FREE TRADE AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE SWISS CONFEDERATION

The People's Republic of China (hereinafter referred to as "China") and the Swiss Confederation (hereinafter referred to as "Switzerland"), hereinafter individually referred to as a "Party", or collectively as "the Parties";

RECOGNISING their long-term and close relations and cooperation in the fields of politics and economy;

COMMITTED to strengthening the bonds of friendship and collaboration between the Parties by establishing and deepening close and lasting relations;

RECOGNISING further that a free trade agreement shall produce mutual benefits to each other and enhance bilateral economic and trade cooperation;

MINDFUL that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development and that closer economic partnership can play an important role in promoting sustainable development;

RECOGNISING that this Agreement should be implemented with a view to promoting the public welfare in the Parties, including raising the standard of living, as well as creating new job opportunities and promoting sustainable development in a manner consistent with environmental protection and conservation;

RECALLING the progress made in bilateral relations after the establishment of diplomatic relations and in particular after the signing of the Memorandum of Understanding between the Government of the People's Republic of China and the Swiss Federal Council on Promoting Dialogue and Cooperation in 2007 and committed to deepen and expand dialogue and cooperation in suchareas;

COMMITTED to the promotion of prosperity, democracy, social progress and harmony and to uphold freedom, equality, justice and the rule of law, reaffirming their commitment to the Charter of the United Nations and fundamental norms of internationalrelations;

DETERMINED to uphold the spirit of reciprocity and promote mutually beneficial trade relations through the establishment of a well functioning and mutually advantageous bilateral preferential trade regime;

ACKNOWLEDGING the importance of good corporate governance and corporate social responsibility for sustainable development, and affirming their aim to encourage enterprises to observe internationally recognised guidelines and principles in this respect;

CONVINCED that this Agreement will reinforce market economy principles and enhance the competitiveness of the firms of the Parties inglobalmarkets;

SHARING the belief of the importance of, and determined to promote and further strengthen the multilateral trading system as embodied in the Marrakesh Agreement establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement");

BUILDING on their respective rights and obligations under the WTO Agreement and other multilateral, regional and bilateralagreements;

HAVE AGREED, in pursuit of the above, to conclude the following Agreement (referred to as "this Agreement"):

Chapter 1. General Provisions

Article 1.1. Objectives

1. Based on Article XXIV of the General Agreement on Tariffs and Trade (hereinafter referred to as the "GATT 1994") and Article V of the General Agreement on Trade in Services (hereinafter referred to as the "GATS"), China and Switzerland shall establish a free trade area by means of this Agreement with a view to spurring prosperity and sustainable development.

2. The objectives of this Agreement, which is based on trade relations between market economies are:

(a) to achieve the liberalisation of trade in goods;

(b) to achieve the liberalisation of trade in services;

(c) to mutually enhance investment opportunities;

(d) to promote competition in the Parties' markets;

(e) to ensure adequate and effective protection and enforcement of intellectual property rights;

(f) to achieve further understanding of the government procurement of the Parties and lay the ground for future cooperation in this field;

(g) to remove and avoid unnecessary technical barriers to trade, including sanitary and phytosanitarymeasures;

(h) to develop international trade in such a way as to contribute to the objective of sustainable development and to ensure that this objective is integrated and reflected in the Parties' trade relationship; and to contribute in this way to the harmonious development and expansion of world trade.

3. The Partiesshallinterpretand apply the provisions of this Agreement in light of its objectives set out in paragraph 2 and in accordance with customary rules of interpretation of public international law.

Article 1.2. Geographical Scope

Except as otherwise specified, this Agreement shall apply to:

(a) with respect to China, the entire customs territory of the People's Republic of China, including land, maritime and air space, and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law; and

(b) with respect to Switzerland, the territory of Switzerland, including land, internal waters and air space, in accordance with international law and its domestic law.

Article 1.3. Relationship to other Agreements

1. The Parties confirm their rights and obligations under the WTO Agreement and the other agreements negotiated thereunder to which they are parties and any other international agreement to which they are parties.

2. If a Party considers that the maintenance or establishment of customs unions, free trade areas, arrangements for frontier trade or other preferential agreements by the other Party has the effect of altering the trade regime provided for by this Agreement, or that there is inconsistency between this Agreement and other agreements to which both Parties are parties, it may request consultations. The other Party shall afford adequate opportunity for consultations with the requesting Party with a view to finding a mutually satisfactory solution in accordance with customary rules of interpretation of public international law.

Article 1.4. Central, Regional and Local Government

Each Party shall ensure the observance of all obligations and commitments under this Agreement by its respective regional and local governments and authorities, and by non-governmental bodies in the exercise of governmental powers delegated to them by central, regional and local governments or authorities.

Article 1.5. Transparency

1. The Parties shall publish, or otherwise make publicly available, their laws, regulations, judicial decisions, administrative rulings of general application and their respective international agreements, which may affect the operation of this Agreement.

2. The Parties shall respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1, to the extent possible within 30 days (1) following the request.

3. The information referred to in paragraph 2 can be considered to have been provided by copying a notification to WTO for the same matter or by referring to the official, public and free of charge accessible website of the Party concerned.

4. In case of any inconsistency between the provisions of this Article and provisions relating to transparency in other Chapters, the latter shall prevail to the extent of the inconsistency.

5. The contact points established in Article 14.2 shall facilitate communications between the Parties on matters covered in this Article. Upon request of the other Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the responding Party.

(1) For the purposes of this Agreement, "days" means calendar days.

Article 1.6. Disclosure of Information

Nothing in this Agreement shall require the Parties to disclose information that would impede law enforcement, is contrary to its laws or otherwise contrary to the public interest, or would prejudice the legitimate commercial interests of any economic operator.

Chapter 2. Trade In Goods

Article 2.1. Scope

1. This Chapter shall apply, as specified therein, to any product traded between the customs territories of the Parties. The customs territory of Switzerland includes the territory of the Principality of Liechtenstein, as long as the Customs Union Treaty of 29 March 1923 between the Swiss Confederation and the Principality of Liechtenstein remains in force.

2. Goods and products shall be understood to have the same meaning, unless the context otherwise requires.

Article 2.2. National Treatment on Internal Taxation and Regulation

Each Party shall accord national treatment to the products of the customs territory of the other Party in accordance with Article III of the GATT 1994. To this end, Article III of the GATT 1994 and its interpretative notes shall apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 2.3. Customs Duties on Imports

1. Customs duty on imports means any duty or charge of any kind imposed in connection with the importation of a product, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with paragraph 2 of Article III of the GATT 1994;

(b) antidumping or countervailing duty applied consistently with Article VI of the GATT 1994, the WTO Agreement on Implementation of Article VI of the GATT 1994, or the WTO Agreement on Subsidies and Countervailing Measures; and

(c) fee or other charge in connection with the importation commensurate with the cost of services rendered, imposed consistently with the provisions of Article VIII of the GATT 1994.

2. Except as otherwise provided for in this Chapter, each Party shall, upon entry into force of this Agreement, eliminate or reduce its customs duties imposed in connection with the importation of products originating in either Party, in accordance with the terms and conditions set out in its Schedule in AnnexI.

3. Except as otherwise provided in this Agreement, neither Party shall increase any existing customs duty, or adopt any new customs duty, on an originating product of the other Party, which is not in accordance with the terms and conditions set out in its schedule in Annex I.

Article 2.4. Base Rate of Customs Duties on Imports

1. For each product the base rate of customs duty to which the successive reductions set out in Annex 1 are to be applied, shall be the most favoured nation (hereinafter referred to as "MFN") import customs duty rate applied on1 January 2010.

2. If a Party reduces its applied MFN import customs duty rate after 1 January 2010 and before the end of the tariff elimination period, the tariff elimination schedule of that Party set out in Annex I shall be applied to the reduced rate as from the date on which the reduction is applied.

3. The reduced import customs duty rates calculated in accordance with Annex I, shall be applied rounded to the first decimal place.

Article 2.5. Import and Export Restrictions

With respect to export and import restrictions, Article XI of the GATT 1994 shall apply and is hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 2.6. State Trading Enterprises

With respect to state trading enterprises, Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994 shall apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 2.7. Exceptions

With respect to general and security exceptions, Articles XX and XXI of the GATT 1994 shall apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 2.8. Review Mechanism

Two years after the entry into force of this Agreement, the Parties shall in the Joint Committee review this Chapter and the Tariff Schedules ofthe Parties set out in Annex I. The Parties shall thereafter conduct biennial reviews of this matter in the Joint Committee.

Chapter 3. Rules of Origin and Implementation Procedures

Section I. Rules of Origin

Article 3.1. Definitions

For the purposes of this Chapter:

(a) “Party” means either China or Switzerland. This Chapter applies to the customs territory of China and the customs territory of Switzerland as defined in paragraph 1 of Article 2.1;

(b) “production” means methods of obtaining products including, but not limited to, growing, mining, harvesting, fishing, trapping, hunting, manufacturing, processing or assembling a product;

(c) “material” means ingredients, parts, components, subassemblies and/or products that were physically incorporated into another product or were subject to a process in the production of another product;

(d) “nonoriginating product” or “nonoriginating material” mean a product or material that does not qualify as originating under this Chapter;

(e) “originating product” or “originating material” mean a product or material that qualifies as originating under this Chapter;

(f) “customs value” means the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (Customs Valuation Agreement);

(g) “exworks price” means the price paid for the product exworks to the producer located in a Party in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used, wage and any other cost, and profit minus any internal taxes returned or repaid when the product obtained is exported;

(h) “Harmonized System” and “HS” mean the Harmonized Commodity Description and Coding System;

(i) “chapter”, “heading” and “subheading” mean a chapter (twodigit codes), heading (fourdigit codes) or subheading (sixdigit codes) of the Harmonized System; and

(j) “authorised body” means any body designated under domestic law of a Party or by the governmental authority of a Party to issue a Certificate of Origin.

Article 3.2. Originating Products

For the purpose of this Agreement, and unless otherwise required in this Chapter, a product shall be considered as originating in a Party if:

(a) it has been wholly obtained in a Party, in accordance with Article 3.3;

(b) the nonoriginating materials used in the working or processing of that product have undergone substantial transformation in a Party (2), in accordance with Article 3.4, and meets the other applicable provisions of this Chapter; or

(c) it has been produced in a Party exclusively from originating materials of one or both Parties.

(2) The working or processing of that product may be carried out in different factories within a Party.

Article 3.3. Wholly Obtained Products

For the purpose of subparagraph (a) of Article 3.2, the following products shall be considered as wholly obtained in a Party:

(a) mineral products and other nonliving naturally occurring substances extracted or taken from their soil, internal waters, territorial sea, seabed or subsoil;

(b) vegetable products harvested, picked or gathered there;

(c) live animals born and raised there, and products obtained from such animals;

(d) products obtained by hunting, trapping, fishing, gathering, capturing or aquaculture conducted there;

(e) products of sea fishing and other products taken from the territorial sea or the Exclusive Economic Zone of a Party by vessels registered with that Party and flying the flag of that Party;

(f) products of sea fishing and other products taken from the high sea by vessels registered with a Party and flying the flag of that Party;

(g) products processed or made on board factory ships registered with a Party and flying the flag of that Party, exclusively from products referred to in subparagraph (e) and (f);

(h) products taken from the seabed and subsoil outside the territorial waters of a Party, provided that the Party has the rights to exploit such seabed or subsoil under domestic law in accordance with international law;

(i) waste and scrap resulting from manufacturing operations conducted there which fit only for the recovery of raw materials;

(j) used products collected there which fit only for the recovery of raw materials; and

(k) products obtained or produced there exclusively from products referred to in subparagraphs (a) to (j).

Article 3.4. Substantial Transformation

1. A product obtained using non-originating materials shall be considered to have undergone substantial transformation if the requirements specified in Annex II are fulfilled.

2. For the purpose of paragraph 1, the operations provided for in Article 3.6 are considered as insufficient to obtain originating status.

3. Where Annex II refers to a percentage of the value of non-originating material (VNM), it shall mean the maximum

percentage of the VNM allowed in relation to the ex-works price of a product. That percentage shall be calculated as follows:

VNM% = VNM/exworks price x 100

4. VNM shall be determined on the basis of the customs value at the time of importation of the nonoriginating materials, including materials of undetermined origin. If such value is unknown and cannot be ascertained, the first ascertainable price paid or payable for the materials in a Partyshallbe applied.

5. If a product which has acquired originating status in accordance with paragraph 1 in a Party is further processed in that Party and used as material in the manufacture of another product, no account shall be taken of the non-originating components of that material in the determination of the originating status of the product.

Article 3.5. De Minimis

1. Notwithstanding paragraph 1 of Article 3.4, non-originating materials do not have to fulfil the conditions set out in Annex II provided that their total value does not exceed 10% of the ex-works price.

2. This Article does not apply to value criteria set out in Annex II.

Article 3.6. Minimal Operations or Processes

1. Notwithstanding Article 3.4, a product shall not be considered as originating, if it has only undergone one or more of the following operations or processes:

(a) operations to ensure the preservation of products in good condition during transport and storage;

(b) freezing or thawing;

(c) packaging and repackaging;

(d) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;

(e) ironing or pressing of textiles or textile products;

(f) simple painting and polishing;

(g) husking, partial or total bleaching, polishing, and glazing of cereals and rice;

(h) operations to colour sugar or form sugar lumps;

(i) peeling and removal of stones and shells from fruits, nuts and vegetables;

(j) sharpening, simple grinding or simple cutting;

(k) sifting, screening, sorting, classifying, grading, matching;

(l) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

(m) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;

(n) simple mixing of products, whether or not of different kinds;

(o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;

(p) slaughter of animals.

2. For the purpose of paragraph 1, "simple" describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed to carry out the activity.

3. All operations in the production of a given product carried out in a Party shall be taken into account when determining whether the working or processing undergone by that product is considered as minimal operations or processes referred to in paragraph 1.

Article 3.7. Accumulation

1. Without prejudice to Article 3.2, a product originating in a Party, which is used as material in the production of a product in the other Party, shall be considered as originating in the Party where the last operations beyond those referred to in paragraph 1 of Article 3.6 have been carried out.

2. A product originating in a Party, which is exported from a Party to the other Party and does not undergo working or processing beyond those referred to in paragraph 1 of Article 3.6, shall retain its origin.

Article 3.8. Unit of Qualification

1. For the purpose of determining the originating status, the unit of qualification of a product or material shall be considered as the basic unit and determined in accordance with the Harmonized System.

2. Pursuant to paragraph 1,

(a) where a set of articles is classified under a single heading or subheading in accordance with General Interpretative Rule 3 of the Harmonized System, it shall constitute the unit ofqualification;

(b) where a consignment consists of a number of identical products classified under a single heading or subheading of the Harmonized System, each product shall be considered separately in determining whether it qualifies as an originating product of a Party; and

(c) packaging shall be included with the product if it is included and classified with that product in accordance with General Interpretative Rule 5 of the Harmonized System. Packaging used for retail sale shall be considered as materials of the product in calculating the value of non-originating materials used in its production.

3. Packing materials and containers for shipment that are used to protect a product during transportation shall be disregarded in determining the origin of the product.

Article 3.9. Accessories, Spare Parts and Tools

1. Accessories, spare parts, tools and instruction and information material presented together and classified with the product shall be considered as part of the product in question provided that:

(a) they are invoiced together; and

(b) their quantities are considered as normal for this product.

2. Accessories, spare parts, tools and instruction and information material shall be considered as materials of the product in calculating the value of non-originating materials used in its production.

Article 3.10. Neutral Elements

When determining whether a product is an originating product, the origin of neutral elements used in the production, testing or inspection of the product but not physically incorporated into the product by themselves, shall not be taken into account. Such neutral elements include, but are not limited to the following:

(a) fuel, energy, catalysts and solvents;

(b) equipment, devices and supplies used for testing or inspecting the products; (c) gloves, glasses, footwear, clothing, safety equipment and supplies;

(d) tools, dies and moulds;

(e) spare parts and materials used in the maintenance of equipment and buildings; and

(f) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings.

Article 3.11. Fungible Materials

1. Where originating and non-originating fungible materials are used in the working or processing of a product, the determination of whether the materials used are originating may be determined on the basis of an inventory management system.

2. For the purpose of paragraph 1, "fungible materials" means interchangeable materials that are of the same kind and commercial quality, which cannot be distinguished from one another once they are incorporated into the finished product.

3. The inventory management system shall be based on generally accepted accounting principles applicable in the Party in which the product is manufactured and ensure that no more final products receive originating status than would have been the case if the materials had been physically segregated. A producer using such a system shall keep records of the operation of the system that are necessary to verify compliance with the provisions of this Chapter.

4. For the purpose of this Article, a Party may require an inventory management system in accordance with the legislation of that Party.

Article 3.12. Principle of Territoriality

The conditions for acquiring originating status set out in Articles 3.2 to 3.10 shall be fulfilled without anyinterruption ina Party.

Article 3.13. Direct Transport

1. Preferential tariff treatment under this Agreement shall only be granted to originating products which are transported directly between the Parties.

2. Notwithstanding paragraph 1, originating products which are transported through the territories of nonparties may still be considered as being transported directly between the Parties, provided that:

(a) they do not undergo operations other than unloading, reloading, or any operation confined to preserve themingoodcondition;and

(b) they remain under customs control in those nonparties. Consignments of originating products may be split up in nonparties for further transport subject to the fulfilment of conditions listed in subparagraphs (a) and (b).

3. For the purpose of paragraph 1, an originating product may be transported by pipeline across territories of nonparties.

4. The customs authorities of the importing Party may require that the importer of the above products shall submit sufficient evidence to prove to their satisfaction that the conditions set out in paragraphs 2 and 3 have been fulfilled.

Section II. Implementation Procedures

Article 3.14. Documentary Evidence of Origin

To qualify for preferential tariff treatment under this Agreement, either of the following documentary evidences of origin shall be submitted to the customs authority of the importing Party:

(a) Certificate of Origin referred to in Article 3.15 ;or

(b) an Origin Declaration by an Approved Exporter as referred to in Article 3.16.

Article 3.15. Certificate of Origin

1. A Certificate of Origin shall be issued by the authorised body of the exporting Party.

2. The Certificate of Origin shall be issued before or at the time of exportation whenever the products to be exported can be considered originating in that Party subject to the provisions of this Chapter. The exporter or, in accordance with the domestic legislation, his authorised representative shall submit a written application for the Certificate of Origin together with appropriate supporting documents proving that the products to be exported qualify for the issuance of a Certificate of Origin.

3. In exceptional cases where a Certificate of Origin has not been issued before or at the time of exportation, the Certificate of Origin may be issued retrospectively bearing the remark "ISSUED RETROSPECTIVELY".

4. The Certificate of Origin, based on the formats as set out in Annex III shall be completed in English and duly signed and stamped. A Certificate of Origin shall be valid only within twelve months from the date of its issuance.

5. For cases of theft, loss or accidental destruction of a Certificate of Origin, the exporter or producer may make a written request to the authorised bodies of the exporting Party for issuing a certified copy, provided that the original copy previously issued has been verified not to be used. The certified copy shall bear the words either "CERTIFIED TRUE COPY of the original Certificate of Origin number ___ dated ___" or "DUPLICATE" together with the reference number and the date of issuance of the original Certificate of Origin. The certified copy shall be valid during the term of validity of the original Certificate of Origin.

6. Certificates of Origin which are submitted to the customs authority of the importing Party after the validity may be accepted when failure to observe the time limit is due to force majeure or other valid causes beyond the control of the exporter or importer.

Article 3.16. Origin Declaration by Approved Exporter

1. A Party may implement an Approved Exporter system under this Agreement, which allows the Approved Exporter to complete an Origin Declaration. The Approved Exporter shall be approved and administered by the exporting Party in accordance with its domestic legislation.

2. An Approved Exporter shall complete the Origin Declaration according to the text as provided for in Annex IV. The Origin Declaration shall contain the registration number of the Approved Exporter and the serial number of the Origin Declaration. An Origin Declaration shall be produced in accordance with the laws and regulations of the exporting Party by an Approved Exporter by typing, stamping or printing on the invoice or other commercial documents, as deemed valid by the importing customs administration, which describe the product concerned in such a detail so as to render it identifiable.

3. An Origin Declaration shall be valid only within twelve months from the date of the issuance of the invoice or other commercial documents, as deemed valid by the importing customs administration.

4. Before 31st of March each year, the exporting Party shall provide the importing Party with information on the name and registration number of each approved exporter, along with corresponding serial numbers of all the Origin Declaration made in the preceding year. If any discrepancies are discovered because of this information a Party shall inform the other Party of such discrepancies for further investigation or clarification on behalf of that Party. To facilitate the communication of the information above, the Parties shall work towards establishing an electronic system on the exchange of that information.

Article 3.17. Retention of Origin Documents

1. Each Party shall require its producers, exporters and importers to retain documents related to the origin of the products as well as the fulfilment of the other requirements of this Chapter for at least three years.

2. Each Party shall require that its authorised bodies retain copies of Certificates of Origin and other documentary evidence of origin for at least three years.

3. Exporters and importers benefitting from this Agreement shall, within the framework of this Agreement and subject to domestic legislation of the exporting Party and importing Party respectively, comply with the requirements of that Party and submit, at their request, supporting documents regarding the fulfilment of the requirements of this Chapter.

Article 3.18. Requirements Regarding Importation

1. Each Party shall grant preferential tariff treatment in accordance with this Agreement to originating products imported from the other Party on the basis of a documentary evidence of origin as defined in Article 3.14.

2. In order to obtain preferential tariff treatment, the importer shall, in accordance with the procedures applicable in the importing Party, request preferential tariff treatment at the time of importation of an originating product and submit the documentary evidence of origin specified in Article 3.14, as well as other documentary evidence upon requirements of the customs authorities of the importing Party.

3. For the purpose of paragraph 2, a documentary evidence of origin shall be submitted to the customs authorities of the importing Party within 12 months from the date of issuance.

4. If the importer is not in possession of a documentary evidence of origin at the time of importation, the importer may, in accordance with the domestic legislation of the importing Party, make a claim for preferential tariff treatment at the time of importation and present the documentary evidence of origin and, if required, other documentation relating to the importation within a period as specified in the legislation of the importing Party. The customs authorities of the importing Party shall complete the import formalities in accordance with the domestic legislation.

Article 3.19. Waiver of Documentary Evidence of Origin

1. For the purpose of granting preferential tariff treatment under this Chapter, a Party may waive the requirements for the presentation of a documentary evidence of origin and grant preferential tariff treatment to:

(a) any consignment of originating products of a value not exceeding US$ 600 or its equivalent amount in the Party's currency; or

(b) otheroriginating productsasprovided under itsdomestic legislation.

2. Waivers provided for in paragraph 1 shall not be applicable when it is established by the customs authorities of the importing Party that the importation forms part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the submission of a formal documentary evidence of origin.

Article 3.20. Origin Verification

1. To ensure the effective application of this Chapter, the Parties shall assist each other to carry out verification on the authenticity of the documentary evidence of origin, the correctness of the information given therein, the originating status of the products concerned, and the fulfilment of any other requirements under this Chapter.

2. The competent governmental authorities of the exporting Party shall carry out verifications referred to in paragraph 1 upon request of the customs authority of the importing Party.

3. The importing Party shall submit the verification request to the exporting Party within 36 months from the completion or issuance of the documentary evidence of origin. The exporting Party is not obliged to conduct verifications based on verification requests received after that deadline.

4. The verification request shall include a copy of the documentary evidence of origin and, if appropriate, any other document or information giving reason to believe that the documentary evidence of origin is invalid. The reasons for the request shall be specified.

5. The customs authorities of the importing Party may, in accordance with their domestic legislation, suspend preferential tariff treatment or require payment of a deposit equivalent to the full amount of duties on a product covered by a documentary evidence of origin until the verification procedure has been accomplished.

6. The competent governmental authorities of the exporting Party may request evidence, carry out inspections at exporter's or producer's premises, check the exporter's and the producer's accounts and take other appropriate measures to verify compliance with this Chapter.

7. The requested Party shall notify the requesting Party of the results and findings of the verification within six months from the date of the verification request, unless the Parties agree upon another time frame on justified grounds. If the requesting Party receives no reply within six months or another time frame as agreed upon by the Parties, or if the reply does not state clearly whether the documentary evidence of origin is valid or whether a product is an originating product, the requesting Party may deny preferential tariff treatment to the product covered by the documentary evidence of origin concerned.

Article 3.21. Denial of Preferential Tariff Treatment

Except as otherwise provided in this Chapter, the importing Party may deny a claim for preferential tariff treatment, if:

a) the documentary evidence of origin does not meet the requirement of this Chapter;

b) the compliance with Article 3.13 is not proven;

c) it is proven based on the results of the origin verification in the exporting Party that the documentary evidence of origin is not authentic or not accurate;

d) in a case according to paragraph 7 of Article 3.20; or

e) the products do not meet the requirements of this Chapter.

Article 3.22. Notifications

1. Prior to the entry into force of this Agreement, the Parties shall provide each other with:

a) for the purpose of Article 3.15, the names and addresses of the authorised bodies issuing the certificate of origin and specimen impressions of official seals used by such authorised bodies. Any change in names, addresses, or official seals shall be promptly notified to the customs administration of the importing Party;

b) for the purpose of Article 3.16, the names, registration numbers and contact details of the Approved Exporters. Any change in the information above shall be advised promptly to the other Party;

(c) the addresses of the competent governmental authorities of the Parties responsible for verifications referred to in Article 3.20 and other issues related to the implementation or application of this Chapter; and

(d) information on the interpretation, application and administration of this Chapter.

Article 3.23. Confidentiality

Subject to the domestic legislation of each Party, all information which is specified by a Party as confidential or provided on a confidential basis shall not be disclosed without the explicit permission of the person or authority providing it.

Article 3.24. Sub-Committee on the Implementation of Origin Matters

1. The Sub-Committee on the Implementation of Origin Matters (hereinafter referred to in this Article as the "SubCommittee") consisting of representatives of both Parties is hereby established under the Joint Committee.

2. The Sub-Committee shall deal with the following issues:

(a) monitor and review of measures taken and implementation of commitments;

(b) exchange of information and review developments;

(c) other matters as the Parties may agree;

(d) other matters that are referred to the SubCommittee by the Joint Committee; and

(e) make recommendations and report to the Joint Committee as necessary.

3. The Sub-Committee shall be co-chaired by representatives of the customs administrations of the Parties. The host Party shall act as the chair. The chairperson shall prepare a provisional agenda for each meeting of the SubCommittee in consultation with the other Party and forward it to the other Party before the meeting.

4. The Sub-Committee shall meet as often as necessary upon instruction of the Joint Committee or as agreed by the Parties. The meeting shall take place either in China or Switzerland as mutually agreed by the Parties.

5. The Sub-Committee shall prepare a written report on the results of each meeting.

Article 3.25. Products Transported En Route after Exportation

The provisions of this Chapter may be applied to products which, on the date of entry into force of this Agreement, are transported en route after exportation, including transit, before the arrival in the other Party. For such products, documentary evidence of origin may be completed retrospectively up to six months after the entry into force of this Agreement, provided that the provisions of this Chapter and in particular Article 3.13 have been fulfilled.

Chapter 4. Customs Procedures and Trade Facilitation

Article 4.1. Scope

This Chapter applies to the customs territory of China and the customs territory of Switzerland as defined in Article 2.1.

Article 4.2. Definitions

For the purposes of this Chapter:

(a) “customs administration” means:

i) in relation to China, the General Administration of Customs; and

ii) in relation to Switzerland, the Federal Customs Administration.

(b) “customs law” means the statutory and regulatory provisions of a Party relating to the importation, exportation, movement or storage of goods, the administration and enforcement of which are specifically charged to the customs, and any regulations made by the customs under their statutory powers;

(c) “customs procedures” means the treatment applied by the customs administration of a Party to goods and the means of transport, which are subject to that Party’s customs law;

(d) “Customs Valuation Agreement” means the Agreement on Implementation of Article VII of the General Agreement on Tariff and Trade 1994, which is a part of the WTO Agreement; and

(e) “means of transport” means any vessels, road vehicles, aircrafts, railway rolling stock and packanimals which enter or leave the territory carrying persons and/or goods.

Article 4.3. General Principles

The Parties, aiming to serve the interests of their respective business communities and to create a trading environment allowing them to benefit from the opportunities offered by this Agreement, agree that in particular the following principles are the basis for the development and administration by competent authorities of trade facilitation measures: (a) transparency, efficiency, simplification, harmonisation and consistency of tradeprocedures; (b) promotionofinternationalstandards; (c) consistencywithmultilateralinstruments; (d) the best possible use ofinformationtechnology; (e) high standards of public service; (f) governmental-controls based on risk management; (g) cooperation within each party among customs and other borderauthorities; (h) consultations between the Parties and their respective business communities; and (i) assurance of trade security.

Article 4.4. Transparency

1. Each Party shall promptly publish on the Internet, and as far as practicable in English, all laws, regulations and rules of general application relevant to trade in goods between China and Switzerland.

2. Each Party shall establish enquiry points for customs and other matters covered under this Chapter, which may be contacted as far as practicable in English via the Internet.

3. Each Party shall consult its respective business community on its needs with regard to the development and implementation of trade facilitation measures, noting that particular attention should be given to the interests of small and medium-sized enterprises.

4. Each Party shall publish in advance, and in particular on the Internet, draft laws and regulations of general application relevant to international trade, with a view to affording the public, especially interested persons, an opportunity to provide comments on them.

5. Each Party shall ensure that a reasonable interval is provided between the publication of laws and regulations of general application relevant to international trade in goods and their entry into force.

6. Each Party shall administer in a uniform, impartial and reasonable manner all its laws, regulations and rules relevant to international trade in goods.

Article 4.5. Cooperation

1. The Parties may identify, and submit to the Joint Committee for consideration, further measures with a view to facilitating trade between the Parties, as appropriate.

2. The Parties shall promote international cooperation in relevant multilateral fora on trade facilitation. The Parties shall review relevant international initiatives on trade facilitation in order to identify, and submit to the Joint Committee for consideration, further areas where joint action could contribute to their common objectives.

Article 4.6. Advance Rulings

1. A Party shall in a reasonable, timebound manner, issue a binding, written advance ruling (3) upon submission of a written request that contains all necessary information to an importer, producer or exporter (4) with regard to:

(a) tariff classification of a product;

(b) the method of the transaction value to be used for determining the customs value under a particular set of facts;

(c) the rules of origin it will accord to a product;and

(d) such other matters as the Parties may agree.

2. A Party that declines to issue an advance ruling shall promptly notify the requester in writing, setting forth the basis for its decision to decline to issue the advance ruling.

3. Each Party shall provide that advance rulings take effect on the date they are issued, or on another reasonable date specified in the ruling, provided that the facts or circumstances on which the ruling is based, remain unchanged.

4. The Parties may limit the validity of advance rulings to a period determined by domestic legislation.

5. Each Party shall endeavour to make information on advance rulings which it considers to be of significant interest to other traders, publicly available, taking into account the need to protect confidential information.

(3) For greater certainty, an importer, exporter, or producer may submit a request for an advance ruling through a duly authorised representative.

(4) An applicant for an advance ruling from China Customs shall be registered with China Customs.

Article 4.7. Simplification of International Trade Procedures

1. Each Party's procedures related to customs controls and international trade shall be simple, reasonable, objective and impartial.

2. The Parties shall limit controls, formalities and the number of documents required in the context of trade in goods between the Parties to those necessary and appropriate to ensure compliance with legal requirements, thereby simplifying, to the greatest extent possible, the related procedures.

3. The importing Party shall not require an original or a copy of the export declaration from the importer.

4. The Parties shall use efficient trade procedures, based, as appropriate, on international standards, aiming to reduce costs and unnecessary delays in trade between them, in particular the standards and recommended practices of the World Customs Organisation (hereinafter referred to as the "WCO"), including the principles of the revised International Convention on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention).

5. EachPartyshalladoptormaintainproceduresthat:

(a) provide for advance electronic submission and processing of information before the physical arrival of goods in order to expedite their clearance;

(b) may allow importers to obtain the release of goods prior to meeting all import requirements of that Party if the importer provides sufficient and effective guarantees and where it is decided that neither further examination, physical inspection nor any other submission is required; and

(c) provide for guarantee to be discharged without delay when it is no longer required.

Article 4.8. Customs Valuation

The Parties shall apply Article VII of the GATT 1994 and the Customs Valuation Agreement to goodstraded betweenthem.5

Article 4.9. Tariff Classification

The Parties shall apply the International Convention on the Harmonized Commodity Description and Coding System to goods traded between them.

Article 4.10. Competent Customs Offices

1. The Partiesshalldesignate the customs offices at which goods may be presented or cleared. In determining the competence and location of these offices and their hours 5 Switzerland applies customs duties based on weight or quantity rather than ad Valorem duties (notification to the WTO: G/VAL/N/1/CHE/1of28 August 1995). of business, the factors to be taken into account shall include in particular the requirements of trade.

2. Each Party shall, subject to the availability of resources, perform customs controls and procedures outside the designated hours of business or away from customs offices if so requested by a trader for valid reasons. Any expenses chargeable by the customs shall be limited to the approximate cost of the services rendered.

Article 4.11. Risk Management

1. EachPartyshalldetermine which persons, goods or means of transport are to be examined and the extent of the examination, based on risk management.

2. In identifying and addressing risks related to the entry, exit, transit, transfer or end-use of goods moved between the customs territory of a Party and the other Party, or the presence of goods that are not in free circulation, the Parties shall systematically apply objective risk management procedures and practices.

3. Risk management shall be applied in such a manner that it does not create arbitrary or unjustifiable discrimination under the same conditions or disguised restriction on international trade.

4. Each Party's procedures related to customs controls and international trade, including its documentary examinations, physical examinations or post-audit examinations, shall not be more onerous than necessary in order to limit its exposure to these risks.

5. The Parties shall adopt effective and efficient customs controls with a view to expediting the release of goods.

Article 4.12. Customs Audit

1. Customs audit is the process whereby the examination and verification of the goods is conducted by customs after release of the goods within a specified period of time.

2. The customs audit shall be implemented in a transparent manner. Parties shall notify the persons concerned of the result of the case, the rights and obligations it has, as well as the evidences and reasons for the result.

3. The Parties shall, wherever practicable, use the result of customs audit in applying risk management and identifying authorised traders.

Article 4.13. Authorised Economic Operator System

A Party operating an Authorised Economic Operator System or security measures affecting international trade flows shall:

(a) afford the other Party the possibility to negotiate mutual recognition of authorisation and security measures for the purpose of facilitating international trade while ensuring effective customs control; and

(b) draw on relevant international standards, in particular the WCO Framework of Standards.

Article 4.14. Customs Brokers

The Parties shall ensure that legislation regarding customs brokers is based on transparent rules. The Parties shall allow legal persons to operate with their own customs brokers, as defined intheir respective nationallaw.

Article 4.15. Fees and Charges

1. Each Party shall ensure, in accordance with paragraph 1 of Article VIII of the GATT 1994, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with paragraph 2 of Article III of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with import or export are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation imports or exports for fiscal purposes.

2. Each Party shall publish information on fees and charges. The Parties shall endeavour to publish this information on

the Internet, in English, as appropriate. Such information may include the type of the fee or charge, the fees and charges that will be applied and the way they are calculated.

3. Upon request, a Party shall provide information on fees and charges applicable to imports of goods into that Party.

Article 4.16. Consular Transaction

A Party shall not require consular transaction, including related fees and charges in connection with the importation of any goods of the other Party.

Article 4.17. Temporary Admission of Goods

1. Each Party shall facilitate temporary admission of goods.

2. For the purposes of this Article, "temporary admission" means customs procedures under which certain goods may be brought into a customs territory conditionally relieved from payment of customs duties. Such goods shall be imported for a specific purpose, and shall be intended for reexportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.

Article 4.18. Inward and Outward Processing

1. Each Party shall allow inward and outward processing of goods, in accordance with international standards and practices subject to terms and conditions as may be specified in the national legislation.

2. For the purposes of this Article, "inward processing" means customs procedures under which certain goods can be brought into a customs territory conditionally relieved from payment of customs duties, on the basis that such goods are intended for manufacturing, processing or repair and subsequent exportation.

3. For the purposes of this Article, "outward processing" means customs procedures under which certain goods, which are in free circulation in a customs territory, may be temporarily exported for manufacturing, processing or repair abroad and then reimported with total or partial exemption from customs duties and taxes.

Article 4.19. Border Agency Cooperation

A Party shall ensure that its authorities and agencies involved in border and other import and export controls cooperate and coordinate their procedures in order to facilitate trade.

Article 4.20. Review and Appeal

Each Party shall ensure that importers, exporters and producers have the right to at least one level of independent administrative review or appeal and judicial appeal in accordance with its domestic legislation.

Article 4.21. Confidentiality

All information provided in relation with the importation, exportation, advance rulings or transit of goods shall be treated as confidential by the Parties and shall be covered by the obligation of professional secrecy, in accordance with the respective laws of each Party. This information shall not be disclosed by the authorities of a Party without the express permission of the person or authority providing it.

Article 4.22. Consultation

Either Party may request consultations on matters arising from the operation or implementation of this Chapter. Such consultation shall be conducted through the relevant contact points of the respective customs administration. Information on the contact points shall be provided to the other Party and any amendment of the said information shall be notified promptly.

Article 4.23. Sub-Committee on Customs Procedures and Trade Facilitation

1. A SubCommittee on Customs Procedures and Trade Facilitation (hereinafter referred to in this Article as the

"SubCommittee") consisting of representatives of both Parties is hereby established under the Joint Committee.

2. The Sub-Committee shall deal with the following issues:

(a) monitor and review of measures taken and implementation of commitments;

(b) exchange of information and review developments;

(c) prepare and coordinate positions of the Parties;

(d) prepare technical amendments and assist the JointCommittee;

(e) customs practices, including national and international standards, which facilitate trade in goods between the Parties;

(f) interpretation, application and administration of this Chapter;

(g) tariff classification and customs valuation matters;

(h) other subjects regarding practices and procedures adopted by the Parties, which may have an impact on the expeditious clearance ofgoods;

(i) other matters as the Parties may agree;

(j) other matters that are referred to the Sub-Committee by the Joint Committee; and

(k) make recommendations and report to the Joint Committee as necessary.

3. The Sub-Committee shall be chaired by representatives of the customs administration of the Parties. Upon mutual agreement, the Parties may invite representatives from industry, business associations or other relevant organisations to participate in parts of the meetings of the SubCommitteeona case by case basis.

4. The SubCommittee shall be co-chaired. The Sub-Committee shall designate a chairperson. The chairperson shall prepare a provisional agenda for each meeting of the Sub-Committee in consultation with the other Party and forward it to the other Party before the meeting.

5. The SubCommittee shall meet as often as required. It shall be convened by the Joint Committee, by the chairperson of the Sub-Committee or upon request of a Party. The meeting shall take place alternately between China and Switzerland, or as mutually agreed by the Parties.

6. The Sub-Committee shall prepare a report on the results of each meeting, and the chairperson shall, if requested, report at a meeting of the Joint Committee.

Chapter 5. Trade Remedies

Section I. General Trade Remedies

Article 5.1. Scope

This Chapter applies to trade in goods between the customs territory of China and the customs territory of Switzerland as defined in Article 2.1.

Article 5.2. Antidumping

1. The rights and obligations of the Parties in respect of anti-dumping measures shall be governed by Article VI of the GATT 1994 and the WTO Agreement on Implementation of Article VI of the GATT 1994. The Parties agree not to take such measures in an arbitrary or protectionist manner.

2. As soon as possible following the acceptance of a properly documented application from an industry in one Party for the initiation of an anti-dumping investigation in respect of goods from the other Party and before proceeding to initiate such investigation, that Party shall notify the other Party.

Article 5.3. Subsidies and Countervailing Measures

1. The rights and obligations of the Parties in respect of subsidies and countervailing measures shall be governed by Articles

VI and XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.

2. Before a Party initiates an investigation to determine the existence, degree and effect of any alleged subsidy in the other Party, as provided for in Article 11 of the WTO Agreement on Subsidies and Countervailing Measures, the Party considering initiating an investigation shall notify the other Party and allow for a consultation with a view to finding a mutually acceptable solution in an amicable manner.

Section II. Bilateral Safeguard Measures

Article 5.4. Application of a Bilateral Safeguard Measure

1. If, as a result of the reduction or elimination of a customs duty under this Agreement, a product originating in a Party is being imported into the territory of the other Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions as to cause serious injury or threat thereof to a domestic industry producing a like or directly competitive product, the importing Party may apply a bilateral safeguard measure described in paragraph 2 during the transition period.

2. If the conditions in paragraph 1 are met, a Party may, only to the extent as may be necessary to prevent or remedy serious injury, or threat thereof, and to facilitate adjustment:

(a) suspend the further reduction of any rate of customs duty on the product provided for under this Agreement;or

(b) increase the rate of customs duty on the product to a level not exceeding the lesser of:

i. the MFN applied rate of customs duty in effect at the time the measure is taken; or

ii. the MFN applied rate of customs duty in effect on the day immediately preceding the date of entry into force of this Agreement.

3. No Party may apply, with respect to the same product, at the same time:

(a) a bilateral safeguard measure; and

(b) a measure under Article XIX of the GATT 1994 and the WTO Agreement on Safeguards.

Article 5.5. Standards for a Bilateral Safeguard Measure

1. Bilateral safeguard measures shall only be taken during the transition period, which shall be a period of five years beginning on the date of entry into force of this Agreement. In the case of a product where the liberalisation process as set out in Annex I lasts five or more years, the transition period shall be extended to the date on which such a product reaches zero-tariff according to the Schedule in that Annex plus three years.

2. Bilateral safeguard measures shall in principle be limited to a period of two years; they may be extended for another year. Regardless of its duration, a bilateral safeguard measure shall terminate no later than at the end of the transition period for the product concerned.

3. A Party shall not apply a bilateral safeguard measure again on a product which has been subject to such a measure for a period of time equal to that during which such a measure had been previously applied, provided that the period of nonapplication is at least two years. However, no bilateral safeguard measure may be applied more than twice on the same product.

4. Upon the termination of the bilateral safeguard measure, the rate of customs duty shall be the rate which would have been in effect but for the measure.

Article 5.6. Investigation Procedures and Transparency Requirements

1. The importing Party may apply a bilateral safeguard measure only following an investigation by its competent authorities in accordance with Article 3 of the WTO Agreement on Safeguards. To this end, Article 3 of the WTO Agreement on Safeguards is incorporated into and made a part of this Agreement, mutatis mutandis.

2. In determining whether increased imports of an originating product of the other Party have caused serious injury or are threatening to cause serious injury to a domestic industry, the competent authority of the importing Party shall follow the rules in Article 4 of the WTO Agreement on Safeguards. To this end, Article 4 of the WTO Agreement safeguards is

incorporated into and made a part of this Agreement, mutatis mutandis.

Article 5.7. Provisional Safeguard Measures

1. In critical circumstances, where delay would cause damage which would be difficult to repair, a Party may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury.

2. The duration of the provisional safeguard measure shall not exceed 200 days during which period the pertinent requirements of Article 5.4, Article 5.5, Article 5.6 and Article 5.8 shall be met. Such a provisional safeguard measure shall take the form of an increase in the rate of customs duty not exceeding the lesser of the rates in Article 5.4, which shall be promptly refunded if the subsequent investigation does not determine that increased imports have caused or threatened to cause serious injury to a domestic industry. The duration of any such provisional safeguard measure shall be counted as a part of the duration of the measure set out in Article 5.5.

Article 5.8. Notification and Consultation

1. A Party shall promptly notify the other Party on:

(a) initiating an investigation;

(b) making a finding of serious injury or threat thereof caused by increased imports; and

(c) taking a decision to apply or extend a bilateral safeguard measure.

2. The Party making the notification referred to in subparagraphs 1(b) and 1(c) shall provide the other Party with all pertinent information which shall include evidence of serious injury or threat thereof caused by increased imports, a precise description of the product involved and the proposed measure, as well as the proposed date of introduction and its expected duration. In the case of an extension of a bilateral safeguard measure, evidence that the continued application of the measure is necessary to prevent or remedy serious injury and that the industry is adjusting, shall also be provided.

3. APartyproposing to apply or extend a bilateral safeguard measure shall provide adequate opportunity for prior consultations with the other Party, with a view to, inter alia, reviewing the information provided under paragraph 2, exchanging views on the bilateral safeguard measure and reaching an agreement on compensation as set forth in Article 5.9.

4. Before a Party takes a provisional safeguard measure referred to in Article 5.7, it shall notify the other Party, and, on request of the other Party, consultations shall be initiated immediately after taking such a measure.

Article 5.9. Compensation

1. The Party applying a bilateral safeguard measure shall, in consultation with the other Party, provide to the other Party mutually agreed trade liberalising compensation in the form of substantially equivalent concessions during the period of application of the bilateral safeguard measure.

2. If the Parties are unable to reach agreement on compensation within 30 days after the application of the bilateral safeguard measure, the Party against whose product the bilateral safeguard measure is taken may take compensatory action. In the selection of the compensatory action, priority must be given to the action which least disturbs the functioning of this Agreement. The right of compensation referred to in this paragraph shall not be exercised for the first six months that a bilateral safeguard measure is in effect under the condition that the bilateral safeguard measure has been taken as a result of an absolute increase in imports and that such a measure conforms to the provisions of this Chapter.

3. A Party shall notify the other Party at least 30 days before taking compensatory action under paragraph2.

4. The Party taking compensatory action shall apply the action only for the minimum period necessary to achieve the substantially equivalent trade effects and in any event, only while the bilateral safeguard measure is being applied.

Chapter 6. Technical Barriers to Trade

Article 6.1. Objectives

The objectives of this Chapter are to:

(a) facilitate bilateral trade and access to respective markets for goods falling under the scope of this Chapter and furthering the implementation of the WTO Agreement on Technical Barriers to Trade (hereinafter referred to as the "TBT Agreement");

(b) reduce, wherever possible, unnecessary costs associated with trade between the Parties;

(c) facilitate information exchange and technical cooperation between the Parties, and enhance mutual understanding of each party's regulatorysystem;and (d) strengthen cooperation between the Parties in the field of technical regulations, standards and conformity assessment procedures.

Article 6.2. Affirmation

Except as otherwise provided for in this Chapter, with respect to technical regulations, standards and conformity assessment procedures, the TBT Agreement shall apply between the Parties and is hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 6.3. Scope and Definitions

1. This Chapter applies to all standards, technical regulations and conformity assessment procedures of the Parties, except sanitary and phytosanitary measures covered by Chapter 7, and purchasing specifications prepared by governmental bodies for production or consumption requirements of governmental bodies.

2. The definitions of Annex1 to the TBT Agreement shall apply to this Chapter.

Article 6.4. International Standards

For the purpose of applying this Chapter, standards issued, in particular, by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Telecommunication Union (ITU) and Codex Alimentarius Commission (CAC) shall be considered relevant international standards in the sense of Article 2.4 of the TBT Agreement.

Article 6.5. Technical Cooperation

With a view to increasing their mutual understanding of their respective systems, enhancing capacity-building and facilitating bilateral trade,the Parties shall strengthen their technical cooperation in the following areas :

(a) activities of international standardisation bodies and the WTO Committee on Technical Barriers to Trade;

(b) communication between each other's competent authorities, exchange of information in respect of technical regulations, standards, conformity assessment procedures and good regulatory practice;

(c) reinforcing the role of international standards as a basis for technical regulations and conformity assessment procedures;

(d) promoting the accreditation of conformity assessment bodies on the basis of relevant standards and guides of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC);

(e) encouraging the mutual acceptance of conformity assessment results of bodies accredited in accordance with paragraph d), which have been recognised under an appropriate multilateral agreement or arrangement; and

(f) other areas as agreed upon by the Parties.

Article 6.6. Measures at the Border

Where a Partydetains, at a port of entry, goods exported from the other Party due to a perceived failure to comply with a technical regulation or conformity assessment procedures, the reasons for the detention shall be promptly notified to the importer or his or her representative.

Article 6.7. Subcommittee on Technical Barriers to Trade

1. A Sub-Committee on Technical Barriers to Trade (hereinafter referred to as the "TBT SubCommittee") is hereby established under the Joint Committee.

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

(a) monitoring the implementation of this Chapter;

(b) coordinating technical cooperation activities;

(c) facilitating technical consultations pursuant to Article 6.8;

(d) identifying sectors for enhanced cooperation, including giving favourable consideration to any sector-specific proposal made by either Party;

(e) establishing dialogues between regulators in accordance with the objectives of this Chapter;

(f) initiating side agreements where appropriate pursuant to Article 6.9;

(g) coordinating the implementation of side agreements pursuant to 6.9;

(h) consulting on any issue prior to meetings of relevant international organisations if appropriate;

(i) other functions mutually agreed by the Parties;and

(j) carrying out other tasks assigned to it by the JointCommittee.

3. The TBT SubCommittee shall be cochaired and meet once a year, unless otherwise agreed by the Parties. The TBT SubCommittee meetings may be conducted by any agreed method on a case by case basis and may be combined with those of the SubCommittee on Sanitary and Phytosanitary Measures established under Article 7.9.

4. The TBT SubCommittee shall keep up to date a work programme and keep track of its activities.

5. The TBT SubCommittee may establish ad hoc working groups to accomplish specific tasks.

6. The TBT Sub-Committee shall report on its work to the JointCommittee.

7. The contact points referred to in Article 6.11 shall be responsible for setting the agenda and organising the meetings. The TBT Sub-Committee shall include representatives of the authorities of each Party with expertise in the areas to be discussed.

8. Upon agreement, the Parties may invite representatives from industry, business associations or other relevant organisations to participate in parts of the meetings of the TBT Sub-Committee on a case by case basis.

Article 6.8. Technical Consultations

Technical consultations under the auspices of the TBT SubCommittee shall be held at the written request of the Party which considers that the other Party has taken a measure which is likely to create, or has created, an unnecessary obstacle to trade. Such consultations shall take place within 60 days from the request with the objective of finding mutually acceptable solutions. Such consultations may be conducted by any agreed method on a case by case basis. (6)

(6) It is understood that technical consultations pursuant to this paragraph shall be without prejudice to the rights and obligations of the Parties under Chapter 15 or under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes.

Article 6.9. Annexes and Side Agreements

1. The Parties have concluded Annex V to this Agreement on Labelling of Textiles.

2. Pursuant to and in conjunction with this Agreement, the Parties have concluded side agreements to implement this Chapter. The Parties may conclude further side agreements in the future.

Article 6.10. Review Clause

1. The Parties shall no later than two years after the entry into force of this Agreement, and thereafter upon request, jointly review this Chapter.

2. In this review, the Parties shall consider, among others, entering into negotiations with regard to providing each other treatment granted to a third party with whom both Parties have established arrangements concerning standards, technical

regulations or conformity assessment procedures.

Article 611. Contact Points

1. The Parties shall exchange names and addresses of contact points for matters related to this chapter in order to facilitate communication and the exchange of information.

2. The Parties shall notify each other of any significant changes in the structures and responsibilities of the authorities acting as contact points.

Chapter 7. Sanitary and Phytosanitary Measures

Article 7.1. Objectives

The objectives of this Chapter are to:

(a) facilitate bilateral trade and access to respective markets for goods falling under the scope of this Chapter and furthering the implementation of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (hereinafter referred to as the "SPS Agreement");

(b) facilitate information exchange and technical cooperation between the Parties, and enhance mutual understanding of each Party's regulatorysystem;and (c) strengthen cooperation between the Parties in the field of sanitary and phytosanitary measures.

Article 7.2. Affirmation

Except as otherwise provided for in this Chapter, the SPS Agreement shall apply between the Parties and is hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 7.3. Scope and Definitions

1. This Chapter applies to sanitary and phytosanitary measures which may, directly or indirectly, affect trade between the Parties.

2. The definitions in Annex A of the SPS Agreement shall apply to this Chapter.

Article 7.4. Harmonisation

To harmonise sanitary and phytosanitary measures as broadly as possible, the Parties shall base their sanitary and phytosanitary measures on international standards, guidelines and recommendations established by the Codex Alimentarius Commission (CAC), the World Organisation for Animal Health (OIE), and the relevant international regional organisations operating within the framework of the International Plant ProtectionConvention(IPPC) where they exist or their completion is imminent.

Article 7.5. Adaptation to Regional Conditions

1. The Parties agree that issues related to the adaptation of zones with different sanitary and phytosanitary status and that affect or may affect trade between them shall be addressed in accordance with Article 6 of the SPS Agreement.

2. The Parties take note of the Guidelines to further the Practical Implementation of Article 6 of the Agreement on the Application of Sanitary and Phytosanitary Measures (G/SPS/48) adopted by the WTO Committee on Sanitary and Phytosanitary Measures and of relevant standards developed by OIE and IPPC.

3. In case of an event affecting the sanitary or phytosanitary status of a pestfree or diseasefree area or an area of low pest or disease prevalence, the Parties shall do their utmost for reestablishing such status based on risk assessments taking into account relevant international standards, guidelines and recommendations.

Article 7.6. Inspection and Certification Systems

1. The Parties agree to further enhance their cooperation in the field of assessment of inspection and certification systems.

The importing Party shall take into account the CodexAlimentarius Committee on Food Import and Export Inspection and Certification Systems standards and guidelines.

2. The assessment tools shall as a rule be audits of all or part of an exporting Party's official inspection and certification system, including the ability of the competent authority to enforce and take action based on adequate legislation. These audits may also encompass inspections of a representative percentage of the facilities seeking access to the export market.

3. The need to perform on-site inspections shall be justified.

4. Mutually agreed corrective actions, timeframes and follow-up verification procedures shall be clearly established and documented in the assessment report.

Article 7.7. Technical Cooperation

1. With a view to increasing mutual understanding of the respective regulatory systems, enhancing capacity building and facilitating bilateral trade in agricultural products and food, and improving their sanitary and phytosanitary systems, the Parties shall strengthen technical cooperation in the field of sanitary and phytosanitary measures.

2. The Parties have concluded a side agreement pursuant to Article 7.11 to further this Article.

Article 7.8. Measures at the Border

Where a Party detains, at a port of entry, goods exported from the other Party due to a perceived failure to comply with sanitary or phytosanitary requirements, the reasons for the detention shall be promptly notified to the importer or his or her representative.

Article 7.9. Sub-Committee on Sanitary and Phytosanitary Measures

1. A Sub-Committee on sanitary and phytosanitary measures (hereinafter referred to as the “SPS Sub-Committee”) is hereby established under the Joint Committee.

2. The functions of the SPS SubCommittee shall be:

(a) monitoring the implementation of this Chapter;

(b) coordinating technical cooperation activities;

(c) facilitating technical consultations pursuant to Article 7.10;

(d) identifying areas for enhanced cooperation, including giving favourable consideration to any specific proposal made by either Party;

(e) establishing a dialogue between competent authorities in accordance with the objectives of this Chapter;

(f) initiating side agreements where appropriate pursuant to Article 7.11;

(g) coordinating the implementation of side agreements pursuant to Article 7.11;

(h) consulting on any issue prior to meetings of relevant international organisations, if appropriate;

(i) carrying out other functions mutually agreed by the Parties; and

(j) carrying out other tasks assigned to it by the Joint Committee.

3. The SPS Sub-Committee shall be cochaired and meet once a year, unless otherwise agreed by the Parties. The SPS Sub--Committee meetings may be conducted by any agreed method on a case by case basis and may be combined with those of the TBT SubCommittee established under Article 6.7.

4. The SPS Sub-Committee shall keep up to date a work programme and keep track of its activities.

5. The SPS Sub-Committee may establish ad hoc working groups to accomplish specific tasks.

6. The SPS Sub-Committee shall report on its work to the Joint Committee.

7. The contact points as referred to in Article 7.12 shall be responsible for setting the agenda and organising the meetings.

The SPS Sub-Committee shall include representatives of the authorities of each Party with expertise in the areas to be discussed.

8. Upon mutual agreement, the Parties may invite representatives from industry, business associations or other relevant organisations to participate in parts of the meetings of the SPS Sub-Committee on a case by case basis.

Article 7.10. Technical Consultations

Technical consultations under the auspices of the SPS SubCommittee shall be held at the written request of the Party, which considers that the other Party has taken a measure which is likely to create, or has created, an unnecessary obstacle to trade. Such consultations shall take place within60 days, or within20 days in case of urgent matters, from the request with the objective of finding mutually acceptable solutions. Such consultations may be conducted by any agreed method on a case by case basis. (7)

(7) It is understood that technical consultations pursuant to this paragraph shall be without prejudice to the rights and obligations of the Parties under Chapter 15 or under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes.

Article 7.11. Side Agreements

Pursuant to and in conjunction with this Agreement, the Parties have concluded a side agreement to implement this Chapter. The Parties may conclude further side agreements in the future.

Article 7.12. Contact Points

1. The Parties shall exchange names and addresses of contact points for matters related to this Chapter in order to facilitate communication and the exchange of information.

2. The Parties shall notify each other of any significant changes in the structures and responsibilities of the authorities acting as contact points.

Chapter 8. Trade In Services

Article 8.1. Scope and Coverage (8)

1. This Chapter applies to measures by Parties affecting trade in services and taken by central, regional or local governments and authorities as well as by non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities.

2. In respect of air transport services, this Chapter shall not apply to measures affecting air traffic rights or measures affecting services directly related to the exercise of air traffic rights, except as provided for in paragraph 3 of the Annex on Air Transport Services of the GATS. The definitions of paragraph 6 of the Annex on Air Transport Services of the GATS shall apply and are hereby incorporated and made part of this Agreement, mutatis mutandis.

3. Articles 8.3, 8.4 and 8.5 shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale.

(8) The Parties agree that any sector or subsector or part thereof that is inscribed explicitly in their Schedules of specific commitments shall be covered by the provisions of this Chapter, notwithstanding possible interpretations of the sectoral scope defined by this Article

Article 8.2. Definitions

For the purpose of this Chapter:

(a) “trade in services” is defined as the supply of a service: (9)

(i) from the territory of one Party into the territory of the other Party;

(ii) in the territory of one Party to the service consumer of the other Party;

(iii) by a service supplier of one Party, through commercial presence in the territory of the other Party;

(iv) by a service supplier of one Party, through presence of natural persons of a Party in the territory of the other Party;

(b) "services" includes any services in any sector except services supplied in the exercise of governmental authority;

(c) "a service supplied in the exercise of governmental authority" means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers;

(d) "measure" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

(e) "supply of a service" includes the production, distribution, marketing, sale and delivery of a service;

(f) "measures by Parties affecting trade in services" include measures in respect of:

(i) the purchase, payment or use of a service;

(ii) the access to and use of, in connection with the supply of a service, services which are required by the Parties to be offered to the public generally;

(iii) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party;

(g) "commercial presence" means any type of business or professional establishment, including through:

(i) the constitution, acquisition or maintenance of a juridical person; or

(ii) the creation or maintenance of a branch or a representative office;

within the territory of a Party for the purpose of supplying a service;

(h) "sector" of a service means:

(i) with reference to a specific commitment, one or more, or all, sub-sectors of that service, as specified in a Party's Schedule;

(ii) otherwise, the whole of that service sector, including all of its sub-sectors;

(i) "service of the other Party" means a service which is supplied:

(i) from or in the territory of that other Party, or in case of maritime transport, by a vessel registered under the laws of that other Party, or by a person of that other Party which supplies the service through the operation of a vessel and/or its use in whole or in a part; or

(ii) in the case of the supply of a service through commercial presence or through the presence of natural persons, by a service supplier of that other Party;

(j) "service supplier" means any person that supplies a service; (10)

(k) "monopoly supplier of a service" means any person, public or private, which in the relevant market of the territory of a Party is authorised or established formally or in effect by that Party as the sole supplier of that service;

(l) "service consumer" means any person that receives or uses a service;

(m) "person" means either a natural person or a juridical person;

(n) "natural person of a Party" means:

(i) with respect to China, a natural person who resides in the territory of either Party, and who under Chinese law is a national of China;

(ii) with respect to Switzerland, a natural person who resides in the territory of either Party, and who under Swiss law is:

(A) a national of Switzerland; or

(B) a permanent resident of Switzerland;

(o) "juridical person" means any legal entity duly constituted or otherwise organised under applicable law, whether for profit

or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

(p) “juridical person of the other Party” means a juridical person which is either: (11)

(i) constituted or otherwise organised under the law of the other Party, and is engaged in substantive business operations in the territory of the other Party; or

(ii) in the case of the supply of a service through commercial presence, owned or controlled by:

(A) natural persons of the other Party; or

(B) juridical persons of the other Party identified under subparagraph (i);

(q) a juridical person is:

(i) “owned” by persons of a Party if more than 50 per cent of the equity interest in it is beneficially owned by persons of that Party;

(ii) “controlled” by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;

(iii) “affiliated” with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person; and

(r) “direct taxes” comprise all taxes on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of property, taxes on estates, inheritances and gifts, and taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

(9) It is understood that a service supplied from or in the territory of a nonparty is not covered by this definition, and therefore the rights granted by the provisions of this Chapter to services supplied from or in the territory of a Party are not granted to such service.

(10) Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (i.e. the juridical person) shall, nonetheless, through such commercial presence be accorded the treatment provided for service suppliers under this Chapter. Such treatment shall be extended to the commercial presence through which the service is supplied and need not be extended to any other parts of the service supplier located outside the territory where the service is supplied.

(11) It is understood that a juridical person which does not meet all criteria of this definition is considered to be a juridical person of a nonparty, and therefore the rights granted by the provisions of this Chapter to the juridical persons of a Partyarenot granted to such juridical person.

Article 8.3. Most-favoured-nation Treatment

1. Without prejudice to measures taken in accordance with Article VII of the GATS, and except as provided for in its List of MFN Exemptions contained in Annex VIII, each Party shall accord immediately and unconditionally, in respect of all measures affecting the supply of services, to services and service suppliers of the other Party treatment no less favourable than the treatment it accords to like services and service suppliers of any nonparty.

2. Treatment granted under other existing or future agreements concluded by a Party and notified under Article V or Article V bis of the GATS shall not be subject to paragraph 1.

3. If a Party concludes or amends an agreement of the type referred to in paragraph 2, it shall, upon request from the other Party, endeavour to accord to the other Party treatment no less favourable than that provided under that agreement. The former Party shall, upon request from the other Party, afford adequate opportunity to the other Party to negotiate the incorporation into this Agreement of a treatment no less favourable than that provided under the former agreement.

4. The provisionsofthisChapter shall not be so construed as to prevent the Parties from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced and consumed.

Article 8.4. Market Access

1. With respect to market access through the modes of supply identified in subparagraph (a) of Article 8.2, each Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule referred to in Article 8.17. (12)

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule, are defined as:

(a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;

(b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limitations on the total number of service operations or the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test; (13)

(d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;

(e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and

(f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

(12) If a Party undertakes a marketaccess commitment in relation to the supply of a service through the mode of supply referred to in subparagraph (a)(i) of Article 8.2 and if the crossborder movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market access commitment in relation to the supply of a service through the mode of supply referred to in subparagraph (a)(iii) of Article 8.2 it is thereby committed to allow related transfers of capital into its territory.

(13) Subparagraph 2(c) does not cover measures of a Party which limit inputs for the supply of services.

Article 8.5. National Treatment

1. In the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.(14)

2. APartymaymeetthe requirementofparagraph1 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

(14) Specific commitments assumed under this Article shall not be construed to require either Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

Article 8.6. Additional Commitments

Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 8.4 or 8.5, including those regarding qualifications, standards or licensing matters. Such commitments are inscribed in a Party's Schedule as additional commitments.

Article 8.7. Domestic Regulation

1. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.

2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

3. EachPartyshallaimto ensure that measures relating to qualification requirements and procedures, technical standards, and licensing requirements and procedures are based on objective and transparent criteria, such as competence and the ability to supply the service, and are not more burdensome than necessary to ensure the quality of the service. Each Party shall ensure that licensing procedures are not in themselves a restriction on the supply of the service.

4. In determining whether a Party is in conformity with the obligation under paragraph 3, account shall be taken of international standards of relevant international organisations (15) applied by that Party.

5. In sectors where specific commitments regarding professional services are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party.

(15) The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of both Parties.

Article 8.8. Recognition

1. For the purpose of the fulfilment of its relevant standards or criteria for the authorisation, licensing or certification of service suppliers, each Party shall give due consideration to any requests by the other Party to recognise the education or experience obtained, requirements met, or licences or certifications granted in that other Party. Such recognition may be based upon an agreement or arrangement with that other Party, or otherwise be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licences or certifications granted, in the territory of a non-party, that Party shall afford the other Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education or experience obtained, requirements met, or licences or certifications granted, in the territory of that other Party should also be recognised.

3. Any such agreement or arrangement or autonomous recognition shall be in conformity with the relevant provisions of the WTO Agreement, in particular paragraph 3 of Article VII of the GATS.

Article 8.9. Transparency

1. Each Party shall publish promptly and, except in emergency situations, at the latest by the time of their entry into force, all relevant measures of general application which pertain to or affect the operation of this Chapter. International agreements pertaining to or affecting trade in services to which a Party is a signatory shall also be published.

2. Where publication, as referred to in paragraph 1, is not practicable, such information shall be made otherwise publicly available.

3. Nothing in this Chapter shall require either Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

Article 8.10. Monopolies and Exclusive Service Suppliers

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's obligations under Article 8.3 and specific commitments.

2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

3. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:

(a) authorises or establishes a small number of service suppliers; and

(b) substantially prevents competition among those suppliers in its territory.

Article 8.11. Business Practices

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 8.10, may restrain competition and thereby restrict trade in services.

2. Each Party shall, at the request of the other Party, enter into consultations with a view to eliminating practices referred to in paragraph 1. The Party addressed shall accord full an sympathetic consideration to such a request and shall cooperate through the supply of publicly available nonconfidential information of relevance to the matter in question. The Party addressed shall also provide other information available to the requesting Party, subject to its domestic law and to the conclusion of satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party

Article 8.12. Subsidies

1. A Party which considers that it is adversely affected by a subsidy of the other Party may request ad hoc consultations with that other Party on such matters. The requested Party shall enter into such consultations.

2. The Parties shall review any disciplines agreed under Article XV of the GATS with a view to incorporate them into this Chapter.

Article 8.13. Payments and Transfers

1. Subject to its specific commitments, and except in the circumstances envisaged in Article 8.14, a Party shall not apply restrictions on international transfers and payments for current transactions relating to trade inservices.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties under the Articles of the Agreement of the International Monetary Fund (IMF), including the use of exchange actions which are in conformity with the Articles of the Agreement of the IMF, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 8.14 or at the request ofthe IMF.

Article 8.14. Restrictions to Safeguard the Balance of Payments

Any restriction to safeguard the balance of payments adopted or maintained by a Party under and in conformity with Article XII of the GATS shall apply under this Chapter.

Article 8.15. General Exceptions

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on trade in services, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

(a) necessary to protect public morals or to maintain public order; (16)

(b) necessary to protect human, animal or plant life or health;

(c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on services contracts;

(ii) 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;

(iii) safety;

(d) inconsistent with Article 8.5, provided that the difference in treatment is aimed at ensuring the equitable or effective (17) imposition or collection of direct taxes in respect of services or service suppliers of the other Party;

(e) inconsistent with Article 8.3, provided that the difference in treatment is the result of an agreement on the avoidance of double taxation or provisions on the avoidance of double taxation in any other international agreement or arrangement by which the Party is bound.

(16) The public order exception may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

(17) Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which: (i) apply to nonresident service suppliers in recognition of the fact that the tax obligation of nonresidents is determined with respect to taxable items sourced or located in the Party's territory; (ii) apply to nonresidents in order to ensure the imposition or collection of taxes in the Party's territory; (iii) apply to nonresidents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; (iv) apply to consumers of services supplied in or from the territory of the other Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory; (v) distinguish service suppliers subject to tax on worldwide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or (vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base. Tax terms or concepts in subparagraph (d) of this Article and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

Article 8.16. Security Exceptions

Nothing in this Chapter shall be construed:

a) to require either Party to furnish any information, the disclosure of which it considers contrary to its essentialsecurityinterests; or

(b) to prevent either Party from taking any action which it considers necessary for the protection of its essential security interests:

(i) relating to the supply of services as carried out directly or indirectly for the purpose of provisioning a military establishment;

(ii) relating to fissionable and fusionable materials or the materials from which they are derived;

(iii) taken in time of war or other emergency in international relations; or

(c) to prevent either Party from taking any action in pursuance of its obligations under the Charter of the United Nations for the maintenance of international peace and security.

Article 8.17. Schedules of Specific Commitments

1. Each Party shall set out in a schedule the specific commitments it undertakes under Articles 8.4, 8.5 and 8.6. With respect to sectors where such commitments are undertaken, each Schedule shall specify:

(a) terms, limitations and conditions on market access;

(b) conditions and qualifications on national treatment;

(c) undertakings relating to additional commitments referred to in Article 8.6; and

(d) where appropriate, the timeframe for implementation of such commitments; and the date of entry into force of such commitments.

2. Measures inconsistent with both Articles 8.4 and 8.5 shall be dealt with as provided for in paragraph 2 of Article XX of the GATS.

3. The Parties' Schedules of specific commitments are set out in Annex VII.

Article 8.18. Modification of Schedules

1. A Party may modify or withdraw any commitment in its Schedule of specific commitments, at any time after three years have elapsed from the date on which that commitment entered into force provided that:

(a) it notifies the other Party of its intention to modify or withdraw a commitment no later than three months before the intended date of implementation of the modification or withdrawal; and

(b) upon notification of a Party's intent to make such modification, the Parties shall consult and attempt to reach agreement on the appropriate compensatory adjustment.

2. In achieving a compensatory adjustment, the Parties shall endeavour to maintain a general level of mutually advantageous commitment that is not less favourable to trade than provided for in the Schedules of specific commitments prior to such negotiations.

3. Ifagreementunder paragraph1(b)is not reached between the modifying Party and the affected Party within three months, the affected Party may refer the matter to arbitration by an arbitration panel established following the same procedures as provided for in paragraphs 3 to 10 of Article 15.4. Such an arbitration panel shall present its finding as to the ways to ensure that the general level of mutually advantageous commitments under this Chapter is maintained. Articles 15.6 and 15.7 shall apply to the proceedings of such an arbitration panel, mutatis mutandis.

4. The modifying Party may not modify or withdraw its commitment until it has made the necessary adjustments in conformity with the findings of the arbitration in relation to the question of whether paragraph 1(b) is satisfied under paragraph 3. The modification, including compensatory adjustments, which are agreed upon by the Parties, or which are in conformity with the outcome of the arbitration, shall be incorporated into Annex VII in accordance with the procedures set out in Article 16.3.

Article 8.19. Review

With the objective of further liberalising trade in services between them, in particular eliminating substantially all remaining discrimination, the Parties shall review at least every two years, or more frequently if so agreed, their Schedules of specific commitments and their Lists of MFN Exemptions, taking into account in particular any autonomous liberalisation and ongoing work under the auspices of the WTO. The first such review shall take place no later than two years after the entry into force of this Agreement.

Article 8.20. Sub-committee on Trade In Services

1. A SubCommittee on Trade in Services (hereinafter referred to in this Article as the "SubCommittee") is hereby established under the Joint Committeeofthis Agreement.

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

(a) to monitor the implementation of this Chapter;

(b) to propose agreed solutions in case a problem arises in relation to the implementation of this Chapter;

(c) to request and provide information about each Party's laws and regulations related to trade inservices;

(d) to exchange information on the existing possibilities for each other's service suppliers to access each Party's market;

(e) to examine opportunities and the benefits for the Parties to improve and facilitate market access for each other's service suppliers;

(f) to propose and discuss suggestions to improve the functioning of this Chapter; and

(g) to execute other tasks assigned by the JointCommittee.

3. The SubCommittee shall consider the establishment of working groups as appropriate.

4. The SubCommittee shall be cochaired, and meet once every two years, unless otherwise agreed by the Parties. The SubCommittee meetings may be conducted by any agreed method.

5. The SubCommittee shall include representatives of the authorities of each Party with expertise in the sectors or areas to be discussed.

6. The Sub-Committee shall report on its work to the JointCommittee.

Article 8.21. Annexes

The following Annexes form an integral part of this Chapter: Annex VI "Trade in Services" (TISA); Annex VII "Schedules of Specific Commitments"; and Annex VIII "Lists of MFN Exemptions".

Chapter 9. Investment Promotion

Article 9.1. Investment Promotion

The Parties recognise the importance of promoting crossborder investment and technology flows as a means for achieving economic growth and development. Cooperation in this respect may include:

(a) identifying investment opportunities;

(b) exchange of information on measures to promote investment abroad;

(c) exchange of information on investment regulations;

(d) assistance of investors to understand the investment regulations and the investment environment in both Parties; and

(e) the furthering of a legal environment conducive to increased investment flows.

Article 9.2. Review Clause

1. Upon request of a Party, the other Party shall provide information on measures affecting investment.

2. With the objective of progressive facilitation of investment conditions, the Parties affirm their commitment to review the investment legal framework, the investment environment and the flow of investment between them, no later than two years after the entry into force of this Agreement.

3. If, after the entry into force of this Agreement, a Party concludes an agreement with any third country or group of countries that contains provisions providing for a better treatment with respect to establishment in nonservices sectors than the treatment granted to the other Party, that Party shall, upon request by the other Party, enter into negotiation with a view to provide equivalent treatment on a mutual basis.

Chapter 10. Competition

Article 10. Competition

1. Anticompetitive practices, such as agreements between undertakings that may prevent or restrict competition, abuse of a dominant market position and concentrations of undertakings which may have the effect of prevention or restriction of competition may cause adverse effects on the bilateral trade, and thereby hinder the functioning of this Agreement. The Parties undertake to apply their respective competition laws in that regard.

2. This Chapter applies to all undertakings of the Parties. Such application shall not hinder undertakings with special and exclusive rights authorised by laws and regulations from exercising those rights.

3. Nothing in this Chapter creates any legally binding obligations for the undertakings or intervenes with the independence of the competition authorities in enforcing their respective competition laws.

4. Cooperation between the competition authorities of the Parties may have a significant effect on the enforcement of competition laws in matters affecting trade between the Parties. The competition authorities of the Parties shall cooperate with regard to anti-competitive practices.

5. If a Party considers that a given practice continues to affect trade in the sense of paragraph 1, it may request consultations in the Joint Committee with a view to facilitating a resolution of the matter.

6. Chapter 15 shall not apply to this Chapter.

Chapter 11. Protection of Intellectual Property Rights

Section I. General Provisions

Article 11.1. Intellectual Property Rights

1. The Parties shall grant and ensure adequate, effective, transparent and non-discriminatory protection of intellectual property rights, and provide for measures for the enforcement of such rights against infringement thereof, counterfeiting and piracy, in accordance with the provisions of this Chapter and the international agreements acceded to by both Parties.

2. The Parties shall accord to each others' nationals treatment no less favourable than that accorded to their own nationals with regard to the protection of intellectual property. Exemptions from this obligation must be in accordance with the substantive provisions of Articles 3 and 5 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as the "TRIPS Agreement").

3. The Parties shall grant to each others' nationals treatment no less favourable than that accorded to nationals of any other State with regard to protection of intellectual property. Exemptions from this obligation must be in accordance with the substantive provisions of the TRIPS Agreement, in particular Articles 4 and 5 thereof.

4. The Parties recognise the importance of protection and enforcement of intellectual property rights in order to incentivise research, development and creative activity which will promote economic and social development, as well as the dissemination of knowledge and technology. The Parties recognise that the protection and enforcement of intellectual property rights should strike a balance between the legitimate interest of the right owners and the public at large.

5. The Parties may take appropriate measures provided that they are consistent with the provisions of this Agreement and their international obligations to prevent the abuse of intellectual property rights by right holders or the resort to practices that unreasonably restrain trade or adversely affect technology transfer.

6. The Parties agree, upon request of any Party and subject to their agreement in the Joint Committee, to review the provisions on the protection of intellectual property rights contained in this Chapter, with a view to keep provisions up to date with international intellectual property developments in a balanced manner and to ensure their good functioning under this Agreement in practice.

Article 11.2. Definition of Intellectual Property

For the purposes of this Agreement, "intellectual property" comprises in particular copyright, as well as related rights, trademarks for goods and services, geographical indications (18), industrial designs, patents, plant varieties, layoutdesigns (topographies) of integrated circuits, as wellas undisclosed information. (19)

(18) For the sake of clarification, appellations of origin ofSwitzerlandmaybe protected as geographical indications in China.

(19) For Switzerland, indications of source are part of the definition of intellectual property.

Article 11.3. International Conventions

1. The Parties reaffirm their commitments established in existing international agreements in the field of intellectual property rights, to which both are Parties, including the following:

(a) the TRIPS Agreement;

(b) the Paris Convention of 20 March 1883 for the Protection of Industrial Property, as revised by the Stockholm Act of 1967 (hereinafter referred to as "the Paris Convention");

(c) the Berne Convention of 9 September 1886 for the Protection of Literary and Artistic Works, as revised by the Paris Act of 1971 (hereinafter referred to as the "Berne Convention");

(d) the Patent Cooperation Treaty of 19 June 1970, as revised by the Washington Act of 2001;

(e) the Budapest Treaty of 28 April 1977 on the International Recognition of the Deposit of Microorganisms for the Purposes

of Patent Procedure;

(f) the Nice Agreement of 15 June 1957 Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks as revised by the Geneva Act of 1979;

(g) the Protocol of 27 June 1989 relating to the Madrid Agreement concerning the InternationalRegistrationofMarks;

(h) the WIPO Performances and Phonogram Treaty of 20 December 1996 (hereinafter referred to as the "WPPT");

(i) the WIPO Copyright Treaty of 20 December 1996; and

(j) the International Convention for the Protection of New Varieties of Plants 1978 (hereinafter referred to as the "1978 UPOV Convention").

2. Each Party shall make all reasonable efforts to ratify or accede to the Beijing Treaty on Audiovisual Performances.

Article 11.4. Notification and Exchange of Information

Under the established structure of the bilateral dialogue on intellectual property rights and the annual Intellectual Property Working Group meeting between China and Switzerland, each Party shall, upon request of the other Party, and in addition to the already existing forms of cooperation:

(a) exchange information relating to intellectual property policies in their respective administrations;

(b) inform the other Party of changes to, and developments in the implementation of their national intellectualpropertysystems;

(c) exchange information relating to the conventions referred to in this Chapter or to future international conventions on harmonisation, administration and enforcement of intellectual property rights and on activities in international organisations, such as the WTO and WIPO, as well as on relations of the Parties with third countries on matters concerning intellectualproperty; and

(d) consider intellectual property right issues and questions of interest to private stakeholders.

Article 11.5. Intellectual Property and Public Health

1. The Parties recognise the principles established in the Doha Declaration on the TRIPS Agreement and Public Health adopted on14 November 2001 by the MinisterialConference of the WTO and confirm that the provisions of this Chapter are without prejudice to this Declaration.

2. The Parties reaffirm their commitment to contribute to the international efforts to the implementation of the Decision of the WTO General Council of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, as well as the Protocol Amending the TRIPS Agreement, done at Geneva on 6 December 2005.

Section II. Standards Concerning the Availability, Scope and Use of Intellectual Property Rights

Article 11.6. Copyright and Related Rights

1. Without prejudice to the obligations set out in the international agreements to which both Parties are parties, each Party shall, in accordance with its laws and regulations, grant and ensure adequate and effective protection to the authors of works and to performers, producers of phonograms and videograms and broadcasting organisations for their works, performances, phonograms, videograms and broadcasts, respectively. It is understood that computer programmes fall under copyright protection.

2. In addition to the protection provided for in the international agreements to which the Parties are parties, each Party shall:

(a) grant and ensure protection as provided for in Articles 5, 6, 7, 8 and 10 of the WPPT, mutatis mutandis, to performers for their audiovisual performances; and

(b) grant and ensure protection as provided for in Articles 11, 12, 13 and 14 of the WPPT, mutatis mutandis, to producers of videograms.

3. A radio station or television station shall have the right to prohibit the following acts performed without its permission:

(a) rebroadcasting its programmes; and

(b) making a sound recording or video recording of its programmes and reproducing such recording.

4. Each Party may, in its national legislation, provide for the same kinds of limitations or exceptions with regard to the protection of performers for their audiovisual performances to the protection of videograms producers, and to broadcasting organisations as it provides for in its national legislation, in connection with the protection of copyright in literary and artistic work.

5. Each Party shall ensure that the author has the right, independently of the author's economic rights, and even after the transfer of the said rights, to claim authorship of the work and to object to any modification, distortion, mutilation or other derogatory action in relation to the said work, which would be prejudicial to his or her honour or reputation.

6. The rights granted to the author in accordance with paragraph 5 shall, after his or her death, be maintained at least until the expiry of the economic rights, and shall be exercisable by the persons or institutions authorised by the legislation of the Party in which protection is claimed.

7. The rights granted under paragraphs 5 and 6 shall be granted, mutatis mutandis, to performers as regards their live aural, visual or audiovisual performances, or performances fixed in phonograms or audiovisual fixations.

8. The term of protection to be granted to performers under this Agreement shall last, at least, until the end of a period of 50 years computed from the end of the year in which the performance took place.

9. The term of protection to be granted to producers of videograms under this Agreement shall last, at least, until the end of a period of 50 years computed from the end of the year in which the videogram was published, or failing such publication within 50 years from fixation of the videogram, 50 years from the end of the year in which the fixation was made.

10. The term of protection to be granted to broadcasting organisations under this Agreement shall last, at least, until the end of a period of 50 years computed from the end of the year in which the broadcast took place.

11. A Party may be exempted from its obligations under paragraphs 8, 9 and 10 where the exemptions as provided for in Articles 7 and 7bis of the Berne Convention may apply.

Article 11.7. Trademarks

1. The Parties shall grant adequate and effective protection to trademark right holders of goods and services. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including combinations of words, personal names, letters, numerals, figurative elements, shapes of goods, sounds and combinations of colours, as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, the Parties may make registerability depend on distinctiveness acquired through use. Parties may require, as a condition of registration, that signs be visually perceptible.

2. The Parties reaffirm the importance of the principles contained in the WIPO Joint RecommendationConcerning Provisions on the Protection of WellKnownMarks, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO in1999, and the WIPO Joint RecommendationConcerning Provisions on the Protection of Marks and other Industrial Property Rights in Signs on the Internet, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO in2001.

3. The Parties shall grant the owner of a registered trademark the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of the Parties making rights available on the basis of use.

4. The protection according to paragraph 3 shall not be limited to identical or similar goods or services where the registered trademark is well known in the respective Party and provided that use of a trademark which is a reproduction, an imitation or a translation, of the well-known trademark above in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

Article 11.8. Patents

1. The Parties shall, in their national laws, at least ensure adequate and effective patent protection for inventions in all fields of technology, including in the field of biotechnology and herbal medicine, provided that they are new, involve an inventive step and are capable of industrial application.

2. For the Parties, this means protection on a level corresponding to the one in paragraph 1 of Article 27 of the TRIPS Agreement. In addition to what is provided for in paragraph 2 of Article 27 of the TRIPS Agreement, the Parties may exclude from patentability:

(a) methods for treatment of the human or animal body by surgery or therapy or for diagnostic methods practised on the human or animal body; this provision shall not apply to products, in particular substances or compositions, for use in any of these methods; and

(b) plant or animal varieties or essentially biological processes for the production of plants or animals; this provision shall not apply to microbiological processes or the products thereof.

Article 11.9. Genetic Resources and Traditional Knowledge

1. The Parties recognise the contribution made by genetic resources and traditional knowledge to scientific, cultural and economic development.

2. The Parties acknowledge and reaffirm the principles established in the Convention on Biological Diversity adopted on 5 June 1992 and encourage the effort to enhance a mutually supportive relationship between the TRIPS Agreement and the Convention on Biological Diversity, regarding genetic resources and traditional knowledge.

3. Subject to each Party's international rights and obligations and domestic laws, the Parties may adopt or maintain measures to promote the conservation of biological diversity and the equitable sharing of benefits arising from the use of genetic resources and traditional knowledge.

4. The Parties may require that patent applicants should indicate the source of a genetic resource and, if so provided by the national law, traditional knowledge, to which the inventor or the patent applicant has had access, insofar as the invention is directly based on this resource or this knowledge in accordance with domestic laws and regulations;

5. If a patent application does not meet the requirements of paragraph 4, the Parties may set a time limit by which the applicant must correct the defect. The Parties may refuse the application or consider it withdrawn if the defect according to this paragraph has not been corrected within the set time limit.

6. If it is discovered after the granting of a patent that the application failed to disclose the source or that intentionally false information was submitted, or other relevant laws and regulations were violated, the Parties may provide for appropriate legal consequences.

Article 11.10. Plant Variety Protection

1. The Parties shall grant adequate and effective protection to breeders of new plant varieties at least on a level equivalent to the level provided for by the 1978 UPOV Convention.

2. At least the following acts in respect of the propagating material of the protected variety shall require the authorisation of the breeder:

(a) production or reproduction (multiplication) for the purposes of commercial marketing;

(b) conditioning for the purpose of commercial propagation;

(c) offering for sale;

(d) selling or other marketing; and

(e) importing or exporting.

3. The breeder may make his or her authorisation subject to conditions and limitations.

4. Exceptions:

(a) The breeder's right shall not extend to:

i. acts done for experimental purposes; and

ii. acts done for the purpose of breeding other varieties and acts referred to in paragraph 2in respect of such other varieties.

(b) Each Party may, within reasonable limits and subject to the safeguarding of the legitimate interests of the breeder, restrict the breeder's right to permit farmers to use for propagating purposes, on their own holdings, the product of the harvest which they have obtained by planting, on their own holdings, the protected variety.

5. The Parties shall apply paragraphs 1 and 2 to at least the genera/species contained in List A of Annex IX. If a Party, at its national level, grants protection to any other genera/species not mentioned in the Annex, the possibility to protect the relevant species/genera shall automatically be granted to any plant breeder of the Parties in accordance with the principles of national treatment and most favored nation treatment.

6. Upon a Party's request, every two years after the entry into force of this Agreement, the two Parties will:

(a) discuss the inclusion of additional genera/species, if the protection is limited to certain genera/species; and

(b) subject to their agreement, amend/expand Annex IX accordingly. Furthermore, the Parties agree to exchange the information on the protection given in their respective plant variety protection systems to essentially derived varieties after a period of two years after the entry into force of this Agreement with a view to examine the possibility of a more comprehensive protection regime, also with regard to essentially derived varieties.

Article 11.11. Undisclosed Information

1. The Parties shall protect undisclosed information in accordance with Article 39 of the TRIPS Agreement.

2. The Parties shall prevent applicants for marketing approval for pharmaceuticals, including chemical entities and biologics, and agricultural chemical products from relying on, or referring to, undisclosed test data or other data submitted to the competent authority by the first applicant for a period, counted from the date of marketing approval, of at least six years for pharmaceuticals and for agrochemical products.

3. Reliance on or reference to such data may be permitted in order to avoid unnecessary duplication of tests of agrochemical products involving vertebrate animals, provided that the first applicant is adequately compensated.

Article 11.12. Industrial Designs

1. The Parties shall ensure in their national laws adequate and effective protection of industrial designs by providing a period of protection of at least ten years.

2. The Parties shall provide copyright protection for industrial designs if they may be considered as works of applied art and fulfil the general condition required for copyright protection by the respective domestic legislation. The term of protection shall be at least 25 years from the making of the work.

Article 11.13. Geographical Indications

1. The Parties shall ensure in their national laws adequate and effective means to protect geographical indications. (20)

2. For the purposes of this Agreement, "geographical indications" are indications which identify a product as originating in the territory of a Party, or a region or a locality in that territory, where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin.

3. Without prejudice to Articles 22 and 23 of the TRIPS Agreement, the Parties shall take all necessary measures, in accordance with this Agreement, to ensure mutual protection of the geographical indications referred to in paragraph 2 that are used to refer to goods originating in the territory of the Parties. Each Party shall provide interested parties with the legal means to prevent the use of such geographical indications for identical or similar goods not originating in the place indicated by the geographical indication in question.

(20) Parties may require an indication to be registered in accordance with respective legislation and regulation on geographical indication in order to enjoy legal protection as a geographical indication.

Section III. Acquisition and Maintenance of Intellectual Property Rights

Article 11.14. Acquisition and Maintenance of Intellectual Property Rights

Where the acquisition of an intellectual property right is subject to the right being granted or registered, the Parties shall ensure that the procedures for grant or registration are of the same level as that provided in the TRIPS Agreement, in particular Article 62.

Section IV. Enforcement of Intellectual Property Rights

Article 11.15. General

The Parties shall provide for enforcement provisions for rights covered by Article 11.2 in their respective national laws which shall be at least of the same level as those provided in the TRIPS Agreement, in particular Articles 41 to 61.

Article 11.16. Suspension of Release

1. The Parties shall adopt procedures to enable a right holder, who has valid grounds for suspecting that importation or exportation of goods infringing patents, industrial designs, trademarks or copyright may take place, to lodge according to domestic laws and regulations an application in writing with the competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods.

2. The Parties shall enable their competent authorities to act upon their own initiative and suspend the release of goods according to domestic laws and regulations when they have valid grounds for suspecting that the importation or exportation of those goods would infringe patents, industrial designs, trademarks or copyright.

3. The Parties shall authorise their customs authorities to inform the right holder in order to enable the lodging of an application according to paragraph 1.

4. It is understood that there shall be no obligation to apply procedures set forth in paragraphs 1 or 2 to the suspension of the release into free circulation of goods put on the market in another country by or with the consent of the right holder.

5. In the case of the suspension pursuant to paragraphs 1 or 2, the competent authorities of the Party suspending the release of the products shall notify according to domestic laws and regulations the right holder of the suspension including necessary information available to enforce his or her rights, such as the name and addresses of the consignor or consignee, importer or exporter, as applicable, and of the quantity of the products in question.

6. Each Party shall ensure that the competent authorities, administrative or judicial, on request from the right holder, have the authority to decide that the products, the release of which has been suspended pursuant to paragraphs 1 or 2, shall be held seized until a final decision is reached in the infringement dispute.

7. Each Party shall provide that if the competent authorities have made a determination that the suspected goods infringe an intellectual property right, procedures are made available to enable the right holder to seek recovery of, and indemnify against, costs and expenses that the right holder may have incurred in connection with the exercise of rights and remedies provided in this provision.

Article 11.17. Right of Inspection

1. The competent authorities shall give the applicant for the suspension of goods and other persons involved in the suspension the opportunity to inspect goods whose release has been suspended or which have been detained.

2. When examining goods, the competent authorities may take samples and, according to the rules in force in the Party concerned, hand them over or send them to the right holder, at his or her request, strictly for the purposes of analysis and of facilitating the subsequent procedure. Where circumstances allow, samples must be returned on completion of the technical analysis and, where applicable, before goods are released or their detention is lifted. Any analysis of these samples shall be carried out under the sole responsibility of the right holder.

3. The declarant, holder or owner of the suspected infringing goods maybe present at the inspection.

Article 11.18. Liability Declaration, Security or Equivalent Assurance

The competent authorities shall have the authority to require an applicant to declare to accept liability where applicable towards the persons involved or, in justified cases, to provide a security or equivalent assurance, sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

Article 11.19. Enforcement – Civil Remedies

Each Party shall provide that:

(a) in civil judicial proceedings, its judicial authorities shall have the authority to order the infringer who knowingly or with reasonable grounds to know, engaged in infringing activity of intellectual property rights to pay the right holder damages adequate to compensate for the actual injury the right holder has suffered as a result of the infringement;

(b) in determining the amount of damages for intellectual property rights infringement, its judicial authorities shall consider, inter alia, the actual damage, or establishing a fair licence fee; and

(c) the competent judicial authorities in an infringement dispute may order, at the request of the right holder, that appropriate measures be taken with regard to goods that they have found to be infringing an intellectual property right and, in appropriate cases, with regard to materials and implements predominantly used in the creation or manufacture of those goods. Such measures shall include definitive removal from the channels of commerce or destruction. In considering a request for corrective measures, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account.

Article 11.20. Provisional Measures and Injunctions

1. Each Party shall ensure that its judicial authorities have the authority to order prompt and effective provisional measures:

(a) to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry into channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance;and

(b) to preserve relevant evidence in regard to the alleged infringement.

2. The judicial authorities shall have the authority to adopt provisional measures inaudita altera parte where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed. On request for provisional measures, the judicial authorities shall act expeditiously and make a decision without undue delay.

3. Each Party shall ensure that, in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority to order a party to desist from an infringement, inter alia, to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods.

Article 11.21. Enforcement – Criminal Remedies

Each Party shall provide for criminal procedures and penalties to be applied at least in cases ofwilfultrademark counterfeiting or copyright piracyona commercialscale.

Section V. Indications of Source and Country Names

Article 11.22. Indications of Source and Country Names

1. The Parties shall ensure in their national laws adequate and effective means to protect indications of source, country names and flags, with regard to all goods and services.

2. For the purposes of this Agreement, "indications of source" are direct or indirect references to the geographical origin of goods or services.

3. With regard to the use of indications of source for goods or services, the Parties shall provide in their national laws for adequate and effective means to prevent the use of such indications for goods or services not originating in the place

indicated by the designation in question.

4. The Parties shall provide the legal means for interested parties to prevent any incorrect or misleading use or registration of country names of a Party as trademarks, company names or names of associations.

5. The Partiesshallprovide the legal means for interested parties to prevent that armorial bearings, flags and other State emblems of a Party are used or registered as trademarks, or as company names or names of associations, in noncompliance with the conditions laid down in the laws and regulations of that Party. This protection shall also apply to signs that may be confused with armorial bearings, flags and other State emblems of the Parties.

Chapter 12. Environmental Issues

Article 12.1. Context and Objectives

1. The Parties recall the Stockholm Declaration on the Human Environment of 1972, the Rio Declaration on Environment and Development of 1992, Agenda 21 on Environment and Development of 1992, the Johannesburg Plan of Implementation on Sustainable Development of 2002 and the Rio+20 Outcome Document "The Future We Want" of 2012.

2. The Parties recognise that economic development, social development and environmental protection are interdependent and mutually supportive components of sustainable development. They underline the benefit of cooperation on environmental issues as part ofa global approach to sustainable development.

3. The Parties reaffirm their commitment to promote economic development in such a way as to contribute to the objective of sustainable development and to ensure that this objective is integrated and reflected in the Parties' bilateral economic relationship.

Article 12.2. Multilateral Environmental Agreements and Environmental Principles

1. The Parties reaffirm their commitment to the effective implementation in their laws and practices of multilateral environmental agreements to which they are a party, as well as of the environmental principles and obligations reflected namely in the international instruments referred to in Article 12.1. They shall strive to further improve the level of environmental protection by all means, including by effective implementation of their environmental laws and regulations.

2. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in domestic environmental laws, regulations, policies and practices. The Parties agree that environmental standards shall not be used for protectionist trade purposes.

3. The Parties recognise the importance, when preparing and implementing measures related to the environment, of taking account of scientific, technical and other information, and relevant international guidelines.

Article 12.3. Promotion of the Dissemination of Goods and Services Favouring the Environment

1. The Parties shall strive to facilitate and promote investment and dissemination of goods, services, and technologies beneficial to the environment.

2. For the purpose of paragraph 1, the Parties agree to exchange views and will consider cooperation in this area.

3. The Parties shall encourage cooperation between enterprises in relation to goods, services and technologies that are beneficial to the environment.

Article 12.4. Cooperation In International Fora

The Parties shall strive to strengthen their cooperation on environmental issues of mutual interest in relevant bilateral, regional and multilateral fora in which they participate.

Article 12.5. Bilateral Cooperation

1. The Parties reaffirm the importance of cooperating on environmental policies as means to contribute to the implementation of this Chapter and further improve the levels of environmental protection in line with the national environmental policy objectives and according to the obligations set out in multilateral environmental agreements to which

they are a party.

2. In pursuit of this objective, the Parties shall build on agreements or arrangements in the field of environment already in place between them and consider the development of further cooperative activities in areas of common interest.

3. Environmental cooperation between the Parties shall also focus on exchange of information and expertise, capacity building and training, seminars and workshops, internships and scholarships, as well as monitoring international developments in this area, etc. Such activities should also address the issue of technology cooperation and transfer, especially regarding environmentally friendly technologies.

Article 12.6. Resources and Financial Arrangements

Recalling as decided in the Rio+20 Outcome Document the need for significant mobilisation of resources from a variety of sources and the effective use of financing, in order to give strong support to developing countries in their efforts to promote sustainable development, the necessary resources for the implementation of environmental cooperation shall be made available by the competent institutions and organisations as well as by the private sector of both Parties, subject to mutual agreement of the Parties, according to terms and conditions agreed on a project by project basis and taking into account the different levels of social and economic development of the Parties.

Article 12.7. Implementation and Consultations

1. With a view to facilitating the implementation of this Chapter and related communications, the following contact points are designated:

(a) for china: the MinistryofCommerce (MOFCOM); and

(b) for Switzerland: the State Secretariat for Economic Affairs (SECO).

2. A Party may through the contact points referred to in paragraph 1 request consultations within the Joint Committee regarding any matter arising under this Chapter. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter.

3. Chapter 15 shall not apply to this Chapter. If a Party considers that a measure of the other Party does not comply with the provisions of this Chapter, it may have recourse exclusively to bilateral consultations and dialogue in the Joint Committee.

Article 12.8. Review

The Parties shall periodically review in the Joint Committee progress achieved in pursuing the objectives set out in this Chapter, considering relevant international developments.

Chapter 13. Economic and Technical Cooperation

Article 13.1. Scope and Objectives

1. The Parties agree to promote economic and technical cooperation with the aim to enhance the mutual benefits of this Agreement, in accordance with their national strategies and their policy objectives and taking into account the different levels of social and economic development of the Parties.

2. The cooperation under this chapter shall pursue the following objectives: (a) facilitate the implementation of this Agreement with a view to further the well-being of the peoples of the Parties;and (b) create and enhance sustainable trade and investment opportunities by facilitating trade and investment between the Parties and by strengthening competitiveness and innovation capacities, with a view to promote sustainable economic growth and development.

Article 13.2. Methods and Means

1. The Parties shall cooperate with the objective of identifying and employing effective methods and means for the implementation of this Chapter. To this end, they shall coordinate efforts with relevant international organisations and develop, where applicable, synergies with other forms of bilateral cooperation already existing between the Parties.

2. The Parties will use, among others, the following instruments for the implementation of this Chapter:

(a) exchange of information and expertise, capacity-building and training;

(b) joint identification, development and implementation of projects of cooperation, including seminars, workshops, internships and scholarships; and

(c) technical and administrative cooperation.

3. The Parties may initiate and implement projects and activities with the participation of national and international experts, institutions and organisations, as appropriate.

Article 13.3. Areas of Cooperation

Cooperation, as specified in the Work Programme referred to in Article 13.7, may cover any field jointly identified by the Parties that may serve the Parties to benefit from increased trade and investment. Cooperation may include but is not limited to the following areas:

(a) sustainable development;

(b) industrial cooperation;

(c) cooperation in the area of services sectors;

(d) cooperation on agriculture;

(e) quality supervision, inspection and quarantine;and

(f) innovation, protection, enforcement, management and use of intellectual property rights.

Article 13.4. Government Procurement

1. The Parties agree on the importance of cooperation to enhance the mutual understanding of their respective government procurement laws, regulations and agreements. The Parties will accordingly cooperate, consult and exchange information on such matters.

2. The Parties shall publish, or otherwise make publicly available, their laws, regulations and administrative rulings of general application as well as their respective international agreements that may affect their procurement markets.

3. Each Party hereby designates the following governmental authority as its enquiry point to facilitate communication between the Parties on any matter regarding government procurement:

(a) for China: the MinistryofFinance; and

(b) for Switzerland: the State Secretariat for Economic Affairs.

4. The Parties agree to commence negotiations on government procurement as soon as possible following the completion of negotiations on the accession of China to the WTO Agreement on Government Procurement (GPA) with a view to concluding, on a reciprocal basis, an agreement on government procurement between the Parties.

Article 13.5. Cooperation on Labour and Employment

The Parties shall enhance their cooperation on labour and employment according to the Memorandum of Understanding between the Ministry of Human Resources and Social Security of the People's Republic of China and the Federal Department of Economic Affairs of the Swiss Confederation regarding Cooperation on Labour and Employment Issues signed in Bern on 15 June 2011 and the Agreement on Labour and Employment Cooperation between the Ministry of Human Resources and Social Security of The People's Republic of China and the Federal Department of Economic Affairs, Education and Research of the Swiss Confederation signed in Beijing on6 July 2013.

Article 13.6. Resources and Financial Arrangements

Recalling the need for significant mobilisation of resources from a variety of sources and the effective use of financing, the necessary resources for the implementation of cooperation shall be made available by the competent institutions and organisations as well as by the private sector of both Parties, subject to mutual agreement of the Parties, according to terms and conditions agreed on a project by project basis and taking into account the different levels of social and economic

development of the Parties.

Article 13.7. Work Programme

In order to further specify the methods and contents of economic and technical cooperation under this Chapter, the Parties shall sign at ministerial level a Work Programme in parallel to the conclusion of this Agreement.

Article 13.8. Implementation and Monitoring

1. The contact points designated in Article 14.2 are responsible for managing and developing the cooperation under this Chapter and the Work Programme. To this effect, they cooperate and coordinate with other relevant national and international entities as appropriate.

2. The contact points shall report to the Joint Committee on the implementation of this Chapter and the Work Programme. They may make recommendations as appropriate.

3. The Joint Committee shall periodically review the implementation of this Chapter and the Work Programme. It may discuss any issue related to this Chapter and the Work Programme, make recommendations or take decisions by mutual agreement.

4. Chapter 15 shall not apply to this Chapter. Any difference or dispute between the Parties concerning the interpretation and/or implementation of any of the provisions of this Chapter and of the Work Programme shall be settled through consultations between the Parties. Consultations shall take place in the Joint Committee.

Chapter 14. Institutional Provisions

Article 14.1. The Joint Committee

1. The Parties hereby establish the Joint ChinaSwitzerland Committee (hereinafter referred to as the "Joint Committee") comprising representatives of both Parties. The Parties shall be represented by senior officials delegated by them for this purpose.

2. The Joint Committee shall:

(a) supervise and review the implementationofthisAgreement;

(b) keep under review the possibility of further removal of barriers to trade and other restrictive measures concerning trade between china and Switzerland;

(c) oversee the further elaboration of this Agreement;

(d) supervise the work of all subcommittees and working groups established under this Agreement;

(e) endeavour to resolve disputes that may arise regarding the interpretation or application of this Agreement; and

(f) consider any other matter that may affect the operation of this Agreement.

3. The Joint Committee may decide to set up such subcommittees and working groups as it considers necessary to assist it in accomplishing its tasks. Except where specifically provided for in this Agreement, the subcommittees and working groups shall work under a mandate established by the Joint Committee.

4. The Joint Committee shall take decisions as provided for in this Agreement, or make recommendations.

5. The Joint Committee shall meet within one year of the entry into force of this Agreement. Thereafter, it shall meet whenever necessary but normally once every two years. The meetings shall be chaired jointly. The Joint Committee shall establish its rules of procedure.

6. EachPartymayrequestat anytime, through a notice in writing to the other Party, that a special meeting of the Joint Committee be held. Such a meeting shall take place within 30 days of receipt of the request, unless the Parties agree otherwise.

7. The Joint Committee shall, in accordance with Article 16.3 consider proposals for any amendments to this Agreement submitted by a Party and recommend to the Parties amendments for adoption.

Article 14.2. Contact Points

For the purpose of facilitating communication between the Parties on any matter covered bythis Agreement, the following contact points are designated:

(a) for China: the MinistryofCommerce (MOFCOM); and

(b) for Switzerland: the State Secretariat for Economic Affairs (SECO).

Chapter 15. Dispute Settlement

Article 15.1. Scope and Coverage

1. Unless otherwise provided in this Agreement, wherever a Party considers that a measure of the other Party is inconsistent with the rights and obligations of this Agreement, the dispute settlement provisions of this Chapter shall apply.

2. Disputes regarding the same matter arising under both this Agreement and the WTO Agreement may be settled in either forum at the discretion of the complaining Party. The forumthus selected shall be used to the exclusion ofthe other.

3. For the purposes of paragraph 2, dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes, whereas dispute settlement proceedings under this Agreement are deemed to be initiated upona request for arbitrationpursuant to paragraph1 of Article 15.4.

Article 15.2. Good Offices, Conciliation or Mediation

1. Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the Parties so agree. They may begin and be terminated at any time. They may continue while procedures of an arbitration panel established in accordance with this Chapter are in progress.

2. Proceedings involving good offices, conciliation and mediation shall be confidential and without prejudice to the Parties' rights in any other proceedings.

Article 15.3. Consultations

1. A Party may request in writing consultations with the other Party if it considers that a measure is inconsistent with the rights and obligations of this Agreement. The request for consultations shall set out the reasons for the request, including identification of the measure at issue and a brief summary of the legal basis for the complaint. The other Partyshallreplyto the request within ten days after the date of its receipt.

2. Consultations shall commence within 30 days from the date of receipt of the request for consultations. Consultations on urgent matters shall commence within 15 days from the receipt of the request for consultations. If the Party to which the request is made does not reply within ten days or does not enter into consultations within 30 days from the date of receipt of the request for consultations, or within 15 days for urgent matters, the Party making the request is entitled to request the establishment of an arbitration panel in accordance with Article 15.4.

3. The complaining Party shall provide sufficient information to facilitate finding a solution during the consultations. Each Party shall treat any confidential or proprietary information exchanged in the course of consultations in the same manner as the Party providing the information.

4. The consultations shall be confidential and without prejudice to the rights of the Parties in any further proceedings.

Article 15.4. Establishment of Arbitration Panel

1. If the consultations referred to in article 15.3 fail to resolve a matter within 60 days,or 30 days in relation to urgent matters, after the date of the receipt of the request for consultations by the Party complained against, it may be referred to an arbitration panel by means of a written request from the complaining Party to the other Party.

2. The request for arbitration shall identify the specific measure at issue and provide a brief summary of the legal basis of the complaint.

3. The arbitration panel shall comprise three members.

4. Within 15 days after receipt of the request for arbitration in accordance with paragraph 1, both Parties shall designate one member of the arbitration panel respectively.

5. The Parties shall designate by common agreement the third panelist within 30 days after the receipt of the request for arbitration in accordance with paragraph 1. The panelist thus designated shall chair the arbitration panel.

6. If any member of the arbitration panel has not been designated within 30 days after the receipt of the written request for arbitration in accordance with paragraph 1, at the request of any Party to the dispute, the Director-General of the WTO is expected to designate a member within a further 30 days. In the event that the Director-General of the WTO is a national of any Party or unable to perform this task, the Deputy Director-General of the WTO who is not a nationalofanyPartyshall be requested to perform such task. If the Deputy Director-General of the WTO is unable to perform this task as well, the President of the International Court of Justice (ICJ) shall be requested to perform this task. In the event that the President of the ICJ is a national of either Party, the Vice President of the ICJ who is not a national of a Party shall be requested to perform this task.

7. The Chair of the arbitration panel shall not be a national of any of the Parties, nor have his or her usual place of residence in the territory of any of the Parties, nor be employed by any of the Parties, nor have dealt with the matter in any capacity.

8. All panelists shall:

(a) have expertise or experience in law, international trade or the resolution of disputes arising under international trade agreements and, if possible, have expertise in the matter covered by the dispute;

(b) be chosen strictly on the basis of objectivity, reliability, and sound judgment;

(c) be independent and not be affiliated with or take instructions from any Party; and

(d) comply with a code of conduct in conformity with the relevant rules established in the document WT/DSB/RC/1 of the WTO.

9. If a panelist appointed under this Article resigns or becomes unable to act, a successor panelist shall be appointed within 15 days in accordance with the selection procedure as prescribed for the appointment of the original panelist and the successor shall have all the powers and duties of the original panelist. The work of the arbitration panel shall be suspended during the appointment of the successor panelist.

10. Unless the Parties otherwise agree within 30 days from the date of receipt of the request for arbitration in accordance withparagraph1, its terms of reference shall be:

"To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitration panel pursuant to Article 15.4 and to make findings of law and fact together with the reasons therefor, for the resolution of the dispute."

Article 15.5. Functions of Arbitration Panel

1. The function of an arbitration panel is to make an objective assessment of the dispute before it, in light of the request for its establishment, including an examination of the facts of the case and the applicability of and conformity with this Agreement. It shall interpret the relevant provisions of this Agreement in accordance with customary rules of interpretation of public international law.

2. The arbitration panel, in their findings and recommendations, cannot add to or diminish the rights and obligations provided in this Agreement.

Article 15.6. Procedures of the Arbitration Panel

1. Unless the Parties agree otherwise, the arbitration panel proceedings shall be conducted in accordance with the Rules of Procedure set out inAnnex X.

2. The arbitration panel shall, apart from the rules set out in this Article, regulate its own procedures in relation to the rights of the Parties to be heard and its deliberations in consultation with the Parties.

3. The arbitration panel shall strive to take its decisions by consensus. If it is unable to reach consensus, it may take its decisions by majority vote. Panelists may furnish separate opinions on matters not unanimously agreed. The arbitration

panel may not disclose which members are associated with majority or minority opinions.

Article 15.7. Panel Reports

1. The arbitration panel shall draft its reports in line with the relevant provisions of this Chapter and based on the request for its establishment, the relevant provisions of this Agreement, as well as the submissions and arguments of the Parties.

2. The arbitration panel should, as a general rule, submit an initial report containing its findings and conclusions to the Parties no later than 90 days after the last panelist is selected. In urgent matters the arbitration panel should submit the initial report no later than 60 days from the date the last panelist is selected. Each Party may submit written comments to the arbitration panel on its initial report within14 days of receipt of the report.

3. In exceptional cases,if the arbitration panel considers it cannot release its initial report within 90 days, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will release its report. Any delay shall not exceed a further period of30 days unless the Parties otherwise agree.

4. The arbitration panel shall present to the Parties a final report within 30 days, or 20 days in relation to urgent matters, after the submission of the initial report.

5. The final report, as well as any report under Articles 15.9 and 15.10, shall be communicated to the Parties. The reports shall be available to the public, unless the Parties decide otherwise, subject to the protection of confidential information.

6. The ruling of the arbitration panel on the consistency of the measure specified in the terms of reference with this Agreement (hereinafter referred to as "the ruling") shall be final and binding upon the Parties.

Article 15.8. Suspension or Termination of Arbitration Panel Proceedings

1. Where the Parties agree, an arbitration panel may suspend its work at any time for a period not exceeding 12 months from the date of such agreement. If the work of an arbitration panel has been suspended for more than 12 months, the terms of reference for establishment of the arbitration panel shall lapse unless the Parties agree otherwise.

2. A complaining Party may withdraw its complaint at any time before the final report has been issued. Such withdrawal is without prejudice to its right to introduce a new complaint regarding the same issue at a later point in time. The right of the complaining Party to withdraw its complaint and introduce a new complaint shall not be abused.

3. The Partiesmayagree at any time before the release of the final report to terminate the proceedings of an arbitration panel established under this Agreement by jointly notifying the Chairpersonofthat arbitration panel.

4. An arbitration panel may, at any stage of the proceedings prior to release of the final report, propose that the Parties seek to settle the dispute amicably.

Article 15.9. Implementation of Final Report

1. The Party complained against shall promptly comply with the ruling in the final report. If it is impracticable to comply immediately, the Parties shall endeavour to agree on a reasonable period of time to do so.

2. In the absence of an agreement referred to inparagraph1 within45 days from the date of the issuance of the final report, either Party may request the arbitration panel to determine the length of the reasonable period of time, in light of the particular circumstances of the case. The ruling of the arbitration panel should be given within 30 days from the receipt of that request.

3. The Party complained against shall, promptly or within the reasonable period of time as agreed or determined pursuant to paragraphs 1 and 2, notify the other Party of the measure adopted in order to comply with the ruling in the final report, as well as provide a detailed description of how the measure ensures compliance sufficient to allow the other Party to assess the measure.

4. In case of disagreement as to the existence or consistency of a measure taken to comply with the ruling in the final report in accordance with paragraphs 1 and 2, such disagreement shall be decided by the same arbitration panel upon the request of either Party before compensation can be sought or suspension of benefits can be applied in accordance with Article 15.10. The ruling of the arbitration panel shall normally be rendered within 60 days.

5. When the arbitration panel considers that it cannot provide its report within the timeframe referred to in paragraph 2 and 4, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will

submit its report. Any delay shall not exceed a further period of 15 days.

Article 15.10. Compensation, Suspension of Concessions and Obligations

1. If the arbitration panel has found in accordance with paragraph 4 of Article 15.9 that the Party complained against failed to bring the measure found to be inconsistent with this Agreement into compliance with the ruling of the arbitration panel within the reasonable period of time established, or if the Party complained against notifies the complaining Party that it will not implement the ruling, that Party shall, if so requested by the complaining Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within 20 days from the receipt of the request, the complaining Party shall be entitled to suspend the application of benefits granted under this Agreement but only equivalent to those affected by the measure that the arbitration panel has found to be inconsistent with this Agreement. The complaining Party shall notify the Party complained against 30 days before suspending concessions and obligations.

2. In considering what concessions and obligations to suspend, the complaining Party shall first seek to suspend concessions and obligations in the same sector or sectors as that affected by the measure that the arbitration panel has found to be inconsistent with this Agreement. If the complaining Party considers it is not practicable or effective to suspend concessions and obligations in the same sector or sectors, it may suspend concessions and obligations in other sectors. In such a case, the complaining Party shall include in its notification announcing the suspension of concessions or obligations the reasons for its decision.

3. In its notification announcing the suspension of concessions or obligations, the complaining Party shall indicate the concessions or obligations which it intends to suspend, the grounds for such suspension and when suspension will commence. Within 15 days from the receipt of that notification, the Party complained against may request the arbitration panel to rule on whether the concessions or obligations which the complaining Party intends to suspend are equivalent to those affected by the measure found to be inconsistent with this Agreement, and whether the proposed suspension is in accordance with paragraphs 1 and 2. The ruling of the arbitration panel shall be given within 60 days from the receipt of that request. Concessions or obligations shall not be suspended until the arbitration panel has issued its ruling.

4. Compensation and suspension of benefits shall be temporary measures and shall only be applied by the complaining Party until the measure found to be inconsistent with this Agreement has been withdrawn or amended so as to bring it into conformity with this Agreement, or until the Parties have resolved the dispute otherwise. To this end, if the Party complained against considers that it has eliminated the nonconformity that the arbitration panel has found, it may provide written notice to the complaining Party with a description of how non-conformity has been removed.

Article 15.11. Other Provisions

1. Whenever possible, the arbitration panel referred to in Articles 15.9 and 15.10 shall comprise the same panelists who issued the final report. If a member of the arbitration panel is unavailable, the appointment of a replacement panelist shall be conducted in accordance with the selection procedure for the original panelist.

2. For the purposes of calculating time periods, such period shall begin to run on the day following the day when a written communication is received. If the last day of such period is an official holiday, the period shall be extended until the first work day which follows. Official holidays or nonwork days occurring during the running of the period of time shall be included in calculating the period.

3. Any time period mentioned in this Chapter may be modified by mutual agreement of the Parties.

Chapter 16. Final Provisions

Article 16.1. Fulfilment of Obligations

The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement.

Article 16.2. Annexes and Appendices

The Annexes to this Agreement, including their Appendices, constitute an integral part of this Agreement.

Article 16.3. Amendments

1. Each Party may submit proposals for amendments to this Agreement to the Joint Committee for consideration and approval.

2. Amendments to this Agreement shall, after approval by the Joint Committee, be submitted to the Parties for ratification, acceptance or approval in accordance with their respective legal requirements.

3. Unless otherwise agreed by the Parties, amendments shall enter into force on the first day of the third month following the date of notification of the latter Party that the respective legal requirements have been fulfilled.

Article 16.4. Termination

Each Party may terminate this Agreement by notification through diplomatic channel to the other Party. This Agreement shall expire six months after the date of such notification.

Article 16.5. Entry Into Force

This Agreement shall enter into force on the first day of the third month following the month in which the Governments of the Parties exchange diplomatic notes informing each other that their respective legal procedures necessary for the entry into force of this Agreement have been completed.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

Done at Beijing, this 6th day of July 2013, in two originals each in the English, Chinese and French language, each text being equally authentic. In case of divergence between the language versions, the English text shall prevail.

For the People's Republic of China

For the Swiss Confederation