose any obligation on a Party regarding its immigration measures.

Section A. Business Visitors

1. Each Party shall allow the temporary entry of a business person who, at the request of a company or business enterprise claims; to carry out any activity explicitly mentioned in the appendix to this section, without requiring authorisation to use, provided that, in addition to comply with existing immigration measures applicable to temporary entry, displays:

a) Proof of nationality of a party;

b) Documentation attesting to the request for an enterprise established in the territory of a party;

c) Documentation attesting to undertake such activities and to bring the purpose of entry; and

d) Evidence of the international character of the proposed business activity carried out and that the person is not intended to enter the local labour market.

2. Each Party shall provide that a business person may satisfy the requirements set forth in subparagraph (d) of paragraph 1, when it proves :

a) The primary source of remuneration for that activity is outside the territory of the party authorizing the temporary entry; and

b) The principal place of business and where it is most of the profits remain outside such territory.

3. For purposes of paragraph 2, each Party shall normally accept a declaration as to the principal place of business and obtaining the profits. when a party requires additional verification sufficient evidence, may consider a letter from the employer recorded in the Register of Companies bilateral showing the circumstances.

4. Each Party shall grant temporary entry to a business person seeking to carry out a business activity other than those set out in appendix to this section on terms no less favourable than those provided for in the legislation on migration and aliens, provided that the business person complies with existing immigration measures applicable to temporary entry.

5. No party may:

a) Require as a condition for a temporary entry authorizing under paragraph 1, prior approval procedures, requests, labour certification tests or other procedures of similar effect; and

b) Impose or maintain any numerical entry to temporary restriction under paragraph 1 or 3.

6. Notwithstanding paragraph 5, a Party may require a business person seeking temporary entry under this section to obtain a visa prior to entry or equivalent document. The Parties shall consult each other to avoid and / or eliminate visa requirements or equivalent document.

Section B. Investors

1. Each Party shall grant temporary entry and provide documentation to a business person seeking to establish, develop, administer or provide advice or technical services in key monitoring functions, executive or involves essential skills, to conduct or operation of an investment business to which the person or have committed or are in the process of committing a substantial amount of capital, provided that the person complies with immigration measures applicable to temporary entry.

2. No party may require labour certification tests or other procedures of similar effect as a condition for authorizing temporary entry under paragraph 1.

3. Notwithstanding paragraph 2, a Party may consider in a timely fashion, the investment business proposal of a person to assess whether the investment complies with the applicable legal provisions.

4. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this section to obtain a visa prior to entry, or an equivalent document.

Section C. Transfers of Personal Within an Enterprise

1. Each Party shall grant temporary entry and supporting documentation to issue a business person employed by an enterprise established in its territory, that seeks to perform managerial, executive or involves specialized knowledge to that enterprise or a subsidiary or affiliate, provided that such person and such enterprise complies with existing immigration measures applicable to temporary entry. Each Party may require that the person to have been continuously employed by the Enterprise for one year within three (3) years immediately preceding the date of submission of the request.

2. No party may require labour certification tests or other procedures of similar effect as a condition for authorizing temporary entry under paragraph 1.

3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this section to obtain a visa prior to entry, or an equivalent document. The Parties shall consult each other to avoid and / or eliminate visa requirements or equivalent document.

Research and design

Technical, scientific and statistical researchers conducting independent research or for an enterprise established in the territory of the other party.

Cultivation, production and manufacturing

Purchasing and production personnel, at managerial level, to undertake commercial operation for an enterprise established in the territory of the other party.

Marketing

Researchers conducting research or analysis, including market analysis, independently or for an enterprise established in the territory of the other party.

Fairs and promotional personnel attending a trade conventions.

Sales

Sales representatives and agents to lift orders or negotiating contracts for goods and services for an enterprise established in the territory of the other party but not delivering goods or providing services;

Buyers making adquisitions for an enterprise established in the territory of the other party.

Distribution

Customs agents to provide advisory services to facilitate the import or export of goods.

After-sales services

Staff of installation, maintenance and repair, with monitoring expertise essential to comply with the obligation of the seller and to provide services, or train workers to provide such services, pursuant to a warranty or other service contract related to the sale of commercial or industrial equipment or machinery, including software purchased by a company located outside the territory of the Party to which it seeks temporary entry, during the life of the warranty or service agreement.

General services

Management and supervisory personnel engaging in commercial operation for an enterprise established in the territory of the other party.

Staff of public relations and advertising to provide advice to customers or attending or participating in conventions.

Tourism personnel (travel agents and tour guides, tourist or tour operators) attending or participating in conventions.

Translators and interpreters performing services as employees of a company established in the territory of the other party.

Chapter XII. Government Procurement

Article 12.01. Definitions

For purposes of this chapter:

Goods of another Party: all products falling within the scope of article 12.04;

Contracts for construction services: a contract for the realization by whatever means of civil works, infrastructure and buildings;

Technical specification means a specification which lays down the characteristics of goods or related processes and production methods, or the characteristics of a service or their related methods of operation, including any applicable administrative provisions. It may also include requirements or deal exclusively of terminology, symbols, packaging, marking or labelling applicable to a good process, or production method or operation;

Supplier means a person who has filled or could provide goods or services in response to the invitation to tender;

Locally established supplier: that includes a natural person resident in the territory of a party to an enterprise organized or constituted under the law of that Party and a branch or representative office located in the territory of that Party;

Basis: document containing the information necessary to facilitate uniform to all bidders preparing their tenders in equal

conditions. It must contain the general conditions and technical specifications required for qualification requirements and criteria for comparing tenders.

Article 12.02. Scope

1. The provisions contained in this Chapter establishes the general principles for the entities of each party in its procurement procedures.

2. This chapter shall apply to measures that a party adopts or maintains with respect to purchases of all the:

A central government entities;

Government enterprises;

Decentralized institutions, decentralized, autonomous or semi-autonomous; and

Municipalities.

The listed above refers to all entities, institutions or enterprises of the Government of each Party, except for those provisions of the domestic law of each of the Parties may not be included in the coverage of this chapter in accordance with Annex I.

3. Furthermore, this chapter applies to measures that a party adopts or maintains with respect to the procurement of goods originating from all the other party, except those specified in annex II, of all services, without prejudice to the rights and obligations set out in chapter X (services).

4. Paragraphs 1 and 2 are set out in annex III.

5. Procurement includes procurement by methods such as purchase, lease or rental, with or without an option to buy. Purchases does not include:

Non-contractual agreements or any form of government assistance, including cooperation agreements, transfers, transfer of capital, loans, guarantees, fiscal incentives and governmental supplied of goods and services to persons or to central government or municipalities;

The acquisition of Fiscal Agency services or deposits, liquidation and Management Services for regulated financial institutions and sale and distribution services for government debt.

6. The Parties shall ensure that measures to implement its entities are in accordance with the provisions of this chapter.

Article 12.03. National Treatment and Non-discrimination

1. As regards to measures regarding procurement covered by this chapter, each Party shall accord immediately and unconditionally to the goods and services suppliers of the other party offering goods or services originating in that Party, treatment no less favourable than that accorded to the goods, services and domestic suppliers.

2. As regards to measures regarding procurement covered by this chapter, no party may:

a) Grant, to a supplier established in its territory, a treatment less favourable than that accorded to another supplier established in the Territory, on the basis of the degree of foreign ownership or affiliation; or

b) Discriminate against a locally-established supplier in its territory on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of the other party.

Goods originating in the parties, falling within the scope of this chapter shall be subject to the requirements of paragraph 1 of Article 3.04.

For purposes of comparison of prices not be added to the value of the originating goods of the other party, customs duties and other charges on the importation, where the buyer is exempt from payment.

Parties may establish requirements of representation and local presence, provided that such requirements do not have the effect of discriminating in favour of domestic suppliers.

Article 12.04. Rules of Origin

For purposes of government procurement covered by this chapter, no party shall apply rules of origin to goods imported from another Party different or incompatible with the rules of origin set out in chapter IV (rules of origin).

Article 12.05. Denial of Benefits

A Party may deny the benefits of this chapter to a service supplier of another party, subject to prior notification and consultation, where the party establishes that the service is being provided by an enterprise that is owned or controlled by persons of a non-Party and the enterprise has no substantial business activities in the territory of either party.

Article 12.06. Prohibition of Countervailing Special Conditions

Each Party shall ensure that its entities do not take into account, upon request, nor impose countervailing special conditions in the qualification and selection of suppliers of goods or services. in the evaluation of tenders or in the award of contracts. For the purposes of this article, means countervailing special conditions which an entity may impose or take into account before or during the procurement procedures to encourage local development or improve balance of payments accounts by means of local content requirements, licensing of the use of technology, investments, countertrade or similar requirements.

Article 12.07. Technical Specifications

1. Each Party shall ensure that its entities do not develop, adopt or apply technical specifications which have the purpose or effect of creating unnecessary obstacles to trade.

2. Each Party shall ensure that any technical specification requiring their entities:

a) Defined in terms of performance criteria rather than design or descriptive characteristics;

b) Where appropriate, based on international standards, national technical regulations, or recognised national building codes and standards;

c) Consistent with the provisions in chapter XIII (Technical Barriers to Trade).

3. Each Party shall ensure that technical specifications stipulating its entities do not require or refer to a particular trademark or trade name, patents, designs, specific origin or producer or supplier unless there is no other sufficiently precise or intelligible way of describing the procurement requirements and provided that, in such cases, words such "or equivalent" are included in the basis .

4. Each Party shall ensure that its entities do not seek or accept, in a manner that would have the effect of precluding that advice, competition may be used in the preparation or adoption of any technical specification for a specific procurement from a person that may have a commercial interest in that procurement.

Article 12.08. Procurement Procedures

1. Each Party shall apply its national legislation on procurement procedures, including the formalities relating to the qualification of suppliers, convening, foundations, deadlines, presentation, receipt and opening of tenders and awarding of contracts and the amounts set out in each country to determine how to purchase, provided that the procedure chosen ensures a maximum possible competition.

2. Notwithstanding the above, each Party shall ensure that the procurement procedures of its entities are applied respecting the principles of transparency and non-discrimination, as set out in this chapter.

Article 12.09. Principle of Transparency

1. In order to comply with the principle of transparency, the Parties shall ensure that their laws and regulations on public procurement procedures provided:

The requirements of the procurement;

Public procurement procedures and the cases where these are mandatory;

Public procurement procedures that require basis;

The obligation in databases containing the general conditions and technical specifications required and the requirements

for labelling and comparing tenders;

The publication in the Official Journal or in national newspapers of notice of procurement, which shall be invited to participate in a procurement;

The possibility, for any possible participant, to challenge the basis when it considers that any breach of the principles established in the domestic legislation of the Party in which it is engaged, or of this chapter;

The reasons for the award;

Accountability and compliance assurance of participation, where appropriate;

The opportunity to correct deficiencies and obvious errors or omissions of the tender, provided that such defects are not related to the content of the tender as the characteristics of the goods, the price, delivery times or guarantees or any other substantial aspect established by the domestic legislation of each Party or that is classified as such in the tender or any other aspect whose correction violates the principle of equality between bidders;

The possibility of using the award, on the terms established by

The national legislation of each of the Parties; and

The others than by means of a protocol to this treaty may be established by the parties.

2. Each Party shall ensure that its entities:

Provide to all suppliers equal access to information regarding a purchase; and

Do not provide any information relating to supplier to a specific procurement in a manner that would have the effect of precluding competition or grant an advantage to a supplier with an interest in the procurement.

Article 12.10. Principle of Publicity

In order to comply with the principle of publicity, the Parties shall, in addition to the above, in the previous article:

Publish all laws, regulations and, where appropriate, jurisprudence, administrative rulings of general application, model contract clauses and any other measures relating to public procurement, and notify its national section of the Secretariat and the other party;

Notify its national section of the Secretariat and the other party by upon the Entry into Force of this Treaty, the list of entities of central government enterprises, decentralized institutions, autonomous or semi-autonomous and municipalities.

Article 12.11. Avoidance Proceedings

Each Party shall apply in its national legislation for procurement challenge procedures covered by this chapter in accordance with the following conditions:

Must be non-discriminatory, transparent and effective enabling suppliers participating challenge alleged breaches of this chapter and their respective domestic legislation, occurring in the context of procurements in which they have, or have had an interest;

Within the system of each Party shall provide resources made to:

The contracting entity itself or to the extent possible before a court or administrative independent and impartial body that has no interest in the outcome of the contract, and whose members are protected against external influences throughout the period of its mandate; and

The competent courts;

Within the system of dispute after exhausting administrative procedures it may refer the matter to the courts; and

At any moment during the appeal, the procedures shall ensure the right of hearing to participating suppliers; participants can be represented and accompanied; participants suppliers that have access to all proceedings; proceedings can be public; that the opinions or decisions made in writing with a statement of reasons that may arise; witnesses and documentary evidence.

Article 12.12. Settlement of Disputes

Any dispute which may arise between the parties with regard to the provisions of this chapter shall be settled in accordance with chapter XVI (dispute settlement).

Article 12.13. Committee on Government Procurement

There shall be established a committee on Government Procurement, upon the Entry into Force of this Treaty, comprising representatives of each party. The Committee shall meet whenever necessary but at least once a year to provide an opportunity for the parties to consult on issues related to the operation of this chapter or the achievement of its objectives; to seek cooperation mechanisms allowing a better understanding of their government procurement systems, greater access to them; promote opportunities for their micro, small and medium enterprises; and to perform the functions under this Chapter and other functions as assigned by the parties.

Article 12.14. Exceptions

Nothing in this chapter shall be construed as preventing a party from taking any action or not disclosing any information which it considers necessary to protect its essential security interests relating to the procurement of arms, munitions or war materials or any other procurement indispensable for national security or for national defence purposes.

Provided that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between the parties where the same conditions prevail or a disguised restriction on trade between the parties nothing in this chapter shall be construed to prevent a Party from adopting or maintaining measures:

Necessary to protect public morals, public order or safety; necessary to protect human life and health, animal or plant; necessary to protect intellectual property; or relating to goods or services provided by charitable institutions, disabled or of prison labour.

Article 12.15. Provision of Information

Each Party shall:

Explain to the other Party upon its request for public procurement procedures;

It shall ensure that its entities, on request of a supplier promptly explain their practices and procedures of public procurement; and

He shall designate by the Entry into Force of this Treaty one or more centres for information:

i) To facilitate communication between the parties; and

Answer, upon request, all reasonable enquiries from the other party to provide relevant information on matters covered by this chapter.

A Party may request additional information on the contract award as may be necessary to determine whether a procurement was conducted in accordance with the provisions of this chapter in respect of tenders that have not been selected. For this purpose, the buyer entity will provide information on the characteristics and relative advantages of the winning tender and the contract price. Where release of this information would prejudice future competition in procurement, the requesting party shall not disclose information except after consultation with the party providing information and after obtaining the consent.

Each Party shall provide to the other Party upon request information available to that Party covered regarding procurement and on individual contracts awarded by its entities.

No party may disclose confidential information the disclosure of which would prejudice the legitimate commercial interests of a particular person or might prejudice fair competition between suppliers without formal authorization of the person that the information provided to the party.

Nothing in this chapter shall be construed as to oblige a party to provide confidential information whose disclosure would impede law enforcement or otherwise be contrary to the public interest.

With a view to ensuring effective monitoring of procurement covered by this chapter Each Party shall collect statistics and

the other party shall provide an annual report containing, unless the parties agree otherwise, the statistics on the estimated value of contracts awarded by contracting procedures, by entities, by categories of goods and services and by country of origin of the goods and services. The Committee on Government Procurement, upon the entry into force of this Treaty, agree on the format and timing under which the parties shall comply with this commitment.

Article 12.16. Privatization of Entities

Nothing in this chapter shall be construed as preventing a party to privatise dispose or an entity covered by the same.

If a public entity falling within the scope of this chapter is privatized or State loses its control or their participation, the Party may withdraw the Entity coverage of this chapter, upon notification to its national section of the Secretariat and the other party.

Article 12.17. Reorganization

A Party may rearrange its public sector entities, or establish programmes for decentralization of the procurement of such entities or the corresponding government functions cease to be performed by the public sector, without fails to comply with the provisions of this chapter, provided that reorganizations or not intended to evade compliance with obligations.

If a public entity falling within the scope of this chapter cease to exist for the purpose of reorganization, the Party may withdraw the Entity coverage of this chapter, upon notification to the other party and to its national section of the Secretariat.

Article 12.18. Contract

The Parties shall ensure that their entities covered by the scope of application of this chapter, comply with the commitments on contractual clauses as the term of payment.

Article 12.19. Future Negotiations

With a view to determining the feasibility and desirability of achieving the harmonization of procedures for procurements between the parties and to include within the coverage of this chapter construction works, and the award of public works in general; the Committee on Government Procurement shall prepare a report which shall submit to the Council. The Council may make appropriate recommendations to the parties.

Chapter XIII. Technical Barriers to Trade

Article 13.01. Definitions

For purposes of this chapter, the Parties shall use the terms set out in the Guide 2 of the current ISO / IEC, "general terms and definitions concerning their standardization and related activities." However, it shall be understood:

Hazardous wastes: any material produced in the processes of production, processing, consumption, production, use, control or treatment, whose quality does not use again in the process that led to their characteristics and corrosive, reactive, toxic, poisonous, radioactive, explosive, flammable or infectious biological, irritant, represent a danger to health or the environment;

Risk assessment: the assessment of potential harm to the health or safety of humans, animals or plants, or the environment could lead to a good or service traded between the parties;

Standardization measures: standards, technical regulations and conformity assessment procedures;

Standard means a document approved by a recognised body that provides for common and repeated use, rules, guidelines or characteristics for goods or related processes and production methods, or services or related to methods of operation, and with which compliance is not mandatory. It may also include requirements of terminology, symbols, packaging, marking or labelling applicable to a good or service, process or production method or operation, or related exclusively to them;

International Standard: A standard or other guides or recommendations adopted by an international body standardisation and made available to the public;

Legitimate objectives: inter alia, includes objectives such as: security or protection of human life or health, plant or animal,

or the environment, the prevention of misleading or deceptive practices consumers, including matters relating to the identification of goods or services, considering among other factors, where appropriate, climatic, geographicaL, infrastructure, technological factors or scientific justification;

Conformity assessment procedure: Any procedure used, directly or indirectly, to determine whether the relevant requirements established by technical regulations or standards are fulfilled, including sampling, testing, inspection, evaluation, verification, assurance of conformity, acreditamiento, registration, certification and approval, used for these purposes;

Administrative refusal: actions taken by a body of public administration of the importing Party, in the exercise of its powers, to prevent the entry into its territory a shipment of or the provision of a service, for technical reasons;

Technical regulation means a document which lays down the characteristics of goods or their related processes and production methods, services or characteristics or their related methods of operation, including any applicable administrative provisions; and with which compliance is mandatory. It may also include requirements of terminology, symbols or packaging, labelling applicable to goods, services, processes or methods of production or related operations, or deal exclusively to them;

Service means any service within the scope of this Treaty, which is subject to measures of standardization and metrology;

Dangerous Substances: those are prejudicial to the health or safety of human, animal, plant or the environment and which are identified as such by national and international agencies.

Article 13.02. Scope

1. This chapter applies to standardization and metrology measures of the Parties, as well as the related actions that may directly or indirectly affect the trade in goods or services between them.

2. The Parties confirm their rights and obligations existing under the TBT Agreement under the WTO Agreement and other international agreements to which the parties are party, including treaties on health, environmental and conservation and protection for consumers.

3. This chapter does not apply to sanitary and phytosanitary measures.

Article 13.03. The Use of International Standards

Each Party shall use as a basis for the development and implementation of its standardization measures, existing international standards or imminent, except when such international standards do not constitute an effective or appropriate means for achieving their legitimate objectives because of fundamental climatic factors such as geographical, technological infrastructure, or for reasons scientifically verified.

Where an importing party applies for approval of conformity assessment procedures, to prohibit or restrict the access of goods, that Party shall use relevant international standards as a basis for access until a final determination.

Article 13.04. Risk Assessment

1. Each Party may carry out risk assessments in its territory provided that it does not have the purpose or effect of creating unnecessary obstacles to trade between them. in so doing, shall take into account the risk assessment methodologies developed by international organizations.

2. In conducting a risk assessment, who carry out the Party shall take into consideration all relevant scientific evidence, technical information available, the intended end-use and related processing technology.

3. Once the level of protection that it considers appropriate to undertake a risk assessment, each Party shall avoid arbitrary or unjustifiable distinctions between similar goods or services, if such distinctions:

a) Result in arbitrary or unjustifiable discrimination against goods or service suppliers of the other party;

b) Constitute a disguised restriction on trade between the parties; or

c) Discriminate between similar goods or services for the same use under the same conditions that pose the same level of risk and provide similar benefits.

Article 13.05. Compatibility and Equivalence

1. Without prejudice to the rights conferred by this Chapter and taking into account international standardization activities, the Parties shall make compatible their respective standardization measures without reducing the level of safety or of protection of human life or health, animal or plant, the environment or to consumers.

Each Party shall accept a technical regulation of the other party as equivalent to its own where, in cooperation with the other party, the exporting Party is satisfied that the technical regulations of the importing Party, are appropriately with the legitimate objectives.

At the request of the exporting party and the importing Party shall submit in writing its reasons for not accepting a technical regulation under paragraph 2.

The Parties recognise the need to update and revise and harmonisation of standards and technical regulations and develop mechanisms allowing the parties to conduct conformity assessment, design, conformity assessment systems certify and accredit to create conformity certification marks.

Article 13.06. Conformity Assessment

If it is mutually beneficial to each party, on a reciprocal basis, shall be granted a license or recognition of assessment bodies in accordance to the territory of the other Party on terms no less favourable than the given to those bodies in its territory.

For conformity assessment procedures, the parties of this Treaty, may use the technical capacity and structure of accredited bodies established in the territory of the Parties.

Where possible, the Parties shall ensure that the procedure is conducted in the production of the good and, where appropriate, a mark of conformity.

Each Party shall give favourable consideration to a request by the other party to negotiate agreements for the mutual recognition of the results of conformity assessment procedures of that Party.

Article 13.07. Metrology Standards

Each Party shall, as far as possible, the traceability of their patterns metrological as recommended by the International Bureau of Weights and Measures (BIPM) and the International Organization of Legal Metrology (OIML), in accordance with the principles set out in this chapter.

Article 13.08. Packaging and Labelling and Packaging

The Parties shall develop harmonised rules on labelling, packaging and packing and formulate through a sub-committee established in accordance with the annex to article 13.11.

As long as the harmonised standards are developed, each Party shall apply within its territory their relevant packing, packaging and labelling requirements .

In the case of food and food additives, to ensure that standards developed not contradict or in spirit or in practice, the principle of harmonization preferably used documents and standards developed by the Codex Alimentarius.

Article 13.09. Notification

Each Party shall notify the other party of measures regarding standardization and metrology that seeks to establish before they come into force.

Each Party shall notify the other party when a measure on standardisation cease to be in force.

The proposing the adoption or modification of any measure of standardization and metrology management, each Party shall:

a) Expeditiously publish a notice and notify the other party in writing using the same format of notification of the World Trade Organization

Trade, its intention to adopt or modify so as to enable interested persons to become acquainted with the proposed, at least

sixty (60) days prior to the adoption or modification;

b) A copy of the proposed measure to any interested party or that person so requests and, where possible, shall identify the provisions which differ substantially from relevant international standards;

c) Without discrimination, it will enable the Party and other interested persons to make comments in writing and shall, upon request, discuss and take into account, as well as the results of the discussions; and

d) Once the measure, the Party shall deliver a copy to the other party through the information centres.

Where a Party considers it necessary to address an urgent problem relating to a legitimate objective, it may omit within sixty (60) days required in paragraph 3.

Each Party shall annually in writing to the other party of its standardization plans and programmes.

When a Party administratively refuses a shipment or the provision of services by reason of non-compliance with a measure of standardization and metrology, it shall without delay and in writing to the person of lading or the service provider, the technical justification for rejection.

Once generated the information referred to in paragraph 6, the Party shall immediately provide the information centre of each party in this Treaty.

Article 13.10. Information Centres

1. Each Party shall ensure that there is at least an Information Centre in its territory able to answer questions and all reasonable requests of the Party and other interested persons and provide the relevant documentation update under any measure of standardization, metrology standards or conformity assessment procedures adopted or proposed in its territory by government agencies or non-governmental.

2. The parties designate as information centres, institutions contained in the annex to this article.

3. Where a Party designates more of an information centre:

a) It shall inform the other Party on the scope of responsibility of each such centres; and

b) Ensure that any request sent the wrong information centre shall convey expeditiously to correct information centre.

Where an information centre requests copies of the documents referred to in paragraph 1 shall be provided free of charge. Interested persons, they are supplied at the same price to its nationals, the actual cost of shipment.

Article 13.11. Committee on Technical Barriers to Trade

The Parties shall establish the Committee on Technical Barriers to Trade (hereinafter referred to as the Committee), comprising an equal number of representatives of each country in this Treaty, which shall begin its functions upon the entry into force of the Agreement and shall take its decisions by consensus.

The functions of the Committee are defined in the annex to this article.

Article 13.12. Settlement of Disputes

1. The differences between the parties with regard to the provisions of this chapter, they shall have recourse to the Committee on Technical Barriers to Trade.

2. In the event that the recommendation issued by the Technical Committee fails to resolve the dispute, the parties may have recourse to the dispute settlement mechanism established in this Treaty.

Article 13.13. Management of Hazardous Substances and Wastes

For the control and management of chemicals and hazardous wastes the Parties shall apply the provisions, guides or recommendations of the United Nations Charter, the Basel Convention and the international agreements to which the parties are party and the existing legislation of the Parties.

Each Party shall, in accordance with its laws, the introduction, acceptance, storage, transport and transit through its territory

of hazardous waste, radioactive and other internal or external, by their nature, constitute a danger to the health and safety of persons or to the environment.

Article 13.14. Environmental Protection

For the care and protection of the environment, each Party shall apply the provisions, guides or recommendations of the United Nations Organisation and the relevant international agreements to which the parties are party, in addition to its legislation.

Article 13.15. Registration Procedures

Goods subject to registration in the territory of one of the Parties, shall be registered, recognized or evaluated by the competent authority of that Party, based on a system of mandatory. Such records shall be effected as expeditiously as possible.

Article 13.16. Technical Cooperation

Each Party shall promote technical cooperation of its standardization and metrology bodies providing information or technical assistance as possible and on mutually agreed terms, in order to assist in the implementation of this chapter and strengthen activities, processes, systems and standardization and metrology measures of the Parties.

The Parties shall undertake joint efforts to manage technical cooperation from third countries.

Chapter XIV. Intellectual Property

Article 14.01. Implementation

The Parties confirm their rights and obligations existing between them in accordance with the agreement on Intellectual Property Rights (TRIPS), established in Annex 1C to the WTO Agreement.

Article 14.02. Committee on Intellectual Property

The Committee on Intellectual Property that depend on the Council and shall be composed of representatives of each party. The Committee will lead to seek the most appropriate measures to implement the provisions of paragraph 1, as well as any other tasks assigned to it by the Council.

Chapter XV. Competition Policy

Article 15.01. Implementation

The Parties shall ensure that the benefits of this treaty are not undermined by anticompetitive business practices. Similarly, endeavour to move towards the adoption of common provisions to prevent such practices.

Furthermore, the Parties shall endeavour to establish mechanisms to facilitate and promote the development of competition policy and ensure the implementation of rules on competition between and within the parties to avoid negative effects of anti-competitive business conduct in the Free Trade Area.

Article 15.02. Committee on Trade and Competition

It is established a Committee on Trade and Competition, consisting of two members from each of the Parties. The Committee will lead to seek the most appropriate measures to implement the provisions of paragraphs 1 and 2, as well as any other tasks assigned to it by the Council.

Chapter XVI. Settlement of Disputes

Article 16.01. Definitions

For the purposes of this chapter:

Disputing parties : the claimant and the respondent;

Complaining party means the Party or Parties making the claim, taking into consideration that:

In any case, Dominican Republic may make a claim in conjunction with any other party;

The Parties shall, individually or jointly, shall only use this procedure relating to the settlement of disputes contained in this chapter to make claims against the Dominican Republic;

Defendant: the party or parties against which a claim is made under the definition of the complaining party;

The consulting party means any party to conduct consultations under Article 16.06;

Mandate: record of mission with which shall comply with the arbitral tribunal in accordance with paragraph 3 of Article 16.12;

Understanding: Understanding on Rules and Procedures Governing the Settlement of disputes in the World Trade Organization.

Article 16.02. Cooperation

The Parties shall endeavour to agree on the interpretation and application of this Treaty through cooperation and consultations and shall endeavour to reach a mutually satisfactory resolution of any matter that might affect its operation.

Article 16.03. Scope

Except as otherwise provided in this Treaty, the procedure of this chapter shall apply:

To the avoidance or settlement of disputes between all the parties concerning the interpretation or application of this treaty; or

Where a Party considers that an existing or proposed measure of another party is inconsistent with the obligations of this Treaty or even though not contrary to the Treaty as to nullify or impair the benefits that could reasonably have expected to receive from the implementation of this Treaty.

Article 16.04. Dispute Settlement Understanding

Disputes that may arise in relation to the provisions of this Treaty and under the WTO agreement or agreements negotiated in accordance with the latter may be settled in either forum at the discretion of the complaining party.

Once it has requested the establishment of an arbitral tribunal under the provisions of this chapter or one in accordance with the understanding, the Forum selected shall be exclusive of any other.

For the purposes of this article shall be instituted a dispute settlement procedure in accordance with the understanding when a Party requests:

The integration of a Panel under Article 6 of the Understanding; or

The investigation by a committee, in accordance with the agreements negotiated under the WTO Agreement.

Article 16.05. Perishable Goods

In disputes concerning perishable goods, the parties, the Council or the arbitral tribunal to accelerate the maximum time limits established in this chapter.

Article 16.06. Consultations

Any Party may request in writing to the other party or parties consultations with respect to any measure adopted or planned, or any other matter it considers that might affect the operation of this treaty in terms of article 16.03.

The requesting party shall deliver the request to the Council and to the other parties. The parties are entitled to:

Provide information to examine the manner in which the measure adopted or proposed might affect the operation of this

Treaty;

Treat any confidential information exchanged in the course of consultations in the same manner as the party providing the provided; and

They shall avoid any resolution that adversely affects the interests of any other party pursuant to this Treaty.

Article 16.07. Council Intervention, Good Offices, Mediation and Conciliation

Any consulting Party may request in writing through its national section of the Secretariat which shall meet the Council provided that an issue is not resolved in accordance with article previous within thirty (30) days after the delivery of the request for consultations. The request shall be communicated to all parties.

A Party may also request in writing that the Council meets the technical consultations have been held pursuant to article 6.04 and 13.12 .

The requesting party shall request the measure or other matter complained of and indicate the provisions of this Agreement that it considers applicable.

The Council shall meet within ten (10) days following the submission of the request and with the aim of reaching a mutually satisfactory solution to the dispute, shall:

Convene technical advisers or create such working groups or expert as it deems necessary;

Recourse to conciliation, mediation or such other dispute resolution procedures; or

Make recommendations.

On its own initiative or at the request of a party, the Council may accumulate the dispute settlement procedures set out in this article, where two or more claims to hear matters relating to the same or different measure appropriate joint matters whose consideration.

Article 16.08. Application of Integration of the Arbitral Tribunal

Any consulting Party may request in writing the establishment of an arbitral tribunal if the Council has met in accordance with paragraph 4 of Article 4.07 and the matter has not been resolved within:

Thirty (30) days after the meeting, or

Thirty (30) days from the date on which the Council has met most recently accumulated and the matter referred to it pursuant to article 4.07.

The requesting party shall deliver the request to the Council through its national section of the Secretariat and the other parties. The Council, where appropriate, invite the other parties entitled to participate in the arbitration, which shall be a period of ten (10) days to respond.

Such time and with the parties that have accepted the invitation,

Council shall constitute a single arbitral tribunal.

The parties have not agreed to participate in the arbitration under the preceding paragraph shall not lose its right to request the establishment of an arbitral tribunal different as set forth in this chapter, if the scope, nature or cause the dispute is not the same at the discretion of the Party concerned.

5. Unless otherwise agreed between the parties to the conflict, the arbitral tribunal shall be established and perform its functions in accordance with the provisions of this chapter.

Article 16.09. List of Arbitrators

The Parties shall constitute a list of thirty (30) persons who have the necessary skills and the provision to be arbitrators.

Roster members shall be appointed by agreement of the Parties for terms of three (3) years and may be re-elected for a period equal.

This list shall comprise three (3) National experts of each party and twelve (12) are not nationals of the Parties.

The members of the panel shall meet the qualifications set out in paragraph 1;

Following article.

Article 16.10. Qualities of Arbitrators

All the arbitrators shall meet the following qualifications:

Shall have expertise or experience in law and international trade, and other matters related to this Treaty or in the settlement of disputes arising under international trade agreements;

They shall be elected strictly according to their integrity, objectivity and reliability;

They shall be independent, not linked with the parties and not receive instructions from the same; and

Shall comply with the code of conduct to be established by the Council.

Persons that have participated in a dispute under the terms of paragraph 4 of Article 4.07, may not be arbitrators for the same dispute.

Article 16.11. Constitution of the Arbitral Tribunal

For the establishment of the arbitral tribunal shall apply the following procedures:

The arbitral tribunal shall be composed of three (3) members;

The Parties involved shall endeavour to agree on the designation of the Chairman of the arbitral tribunal within fifteen (15) days following the submission of the request for the integration of the same. If the parties fail to reach agreement within this period, one appointed by lot shall, within five (5) days. To that end, where two or more Parties decide to act jointly, one of them elected, by lot shall represent the other. any person appointed as Chairman of the arbitral tribunal shall not be a national of any of the Parties;

Within five (5) days following the choice of the Chairman, each Party shall select one lot by litigants (1) arbitrator who is a national of the other party combatant;

If a Party fails to select its arbitrator litigants within that period, the latter shall be appointed by lot from among the roster members who are citizens of the other party litigants.

The arbitrators shall preferably be selected from the roster within five (5) days from the date on which the opposing side, any proposal may challenge, without giving due to any person not included in the list referred to it by a party litigants as an arbitrator.

Where a Party considers that an arbitrator litigants is in violation of the Code of Conduct, opposing parties shall be consulted and if they agree, they will destitute that arbitrator and will select a new one pursuant to the provisions of this article.

Article 16.12. Rules of Procedure

The Commission shall establish model rules of procedure, in accordance with the following principles:

The procedures shall ensure the right to a hearing before the Tribunal

The arbitral tribunal, as well as the opportunity to submit arguments and written responses; and

The hearings before the arbitral tribunal, deliberations and the preliminary ruling, as well as all submissions and communications presented in the same, shall be of a confidential nature.

Unless otherwise agreed between the parties - the proceedings before the arbitral tribunal is governed by the Model Rules of Procedure.

The mission of the arbitral tribunal, contained in the terms of reference shall be:

"review in the light of the provisions of this Treaty, the dispute referred to it in the request for the meeting of the Council

and issue resolution preliminary and final resolution".

If the complaining party claims that a matter has been a cause of nullification or impairment of benefits in the sense of paragraph (b) of paragraph 2 of article 16.03, record of the Mission shall indicate.

Where a Party combatant request that the arbitral tribunal to make findings as to the degree of adverse trade effects caused to a party to the extent that it is inconsistent with this Agreement or to have caused nullification or impairment in the sense of paragraph (b) of paragraph 2 of article 16.03, record of the Mission shall indicate.

Article 16.13. Information and Technical Advice

At the request of a party or on its own initiative litigants, the arbitral tribunal may seek information and technical advice from persons or institutions as it deems appropriate.

Article 16.14. Draft Resolution

The arbitral tribunal shall give a preliminary ruling based on the submissions and arguments presented by the parties and on any information received in accordance with this article.

Unless the Parties decide otherwise, the arbitral tribunal shall present to the parties, within ninety (90) days of the appointment of the last arbitrator, a preliminary ruling that shall contain:

The findings of fact, including any resulting from a request under paragraph 5 of Article 16.12;

The determination as to whether the measure at issue is or would be inconsistent with the obligations of this Agreement or cause nullification or impairment in the sense of paragraph (b) of paragraph 2 of article 16.03, or any other determination requested in the terms of reference; and

The draft decision.

The arbitrators shall explain its vote in writing on matters in respect of which there is unanimous decision.

Warring parties may submit written comments to the Tribunal concerning the preliminary ruling within thirty (30) days following the submission of the same.

In this case, and considering such written comments after the arbitral tribunal may on its own initiative or at the request of any party combatant:

Any proceeding that it considers appropriate; and

Reconsider the preliminary ruling.

Article 16.15. Final Resolution

The arbitral tribunal shall simultaneously to the Council and the parties to conflict resolution to the final agreed by majority and, where appropriate, the reasoned opinions in writing on matters in respect of which there has been unanimous decision within forty five (45) days of the presentation of the preliminary ruling.

Neither the resolution preliminary or final resolution shall disclose the identity of the arbitrators who have voted with the majority or minority.

The final decision shall be published within fifteen (15) days of its notification to the Council and to the parties to the conflict.

Article 16.16. Implementation of the Final Resolution

The final decision shall be binding on the parties to the conflict in the terms and within the time that it provides.

When the final resolution of the arbitral tribunal shall declare that the measure is inconsistent with this Treaty, the respondent Party shall refrain from executing the measure or repealed.

When the final resolution of the arbitral tribunal shall declare that the measure is a cause of nullification or impairment in the sense of paragraph (b) of paragraph 2 of article 1603 shall determine the level of nullification or impairment and may suggest that the adjustments it considers mutually satisfactory for the parties involved.

Article 16.17. Suspension of Benefits

The complaining party may suspend the application of benefits arising from this Agreement that have an effect equivalent to the benefits, if not the arbitral tribunal decides:

A measure that is inconsistent with the obligations of this Treaty and the responding party does not comply with the final decision within the period set by the court; or

A measure that is a cause of nullification or impairment in the sense of paragraph (b) of paragraph 2 of article 16.03, and the respondent fails to reach a mutually satisfactory agreement on the dispute with the complaining party within the timeframe determined by the arbitral tribunal.

The suspension of benefits shall last until the defendant complies with the final decision or until it and the complaining party to reach a mutually satisfactory agreement on the dispute, as the case may be. However, if the defendant is composed of two or more Parties under the definition of a respondent Party, and any of them or comply with the final decision, or to reach a mutually satisfactory agreement with the complaining party, it shall levantarle or lifted the suspension of benefits.

In considering the benefits to be suspended in accordance with this article:

The complaining party should first seek to suspend benefits in the same as that sector or sectors affected by the measure or other matter that the arbitral tribunal has found to be inconsistent with the obligations of this Agreement or that has been a cause of nullification or impairment in the sense of paragraph (b) of paragraph 2 of article 16.03; and

If the complaining party considers that it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.

Upon written request of any opposing side, notified to its national section of the Secretariat and the other parties, the Council will, within a period of twenty five days (25), an arbitral tribunal is manifestly excessive to determine whether the level of benefits that the complaining party has suspended in accordance with this article.

The proceedings before the arbitral tribunal established for the purposes of the preceding paragraph shall be settled in accordance with the model rules of procedure. the arbitral tribunal shall present its final decision within sixty (60) days of the appointment of the last arbitrator, or at any time agreed by the parties involved.

Article 16.18. Judicial and Administrative Authorities

The Council will soon achieve an adequate response non-binding interpretation or, when:

A Party considers that a matter of interpretation or application of this Treaty, arisen or which may arise in a judicial or administrative proceeding of another party warrants the interpretation of the Council; or

A Party receives a request for an opinion on a question of interpretation or application of this treaty by a court or administrative body of that Party.

The Party in whose territory the court or administrative body, shall submit to the Council's response, in accordance with the procedures of that forum.

When the Council fails to agree on a response, any Party may submit its own views to the court or administrative body in accordance with the procedures of that forum.

Article 16.19. Alternative Means of Dispute Settlement between Individuals

Each Party shall promote and facilitate the arbitral proceedings and other alternative means for the settlement of international commercial disputes between private parties.

To this end, each Party shall provide appropriate procedures to ensure the observance of international arbitration conventions ratified by each of the Parties and the recognition and enforcement of arbitral awards in such disputes.

The Council may establish an advisory committee on private commercial disputes comprising persons with expertise or experience in the resolution of private international commercial disputes. The Committee shall report to the Council and General Recommendations on the existence, use and effectiveness of arbitration and other procedures for the resolution of disputes.

Chapter XVII. Exceptions

Article 17.01. General Exceptions

Se incorporan a este Tratado y forman parte integrante del mismo el artículo XX del GATT de 1994 y sus notas interpretativas, siempre que esas medidas no se apliquen de manera que constituyan un medio de discriminación arbitraria o injustificable entre las Partes donde prevalezcan las mismas condiciones, o una restricción encubierta al comercio entre ellas.

Article 17.02. National Security

In addition to the provisions of article 17.01, nothing in this Treaty shall be construed as:

a) To require a party to furnish or allow access to information the disclosure of which it considers contrary to its essential security interests;

b) Prevent a Party from taking any action which it considers necessary to protect its essential security interests:

i) Relating to trade in arms, munitions and war materiel and trade operations and on goods, materials, technology and services undertaken directly or indirectly for the purpose of supplying a military establishment or other establishment of defence;

ii) Taken in time of war or other emergency in international relations;

iii) With regard to the implementation of national policies or international agreements in the field of non-proliferation of nuclear weapons or other nuclear explosive devices or; or

iv) Matters concerning desintegrables or those used in their manufacture;

c) To prevent any Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

Article 17.03. Exceptions to Disclosure of Information

Nothing in this Treaty shall be construed as requiring a party to furnish or allow access to information the disclosure of which would impede the enforcement or otherwise be contrary to the Constitution or their laws concerning the protection of the privacy of individuals, the accounts and financial affairs of individual customers of financial institutions.

Part III. Institutional Provisions

Chapter XVIII. Administration of the Treaty

Article 18.01. Joint Administration Council

The Parties shall provide the Joint Council which shall be composed of government officials referred to in Annex I to this article or persons designated by them.

The Council shall have the following functions:

To ensure the fulfillment and correct application of the provisions of this Treaty;

Assess the results achieved in the implementation of the treaty monitoring and recommend to the parties any amendments;

Propose measures aimed at the proper management and development of the Treaty and its annexes;

Negotiate and adopt the liberalisation of trade in goods and services contained in the annex to article 3.04 and to chapter X (trade in services);

Contribute to the settlement of disputes that may arise regarding the interpretation and application of this Treaty;

Supervise the work of all committees and working groups or expert groups established in accordance with this Treaty and

listed in annex II to this article;

Recommend to the parties the necessary measures to implement the decisions;

Establish ad hoc or standing committees, working groups and expert groups and assign functions;

Develop regulations for the development of the Treaty, which shall approve the executive agencies of the Parties in accordance with their domestic legal systems;

Consider any other matter that may affect the operation of this Treaty or any other entrusted to it by the parties; and

Establish the amounts of remuneration and expenses to be paid to the arbitrators, experts and their assistants, which will be borne in equal parts by the parties to the conflict.

The Council may:

Seek the advice of non-governmental institutions or persons without linkage; and

If the parties so agree, take any other action in the exercise of its functions.

The Council shall establish its rules and procedures and all decisions shall be taken by consensus.

The Council shall meet at least once a year in regular session and, at the request of any party, in special session. The meetings shall be chaired successively by each party.

Article 18.02. Secretariat

The Council shall establish and oversee the coordinated functioning of a secretariat comprising national sections of the Parties.

Each Party shall:

designate a permanent office or official unit which shall serve as national section of the secretariat of that Party;

Designate an official responsible for its national section, which shall be responsible for the administration of the same;

notify the Council of its national section, to which they shall send the communications.

It shall be the responsibility of the national sections:

Provide assistance to the Council;

Provide administrative support to the arbitral tribunals;

On the instructions of the Council; to support the work of other committees and groups established under this Treaty; and

Other functions assigned by the Council.

ANNEX ARTICLE 18.01 OFFICIALS OF THE COUNCIL

Officials referred to in article 18.01 are:

In the case of Costa Rica, the Minister of Foreign Trade or its successor;

In the case of El Salvador, the Minister of Finance or his successor;

In the case of Guatemala, the Minister of Finance or his successor;

In the case of Honduras, the Secretary of Commerce and Industry or its successor;

In the case of Nicaragua, the Minister of Economic Affairs and Development or its successor; and

In the case of the Dominican Republic, State Secretary of Commerce and Industry or its successor.

ANNEX II ARTICLE 18.01 COMMITTEES

Committees:

Committee on Trade in Goods.

Committee on Rules of Origin.

Committee on Customs Procedures.

Committee on Sanitary and Phytosanitary Measures.

Committee on Technical Barriers to Trade.

Committee on Trade in Services.

Committee on temporary entry of business persons. Committee on Intellectual Property.

Committee on Trade and Competition.

Chapter XIX. Transparency

Article 19.01. Information Centre

Each Party shall designate a branch or office as an information centre to facilitate communication between the parties on any matter covered by this Treaty.

When a party so requests, the Information Centre of the other party shall indicate the office or official responsible for the matter and provide the required support to facilitate communication with the requesting party.

Article 19.02. Publication

Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application relating to any matter covered by this Agreement are promptly published or otherwise made available to the parties and to any interested person.

Article 19.03. Provision of Information

Each Party, at the request of the other Party shall provide information and respond promptly to questions pertaining to any existing or proposed measure.

Article 19.04. Guarantees of Due Process of Law

The parties reaffirm the hearing of the rule of law and due process embodied in their respective laws.

Each Party shall ensure that its judicial and administrative procedures concerning the implementation of any measure affecting the provisions of this Treaty, conform to the essential elements of procedure, and it is based in the legal cause.

Chapter XX. Final Provisions

Article 20.01. Observance of the Treaty

Each Party shall ensure, in accordance with its constitutional rules, the implementation of the provisions of this treaty in their respective territories.

Article 20.02. Under other International Treaties and Agreements

The Parties confirm their rights and obligations existing between them under the WTO Agreement and other treaties and agreements to which they are party.

In the event of any inconsistency between the provisions of the treaties and agreements referred to in the preceding paragraph and the provisions of this Treaty, the latter shall prevail to the extent of the inconsistency.

Article 20.03. Evaluation of the Treaty

The Parties shall regularly assess the development of this Treaty with a view to seeking their development and consolidate the integration process in the region; promoting the active participation of the productive sectors.

Article 20.04. Amendments

The parties may agree on any amendment to this Treaty, which shall enter into force in accordance with its constitutional procedures.

Article 20.05. Accession

Any country or group of countries may accede to this agreement subject to such terms and conditions as may be agreed between such a State or group of States and the Council, and after its accession has been adopted in accordance with the applicable legal procedures of each of them.

Accession shall enter into force as specified in the corresponding instrument.

Article 20.06. Reservations

This Treaty shall not be subject to reservations and interpretative declarations.

Article 20.07. Duration

1. This Treaty shall enter into force on 1 January 1999, once the parties shall exchange their respective instruments of ratification certifying that they have completed the necessary legal procedures.

2. In the case of Nicaragua for entry into force of the Treaty shall require that have been ratified by the Assembly protocols referred to in chapter III (National Treatment and access of goods to the market), chapter IV (rules of origin).

Article 20.08. Succession of Treaties

Any reference to any other treaty or international agreement shall be made on the same terms for a treaty or a successor agreement to which the parties are party.

Article 20.09. Annexes

The annexes to this Agreement constitute an integral part of it.

Article 20.10. Denunciation

Any Party may denounce this Treaty. Denunciation shall take effect one hundred and eighty (180) days after information to the other party without prejudice to that the parties may agree on a different period.

In the case of accession of a State or group of States pursuant to article 2005 however, that a Party has denounced the Treaty, it shall remain in force for the other parties.

In the event of a complaint, the Treaty shall remain in force for the other parties, provided that a reservation is Dominican Republic.

In WITNESS WHEREOF the Presidents of the Republics of Costa Rica, El Salvador, Honduras, Nicaragua and the Dominican Republic and the Minister of Economy of Guatemala duly accredited with full powers, signed this Treaty in Santo Domingo, Dominican Republic, 10 and 6 April 1998.

Jose Maria Figueres Olsen President of the Republic of Costa Rica

Carlos Roberto Flores President of the Republic of Honduras

Leonel Fernández Reyna, President of the Dominican Republic

Armando Calderón Sol President of the Republic of El Salvador

Arnoldo Alemán Lacayo President of the Republic of Nicaragua

Juan Mauritius Wurmser Minister of the economy of the Republic of Guatemala