PROTOCOL AMENDING THE FREE TRADE AGREEMENT BETWEEN THE EFTA STATES AND THE REPUBLIC OF CHILE

Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation ((hereinafter referred to as "the EFTA States");

and

the Republic of Chile (Chile);

hereinafter collectively referred to as the "Parties":

HAVING regard to the Free Trade Agreement between the EFTA States and Chile signed in Kristiansand, Norway, on 26 June 2003 (the Agreement);

RECOGNISING the common wish to further strengthen the links between the EFTA States and Chile;

HAVING regard to Article 103 of the Agreement;

HAVE AGREED TO THE FOLLOWING AMENDMENTS TO THE AGREEMENT:

Article I: Amendments to the Preamble

The text set out in Annex 1 to this Protocol shall replace the Preamble in its entirety.

Article II: Amendments to Chapter I (Initial Provisions)

(a) The text set out in Annex 2 to this Protocol shall replace Article 1 (Establishment of a free trade area) in its entirety.

(b) The text set out in Annex 3 of this Protocol shall replace Article 2 (Objectives) in its entirety.

Article III: Amendments to Chapter II (Trade in Goods)

The text set out in Annex 4 to this Protocol shall replace Chapter II (Trade in Goods) in its entirety.

Article IV: Amendments to Annex I (Concerning the definition of the concept of "Originating Products" and arrangements for Administrative Co-operation)

The text set out in Annex 5 to this Protocol shall replace Annex I (Concerning the definition of the concept of "Originating Products" and arrangements for Administrative Co-operation) in its entirety.

Article V: Deletion of Annexes III (Products not covered by this Agreement), IV (Processed Agricultural Products), V (Fish and Other Marine Products)

Annexes III (Products not covered by this Agreement), IV (Processed Agricultural Products), V (Fish and Other Marine Products) shall be deleted.

Article VI: Deletion of Annex VI (Elimination of Customs Duties)

Annex VI (Elimination of Customs Duties) shall be deleted.

Article VII: Incorporation of Annexes III (Chile Schedule of Tariff Commitments), IV (Iceland Schedule of Tariff Commitments), V (Norway Schedule of Tariff Commitments) and VI (Switzerland Schedule of Tariff Commitments)

The text set out in Annexes 6, 7, 8 and 9 to this Protocol shall be incorporated into the Agreement as new Annexes III (Chile Schedule of Tariff Commitments), IV (Iceland Schedule of Tariff Commitments), V (Norway Schedule of Tariff Commitments) and VI (Switzerland Schedule of Tariff Commitments).

Article VIII: Amendments to Annex VII (Import and Export Restrictions)

The reference to “Article 13” in Annex VII shall be replaced by “Article 11”.

Article IX: Incorporation of Annex VIIbis (Mandate of the Sub-Committee on trade in goods)

The text set out in Annex 10 to this Protocol shall be incorporated into the Agreement as new Annex VIIbis (Mandate of the Sub-Committee on trade in goods).

Article X: Incorporation of Annex VIIter (Trade Facilitation)

The text set out in Annex 11 to this Protocol shall be incorporated into the Agreement as new Annex VIIter (Trade Facilitation).

Article XI: Amendments to Annex VIII (Schedules of Specific Commitments)

The text set out in Annex 12 to this Protocol shall replace Annex VIII (Schedules of Specific Commitments) in its entirety.

Article XII: Incorporation of Annex VIIIbis (Financial Services Schedule for Chile)

The text set out in Annex 13 to this Protocol shall be incorporated into the Agreement as new Annex VIIIbis (Financial Services Schedule for Chile).

Article XIII: Amendments to Chapter III (Trade in Services and Establishment)

(a) Articles 22 (Coverage) through 31 (Telecommunications services) shall be renumbered as Articles 26 (Coverage) through 35 (Telecommunications services).

(b) Article 26 (Coverage) shall be amended by:

(i) adding the following new subparagraphs in paragraph 2: “(d) ground handling services” and “(e) airport operation services”.

(ii) adding the following footnotes:

(A) a footnote 2 to new subparagraph (d): “ground handling services” means the supply of a service on a fee or contract basis for: ground administration and supervision, including load control and communications; passenger handling; baggage handling; cargo and mail handling; ramp handling and aircraft services; fuel and oil handling; aircraft line maintenance, flight operations and crew administration; surface transport; or catering services. Ground handling services do not include security services or the operation or management of centralised airport infrastructure, such as baggage handling systems, de-icing facilities, fuel distribution systems, or intra-airport transport systems.”.

(B) a footnote 3 to new subparagraph (e): “airport operation services” means the operation or management, on a fee or contract basis, of airport infrastructure, including terminals, runways, taxiways and aprons, parking facilities, and intra-airport transportation systems. For greater certainty, airport operation services do not include the ownership of, or investment in, airports or airport lands, or any of the functions carried out by a board of directors. Airport operation services do not include air navigation services.”.

(iii) adding the following new paragraph 4: “This Section shall not apply to trade in financial services, which is subject to Section II”.

(c) The reference to “Article 27” in paragraph 1 of Article 29 (Market access) shall be replaced by “Article 31”.

(d) The reference to “Article 27” in paragraph 1 of Article 30 (National treatment) shall be replaced by “Article 31”.

(e) The references to “Article 25” and “Article 26” in paragraphs 1, 2 and 3 of Article 31 (Trade liberalisation) shall be replaced by “Article 29” and “Article 30”, respectively.

(f) The text set out in Annex 14 to this Protocol shall be incorporated into the Agreement as new Section II (Financial Services).

(g) Section II (Establishment) shall become Section III (Establishment), where Articles 32 (Coverage) through 37 (Final provisions) shall be renumbered as Articles 54 (Coverage) through 59 (Final provisions).

(h) In Article 54 (Coverage), the words “including financial services” shall be inserted after the words “in services sectors”.

(i) The references to “Article 34” in paragraph 1 of Article 57 (Reservations) shall be replaced by “Article 56”.

(j) The reference to “Article 37” in paragraph 2 of Article 57 (Reservations) shall be replaced by “Article 59”.

(k) The reference to “Article 34” in Article 58 (Right to regulate) shall be replaced by “Article 56”.

(l) Section III (Payments and Capital Movements) shall become Section IV (Payments and Capital Movements), where Articles 38 (Objective and scope) through 42 (Final provisions) shall be renumbered as Articles 60 (Objective and scope) through 64 (Final Provisions).

(m) In Article 62 (Capital account), a comma and the words “Financial Services” shall be inserted after the words “Trade in Services”.

(n) Section IV (Common Provisions) shall become Section V (Common Provisions), where Article 43 (Relation to other international agreements) and Article 44 (General Exceptions) shall be renumbered as Article 65 (Relation to other international agreements) and Article 66 (General Exceptions), respectively.

(o) The text set out in Annex 15 of this Protocol shall replace Article 66 (General exceptions) in its entirety.

(p) Former Article 45 (Financial services) shall be deleted.

Article XIV: Incorporation of Annex VIIIter (Mandate of the Sub-Committee on financial services)

The text set out in Annex 16 to this Protocol shall be incorporated into the Agreement as a new Annex VIIIter (Mandate of the Sub-Committee on Financial Services).

Article XV: Amendments to Annex IX (Telecommunication Services)

The reference to “Article 31” in Annex IX (Telecommunication Services) shall be replaced by "Article 35”.

Article XVI: Amendments to Annex X (Reservations)

The references to “Article 35” in Appendixes 1, 2, 3, 4, 5, 6 and 7 in Annex X (Reservations) shall be replaced by “Article 57”.

Article XVII: Amendments to Annex XI (Current Payments and Capital Movements)

The text set out in Annex 17 to this Protocol shall replace Annex XI (Current Payments and Capital Movements) in its entirety.

Article XVIII: Amendments to Chapter IV (Intellectual Property Rights)

The text set out in Annex 18 to this Protocol shall replace Chapter IV (Intellectual Property Rights) in its entirety.

Article XIX: Amendments to Annex XII (Intellectual Property Rights)

The text set out in Annex 19 to this Protocol shall replace Annex XII (Intellectual Property Rights) in its entirety.

Article XX: Amendments to Chapter V (Government Procurement)

The text set out in Annex 20 to this Protocol shall replace Chapter V (Government Procurement) in its entirety.

Article XXI: Amendments to Annex XIII (Covered Entities) and Annex XIV (General Notes)

The text set out in Annex 21 to this Protocol shall replace Annex XIII (Covered Entities) and Annex XIV (General Notes) in its entirety.

Article XXII: Incorporation of Chapter Vbis (Small and Medium-Sized Enterprises)

The text set out in Annex 22 to this Protocol shall be incorporated into the Agreement as new Chapter Vbis (Small and Medium-Sized Enterprises).

Article XXIII: Incorporation of Chapter Vter (Digital Trade)

The text set out in Annex 23 to this Protocol shall be incorporated into the Agreement as new Chapter Vter (Digital Trade).

Article XXIV: Incorporation of Chapter Vquater (Trade and Sustainable Development)

The text set out in Annex 24 to this Protocol shall be incorporated into the Agreement as new Chapter Vquater (Trade and Sustainable Development).

Article XXV: Amendments to Chapter VI (Competition Policy)

(a) Articles 72 (Objectives) through 80 (Definitions) shall be renumbered as Articles 148 (Objectives) through 156 (Definitions).

(b) The reference to “Articles 73, 74 and 75” in Article 155 (Designated Authorities) shall be replaced by “Articles 149, 150 and 151”.

Article XXVI: Amendments to Chapter VII (Subsidies)

Article 81 (Subsidies/State aid) shall be renumbered as Article 157 (Subsidies/State aid).

Article XXVII: Amendments to Chapter VIII (Transparency)

Articles 82 (Publication) through 84 (Cooperation on increased transparency) shall be renumbered as Articles 158 (Publication) through 160 (Cooperation on increased transparency).

Article XXVIII: Amendments to Chapter IX (Administration of the Agreement)

Article 85 (The Joint Committee) and Article 86 (The Secretariat) shall be renumbered as Article 161 (The Joint Committee) and Article 162 (The Secretariat), respectively.

Article XXIX: Amendments to Chapter X (Dispute Settlement)

(a) Articles 87 (Scope) through 97 (Other provisions) shall be renumbered as Articles 163 (Scope) through 173 (Other provisions).

(b) The reference to “Articles 14(2), 16(1), 17(1), 18(3), 20, 24(1) and 81(1) and (2) in paragraph 3 of Article 163 (Scope) shall be replaced by “Articles 12, 14(1), 15(1), 17(3), 18(1), 28(1) and 157(1) and (2)”.

(c) The reference to “Article 91” in paragraph 2 of Article 164 (Choice of forum) shall be replaced by “Article 167”.

(d) The reference to “Article 91” in paragraph 2 of Article 168 (Arbitration panel) shall be replaced by “Article 167”.

(e) The reference to “Article 91” in paragraph 2 of Article 169 (Procedures of the arbitration panel) shall be replaced by “Article 167”.

(f) The reference to “Article 93(3)” in paragraph 2 of Article 170 (Ruling) shall be replaced by “Article 169(3)”.

(g) The reference to “Article 94” in paragraph 1 of Article 172 (Implementation of arbitration panel rulings) shall be replaced by “Article 170”.

Article XXX: Amendments to Chapter XI (General Exceptions)

(a) Articles 98 (Balance of payments difficulties) through 100 (Taxation) shall be renumbered as Articles 174 (Balance of payments difficulties) through 176 (Taxation).

(b) Article 176 (Taxation) shall be amended by:

(i) The reference to “Article 15” shall be replaced by “Article 13”.

(ii) The reference to subparagraph 1 (b) shall be replaced by the following text: “(b) with regard to taxation measures applicable in Sections I and II of Chapter III and Chapter Vter (Digital Trade), where Article XIV of the GATS applies, mutatis mutandis.”.

Article XXXI: Amendments to Chapter XII (Final Provisions) and termination of complementary agreements on trade in agricultural goods

(a) Articles 101 (Definitions) through 106 (Entry into Force) shall be renumbered as Articles 177 (Definitions) through 182 (Entry into Force).

(b) The text set out in Annex 25 to this Protocol shall replace Article 179 (Amendments) in its entirety.

(c) Former Article 107 (Relation to the complimentary agreements) shall be deleted.

(d) The Complementary Agreement on trade in agricultural goods between the Republic of Chile and the Republic of Iceland, the Complementary Agreement on trade in agricultural goods between the Republic of Chile and the Kingdom of Norway

and the Complementary Agreement on trade in agricultural goods between the Republic of Chile and the Swiss Confederation, all signed on 26 June 2003, shall be terminated and replaced by the Agreement as amended by this Protocol.

(e) Article 108 (Depositary) shall be renumbered as Article 183 (Depositary).

Article XXXII: Amendments to Annex XV (Decisions of the Joint Committee)

The text set out in Annex 26 to this Protocol shall replace Annex XV (Decisions of the Joint Committee) of the Agreement in its entirety.

Article XXXIII: Amendments to Annex XVI (Secretariat)

The reference to “Article 86” in Annex XVI (Secretariat) shall be replaced by “Article 162”.

Article XXXIV: Amendments to Annex XVII (Model Rules of Procedure for the Conduct of Arbitration Panels)

(a) The references to “Article 93” and “Article 93(1)” in the headings of Annex XVII shall be replaced by “Article 169” and “Article 169(1)”, respectively.

(b) The reference to “Article 91” in rule 1(1) shall be replaced by “Article 167”.

(c) The reference to “Article 92” in rule 1(1) shall be replaced by “Article 168”.

(d) The reference to “Article 91(1) in rule 37 shall be replaced by “Article 167(1)”.

(e) The references to “Article 96(4)(5)(8) and (10) in rule 47 shall be replaced by “Article 172(4)(5)(8) and (10)”.

(f) The reference to “Article 96” in rule 48 shall be replaced by “Article 172”.

Article XXXV: Entry into Force

1. This Protocol is subject to ratification, acceptance, or approval. The instruments of ratification, acceptance or approval shall be deposited with the Depositary of the Agreement.

2. This Protocol shall enter into force in relation to Chile and at least one EFTA State on the first day of the third month following the date on which Chile and that EFTA State have deposited their instrument of ratification, acceptance or approval with the Depositary.

3. In relation to an EFTA State depositing its instrument of ratification, acceptance or approval after the date on which this Protocol enters into force pursuant to paragraph 2, this Protocol shall enter into force on the first day of the third month following the deposit of its instrument of ratification, acceptance or approval with the Depositary.

4. A Party may apply this Protocol provisionally, subject to its applicable legal requirements. Provisional application of this Protocol under this paragraph shall be notified to the Depositary.

5. The Secretary-General of the European Free Trade Association shall deposit the text of this Protocol with the Depositary, who shall transmit certified copies to Chile and the EFTA States.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto, have signed this Protocol.

Done at Geneva, this 24th day of June 2024, in one original in English.

For Iceland

For the Republic of Chile

For the Principality of Liechtenstein

For the Kingdom of Norway

For the Swiss Confederation

Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (EFTA States),

and

The Republic of Chile (Chile),

hereinafter collectively referred to as “the Parties”, resolved to:

STRENGTHEN the special bonds of friendship and co-operation between their nations;

CONTRIBUTE to the harmonious development and expansion of world trade by removing obstacles to trade and provide a catalyst to broader international cooperation;

ESTABLISH clear and mutually advantageous rules governing their trade;

CREATE an expanded and secure market for goods and services in their territories;

ENSURE a stable and predictable environment for business planning and investment;

FOSTER creativity and innovation by protecting intellectual property rights;

BUILD on their respective rights and obligations under the Marrakech Agreement establishing the World Trade Organization and other multilateral and bilateral instruments of co-operation;

ENSURE that the gains from trade liberalisation are not offset by the erection of private, anti-competitive barriers;

ENHANCE the competitiveness of their firms in global markets;

CREATE new employment opportunities, improve working conditions and living standards in their respective territories and seek to ensure high levels of environmental and labour protection;

REAFFIRM their commitment to pursue the objective of sustainable development and recognise the importance of coherent and mutually supportive trade, environmental and labour policies in this respect;

IMPLEMENT this Agreement in line with the objectives to preserve and protect the environment through promoting high levels of environmental protection, and enforcement of environmental laws and sound environmental management;

RECALL their rights and obligations under multilateral environmental agreements to which they are a party, and the respect for the fundamental principles and rights at work,

including the principles set out in the relevant International Labour Organisation (ILO) Conventions to which they are a party;

REAFFIRM their commitment to promote inclusive economic development and equal opportunities for all;

AFFIRM their commitment to prevent and combat corruption in international trade and investment and to promote the principles of transparency and good public governance;

ACKNOWLEDGE the importance of good corporate governance and responsible business conduct for sustainable development, and affirm their aim to encourage enterprises to observe internationally recognised guidelines and principles in this respect, such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the OECD Principles of Corporate Governance and the UN Global Compact;

REAFFIRM their commitment to democracy, the rule of law, human rights and fundamental freedoms in accordance with their obligations under international law, including the principles and objectives set out in the United Nations Charter and the Universal Declaration of Human Rights; and

CONVINCED that this Agreement will create conditions encouraging economic, trade and investment relations between them;

HAVE AGREED, in pursuit of the above, to conclude the following Free Trade Agreement (Agreement):

Chapter I. Initial Provisions

Article 1. Establishment of a Free Trade Area

The Parties hereby establish a free trade area in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article V of the General Agreement on Trade in Services (GATS) and the provisions of this Agreement.

Article 2. Objectives

This Agreement is based on trade relations between market economies and on the respect for democratic principles and human rights, with a view to spurring prosperity and sustainable development. The objectives of this Agreement, as elaborated through its principles and rules, are to:

(a) achieve the liberalisation of trade in goods, in conformity with Article XXIV of the GATT 1994;

(b) achieve the liberalisation of trade in services, in conformity with Article V of the GATS;

(c) achieve the liberalisation on a mutual basis of the government procurement markets of the Parties;

(d) promote conditions of fair competition in the free trade area;

(e) prevent the preparation, adoption and application of technical regulations or sanitary and phytosanitary measures that are more trade restrictive than necessary;

(f) substantially increase investment opportunities in the free trade area;

(g) provide adequate and effective protection and enforcement of intellectual property rights, in accordance with international standards recognised by the Parties;

(h) develop international trade and investment 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 relations; and

(i) establish a framework for further bilateral and multilateral cooperation to expand and enhance the benefits of this Agreement.

Article 3. Territorial Application

1. Without prejudice to Annex I, this Agreement shall apply to the territory of each Party, as well as to areas beyond the territory in which each Party may exercise sovereign rights or jurisdiction in accordance with international law.

2. Annex II shall apply with respect to Norway.

Article 4. Relation to other International Agreements

The Parties confirm their rights and obligations under the Marrakech Agreement establishing the World Trade Organization and the other agreements negotiated thereunder (hereinafter referred to as "the WTO Agreement") to which they are party, and under any other international agreement to which they are a party.

Article 5. Trade and Economic Relations Governed by this Agreement

1. The provisions of this Agreement apply to the trade and economic relations between, on the one side, the individual EFTA States and, on the other side, Chile, but not to the trade relations between individual EFTA States, unless otherwise provided for in this Agreement.

2. As a result of the customs union established by the Treaty of 29 March 1923 between Switzerland and the Principality of Liechtenstein, Switzerland shall represent the Principality of Liechtenstein in matters covered thereby.

Article 6. Regional and Local Governments

Each Party is fully responsible for the observance of all obligations and commitments under this Agreement and shall ensure their observance by its respective regional and local governments and authorities and by non-governmental bodies in the exercise of governmental powers delegated by central, regional and local governments or authorities within its territory.

Chapter II. Trade In Goods

Article 7. Scope and Coverage

This Chapter applies to trade in goods between the Parties.

Article 8. Rules of Origin and Administrative Co-operation

The rules of origin and administrative cooperation are set out in Annex I (Rules of Origin and Administrative Cooperation).

Article 9. Customs Duties

1. Each Party shall apply customs duties on imports of goods originating in another Party in accordance with Annexes III (Chile Schedule of Tariff Commitments), IV (Iceland Schedule of Tariff Commitments), V (Norway Schedule of Tariff Commitments) and VI (Switzerland Schedule of Tariff Commitments).

2. For the purposes of this Agreement, a “customs duty” means any duties, taxes or charges imposed in connection with the importation or exportation of goods but does not include those imposed in conformity with Articles III and VIII of the GATT 1994.

3. Unless otherwise provided in this Agreement, no Party shall increase customs duties on imports, or introduce new customs duties, on goods originating in another Party covered by Annexes III (Chile Schedule of Tariff Commitments), IV (Iceland Schedule of Tariff Commitments), V (Norway Schedule of Tariff Commitments) and VI (Switzerland Schedule of Tariff Commitments).

4. The Parties shall eliminate all customs duties in connection with the exportation of goods to another Party.

5. The Parties shall not introduce new customs duties on exports.

Article 10. Fees and Formalities

Without prejudice to Article 7 (Fees and charges) of Annex VIIter (Trade Facilitation), Article VIII of the GATT 1994 applies and is hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 11. Import and Export Restrictions

Article XI of the GATT 1994 applies and is hereby incorporated into and made part of this Agreement, mutatis mutandis, except as provided for in Annex VII (Import and Export Restrictions).

Article 12. Customs Valuation (1)

Article VII of the GATT 1994 and Part I of the Agreement on Implementation of Article VII of the GATT 1994 apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

(1) Switzerland applies customs duties based on weight and quantity rather than ad valorem duties.

Article 13. National Treatment

Article III of the GATT 1994 applies and is hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 14. Sanitary and Phytosanitary Measures

1. The rights and obligations of the Parties with respect to sanitary and phytosanitary measures shall be governed by the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement).

2. The Parties shall strengthen their co-operation in the field of sanitary and phytosanitary measures, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.

3. Upon request of a Party, which considers that a measure of another Party is likely to affect, or has affected, access to its market, expert consultations shall be held. The experts, representing the Parties concerned on specific issues in the field of sanitary and phytosanitary matters, shall aim at finding a mutually acceptable solution. Consultations shall take place within

30 days from the receipt of the request and may be conducted by any method agreed by the consulting Parties.

4. In order to permit the efficient use of resources, the Parties shall, to the extent possible, endeavour to use modern technological means of communication, such as electronic communication, videoconferencing or telephone, or to arrange for the meetings referred to in paragraph 3 to be held in conjunction with the meetings of the Joint Committee or with sanitary and phytosanitary meetings in the framework of the WTO. The results of expert consultations held in accordance with paragraph 3 shall be reported to the Joint Committee.

5. Chile and any of the EFTA States may, for better implementation of this Article, develop bilateral arrangements including agreements between their respective regulatory agencies.

6. Upon request of a Party, the Parties shall, without undue delay, agree on an arrangement extending to each other equivalent (2) treatment related to sanitary and phytosanitary measures mutually agreed between each Party and the European Union (EU).

(2) For the purposes of this Article, the term “equivalent” shall not be understood as the term “equivalence” according to the SPS Agreement.

7. The Parties shall exchange names and addresses of contact points with sanitary and phytosanitary expertise in order to facilitate communication and the exchange of information.

Article 15. Technical Regulations

1. The rights and obligations of the Parties with respect to technical regulations, standards and conformity assessment shall be governed by the WTO Agreement on Technical Barriers to Trade (TBT Agreement).

2. The Parties shall strengthen their cooperation in the field of technical regulations, standards and conformity assessment, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.

3. Upon request of a Party, which considers that a technical regulation, standard or conformity assessment procedure of another Party is likely to create, or has created, an obstacle to trade, consultations shall be held with the objective of finding a mutually acceptable solution. Consultations shall take place within 30 days from the receipt of the request and may be conducted by any method agreed by the consulting Parties. The Joint Committee shall be informed thereof.

4. Upon request of a Party, the Parties shall, without undue delay, negotiate a sector specific arrangement with the aim to extend to each other treatment related to technical regulations, standards and conformity assessments each Party has granted to or agreed with the EU. A Party which does not agree to extend to each other such an arrangement shall provide to the other Party, upon request, the rationale for its decision. The Joint Committee shall be informed thereof.

5. The Parties shall exchange names and addresses of contact points for this Article in order to facilitate communication and the exchange of information.

Article 16. Trade Facilitation

Provisions regarding trade facilitation are set out in Annex VIIter (Trade Facilitation).

Article 17. Anti-dumping and Countervailing Measures

1. A Party shall not apply anti-dumping measures as provided for under the WTO Agreement on Implementation of Article VI of the GATT 1994 in relation to goods of a Party.

2. The Parties recognise that the effective implementation of competition rules may address economic causes leading to dumping.

3. The rights and obligations of the Parties related to countervailing measures shall be governed by the WTO Agreement on Subsidies and Countervailing Measures.

Article 18. Global Safeguard Measures

1. The rights and obligations of the Parties with respect to global safeguards shall be governed by Article XIX of the GATT 1994 and the WTO Agreement on Safeguards.

2. Upon request of the exporting Party, the Party initiating a global safeguard investigation shall immediately provide:

(a) the information referred to in Articles 12.2 and 12.6 of the WTO Agreement on Safeguards, in the format prescribed by the WTO Committee on Safeguards; and

(b) the public notice of initiation of an investigation and the public version of the complaint filed by the domestic industry.

3. A Party initiating an investigation to impose global safeguard measures against one or several Parties shall inform them immediately and provide adequate opportunity for consultations.

Article 19. Emergency Action on Imports of Particular Products

1. Where any product originating in a Party, as a result of the reduction or elimination of a customs duty under this Agreement, is being imported into the territory of another Party in such increased quantities and under such conditions as to constitute a substantial cause of serious injury or threat thereof to the domestic industry of like or directly competitive products in the territory of the importing Party, the importing Party may take emergency measures to the minimum extent necessary to remedy or prevent the injury.

2. Such measures may consist in:

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

(b) increasing the rate of duty on the product to a level not to exceed the lesser of:

(i) the most-favoured nation rate of duty in effect at the time the action is taken;

(ii) the most-favoured nation rate of duty in effect on the day immediately preceding the date of the entry into force of this Agreement.

3. The Parties shall not take emergency measures for a period exceeding one year. In very exceptional circumstances, after review by the Joint Committee, measures may be taken up to a total maximum period of three years. In this case, the Party taking such measures shall present a schedule leading to their progressive elimination. The Parties shall not apply measures to the import of a product which has previously been subject to such a measure for a period of, at least, five years since the expiry of the measure.

4. The Parties shall only take emergency measures upon clear evidence that increased imports have caused or are threatening to cause serious injury pursuant to an investigation in accordance with the procedures laid down in the WTO Agreement on Safeguards.

5. The Party intending to take emergency measures under this Article shall promptly make a notification to the other Parties, containing all pertinent information which shall include evidence of serious injury caused by increased imports, precise description of the product involved, the proposed measure, the proposed date of introduction and expected duration of the measures. Any Party that may be affected shall simultaneously be offered compensation in the form of substantially equivalent trade liberalisation in relation to the imports from any such Party.

6. The Joint Committee shall, within 30 days from the date of notification to the Parties, meet to examine the information provided under paragraph 5, in order to facilitate a mutually acceptable solution of the matter. In the absence of such solution, the importing Party may adopt a measure pursuant to paragraph 2 to remedy the problem, and, in the absence of mutually agreed compensation, the Party against whose product the measure is taken may take retaliatory action. The emergency measure and any compensatory or retaliatory action shall be immediately notified to the Joint Committee. The retaliatory action shall consist of the suspension of concessions having substantially equivalent trade effects or concessions substantially equivalent to the value of the additional duties expected to result from the emergency action. In the selection of the emergency measure and the retaliatory action, priority must be given to the action which least disturbs the functioning of this Agreement.

7. In critical circumstances where delay would cause damage which would be difficult to repair, a Party may take a provisional emergency measure not exceeding 120 days pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The Party intending to take such a measure shall immediately notify the other Parties thereof and, within 30 days of the date of such notification, the pertinent procedures set out in paragraphs 5 and 6, including for compensatory and retaliatory action, shall be initiated. Any compensation shall be based on the total period of application of the provisional measure. The period of application of any such provisional measure shall be counted as part of the duration of the definitive measure and any extension thereof.

Article 20. State Trading Enterprises

Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994 apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 21. Export Subsidies

No Party may adopt or maintain export subsidies, as defined in the WTO Agreement on Agriculture, in connection with the exportation of agricultural products to another Party.

Article 22. General Exceptions

1. For the purposes of this Chapter, Article XX of the GATT 1994 and its interpretative notes apply and are incorporated into and made part of this Agreement, mutatis mutandis.

2. The Parties understand that the measures referred to in Article XX(b) of the GATT 1994 include environmental measures necessary to protect human, animal or plant life or health, and that Article XX(g) of the GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

Article 23. Preference Utilisation

1. For the purposes of monitoring the functioning of this Agreement and calculating preference utilisation rates, the Parties shall annually exchange import statistics and preferential tariff rates under this Agreement as well as applied most-favoured-nation (MFN) tariff rates.

2. Import statistics exchanged shall pertain to the three most recent years available and comprise all imports from the Party concerned, including trade values and volumes listed at the level of national tariff line. The Parties shall exchange separate statistics for imports benefitting from preferential treatment under this Agreement, for imports benefiting from other preferential treatment than under this Agreement as well as those that did not receive preferential treatment (MFN treatment). The preferential tariff rates and applied MFN tariff rates exchanged shall pertain to the same year as the import statistics. Upon request, the Parties shall exchange additional information and explanations in English.

3. The exchange of import statistics, preferential tariff rates and applied MFN tariff rates shall start one year after the entry into force of this Agreement.

4. Notwithstanding paragraph 2, no Party shall be obliged to exchange data that is confidential in accordance with its domestic laws and regulations.

Article 24. Technical Amendments

1. The Parties shall jointly decide, as a result of amendments to the Harmonized Commodity Description and Coding System (HS) nomenclature or other technical amendments to a Party's customs tariff, whether Annexes III (Chile Schedule of Tariff Commitments), IV (Iceland Schedule of Tariff Commitments), V (Norway Schedule of Tariff Commitments) and VI (Switzerland Schedule of Tariff Commitments) and Appendix I (Product-Specific Rules) to Annex I (Rules of Origin and Administrative Cooperation) will be amended accordingly.

2. Amendments pursuant to paragraph 1 shall be made without impairing existing tariff commitments or product-specific rules. Consequently, the customs duty applicable to the corresponding goods under a new tariff line shall be equal to or lower than the customs duty of the corresponding original tariff line and any other agreed tariff commitments, such as tariff dismantling periods, shall not deteriorate. Product-specific rules applicable to the corresponding goods under the new HS classification shall be equal to or less stringent than the product-specific rule of the corresponding original HS classification.

3. The version of the HS and the year shall be indicated in the schedules of tariff commitments and product-specific rules referred to in paragraph 1.

Article 25. Sub-Committee on Trade In Goods

1. A Sub-Committee on trade in goods is hereby established.

2. The mandate of the Sub-Committee on trade in goods is set out in Annex VIIbis (Mandate of the Sub-Committee on trade

in goods).

Chapter III. Trade In Services and Establishment

Section I. Trade In Services

Article 26. Coverage

1. This Section applies to measures affecting trade in services 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. This Section applies to measures affecting trade in all services sectors with the exception of air services, including domestic and international air transportation services, whether scheduled or non-scheduled, and related services in support of air services, other than:

(a) aircraft repair and maintenance services;

(b) the selling and marketing of air transport services;

(c) computer reservation system (CRS) services. (1)

(d) ground handling services (2)

(e) airport operation services (3)

3. Nothing in this Section shall be construed to impose any obligation with respect to government procurement, which is subject to the Chapter V.

(1) The terms "aircraft repair and maintenance services", "selling and marketing of air transport services" and "computer reservation system (CRS) services" are as defined in paragraph 6 of the Annex on Air Transport Services to the GATS.

(2) "ground handling services" means the supply of a service on a fee or contract basis for: ground administration and supervision, including load control and communications; passenger handling; baggage handling; cargo and mail handling; ramp handling and aircraft services; fuel and oil handling; aircraft line maintenance, flight operations and crew administration; surface transport; or catering services. Ground handling services do not include security services or the operation or management of centralised airport infrastructure, such as baggage handling systems, de-icing facilities, fuel distribution systems, or intra-airport transport systems.

(3) "airport operation services" means the operation or management, on a fee or contract basis, of airport infrastructure, including terminals, runways, taxiways and aprons, parking facilities, and intra-airport transportation systems. For greater certainty, airport operation services do not include the ownership of, or investment in, airports or airport lands, or any of the functions carried out by a board of directors. Airport operation services do not include air navigation services.

4. This Section shall not apply to trade in financial services, which is subject to Section II.

Article 27. Definitions

For the purposes of this Section:

(a) "trade in services" is defined as the supply of a service:

(i) from the territory of a Party into the territory of another Party (mode 1);

(ii) in the territory of a Party to the service consumer of another Party (mode 2);

(iii) by a service supplier of a Party, through commercial presence in the territory of another Party (mode 3);

(iv) by a service supplier of a Party, through presence of natural persons in the territory of another Party (mode 4).

(b) "measure" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision,

administrative action or any other form;

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

(d) "measures by a Party 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 that Party to be offered to the public generally;

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

(e) "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;

(f) "service supplier" means any person that seeks to supply or supplies a service; (2)

(g) "natural person of a Party" is, in accordance with its legislation, a national or a permanent resident of that Party if he or she is accorded substantially the same treatment as nationals in respect of measures affecting trade in services;

(h) "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;

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

(j) "juridical person of a Party" means a juridical person which is either:

(i) constituted or otherwise organised under the law of Chile or an EFTA State, and that is engaged in substantive business operations in Chile or in the EFTA State concerned, or (ii) in the case of the supply of a service through commercial presence, owned or controlled by:

(A) natural persons of that Party; or

(B) juridical persons identified under paragraph (j)(i); and

(k) "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.

(2) 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 presence be accorded the treatment provided for service suppliers under this Agreement. Such treatment shall be extended to the presence through which the service is supplied and need not be extended to any other parts of the supplier located outside the territory where the service is supplied.

Article 28. Most-favoured Nation Treatment

1. The rights and obligations of the Parties with respect to most-favoured nation treatment shall be governed by the GATS.

2. If a Party enters into an agreement with a non-Party which has been notified under Article V of the GATS, it shall, upon request from another Party, afford adequate opportunity to the other Parties to negotiate, on a mutually advantageous basis, the benefits granted therein.

Article 29. Market Access

1. With respect to market access through the modes of supply identified in Article 23, each Party shall accord services and service suppliers of another 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 31.

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 on the total quantity of service output expressed in the terms of designated numerical units in the form of quotas or the requirement of an economic needs test. (3)

(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 a requirement of an economic needs test;

(e) measures which restrict or require specific types of legal entities or joint ventures through which a service supplier of another Party 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.

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

Article 30. National Treatment

1. In the sectors inscribed in its Schedule referred to in Article 31 and subject to the conditions and qualifications set out therein, each Party shall grant to services and services suppliers of another 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 services suppliers. (4)

2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of another 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 another Party.

(4) Specific commitments assumed under this Article shall not be construed to require the Parties to compensate for any inherent competitive disadvantage which result from the foreign character of the relevant services and service suppliers.

Article 31. Trade Liberalisation

1. The Schedule of specific commitments that each Party undertakes under Articles 29 and 30 as well as paragraph 3 of this Article is set out at Annex VIII. With respect to sectors where such commitments are undertaken, each Schedule specifies:

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

(b) conditions and qualifications on national treatment;

(c) undertakings relating to additional commitments referred to in paragraph 3; and

(d) where appropriate, the time-frame for implementation of such commitments and the date of entry into force of such commitments.

2. Measures inconsistent with both Articles 29 and 30 are inscribed in the column relating to Article 29. In this case, the inscription is considered to provide a condition or qualification to Article 30 as well.

3. Where a Party undertakes a specific commitment on measures affecting trade in services not subject to scheduling under Articles 29 and 30, including those regarding qualifications, standards or licensing matters, such commitments are inscribed in its Schedule as additional commitments.

4. The Parties undertake to review their Schedules of specific commitments at least every three years, or more frequently, with a view to provide for a reduction or elimination of substantially all remaining discrimination between the Parties with regard to trade in services covered in this Section on a mutually advantageous basis and ensuring an overall balance of rights and obligations.

Article 32. 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 another 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. Where authorisation is required for the supply of a service, the competent authorities of a Party shall promptly, after the submission of an application is considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.

4. The Parties shall jointly review the results of the negotiations on disciplines for measures relating to qualification requirements and procedures, technical standards and licensing requirements pursuant to Article VI.4 of the GATS aiming to ensure that such measure do not constitute unnecessary barriers to trade in services, with a view to their incorporation into this Agreement. The Parties note that such disciplines aim to ensure that such requirements are, inter alia:

(a) based on objective and transparent criteria, such as competence and the ability to supply the service;

(b) not more burdensome than necessary to ensure the quality of the service;

(c) in the case of licensing procedures, not in themselves a restriction on the supply of the service.

5. In sectors in which a Party has undertaken specific commitments, until the incorporation of disciplines developed pursuant to paragraph 4, a Party shall not apply licensing and qualification requirements and technical standards in a manner which:

(a) does not comply with the criteria outlined in paragraphs 4 (a), (b) or (c); and

(b) could not reasonably have been expected of that Party at the time of the conclusion of the negotiation of the present agreement.

6. Whenever a domestic regulation is prepared, adopted and applied in accordance with international standards applied by both Parties, it shall be rebuttably presumed to comply with the provisions of this Article.

7. Each Party shall provide for adequate procedures to verify the competence of professionals of another Party.

Article 33. Recognition

1. The Parties shall encourage the relevant bodies in their respective territories to provide recommendations on mutual recognition, for the purpose of the fulfilment, in whole or in part, by service suppliers of the criteria applied by each Party for the authorisation, licensing, accreditation, operation and certification of service suppliers and, in particular, professional services.

2. The Joint Committee, within a reasonable period of time and considering the level of correspondence of the respective regulations, shall decide whether a recommendation referred to in paragraph 1 is consistent with this Section. If that is the case, such a recommendation shall be implemented through an agreement on mutual requirements, qualifications, licences and other regulations to be negotiated by the competent authorities.

3. Any such agreement shall be in conformity with the relevant provisions of the WTO Agreement and, in particular, Article VII of the GATS.

4. Where the Parties agree, each Party shall encourage its relevant bodies to develop procedures for the temporary licensing of professional services suppliers of another Party.

5. The Joint Committee shall periodically, and at least once every three years, review the implementation of this Article.

6. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met or licenses or certifications granted in the territory of a non-Party, that Party shall accord another Party, upon request, adequate opportunity to negotiate its accession to such an agreement or arrangement or to negotiate comparable ones with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for another Party to demonstrate that the education or experience obtained, requirements met or licenses or certifications granted in the territory of that other Party should also be recognised.

Article 34. Movement of Natural Persons

1. This Section applies to measures affecting natural persons who are service suppliers of a Party, and natural persons of a Party who are employed by a service supplier of a Party, in respect of the supply of a service. Natural persons covered by a Party's specific commitments shall be allowed to supply the service in accordance with the terms of those commitments.

2. This Section shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding nationality, residence or employment on a permanent basis.

3. This Section shall not prevent a Party from applying measures to regulate the entry of natural persons of another Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in a manner so as to nullify or impair the benefits accruing to a Party under the terms of a specific commitment. (5)

(5) The sole fact of requiring a visa shall not be regarded as nullifying or impairing benefits under a specific commitment.

Article 35. Telecommunications Services

Specific provisions on telecommunications services are set out in Annex IX.

Section II. FINANCIAL SERVICES

Article 36. Coverage

1. This Section applies to measures by a Party affecting trade in financial services, including measures 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. Nothing in this Section shall be construed to impose any obligation with respect to government procurement, which is subject to Chapter V.

3. This Section does not apply to:

(a) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;

(b) activities forming part of a statutory system of social security or public retirement plans; and

(c) other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the government.

4. For the purposes of paragraph 3, if a Party allows any of the activities referred to in subparagraph 3(b) or 3(c) to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier, this Section applies to such activities.

Article 37. Definitions

For the purposes of this Section:

(a) “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 financial service;

(b) “financial service” means any service of a financial nature offered by a financial service supplier of a Party. Financial services include all insurance and insurance-related services, and all banking and other financial services (excluding insurance). Financial services include the following activities:

Insurance and insurance-related services

(i) direct insurance (including co-insurance):

(aa) life;

(bb) non-life;

(ii) reinsurance and retrocession;

(iii) insurance intermediation, such as brokerage and agency;

(iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;

Banking and other financial services (excluding insurance)

(v) acceptance of deposits and other repayable funds from the public;

(vi) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

(vii) financial leasing;

(viii) all payment and money transmission services, including credit, charge and debit cards, traveller cheques and bankers drafts;

(ix) guarantees and commitments;

(x) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(aa) money market instruments (including cheques, bills, certificates of deposits);

(bb) foreign exchange;

(cc) derivative products including, but not limited to, futures and options;

(dd) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(ee) transferable securities; or

(ff) other negotiable instruments and financial assets, including bullion;

(xi) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(xii) money broking;

(xiii) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depositary and trust services;

(xiv) settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments;

(xv) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

(xvi) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

(c) “financial service supplier” means any natural or juridical person of a Party that seeks to supply or supplies financial services but does not include a public entity;

(d) “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;

(e) “juridical person of a Party” means a juridical person which is either:

(i) constituted or otherwise organised under the law of Chile or an EFTA State, and that is engaged in substantive business operations in Chile or in the EFTA State concerned; or

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

(aa) natural persons of that Party; or

(bb) juridical persons identified under subparagraph (h)(i);

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

(g) “measures by a Party affecting trade in financial services” include measures in respect of:

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

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

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

(h) “natural person of a Party” is, in accordance with its domestic laws and regulations, a national or a permanent resident of that Party if he or she is accorded substantially the same treatment as nationals in respect of measures affecting trade in financial services;

(i) “public entity” means:

(i) a government, a central bank or a monetary authority of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or

(ii) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions;

(j) “self-regulatory organisation” means any non-governmental body, including a securities or futures exchange or market, clearing agency, other organisation or association, that is recognised by the domestic laws and regulations of a Party as a self-regulatory organisation and that exercises regulatory or supervisory authority over financial service suppliers by statute or delegation from a Party;

(k) “supply of a financial service” includes the production, distribution, marketing, sale and delivery of a financial service; and

(l) “trade in financial services” means the supply of a financial service:

(i) from the territory of a Party into the territory of another Party (mode 1);

(ii) in the territory of a Party to the service consumer of another Party (mode 2);

(iii) by a financial service supplier of a Party, through commercial presence in the territory of another Party (mode 3); and

(iv) by a financial service supplier of a Party, through presence of natural persons in the territory of another Party (mode 4).

Article 38. Most-favoured Nation Treatment

1. The rights and obligations of the Parties with respect to most-favoured nation treatment shall be governed by the GATS.

2. If a Party enters into an agreement with a non-Party which has been notified under Article V of the GATS, it shall, upon request from another Party, afford adequate opportunity to the other Parties to negotiate, on a mutually advantageous basis, the benefits granted therein.

Article 39. Market Access

1. With respect to market access through the modes of supply identified in Article 37 (Definitions), each Party shall accord financial services and financial 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 43 (Schedule of specific commitments).

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 financial services 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 financial 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 financial service operations or on 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; (1)

(1) Paragraph 2(c) does not cover measures of a Party which limit inputs for the supply of financial services.

(d) limitations on the total number of natural persons that may be employed in a particular financial service sector or that a financial service supplier may employ and who are necessary for, and directly related to, the supply of a specific financial 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 financial service supplier of the other Party may supply a financial 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.

Article 40. National Treatment

1. In the sectors inscribed in its Schedule referred to in Article 43 (Schedule of specific commitments), and subject to the conditions and qualifications set out therein, each Party shall accord to financial services and financial service suppliers of another Party, in respect of all measures affecting the supply of financial services, treatment no less favourable than that it accords to its own like financial services and financial service suppliers. (2)

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

2. A Party may meet the requirement of paragraph 1 by according to financial services and financial service suppliers of another Party, either formally identical treatment or formally different treatment to that it accords to its own like financial services and financial 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 financial services or financial service suppliers of a Party compared to like financial services or financial service suppliers of another Party.

Article 41. Self-regulatory Organisations

When a Party requires a financial service supplier of another Party to be a member of, participate in, or have access to, a self-regulatory organisation in order to supply a financial service in its territory in the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein, it shall ensure that the self-regulatory organisation observes the obligations of Article 40 (National treatment).

Article 42. Payment and Clearing Systems

Under terms and conditions that accord national treatment, each Party shall grant to financial service suppliers of another Party established in its territory access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities available in the normal course of ordinary business. This Article is not intended to confer access to the Party's lender of last resort facilities.

Article 43. Schedule of Specific Commitments

1. The specific commitment undertaken by each Party under Articles 39 (Market access) and 40 (National treatment) are set out in the Schedule included respectively in Annexes VIIIbis (Financial Services Schedule for Chile) for Chile and VIII (Schedules of Specific Commitments) for the EFTA States. With respect to sectors where such commitments are undertaken, each Schedule specifies:

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

(b) conditions and qualifications on national treatment;

(c) undertakings relating to additional commitments referred to in paragraph 3; and

(d) where appropriate, the time-frame for implementation of such commitments and the date of entry into force of such commitments.

2. Measures inconsistent with both Articles 39 (Market access) and 40 (National treatment) are inscribed in the column relating to Article 39 (Market access). In this case, the inscription is considered to provide a condition or qualification to Article 40 (National treatment) as well.

3. Where a Party undertakes specific commitments on measures affecting trade in financial services not subject to scheduling under Articles 39 (Market access) and 40 (National treatment), such commitments are inscribed in its Schedule as additional commitments.

Article 44. Effective and Transparent Regulation

1. Each Party shall promote regulatory transparency in financial services taking into account:

(a) the work undertaken by the Parties in the GATS and in other fora relating to trade in financial services;

(b) the importance of regulatory transparency, of identifiable policy objectives and of clear and consistently applied regulatory processes; and

(c) any consultations that the Parties may have between them.

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

3. Each Party shall maintain or establish, as soon as practicable, appropriate mechanisms for responding to inquiries from interested persons regarding measures of general application covered by this Section.

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

5. Each Party shall ensure that measures relating to qualification requirements and procedures, and licensing requirements and procedures do not constitute unnecessary barriers to trade in financial services. In sectors in which a Party has undertaken specific commitments, such measures shall be:

(a) based on objective and transparent criteria, such as competence and the ability to supply the financial service;

(b) not more burdensome than necessary to ensure the quality of the financial service; and

(c) in the case of licensing procedures, not in themselves a restriction on the supply of the financial service.

6. Whenever measures referred to in paragraph 5 are prepared, adopted and applied in accordance with international standards applied by all Parties, it shall be rebuttably presumed to comply with the provisions of this Article.

7. The competent authorities of each Party shall make available to interested persons domestic requirements and procedures for completing applications relating to the supply of financial services.

8. Where a licence or authorisation is required for the supply of a financial service, the competent authorities of a Party shall make the requirements for such a licence or authorisation publicly available. The period of time normally required to reach a decision concerning an application for a licence or authorisation shall:

(a) be made available to the applicant upon request;

(b) be made publicly available; or

(c) be made available by a combination of both.

9. The competent authorities of each Party shall process expeditiously applications related to the supply of financial services submitted by service suppliers of another Party.

10. If the competent authorities of a Party require additional information from the applicant in order to process the application, they shall notify the applicant without undue delay.

11. Upon request by the applicant, the competent authorities of a Party shall provide, without undue delay, information concerning the status of the application.

12. The competent authorities of each Party shall notify the applicant of the outcome of the application promptly after a decision is made. Where a decision is made to deny an application, the reason for the denial shall be made known to the applicant.

13. Where an authorisation or licence is required for the supply of a financial service and if the applicable requirements are fulfilled, the competent authorities of a Party shall grant the applicant an authorisation or licence within six months after the submission of the application is considered complete under the domestic laws and regulations of that Party. If it is not feasible for a decision to be made within six months, the competent authority shall notify the applicant without undue delay and shall endeavour to make a decision within a reasonable period of time thereafter.

Article 45. Prudential Measures

1. Notwithstanding any other provision of Chapters III (Trade in Services and Establishment) or Vter (Digital Trade), a Party shall not be prevented from adopting or maintaining reasonable measures for prudential reasons, including for:

(a) the protection of investors, depositors, policy-holders, policy-claimants, persons to whom a fiduciary duty is owed by a financial service supplier, or any similar financial market participants; or

(b) ensuring the integrity and stability of that Party’s financial system.

2. Where such measures do not conform with the provisions of Chapters III (Trade in Services and Establishment) or Vter (Digital Trade), they shall not be used as a means of avoiding that Party’s commitments or obligations under Chapters III (Trade in Services and Establishment) or Vter (Digital Trade).

Article 46. Confidential Information

Nothing in this Section:

(a) shall require any 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; or

(b) shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

Article 47. International Standards

Each Party shall endeavour to ensure that internationally agreed standards for regulation and supervision in the financial services sector are implemented and applied in its territory. Such internationally agreed standards are, inter alia, the “Core

Principles for Effective Banking Supervision" of the Basel Committee, the "Insurance Core Principles" of the International Association of Insurance Supervisors and the "Objectives and Principles of Securities Regulation" of the International Organisation of Securities Commissions.

Article 48. Recognition of Prudential Measures

Where a Party recognises, by agreement or arrangement, prudential measures of a non-Party in determining how the Party's measures relating to financial services shall be applied, that Party shall afford adequate opportunity for another Party to negotiate its accession to such an agreement or arrangement, or to negotiate a comparable agreement or arrangement with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement. Where a Party accords such recognition autonomously, it shall afford adequate opportunity for another Party to demonstrate that such circumstances exist.

Article 49. Movement of Natural Persons

1. This Section applies to measures affecting natural persons who are financial service suppliers of a Party, and natural persons of a Party who are employed by a financial service supplier of a Party, with respect to the supply of a financial service. Natural persons covered by a Party's specific commitments shall be allowed to supply the financial service in accordance with the terms of those commitments.

2. This Section shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding nationality, residence or employment on a permanent basis.

3. This Section shall not prevent a Party from applying measures to regulate the entry of natural persons of another Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in a manner so as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment. (3)

(3) The sole fact of requiring a visa shall not be regarded as nullifying or impairing benefits under a specific commitment.

Article 50. Transfers of Information and Data Processing

No Party shall take measures that prevent transfers of information into or out of the Party's territory or the processing of financial information, where such transfers of information or processing of financial information, are necessary for the conduct of the ordinary business of a financial service supplier of another Party. Nothing in this Article shall restrict the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts so long as such right is not used to circumvent the provisions of this Section.

Article 51. Sub-Committee on Financial Services

1. A Sub-Committee on financial services composed of representatives of the Parties is hereby established.

2. The mandate of the Sub-Committee on financial services is set out in Annex VIIIter (Mandate of the Sub-Committee on financial services).

Article 52. Consultations

1. A Party may request expert consultations with another Party regarding any matter arising under this Section between the requesting Party and the requested Party. The requested Party shall give sympathetic consideration to the request. The Parties shall aim at finding an appropriate solution and report the results of their consultations to the Sub-Committee on financial services.

2. Each Party involved in consultations according to paragraph 1 shall designate officials of the authorities specified in paragraph 6 of Annex VIIIter (Mandate of the Sub-Committee on financial services).

3. The Parties involved in the consultations shall treat any confidential or proprietary information exchanged in the same manner as the Party providing the information.

Article 53. Dispute Settlement

In addition to the requirements set out in paragraph 49 of Annex XVII (Model Rules of Procedure for the Conduct of Arbitration Panels), the chair of the arbitration panel for disputes on prudential issues and other financial matters shall have the necessary experience or expertise relevant to the specific financial service under dispute.

Section III. Establishment

Article 54. Coverage

This Section shall apply to establishment in all sectors, with the exception of establishment in services sectors including financial services.

Article 55. Definitions

For the purposes of this Section,

(a) "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;

(b) "juridical person of a Party" means a juridical person constituted or otherwise organised under the law of an EFTA State or of Chile and that is engaged in substantive business operations in Chile or in the EFTA State concerned;

(c) "natural person" means a national of an EFTA State or of Chile according to their respective legislation;

(d) "establishment" means:

(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 performing an economic activity.

As regards natural persons, this shall not extend to seeking or taking employment in the labour market or confer a right of access to the labour market of a Party.

Article 56. National Treatment

With respect to establishment, and subject to the reservations set out in Annex X, each Party shall grant to juridical and natural persons of the other Party treatment no less favourable than that it accords to its own juridical and natural persons performing a like economic activity.

Article 57. Reservations

1. National treatment as provided for under Article 56 shall not apply to:

(a) any reservation that is listed by a Party in Annex X;

(b) an amendment to a reservation covered by paragraph (a) to the extent that the amendment does not decrease the conformity of the reservation with Article 56;

(c) any new reservation adopted by a Party, and incorporated into Annex X which does not affect the overall level of commitments of that Party under this Agreement; to the extent that such reservations are inconsistent with Article 56.

2. As part of the reviews provided for in Article 59 the Parties undertake to review at least every three years the status of the reservations set out in Annex X with a view to reducing or removing such reservations.

3. A Party may, at any time, either upon the request of another Party or unilaterally, remove in whole or in part reservations set out in Annex X by written notification to the other Parties.

4. A Party may, at any time, incorporate a new reservation into Annex X in accordance with paragraph 1(c) of this Article by written notification to the other Parties. On receiving such written notification, the other Parties may request consultations

regarding the reservation. On receiving the request for consultations, the Party incorporating the new reservation shall enter into consultations with the other Parties.

Article 58. Right to Regulate

Subject to the provisions of Article 56, each Party may regulate the establishment of juridical and natural persons.

Article 59. Final Provisions

With the objective of progressive liberalisation of investment conditions, the Parties affirm their commitment to review the investment legal framework, the investment environment and the flow of investment between them consistent with their commitments in international investment agreements, no later than three years after the entry into force of this Agreement.

Section IV. Payments and Capital Movements

Article 60. Objective and Scope

1. The Parties shall aim at the liberalisation of current payments and capital movements between them, in conformity with the commitments undertaken in the framework of the international financial institutions and with due consideration to each Party's currency stability.

2. This Section applies to all current payments and capital movements between the Parties. Specific provisions on current payments and capital movements are set out in Annex XI.

Article 61. Current Account

The Parties shall allow, in freely convertible currency and in accordance with the Articles of Agreement of the International Monetary Fund, any payments and transfers of the Current Account between the Parties.

Article 62. Capital Account

The Parties shall allow the free movements of capital relating to direct investments made in accordance with the laws of the host country and investments made in accordance with the provisions of Sections Trade in Services, Financial Services and Establishment of this Chapter, and the liquidation or repatriation of these capitals and of any profit stemming therefrom.

Article 63. Exceptions and Safeguard Measures

1. Where, in exceptional circumstances, payments and capital movements between the Parties cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy in any Party, the Party concerned may take safeguard measures with regard to capital movements that are strictly necessary for a period not exceeding one year. The application of safeguard measures may be extended through their formal reintroduction.

2. The Party adopting the safeguard measures shall inform the other Party forthwith and present, as soon as possible, a time schedule for their removal.

Article 64. Final Provisions

The Parties shall consult each other with a view to facilitating the movement of capital between them in order to promote the objectives of this Agreement.

Section V. Common Provisions

Article 65. Relation to other International Agreements

With respect to matters related to this Chapter, the Parties confirm the rights and obligations existing under any bilateral or multilateral agreements to which they are a party.

Article 66. General Exceptions

1. For the purposes of this Chapter, Article XIV of the GATS is incorporated into and made part of this Agreement, mutatis mutandis.

2. The Parties understand that the measures referred to in Article XIV(b) of the GATS include environmental measures necessary to protect human, animal or plant life or health.

Chapter IV. Protection of Intellectual Property

Article 67. Protection of Intellectual Property

1. The Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights, and provide for measures for the enforcement of such rights against infringement thereof, including counterfeiting and piracy, in accordance with this Chapter, Annex XII (Protection of Intellectual Property), and the international agreements referred to therein, and Appendix (Geographical Indications).

2. The Parties shall accord to nationals of another Party treatment no less favourable than that they accord to their own nationals. 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 (TRIPS Agreement).

3. The Parties shall grant to nationals of another Party treatment no less favourable than that accorded to nationals of another Party. Exemptions from this obligation must be in accordance with the substantive provisions of the TRIPS Agreement, in particular Articles 4 and 5.

4. Subject to paragraphs 2 and 3, each Party shall be free to establish its regime for the exhaustion of intellectual property rights.

5. Upon request of a Party, the Parties shall review this Chapter, Annex XII (Protection of Intellectual Property) and Appendix (Geographical Indications), with a view to further improving the levels of protection and to avoiding or remedying trade distortions caused by actual levels of protection of intellectual property rights.

Article 68. Principles

1. The Parties reaffirm the principles set forth in Article 8 of the TRIPS Agreement.

2. Taking into consideration the underlying public policy objectives of domestic systems, the Parties recognise the need to promote innovation and creativity; as well as to facilitate the diffusion of information, knowledge, technology, culture and the arts through their respective intellectual property systems, while respecting the principles of transparency, and taking into account the interests of relevant stakeholders, including right holders, users and the general public.

Article 69. Intellectual Property and Public Health

1. The Parties recognise the importance of the Declaration on the TRIPS Agreement and Public Health, adopted on 14 November 2001 (Doha Declaration) by the Ministerial Conference of the WTO.

2. The Parties shall implement the Amendment of the TRIPS Agreement as adopted by the WTO General Council on 6 December 2005 (TRIPS Amendment).

3. This Chapter and Annex XII (Protection of Intellectual Property) shall be without prejudice to the Doha Declaration and the TRIPS Amendment.

Chapter V. Government Procurement

Article 70. Scope and Coverage

1. This Chapter applies to any measure of a Party regarding covered procurement. For the purposes of this Chapter, “covered procurement” means procurement for governmental purposes:

(a) of goods, services, or any combination thereof:

(i) as specified in Appendices 1 to 7 and 12 to Annex XIII (Government Procurement); and

(ii) not procured with a view to commercial sale or resale, or for use in the production or supply of goods or services for

commercial sale or resale;

(b) by any contractual means, including purchase, lease, rental or hire purchase, with or without an option to buy, and public works concessions as specified in Appendix 7 to Annex XIII (Government Procurement);

(c) for which the value, as estimated in accordance with the rules specified in Appendix 10 to Annex XIII (Government Procurement) equals or exceeds the relevant threshold specified in Appendices 1 to 3 to Annex XIII (Government Procurement) at the time of publication of a notice in accordance with Article 80 (Notices);

(d) by a procuring entity; and

(e) that is not otherwise excluded pursuant to paragraph 2 or Annex XIII (Government Procurement).

2. This Chapter shall not apply to:

(a) acquisition or rental of land, existing buildings, or other immovable property or the rights thereon;

(b) non-contractual agreements or any form of assistance that a Party provides, including cooperative agreements, grants, loans, equity infusions, guarantees, fiscal incentives, subsidies and sponsorships agreements;

(c) procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions or services related to sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;

(d) public employment contracts;

(e) procurement conducted:

(i) for the specific purpose of providing international assistance, including development aid;

(ii) under a particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or

(ii) under a particular procedure or condition of an international organisation, or funded by international grants, loans or other assistance where the applicable procedure or condition would be inconsistent with this Chapter.

(f) financial services.

Article 71. Definitions

For the purposes of this Chapter:

(a) “commercial goods or services” means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non-governmental buyers for non-governmental purposes;

(b) “construction service” means a service that has as its objective the realisation by whatever means of civil or building works, based on Division 51 of the United Nations Provisional Central Product Classification (CPC);

(c) “days” means calendar days;

(d) “electronic auction” means an iterative process that involves the use of electronic means for the presentation by suppliers of either new prices, or new values for quantifiable non-price elements of the tender related to the evaluation criteria, or both, resulting in a ranking or re-ranking of tenders;

(e) “in writing” or “written” means any worded or numbered expression that can be read, reproduced, and later communicated, including electronically transmitted and stored information;

(f) “limited tendering” means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice;

(g) “measure” means any law, regulation, procedure, administrative guidance or practice, or any action of a procuring entity relating to a covered procurement;

(h) “multi-use list” means a list of suppliers that a procuring entity has determined satisfy the conditions for participation in that list, and that the procuring entity intends to use more than once;

(i) “notice of intended procurement” means a notice published by a procuring entity inviting interested suppliers to submit a request for participation, a tender, or both;

(j) “notice of planned procurement” means a notice published by a procuring entity regarding its future procurement plans;

(k) “offset” means any condition or undertaking that encourages local development or improves a Party’s balance-of-payments accounts, such as the use of domestic content or of a domestic supplier, the licensing of technology, technology transfer, investment, counter-trade and similar action or requirement;

(l) “open tendering” means a procurement method whereby all interested suppliers may submit a tender;

(m) “person” means a natural person or a juridical person;

(n) “procuring entity” means an entity covered under Appendices 1 to 3 to Annex XIII (Government Procurement);

(o) “qualified supplier” means a supplier that a procuring entity recognises as having satisfied the conditions for participation;

(p) “selective tendering” means a procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender;

(q) “services” includes construction services, unless otherwise specified;

(r) “standard” means a document approved by a recognised body that provides for common and repeated use, rules, guidelines or characteristics for goods or services, or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking, or labelling requirements as they apply to goods, services, a process or production method;

(s) “supplier” means a person or group of persons that provides or could provide goods or services; and

(t) “technical specification” means a tendering requirement that:

(i) lays down the characteristics of goods or services to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or

(ii) addresses terminology, symbols, packaging, marking, or labelling requirements, as they apply to goods or services.

Article 72. Security and General Exceptions

1. Nothing in this Chapter shall be construed to prevent a Party from taking any action or not disclosing any information that it considers necessary for the protection of its essential security interests relating to the procurement of arms, ammunition or war materials, or to procurement indispensable for national security or for national defence purposes.

2. Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties where the same conditions prevail or a disguised restriction on trade between the Parties, nothing in this Chapter shall be construed to prevent a Party from imposing or enforcing measures:

(a) necessary to protect public morals, order or safety;

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

(c) necessary to protect intellectual property; or

(d) relating to goods or services of persons with disabilities, philanthropic institutions or prison labour.

3. The Parties understand that sub-paragraph 2 (b) includes environmental measures necessary to protect human, animal or plant life or health.

Article 73. Non-Discrimination

1. With respect to any measure regarding covered procurement, each Party, including its procuring entities, shall accord immediately and unconditionally to the goods and services of another Party and to the suppliers of another Party offering goods or services of any other Party, treatment no less favourable than that accorded to domestic goods, services and suppliers.

2. With respect to any measure regarding covered procurement, no Party, including its procuring entities, shall:

(a) treat a locally established supplier less favourably than another locally established supplier on the basis of degree of foreign affiliation or ownership; or

(b) discriminate against a locally established supplier on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of another Party.

3. Paragraphs 1 and 2 shall not apply to customs duties and other charges of any kind imposed on, or in connection with, importation, the method of levying such duties and charges or other import regulations, including restrictions and formalities, and measures affecting trade in services other than measures governing covered procurement

Article 74. Use of Electronic Means

1. The Parties shall endeavour to use electronic means of communication to permit efficient dissemination of information on government procurement, particularly as regards tender opportunities offered by entities, in accordance with the principles of transparency and non-discrimination.

2. When conducting covered procurement by electronic means, a procuring entity shall:

(a) ensure that the procurement is conducted using information technology systems and software, including those related to authentication and encryption of information, that are generally available and interoperable with other generally available information technology systems and software; and

(b) maintain mechanisms that ensure the integrity of requests for participation and tenders, including establishment of the time of receipt and the prevention of inappropriate access.

Article 75. Conduct of Procurement

A procuring entity shall conduct covered procurement in a transparent and impartial manner that:

(a) is consistent with this Chapter, using methods such as open tendering, selective tendering and limited tendering; and

(b) prevents conflicts of interest and corrupt practices, in accordance with relevant domestic laws and regulations.

Article 76. Anticorruption Measures

Each Party shall ensure that criminal or administrative measures exist to address corruption in its government procurement. These measures may include procedures to render ineligible for participation in the Party's procurements, either indefinitely or for a stated period, suppliers that that Party has determined to have engaged in fraudulent or other illegal actions in relation to government procurement in a Party's territory. Each Party shall also ensure that it has policies and procedures in place to eliminate, to the extent possible, or manage any potential conflict of interest on the part of those involved in or having influence over a procurement.

Article 77. Rules of Origin

For purposes of covered procurement, each Party shall apply rules of origin to goods that it applies in the normal course of trade to imports of the same goods.

Article 78. Offsets

With regard to covered procurement, no Party, including its procuring entities, shall seek, take account of, impose or enforce any offset at any stage of the procurement.

Article 79. Information on the Procurement System

1. Each Party shall promptly publish any measure of general application regarding covered procurement, and any modification thereof, in the relevant electronic or paper medium that is widely disseminated and remains readily accessible to the public.

2. Each Party shall list in Appendix 8 to Annex XIII (Government Procurement) the electronic or paper medium through

which a Party shall publish the information referred to in paragraph 1.

3. Each Party shall, upon request, provide another Party with an explanation relating to such information

Article 80. Notices

1. For each covered procurement, a procuring entity shall publish a notice of intended procurement in the electronic or paper medium listed in Appendix 8 to Annex XIII (Government Procurement), except in the circumstances referred to in Article 88 (Limited Tendering). Such medium shall be widely disseminated, and the notice shall remain accessible, at least until expiration of the time period indicated in the notice. The notice shall:

(a) be accessible by electronic means free of charge through a single point of access for procuring entities covered under Appendix 1 to Annex XIII (Government Procurement), as specified in Appendix 8; and

(b) be provided, at least through links in a gateway electronic site that is accessible free of charge for procuring entities covered under Appendix 2 or 3 to Annex XIII (Government Procurement), as specified in Appendix 8.

2. The Parties, including such procuring entities covered under Appendix 2 or 3 to Annex XIII (Government Procurement), are encouraged to publish their notices by electronic means free of charge through a single point of access.

3. Except as otherwise provided in this Chapter, each notice of intended procurement shall include the information specified in Appendix 11 to Annex XIII (Government Procurement).

4. Each Party shall encourage its procuring entities to publish in the appropriate paper or electronic medium listed in Appendix 8 to Annex XIII (Government Procurement), as early as possible in each fiscal year, a notice regarding their future procurement plans. The notice of planned procurement should include the subject matter of the procurement and the planned date of the publication of the notice of intended procurement.

5. A procuring entity covered under Appendix 2 or 3 to Annex XIII (Government Procurement) may use a notice of planned procurement as a notice of intended procurement provided that the notice of planned procurement includes as much of the information referred to in paragraph 3 as is available to the entity and a statement that interested suppliers should express their interest in the procurement to the procuring entity.

Article 81. Conditions for Participation

1. In establishing the conditions for participation and assessing whether a supplier satisfies such conditions, a Party, including its procuring entities:

(a) shall limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the legal and financial capacities and the commercial and technical abilities to undertake the relevant procurement;

(b) shall evaluate the financial capacity and the commercial and technical abilities of a supplier on the basis of that supplier's business activities both inside and outside the territory of the Party of the procuring entity;

(c) shall base its evaluation solely on the conditions that the procuring entity has specified in advance in notices or tender documentation;

(d) shall not impose the condition that, in order for a supplier to participate in a procurement, the supplier has previously been awarded one or more contracts by a procuring entity of a Party; and

(e) may require relevant prior experience where essential to meet the requirements of the procurement.

2. Where there is supporting evidence, and provided that this is not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties, a Party, including its procuring entities, may exclude a supplier on grounds such as:

(a) bankruptcy or insolvency;

(b) false declarations;

(c) significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;

(d) final judgments in respect of serious crimes or other serious offences;

(e) grave professional misconduct or acts or omissions that adversely reflect upon the commercial integrity of the supplier; or

(f) failure to pay taxes.

Article 82. Registration Systems and Qualification Procedures

1. A Party, including its procuring entities, may maintain a supplier registration system under which interested suppliers are required to register and provide certain information.

2. A Party, including its procuring entities, shall not adopt or apply any registration system or qualification procedure with the purpose or the effect of creating unnecessary obstacles to the participation of suppliers of another Party in its procurement.

3. A procuring entity shall promptly inform any supplier that submits a request for participation in a procurement of its decision with respect to that request. Where an entity rejects a supplier's request for participation or ceases to recognise a supplier as qualified, that entity shall, upon request of the supplier, promptly provide the supplier with a written explanation of the reasons for its decision.

4. Where a procuring entity intends to use selective tendering, it shall allow all qualified suppliers to participate in a particular procurement, unless the procuring entity states in the notice of intended procurement any limitation on the number of suppliers that will be permitted to tender and the criteria for selecting the limited number of suppliers.

Article 83. Multi-use Lists

1. A procuring entity may maintain a multi-use list of suppliers, provided that a notice inviting interested suppliers to apply for inclusion on the list is published annually in the appropriate medium listed in Appendix 8 to Annex XIII (Government Procurement), and where published by electronic means, made available continuously in the electronic medium listed in Appendix 8 to Annex XIII (Government Procurement). Where a multi-use list will be valid for three years or less, a procuring entity may publish the notice only once, at the beginning of the period of validity of the list.

2. The notice referred to in paragraph 1 shall include the information specified in Appendix 11 to Annex XIII (Government Procurement).

3. A procuring entity shall allow suppliers to apply at any time for inclusion on a multiuse list and shall include on the list all qualified suppliers within a reasonably short time. Where a procuring entity rejects a supplier's application for inclusion on a multi-use list or removes a supplier from a multi-use list, that entity shall promptly inform the supplier and, upon request of the supplier, promptly provide the supplier with a written explanation of the reasons for its decision.

Article 84. Tender Documentation

1. A procuring entity shall make tender documentation available to suppliers that includes all information necessary to permit suppliers to prepare and submit responsive tenders. Unless already provided for in the notice of intended procurement, such documentation shall include a complete description of the information specified in Appendix 11 to Annex XIII (Government Procurement).

2. Where a procuring entity does not offer free direct access to the entire tender documents and any supporting documents by electronic means, that procuring entity shall make promptly available the tender documentation at the request of any interested supplier of the Parties. The procuring entity shall also promptly reply to any reasonable request for relevant information by any interested or participating supplier, provided that such information does not give that supplier an advantage over other suppliers.

Article 85. Technical Specifications

1. A procuring entity shall not prepare, adopt or apply any technical specification or prescribe any conformity assessment procedure with the purpose or the effect of creating unnecessary obstacles to trade between the Parties.

2. In prescribing the technical specifications for the goods or services being procured, a procuring entity shall, where appropriate:

(a) set out the technical specification in terms of performance and functional requirements, rather than design or

descriptive characteristics; and

(b) base the technical specification on international standards where such exist or otherwise, on national technical regulations, recognised national standards or building codes.

3. Where design or descriptive characteristics are used in the technical specifications, a procuring entity should indicate, where appropriate, that it will consider tenders of equivalent goods or services that demonstrably fulfil the requirements of the procurement by including words such as “or equivalent” in the tender documentation.

4. A procuring entity shall not prescribe any technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design or type, specific origin, producer or supplier, unless there is no other sufficiently precise or intelligible way of describing the procurement requirements and provided that, in such cases, the entity includes words such as “or equivalent” in the tender documentation.

5. A procuring entity shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation or adoption of any technical specification for a specific procurement from a person that may have a commercial interest in the procurement.

6. For greater certainty, a Party, including its procuring entities, may, in accordance with this Article, prepare, adopt, or apply technical specifications to promote the conservation of natural resources or protect the environment.

7. For greater certainty, this Chapter is not intended to preclude a Party, including its procuring entities, from preparing, adopting or applying technical specifications required to protect sensitive government information, including specifications that may affect or limit the storage, hosting or processing of such information outside the territory of the Party.

Article 86. Modifications of Tender Documentation and Technical Specifications

Where, a procuring entity modifies the criteria or requirements set out in a notice or tender documentation provided to participating suppliers, or amends or reissues a notice or tender documentation, it shall transmit in writing all modifications, amended or re-issued notice or tender documentation:

(a) to all suppliers that are participating at the time of the modification, amendment or re-issuance, if known, and in all other cases, in the same manner as the original information was made available; and

(b) in adequate time and considering the nature and complexity of procurement to allow such suppliers to modify and re-submit amended tenders, as appropriate.

Article 87. Time Periods

A procuring entity shall, consistent with its own reasonable needs, provide suppliers sufficient time to prepare and submit requests for participation and responsive tenders, taking into account in particular the nature and complexity of the procurement. Each Party shall apply time periods as specified in Appendix 9 to Annex XIII (Government Procurement). Such time periods, including any extension of the time-periods, shall be the same for all interested or participating suppliers.

Article 88. Limited Tendering

1. Provided that it does not use this provision for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of another Party or protects domestic suppliers, a procuring entity may use limited tendering and choose not to apply Articles 80 (Notices), 81 (Conditions for participation), 82 (Registration systems and qualification procedures), 83 (Multi-use lists), 84 (Tender documentation), 87 (Time periods), 89 (Electronic auctions), 90 (Negotiations), 91 (Treatment of tenders) and 92 (Awarding of contracts) only under the following circumstances:

(a) provided that the requirements of the tender documentation are not substantially modified:

(i) no tenders were submitted or no supplier requested participation;

(ii) no tenders that conform to the essential requirements of the tender documentation were submitted;

(iii) no suppliers satisfied the conditions for participation; or

(iv) the tenders submitted have been collusive according to the Parties’ domestic laws and regulations;

(b) where the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute

goods or services exist for any of the following reasons:

(i) the requirement is for a work of art;

(ii) the protection of patents, copyrights or other exclusive rights; or

(iii) due to an absence of competition for technical reasons;

(c) for additional deliveries by the original supplier of goods and services that were not included in the initial procurement where a change of supplier for such additional goods and services:

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and

(ii) would cause significant inconvenience or substantial duplication of costs to the procuring entity;

(d) insofar as strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using an open or selective tendering procedure;

(e) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, such as emergency and catastrophe provided for in a Party's domestic laws and regulations, the goods or services could not be obtained in time using an open or selective tendering procedure. For the purposes of this paragraph, lack of planning of a procuring entity in relation with the available funds within a specific period of time shall not constitute an unforeseeable event;

(f) for goods purchased on a commodity market;

(g) where a procuring entity procures a prototype or a first good or service that is developed at its request in the course of, and for, a particular contract for research, experiment, study or original development (1);

(1) Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs.

(h) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership or bankruptcy, but not for routine purchases from regular suppliers; or

(i) where a contract is awarded to a winner of a design contest provided that:

(i) the contest has been organised in a manner that is consistent with this Chapter, in particular with respect to the publication of a notice of intended procurement; and

(ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner.

2. A procuring entity shall prepare a report in writing on each contract awarded under paragraph 1. The report shall include the name of the procuring entity, the value and kind of goods or services procured, and a statement indicating the circumstances and conditions described in paragraph 1 that justified the use of limited tendering.

Article 89. Electronic Auctions

1. Where a procuring entity intends to conduct a covered procurement using an electronic auction, it shall provide each participant, before commencing the electronic auction, with:

(a) the automatic evaluation method, including the mathematical formula, that is based on the evaluation criteria set out in the tender documentation and that will be used in the automatic ranking or re-ranking during the auction;

(b) the results of any initial evaluation of the elements of its tender where the contract is to be awarded on the basis of the most advantageous tender; and

(c) any other relevant information relating to the conduct of the auction.

Article 90. Negotiations

1. A Party may provide for its procuring entities to conduct negotiations in the context of covered procurement:

(a) where the entity has indicated such intent in the notice of intended procurement pursuant to Article 80 (Notices); or

(b) where it appears from the evaluation that no tender is obviously the most advantageous in terms of the specific evaluation criteria set out in the notice or tender documentation.

2. A procuring entity shall:

(a) ensure that any elimination of suppliers participating in negotiations is carried out in accordance with the evaluation criteria set out in the notice or tender documentation; and

(b) where negotiations are concluded, provide a common deadline for the remaining participating suppliers to submit any new or revised tenders.

Article 91. Treatment of Tenders

1. A procuring entity shall receive, open and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process and the confidentiality of tenders.

2. A procuring entity shall not penalise any supplier whose tender is received after the time specified for receiving tenders if the delay is due solely to mishandling on the part of the procuring entity.

3. Where a procuring entity provides suppliers with an opportunity to correct unintentional errors of form between the opening of tenders and the awarding of the contract, the entity shall provide the same opportunity to all participating suppliers.

Article 92. Awarding of Contracts

1. To be considered for award, a tender shall be submitted in writing and shall, at the time of opening, comply with the essential requirements set out in the notices and tender documentation and be from a supplier that satisfies the conditions for participation.

2. Unless a procuring entity determines that it is not in the public interest to award a contract, the entity shall award the contract to the supplier that it has determined to be capable of fulfilling the terms of the contract and that, based solely on the evaluation criteria specified in the notices and tender documentation, has submitted:

(a) the most advantageous tender; or

(b) where price is the sole criterion, the lowest price.

3. Where a procuring entity receives a tender with a price that is abnormally lower than the prices in other tenders submitted, it may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

4. A procuring entity shall not use option clauses, cancel a procurement or modify awarded contracts in a manner that circumvents the obligations of this Chapter.

Article 93. Transparency of Procurement Information

1. A procuring entity shall promptly inform participating suppliers of its contract award decisions and, upon request of a supplier, shall do so in writing. Subject to Article 94 (Disclosure of information), a procuring entity shall, upon request, provide an unsuccessful supplier with an explanation of the reasons why it did not select its tender and the relative advantages of the successful supplier's tender.

2. Promptly and, in any event, no later than 30 days after the award of each contract, a procuring entity shall publish in a paper or electronic medium listed in Appendix 8 to Annex XIII (Government Procurement), a notice that includes at least the following information about the contract:

(a) a description of the goods or services procured;

(b) the name and address of the procuring entity;

(c) the name and, if applicable, the address of the successful supplier;

(d) the value of the successful tender or the highest and lowest offers taken into account in the award of the contract;

(e) the date of award; and

(f) the type of procurement method used, and in cases where limited tendering was used in accordance with Article 88 (Limited tendering), a description of the circumstances justifying the use of limited tendering.

3. Where the entity publishes the notice only in an electronic medium, the information shall remain readily accessible for a reasonable period of time.

4. Each procuring entity shall, for a period of at least three years from the date of the award of a contract, maintain the documentation and reports of tendering procedures and contract awards relating to covered procurement, including the reports provided for in Article 88 (Limited Tendering), and the data that ensures the appropriate traceability of the conduct of covered procurement by electronic means.

Article 94. Disclosure of Information

1. Upon request of another Party, a Party shall provide promptly any information necessary to determine whether a procurement was conducted fairly, impartially and in accordance with this Chapter, including information on the characteristics and relative advantages of the successful tender.

2. In cases where the release of such information would prejudice competition in future tenders, the Party that receives the information shall not disclose it to any supplier without the explicit consent of, the Party that provided the information.

3. Notwithstanding any other provision of this Chapter, no Party, including its procuring entities, shall provide information to a particular supplier that might prejudice fair competition between suppliers.

4. Nothing in this Chapter shall be construed to require a Party, including its procuring entities, authorities and review bodies, to disclose confidential information where disclosure:

(a) would impede law enforcement;

(b) might prejudice fair competition between suppliers;

(c) would prejudice the legitimate commercial interests of particular persons, including the protection of intellectual property; or

(d) would otherwise be contrary to the public interest.

Article 95. Domestic Review Procedures for Supplier Challenges

1. Each Party shall provide a timely, effective, transparent and non-discriminatory administrative or judicial review procedure, in accordance with the principle of due process, through which a supplier may challenge:

(a) a breach of this Chapter; or

(b) where a supplier does not have the right to challenge directly a breach of this Chapter under the Party's domestic laws and regulation a failure to comply with a Party's measures implementing this Chapter, arising in the context of a covered procurement, in which the supplier has, or has had, an interest.

2. The procedural rules for all challenges shall be in writing and made generally available.

3. In the event of a complaint by a supplier, arising in the context of covered procurement in which the supplier has, or has had, an interest, that there has been a breach or a failure as referred to in paragraph 1, the Party of the procuring entity shall encourage, if appropriate, the entity and the supplier to seek resolution of the complaint through consultations.

4. Each supplier shall be allowed a sufficient period of time to prepare and submit a challenge, which in no case shall be less than ten days from the time when the basis of the challenge became known or reasonably should have become known to the supplier.

5. Each Party shall establish or designate at least one impartial administrative or judicial authority that is independent of its procuring entities to receive and review a challenge by a supplier arising in the context of a covered procurement.

6. Where a body other than an authority referred to in paragraph 5 initially reviews a challenge, each Party shall ensure that the supplier may appeal the initial decision to an impartial administrative or judicial authority that is independent of the

procuring entity whose procurement is the subject of the challenge.

7. Each Party shall ensure that a review body that is not a court shall either have its decisions subject to judicial review or have procedures that provide that:

(a) the procuring entity shall respond in writing to the challenge and disclose all relevant documents to the review body;

(b) the participants to the proceedings ("participants") shall have the right to be heard prior to a decision of the review body being made on the challenge;

(c) the participants shall have the right to be represented and accompanied;

(d) the participants shall have access to all proceedings;

(e) the participants shall have the right to request that the proceedings take place in public and that witnesses may be presented; and

(f) the review body shall make its decisions or recommendations in a timely fashion, in writing, and shall include an explanation of the basis for each decision or recommendation.

8. Each Party shall adopt or maintain procedures that provide for:

(a) rapid interim measures to preserve the supplier's opportunity to participate in the procurement. Such interim measures may result in the suspension of the procurement process. The procedures may provide that overriding adverse consequences for the interests concerned, including the public interest, may be taken into account when deciding whether such measures should be applied. Just cause for not acting shall be provided in writing; and

(b) where a review body has determined that there has been a breach of this Chapter or a failure as referred to in paragraph 1, corrective action that may include compensation for the loss or damages suffered. A Party may limit compensation for the loss or damages suffered to either the costs reasonably incurred in the preparation of the tender or in bringing the complaint, or both.

Article 96. Modifications and Rectifications to Coverage

1. A Party may make rectifications of a purely formal nature to its coverage under this Chapter or minor amendments to its Appendices to Annex XIII (Government Procurement), provided that it notifies the other Parties in writing and no Party objects in writing within 45 days from the receipt of the notification. A Party that makes such a rectification or minor amendment does not need to provide compensatory adjustments to the other Parties.

2. A Party may otherwise modify its coverage under this Chapter provided that:

(a) it notifies the other Parties in writing and offers at the same time acceptable compensatory adjustments to maintain a level of coverage comparable to that existing prior to the modification, except where provided for in paragraph 3; and

(b) no Party objects in writing within 45 days from the receipt of the notification.

3. A Party need not provide compensatory adjustments where the Parties agree that the proposed modification covers a procuring entity over which a Party has effectively eliminated its control or influence. If a Party objects to the assertion that such government control or influence has been effectively eliminated, the objecting Party may request further information or consultations with a view to clarifying the nature of any government control or influence and reaching an agreement on the procuring entity's continued coverage under this Chapter.

Article 97. Facilitation of Participation by Small and Medium-sized Enterprises

1. The Parties recognise the important contribution that small and medium-sized enterprises (SMEs) can make to economic growth and employment and the importance of facilitating the participation of SMEs in government procurement.

2. The Parties also recognise the importance of business alliances between suppliers of each Party, in particular between SMEs, including the joint participation in tendering procedures, provided that this is not used in a manner that is inconsistent with this Chapter.

3. The Parties may exchange information and experiences related to their measures and policies used in order to contribute, promote, encourage or facilitate SMEs participation in government procurement.

4. To facilitate participation of SMEs in covered procurement, each Party may, if appropriate:

(a) share information related to SMEs, including relevant electronic portals;

(b) endeavour to make all tender documentation available free of charge; and

(c) undertake any other activity designed to facilitate the participation of SMEs in government procurement covered by this Chapter.

Article 98. Cooperation

1. The Parties recognise the importance of cooperation with a view to achieving a better understanding of their respective government procurement systems, as well as a better access to their respective markets, in particular for small business suppliers.

2. The Parties shall endeavour to cooperate in matters such as:

(a) development and use of electronic communications in government procurement systems; and

(b) exchange of experiences and information, such as regulatory frameworks, best practice and statistics.

Article 99. Contact Points on Government Procurement

Each Party shall designate and notify a contact point for the purposes of facilitating communication, coordination and efforts between the Parties on matters relating to the implementation of this Chapter, such as:

(a) cooperation between the Parties in accordance with Article 98 (Cooperation);

(b) facilitation of SME's participation in covered procurement in accordance with Article 97 (Facilitation of participation by small and medium-sized enterprises);

(c) consideration of further negotiations in accordance with Article 100 (Further negotiations); and

(d) identification and resolution of any matter that may arise under this Chapter.

Article 100. Further Negotiations

If, following the entry into force of the Protocol Amending the Free Trade Agreement between the EFTA States and the Republic of Chile, Done at Geneva, this 24th day of June 2024, a Party offers a non-Party additional benefits with regard to its respective government procurement market access coverage agreed under this Chapter, it shall agree, upon request of another Party, to enter into negotiations with a view to extending coverage under this Chapter on a reciprocal basis.

Chapter Vbis. SMALL AND MEDIUM-SIZED ENTERPRISES

Article 101. General Principles

1. The Parties, recognise that small and medium-sized enterprises, including micro-sized enterprises (SMEs), are a fundamental part of economic development, employment creation and innovation.

2. The Parties recognise that non-tariff barriers represent a competitiveness challenge for SMEs. They also recognize that, in addition to the provisions of this Chapter, there are other provisions in the Agreement that may be particularly beneficial to SMEs.

3. The Parties seek to promote dialogue and information sharing in order to enhance the ability of SMEs to take advantage of the opportunities arising from this Agreement.

Article 102. Information Exchange and Transparency

1. Each Party shall establish or maintain publicly and freely accessible websites containing information regarding this Agreement, including:

(a) the text of this Agreement, including all annexes, tariff schedules and product-specific rules of origin;

(b) a summary of this Agreement; and

(c) information for SMEs, containing:

(i) a description of the provisions of this Agreement that the Party considers to be relevant to SMEs; and

(ii) any additional information that the Party considers useful for SMEs interested in benefiting from the opportunities granted by this Agreement.

2. Each Party shall include, on the websites referred to in paragraph 1, links to:

(a) the equivalent websites of the other Parties; and

(b) websites of its government agencies and other appropriate entities that provide information that the Party considers useful to any SME interested in trading, investing or doing business in the territory of the Parties.

3. The information described in subparagraph 2(b) shall at least include:

(a) a description of:

(i) trade procedures informing interested parties of the practical steps for the import, export and transit of goods;

(ii) regulations and procedures on intellectual property rights, including geographical indications;

(iii) rules on government procurement;

(iv) company registration procedures; and

(v) employment regulations, including, where applicable, collective bargaining agreements and their registration procedures.

(b) technical regulations, standards, and measures related to importation and exportation;

(c) sanitary and phytosanitary measures relating to importation and exportation; and

(d) a database containing government procurement notices.

4. Each Party shall endeavour, as far as practicable in English, to include one or several links in the websites provided for in paragraph 1 to databases that are electronically searchable and that include the following information with respect to access to its market:

(a) rates of customs duties and quotas, including most-favoured nation (MFN), rates concerning non-MFN countries and preferential rates;

(b) excise duties;

(c) value added taxes and/or sales taxes; and

(d) customs or other fees, including other product specific fees.

5. Each Party shall ensure that the information and links referred to in paragraphs 1 to 4 that it maintains on its websites are up-to-date and accurate.

6. Each Party shall make the information referred to in paragraphs 1 to 3 available in English.

Article 103. Activities and Cooperation

1. The Parties recognise the importance of cooperating to achieve progress in reducing barriers to SMEs' access to their respective markets.

2. Cooperation between the Parties shall take the form of exchange of information and dialogue on issues of mutual interest and be channelled through SME contact points.

3. To this end, each Party shall, upon entry into force of this Agreement, promptly designate a SME contact point and notify the other Parties of the contact details as well as, thereafter, of any changes to its SME contact point.

4. Taking into account their SMEs' specific needs in the implementation of this Agreement, SME contact points shall seek to:

(a) exchange SME-related information, including any matter brought to their attention by SMEs in their trade and investment activities with another Party such as non-tariff measures adversely affecting trade outcomes for SMEs;

(b) exchange policy experiences for SMEs, including in the development of digital windows that facilitate the efforts of SMEs to establish operations in another Party, as well as in other assistance programs and tools;

(c) ensure that the information referred to in Article 102 (Information exchange and transparency) is up-to-date and relevant for SMEs, and recommend any additional information that the Parties may publish; and

(d) consider any other matters of interest to SMEs.

5. Each Party may raise any matter arising in the activities of the SME contact points with the Joint Committee.

6. The SME contact points may cooperate with experts, external organisations and SME stakeholders, as appropriate, in carrying out their activities.

Article 104. Non-application of Dispute Settlement

No Party may have recourse to Chapter X (Dispute Settlement) for any matter arising under this Chapter.

Chapter Vter. DIGITAL TRADE

Article 105. Definitions

1. For the purposes of this Chapter, the definitions set out in Chapters II (Trade in Goods) and III (Trade in Services and Establishment) apply.

2. For the purposes of this Chapter:

(a) “electronic signature” means data in electronic form that are attached to other electronic data used for authentication of the signatory;

(b) “electronic transmissions” means transmissions of electronic data through the Internet;

(c) “electronic trust service” means an electronic service consisting of:

(i) the creation, verification and validation of electronic signatures, electronic seals, electronic time stamps, electronic registered delivery services and certificates related to those services;

(ii) the creation, verification and validation of certificates for website authentication; or

(iii) the preservation of electronic signatures, electronic seals or certificates related to those services;

(d) “end-user” means a user not providing public communications networks or publicly available electronic communications services;

(e) “personal data” means any information relating to an identified or identifiable natural person;

(f) “processing” of personal data means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;

(g) “trade administration documents” means documents, forms or other information, including in electronic formats, as required by a Party’s domestic legislation on commercial trade transactions;

(h) “unsolicited commercial electronic messages” means electronic messages for commercial purposes without the consent of the recipient or against the explicit rejection of the recipient; and

(i) “computing facilities” means computer servers and storage devices for processing or storing information for commercial use.

Article 106. Scope

1. This Chapter applies to measures of the Parties affecting trade enabled by electronic means.

2. In the event of any inconsistency between this Chapter and Section II (Financial Services) of Chapter III (Trade in Services and Establishment) the latter shall prevail to the extent of the inconsistency.

3. This Chapter shall not apply to audio-visual services.

Article 107. General Principles

The Parties recognise:

(a) the economic growth and opportunities that electronic commerce in goods and services provides, in particular for businesses and consumers as well as the potential for enhancing international trade;

(b) the importance of avoiding barriers to the use and development of electronic commerce in goods and services; and

(c) the need to create an environment of trust and confidence in as well as security for electronic commerce, in particular:

(i) protection of privacy of natural persons in relation to the processing of personal data;

(ii) protection of confidentiality of individual records and accounts, and commercial secrets;

(iii) measures to prevent and fight deceptive and fraudulent practices or to deal with the effects of a default on contracts; and

(iv) measures against unsolicited commercial electronic messages.

Article 108. Right to Regulate

The Parties reaffirm the right to regulate in the area of electronic commerce in conformity with this Chapter to achieve legitimate policy objectives.

Article 109. Customs Duties

1. No Party shall impose customs duties on electronic transmissions.

2. For greater certainty, paragraph 1 shall not preclude a Party from imposing internal taxes, fees, or other charges on electronic transmissions, provided that they are imposed in a manner consistent with this Agreement.

Article 110. Electronic Authentication, Trust Services and Contracts by Electronic Means

1. No Party shall deny the legal effect and admissibility as evidence in legal proceedings of an electronic document, electronic signature, electronic seal, electronic time stamp or of data sent and received using an electronic registered delivery service, solely on the ground that it is in electronic form.

2. No Party shall adopt or maintain measures that would:

(a) prohibit parties to an electronic transaction from mutually determining the appropriate electronic authentication methods for their transaction; or

(b) prevent parties to an electronic transaction from being able to prove to judicial or administrative authorities that the use of electronic authentication or an electronic trust service in that transaction complies with the applicable legal requirements.

3. Notwithstanding paragraph 2, each Party may require that for a particular category of transactions, the method of electronic authentication or trust service is either certified by an authority accredited in accordance with its domestic laws and regulations or that the method meets certain performance standards which shall be objective, transparent and non-discriminatory and shall only relate to the specific characteristics of the category of transactions concerned.

4. Except to the extent provided under a Party's domestic laws and regulations in relation to certain types of contracts, a Party shall not deny that contracts may be concluded by electronic means.

5. Each Party shall ensure that its domestic laws and regulations do not deprive electronic contracts of legal effect and

validity solely on the ground that contracts have been made by electronic means.

Article 111. Paperless Trade Administration

1. Each Party shall make all trade administration documents publicly available in electronic form.

2. Each Party shall accept electronic versions of trade administration documents as legal equivalents of paper documents except if:

(a) there is a domestic or international legal requirement to the contrary; or

(b) doing so would reduce the effectiveness of the trade administration process.

Article 112. Open Internet Access

Subject to applicable domestic laws and regulations, each Party shall adopt or maintain appropriate measures to ensure that end-users in its territory are able to:

(a) access, distribute and use services and applications of their choice available through the Internet, subject to reasonable and non-discriminatory network management;

(b) connect devices of their choice to the Internet, provided that such devices comply with the requirements in the territory where they are used and do not harm the network; and

(c) have access to information on the network management practices of their Internet access service supplier.

Article 113. Online Consumer Trust

1. Each Party shall adopt or maintain measures to ensure the effective protection of consumers engaging in electronic commerce transactions, including but not limited to measures that:

(a) proscribe fraudulent and deceptive commercial practices;

(b) require suppliers of goods and services to act in good faith and abide by fair commercial practices, including through the prohibition of charging consumers for unsolicited goods and services;

(c) require suppliers of goods and services to provide consumers with clear and thorough information regarding their identity and contact details (1), as well as information regarding the goods and services, the transaction and the applicable consumer rights; and

(1) In the case of intermediary service suppliers, this also includes the identity and contact details of the actual supplier of the goods and services.

(d) grant consumers access to redress to claim their rights, including a right to remedies in cases where goods or services are paid and not delivered or provided as agreed.

2. The Parties recognise the importance of entrusting their consumer protection agencies or other relevant bodies with adequate enforcement powers and the importance of cooperation between their agencies in the enforcement of their respective laws and regulations related to consumer protection and online consumer trust.

3. The Parties recognise the importance of promoting effective policy frameworks relating to consumer product safety.

Article 114. Unsolicited Commercial Electronic Messages

1. In order to protect users effectively against unsolicited commercial electronic messages, each Party shall adopt or maintain measures that:

(a) require suppliers of commercial electronic messages to facilitate the ability of recipients to stop the sending of such messages; and

(b) require the consent, as specified according to the domestic laws and regulations of each Party, of recipients to receive commercial electronic messages.

2. Each Party shall provide access to recourse against suppliers of unsolicited commercial electronic messages who do not comply with its measures referred to in paragraph 1.

Article 115. Cross-border Data Flows and Localisation of Computing Facilities

1. The Parties commit to ensuring cross-border data flows to facilitate digital trade. To that end, cross-border data flows shall not be restricted between the Parties by: (2)

(2) With respect to financial services, this provision applies as long as the financial supervisory authorities have access to the necessary data for fulfilling their supervisory tasks.

(a) requiring the use of computing facilities or network elements in the Party's territory for processing, including by imposing the use of computing facilities or network elements that are certified or approved in the territory of the Party;

(b) requiring the localisation of data in the Party's territory for storage or processing;

(c) prohibiting storage or processing in the territory of another Party; or

(d) making the cross-border transfer of data contingent upon use of computing facilities or network elements in the Party's territory or upon localisation requirements in the Party's territory.

2. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 1 to achieve a legitimate public policy objective (3), provided that the measure:

(3) For the purposes of this Article, "legitimate public policy objective" shall be interpreted in an objective manner and shall enable the pursuit of objectives such as the protection of public security, public morals, human, animal or plant life or health, the maintenance of public order or other similar objectives of public interest, taking into account the evolving nature of digital technologies.

(a) is 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; and

(b) does not impose restrictions on transfers of information that are greater than necessary to achieve the objective. (4)

(4) For greater certainty, paragraph 2 does not affect the interpretation of other exceptions in this Agreement and their application to this Article, nor the right of a Party to invoke any of them.

Article 116. Electronic Payments and Invoicing

1. The Parties recognise the pivotal role of electronic payments in enabling electronic commerce and the rapid growth of electronic payments. The Parties agree to support the development of efficient, safe and secure cross-border electronic payments by fostering the adoption and use of internationally accepted standards, promoting interoperability and the interlinking of payment infrastructures, and encouraging useful innovation and competition in the payments ecosystem.

2. The Parties recognise the importance of e-invoicing which increases the efficiency, accuracy and reliability of commercial transactions and agree to promote the adoption of interoperable systems for e-invoicing.

3. The Parties shall support and facilitate the adoption of e-invoicing by undertakings. To this end, the Parties shall endeavour to:

(a) promote the existence of underlying infrastructure to support e-invoicing; and

(b) generate awareness of and build capacity for e-invoicing.

Article 117. Protection of Personal Data and Privacy

1. The Parties recognise that the protection of personal data and privacy is a fundamental right and that high standards in this regard contribute to the development of digital trade and trust therein.

2. Each Party shall adopt or maintain measures it deems appropriate to ensure a high level of protection of personal data

and privacy, including through the adoption and application of rules for the cross-border transfer of personal data. Nothing in this Agreement shall affect the protection of personal data and privacy afforded by the Parties' respective measures.

3. The Parties shall inform each other about any measures referred to in paragraph 2.

Article 118. Transfer of or Access to Source Code

1. No Party shall require the transfer of, or access to, the source code of software or parts thereof owned by a natural or juridical person of another Party as a condition for the import, distribution, sale or use of such software or products containing such software in its territory.

2. This Article shall not apply to:

(a) requirements by a court or administrative tribunal;

(b) intellectual property rights and their protection and enforcement;

(c) competition law and its enforcement;

(d) the right of a Party to take measures in accordance with Chapter V (Government Procurement);

(e) requirements by competent authorities to verify the conformity of goods and services with legal requirements; or

(f) voluntary transfer or granting of access to source code on a commercial basis by a natural or juridical person of a Party.

Article 119. Cooperation on Electronic Commerce

1. The Parties may engage in a dialogue on regulatory issues of mutual interest raised in relation to electronic commerce, which could, inter alia, address the following issues:

(a) the treatment of unsolicited commercial electronic messages;

(b) interoperability of infrastructures, such as secure electronic authentication and payments;

(c) the use of electronic commerce by micro, small and medium sized enterprises;

(d) digital inclusion, including participation of women, rural populations, low socio-economic groups and Indigenous Peoples;

(e) consumer protection; and

(f) other issues relevant for the development of electronic commerce.

2. Such a dialogue may include exchange of information on the Parties' respective domestic laws and regulations on these issues, as well as on the implementation of such domestic laws and regulations.

Article 120. General Exceptions

For the purposes of this Chapter, Article XX of the GATT 1994 and Article XIV of the GATS apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 121. Security Exceptions

For the purposes of this Chapter, Article XXI of the GATT 1994 and Article XIVbis of the GATS apply and are hereby incorporated into and made part of this Agreement, mutatis mutandis.

Article 122. Review

The Parties shall review the implementation of this Chapter and assess its functioning in the Joint Committee, particularly in light of relevant changes affecting digital trade that might arise from new business models or technologies.

Chapter Vquater. TRADE AND SUSTAINABLE DEVELOPMENT

Section I. GENERAL PROVISIONS

Article 123. 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, the ILO Declaration on Fundamental Principles and Rights at Work of 1998, as amended in 2022, the Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work of 2006, the ILO Declaration on Social Justice for a Fair Globalization of 2008, as amended in 2022, the Rio+20 Outcome Document "The Future We Want" of 2012 and the UN 2030 Agenda for Sustainable Development of 2015, the WTO Joint Declaration on Trade and Women's Economic Empowerment of 2017, the Convention on the Elimination of all Forms of Discrimination against Women of 1979 and the commitments under the Beijing Declaration and Platform for Action of 1995, noting in particular those articles and strategic objectives related to women's equal access to markets, trade, resources, information and training opportunities.

2. The Parties shall promote sustainable development which encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing. They underline the benefit of cooperation on trade and investment related aspects of labour, environmental and gender issues as part of a global approach to trade and sustainable development.

3. The Parties commit to promote the development of international trade and investment as well as their preferential economic relationship in a manner that contributes to inclusive economic and sustainable development.

Article 124. Right to Regulate and Levels of Protection

1. Recognising the right of each Party to establish its own levels of environmental and labour protection, and to adopt or modify accordingly its domestic laws, regulations and policies, each Party shall seek to ensure that its domestic laws, regulations and policies provide for and encourage high levels of environmental and labour protection. Such levels of protection shall be consistent with international labour standards and the commitments of each Party under multilateral environmental agreements, as referred to in this Chapter. Each Party shall strive to further improve the levels of protection provided for in those laws, regulations and policies.

2. When preparing and implementing measures related to the environment or labour conditions that affect trade or investment between them, the Parties shall take account of available scientific and technical information, in first instance from recognised technical and scientific bodies, as well as relevant and available international standards, guidelines and recommendations.

Article 125. Upholding Levels of Protection

1. No Party shall fail to effectively enforce, through a sustained or recurring course of action or inaction, its domestic environmental and labour laws or regulations in a manner affecting trade or investment between the Parties.

2. No Party shall weaken or reduce the level of environmental or labour protection provided by its domestic laws and regulations in order to encourage trade or investment.

3. No Party shall waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws or regulations in order to encourage trade or investment.

4. No Party shall apply its domestic environmental and labour laws and regulations in a manner which would constitute a disguised restriction on trade or investment.

Article 126. Responsible Business Conduct

1. The Parties recognise the importance to promote responsible business conduct, including responsible management of supply chains by businesses. In this regard, the Parties acknowledge the importance of internationally recognised principles and guidelines, such as the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

2. Each Party shall:

(a) encourage enterprises operating in its territory or jurisdiction to adopt voluntarily policies and practices of responsible business conduct that contribute to the achievement of sustainable development and are consistent with internationally recognised principles, standards and guidelines that have been endorsed or are supported by that Party; and

(b) support the dissemination and use of relevant international instruments that have been endorsed or are supported by that Party, as referred to in paragraph 1.

Article 127. Procedural Guarantees

Each Party shall ensure that administrative and judicial proceedings comply with due process of law and are accessible and available in order to allow for timely actions against violations of its domestic environmental or labour laws or regulations and to provide for effective remedies.

Article 128. Public Participation, Awareness and Submissions

1. Each Party shall encourage public dialogue with and among non-state actors as regards the development of laws, regulations and policies covered by this Chapter.

2. Each Party shall promote public awareness of its domestic laws, regulations and policies covered by this Chapter, as well as its enforcement and compliance procedures, by ensuring that information is available to stakeholders and by taking steps to improve the knowledge and understanding of workers, employers and their representatives.

3. The Parties shall provide their stakeholders with the opportunity to share comments and make recommendations regarding the implementation of this Chapter, in accordance with domestic procedures.

4. Each Party shall provide for the receipt of and give due consideration to submissions from the public on matters related to this Chapter, including information regarding the Party's implementation of this Chapter. Each Party shall, in accordance with its domestic procedures, respond in writing to such submissions in a timely manner.

Article 129. Cooperation

1. The Parties recognise the importance of cooperation on trade-related and investment related aspects of labour, environmental and gender issues in order to achieve the objectives of this Chapter, to enhance the benefits thereof and to strengthen the Parties' joint and individual capacities to promote sustainable development. Each Party may, as appropriate, invite its social partners or other relevant stakeholders to participate in relevant cooperation projects and to identify potential areas of cooperation.

2. Pursuant to paragraph 1, the Parties may cooperate in areas of mutual interest such as:

(a) trade and investment related aspects of environmental sustainability, including efforts to promote conservation, sustainable use and restoration of biological diversity including matters related to natural resources; combat climate change; prevent land degradation including deforestation and desertification; promote trade in environmental goods and services; and ensure access to information, participation and justice in environmental matters;

(b) promoting decent work and the fundamental principles and rights at work; best practice for labour relations, for example improved labour relations, including promotion of best practice in alternative dispute resolution; and social dialogue, including tripartite consultation and partnership; elimination of all forms of forced or compulsory labour, including forced or compulsory child labour and trafficking in persons;

(c) gender equality and non-discrimination, including efforts to promote equal remuneration for work of equal value and equitable gender representation at senior levels in the public and private sector; to further increased economic and labour participation of women, including in entrepreneurship and innovation; to conduct gender-based analysis, the collection of gender-disaggregated data and the analysis of gender-focused statistics related to trade; experiences and best practice relating to policies and programmes to encourage women's increased participation in international trade; advancing care policies and programmes as well as work-life balance measures; and

(d) responsible business conduct.

3. The Parties shall strive to strengthen their cooperation on trade and investment related labour, environmental and gender issues of mutual interest in relevant bilateral, regional and multilateral fora in which they participate such as the ILO, WTO, OECD, the United Nations Environment Programme and multilateral environmental agreements.

Article 130. Cooperation Framework

1. Taking into account their national priorities and circumstances, as well as available resources, the Parties may cooperate on issues of mutual interest through activities such as:

(a) dialogues, workshops, seminars, conferences, collaborative programmes and projects;

(b) the exchange of information on best practice;

(c) technical assistance to promote and facilitate cooperation and training; and

(d) any other form of cooperation deemed appropriate.

2. The Parties shall, where appropriate and possible, seek to complement and use their existing cooperation mechanisms and take into account the relevant work of regional and international organisations.

Section II. ENVIRONMENT AND TRADE

Article 131. Multilateral Environmental Agreements and Governance

1. The Parties recognise the importance of multilateral environmental agreements, and of the UN Environment Assembly and UN Environment Programme as a response of the international community to global, regional and domestic environmental challenges and stress the need to enhance the mutual supportiveness between trade and environment policies.

2. The Parties reaffirm their commitment to the effective implementation in their domestic laws, regulations and policies of the multilateral environmental agreements to which they are a party, as well as their adherence to environmental principles reflected in the international instruments referred to in Article 123 (Context and objectives).

Article 132. Sustainable Forest Management and Associated Trade

1. The Parties recognise the importance of ensuring conservation and sustainable management of forests and related ecosystems with the objective to reduce greenhouse gas emissions and biodiversity loss resulting from deforestation and forest degradation, including from land use and land-use change for economic activities.

2. Pursuant to paragraph 1, the Parties commit to:

(a) ensure forest law enforcement and governance;

(b) promote trade in products that derive from sustainably managed forests and related ecosystems;

(c) implement measures to combat illegal logging and promote the use of timber legality assurance instruments with the aim that only legally sourced timber is traded between the Parties;

(d) promote the protection of endangered timber species, inter alia, through the effective use of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);

(e) cooperate on issues pertaining to conservation and sustainable management of forests and wetlands where relevant through existing bilateral arrangements if applicable and in the relevant multilateral fora in which they participate, in particular through the UN collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation (REDD+) as encouraged by the Paris Agreement; and

(f) exchange information and, as appropriate, cooperate with the other Party on trade-related initiatives to combat illegal logging, and to promote sustainable forest management, forest governance and conservation of forest cover.

Article 133. Sustainable Agriculture, Food Systems and Associated Trade

1. The Parties recognise the increasing impact that global challenges, such as climate change, loss of biodiversity, land degradation, droughts and the emergence of new pests and diseases, among others, have on agriculture and food systems.

2. In this context, the Parties recognise the importance of strengthening policies and devising programs that contribute to the development of more productive, sustainable, inclusive and resilient agriculture and food systems in a holistic and comprehensive manner. The Parties recognise the importance of sustainable agriculture and food systems and the role of

trade in achieving this objective.

3. Pursuant to paragraphs 1 and 2, the Parties will exchange information and experiences in the development and implementation of integrated policies, which promote sustainable agriculture and food systems and associated trade in all three dimensions of sustainable development. In order to effectively contribute to the sustainable development of the agriculture and food sector, the Parties may cooperate on areas of mutual interest related to trade and sustainable agriculture and food systems, including through conducting a dialogue on domestic initiatives towards achieving sustainable agriculture and food systems and improving agricultural productivity, considering the protection and sustainable use of ecosystems and natural resources, as well as the social dimension of agricultural production.

Article 134. Trade and Climate Change

1. The Parties recognise that climate change impacts are being felt and poses significant risks to communities, infrastructure, the economy, the environment and human health, and that efforts to increase resilience are required. The Parties commit to promote effective climate change mitigation and adaptation measures in order to tackle global, regional and domestic challenges and minimise harm.

2. The Parties recognise the importance of pursuing the objectives and principles of the UN Framework Convention on Climate Change (UNFCCC) and the Paris Agreement in order to address the urgent threat of climate change. Accordingly, the Parties recognise the role of trade to achieve the goals of sustainable development and to address climate change, as well as the importance of individual and collective efforts to address climate change impacts through mitigation and adaptation actions.

3. Pursuant to paragraph 1 and 2, the Parties commit to:

(a) effectively implement their respective obligations and commitments under the UNFCCC and the Paris Agreement;

(b) promote the contribution of trade to the transition to a low-carbon-economy and to climate-resilient development;

(c) cooperate bilaterally, regionally and in international fora as appropriate on trade-related climate change issues;

(d) share information and experiences on policy instruments of mutual interest to achieve multilateral, regional and local climate change objectives; and

(e) engage in cooperative and capacity-building activities of mutual interest related to climate change adaptation and mitigation.

Article 135. Trade and Biological Diversity

1. The Parties recognise the importance of the protection, conservation and sustainable use of biological diversity, and the role of trade in pursuing these objectives consistent with the Convention on Biological Diversity and other biodiversity-related multilateral environmental agreements to which they are a party, including the decisions adopted thereunder. The Parties also recognise the importance of ensuring that international trade of wild flora and fauna does not threaten their survival, as set out in CITES.

2. Pursuant to paragraph 1, the Parties commit to:

(a) take appropriate domestic measures to protect and conserve biological diversity when it is subject to pressures linked to trade and investment;

(b) promote the long-term conservation and sustainable use of species listed in CITES, including by promoting the cooperation in the relevant CITES bodies to keep the Appendices to the CITES up to date;

(c) implement applicable CITES resolutions that aims to protect and conserve species whose survival is threatened by international trade;

(d) take appropriate domestic measures to protect and conserve wild flora and fauna, that it has identified to be at risk within its territory, including measures to conserve the ecological integrity of protected natural areas;

(e) implement effective domestic measures to combat illegal trade in wild flora and fauna, including through cooperation activities with third countries, as appropriate;

(f) enhance efforts to prevent or control the introduction and spread of invasive alien species; and

(g) cooperate, where applicable, on issues concerning trade and the protection, conservation and sustainable use of biological diversity.

Article 136. Trade and Sustainable Management of Fisheries and Aquaculture

1. The Parties recognise the importance of ensuring the conservation and sustainable management of living marine resources and marine ecosystems and the role of trade in pursuing these objectives.

2. Pursuant to paragraph 1, the Parties commit to:

(a) adopt and implement effective and transparent policies and measures to combat illegal, unreported and unregulated (IUU) fishing and aim to prevent IUU products from trade flows;

(b) effectively implement the obligations under international agreements (1) to which they are a party in their domestic laws, regulations and policies;

(1) These include the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982 (UNCLOS), the United Nations Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, done at New York, December 4, 1995 (UN Fish Stocks Agreement), the 1993 FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, (Compliance Agreement) done at Rome, November 24, 1993, and the 2009 FAO Agreement on Port State Measures to prevent, deter and eliminate illegal, unreported and unregulated fishing, done at Rome, November 22, 2009.

(c) promote the use of relevant international guidelines, such as FAO's Voluntary Guidelines for Catch Documentation Schemes, that include traceability schemes.

(d) cooperate bilaterally and in relevant international fora in the fight against IUU fishing in areas of mutual interest, such as by facilitating the exchange of information on IUU fishing activities and building capacity;

(e) the fulfilment of the objectives set out in the 2030 Agenda for Sustainable Development regarding fisheries subsidies, including by prohibiting certain forms of fisheries subsidies which contribute to overfishing and overcapacity, eliminating subsidies that contribute to IUU fishing and refraining from introducing new such subsidies; and

(f) promote the development of sustainable and responsible aquaculture.

Section III. LABOUR AND TRADE

Article 137. Labour Rights

1. The Parties commit to promote the development of international trade and investment in a way that is conducive to decent work for all.

2. The Parties recall the obligations deriving from membership of the ILO to respect, promote and realise the principles concerning the fundamental rights as reflected in the ILO Declaration on Fundamental Principles and Rights at Work of 1998, as amended in 2022, namely:

(a) freedom of association and the effective recognition of the right to collective bargaining;

(b) the elimination of all forms of forced or compulsory labour;

(c) the effective abolition of child labour; including a prohibition on the worst forms of child labour;

(d) the elimination of discrimination in respect of employment and occupation; and

(e) a safe and healthy working environment.

3. Each Party commits to adopt and maintain such rights in its domestic laws, regulations and policies.

4. The Parties recall the obligations deriving from membership of the ILO to effectively implement the ILO Conventions which they have ratified and to make continued and sustained efforts towards ratifying the fundamental ILO Conventions and related protocols, as well as the other Conventions that are classified as "up-to-date" by the ILO.

5. The Parties recognise the importance of the strategic objectives of the ILO Decent Work Agenda, as reflected in the

Declaration on Social Justice for a Fair Globalization of 2008, as amended in 2022 (ILO Declaration on Social Justice for a Fair Globalization).

6. The Parties commit to:

(a) develop and enhance measures for social protection and decent working conditions for all, with respect to social security, occupational safety and health, wages and earnings, hours of work and other conditions of work;

(b) promote social dialogue and tripartism; and

(c) build and maintain a well-functioning labour inspection system.

7. The Parties reaffirm, as set out in the ILO Declaration on Social Justice for a Fair Globalization, that the violation of fundamental principles and rights at work shall not be invoked or otherwise used as a legitimate comparative advantage and that labour standards shall not be used for protectionist trade purposes.

Article 138. Business and Human Rights

1. The Parties recognise that incorporating a business and human rights approach in trade aims at ensuring coherence and synergy between human rights and trade agreements.

2. The Parties recall the international policy framework regarding business and human rights and their obligations deriving from the international human rights instruments to which they are a party.

3. The Parties shall promote the implementation of the UN Guiding Principles on Business and Human Rights.

Article 139. Labour Market Issues

1. Acknowledging the significant transformations in the world of work driven by technological innovations, demographic shifts, environmental and climate change, and globalisation, the Parties shall direct their efforts on further developing a human-centered approach to the future of work, as reflected in the ILO Centenary Declaration for the Future of Work of 2019, while recognizing the strong, complex and crucial links between social, trade, financial, economic and environmental policies.

2. The Parties may, as appropriate, exchange information, experiences and good practice on related issues of mutual interest.

Section IV. INCLUSIVE ECONOMIC DEVELOPMENT AND EQUAL OPPORTUNITIES FOR ALL

Article 140. General Provisions

1. The Parties acknowledge the importance of incorporating gender equality and non-discrimination perspectives in the promotion of inclusive economic development in order to achieve sustainable economic growth, with income opportunities and prospects for all.

2. The Parties recognise that women's participation in international trade can contribute to advancing their economic empowerment and economic independence. Furthermore, they acknowledge that women's access to and ownership of economic resources contribute to sustainable and inclusive economic growth, prosperity and competitiveness.

3. The Parties commit to:

(a) promote policies that aim to ensure an inclusive labour market, equal rights and opportunities for all, and address systemic barriers and discrimination of any kind; and

(b) work towards the elimination of gender wage gaps in their respective economies.

Article 141. International Commitments

The Parties commit to effectively implement the international agreements pertaining to gender equality and non-discrimination, including women's rights, to which they are party.

Section V. INSTITUTIONAL AND DISPUTE SETTLEMENT PROVISIONS

Article 142. Sub-Committee on Trade and Sustainable Development

1. The Parties shall establish a Sub-Committee on trade and sustainable development composed of senior government representatives or their designees. Each Party shall ensure that its representatives have the appropriate expertise concerning the issues to be discussed, such as experts from institutions responsible for trade, labour, environment and gender issues.

2. The Sub-Committee on trade and sustainable development shall convene directly before or after the meetings of the Joint Committee unless the Parties decide otherwise. Meetings may be conducted in person or by any technological means available to the Parties.

3. The Sub-Committee on trade and sustainable development shall consider conducting meetings in consecutive sessions focused on thematic sections of this Chapter, as well as cross-cutting issues related to trade and sustainable development.

4. The Sub-Committee on trade and sustainable development may consider any matter arising under this Chapter.

5. The Sub-Committee on trade and sustainable development shall:

(a) oversee the implementation of this Chapter;

(b) oversee and assess the cooperation activities of this Chapter, including exchange of information and experience on areas of mutual interest;

(c) serve as a forum for dialogue on matters related to this Chapter;

(d) make recommendations and report to the Joint Committee regarding the implementation, and where applicable, the review of this Chapter; and

(e) carry out the tasks referred to in Article 145 (Consultations) and Article 147 (Review), as well as any other functions as the Parties may agree.

6. The Sub-Committee on trade and sustainable development may consult or seek the advice of relevant stakeholders or experts over matters relating to the implementation of this Chapter.

7. The Sub-Committee on trade and sustainable development shall act by consensus and publish a report on its meetings.

Article 143. Contact Points

Each Party shall designate a contact point for the purposes of facilitating communication and coordination between the Parties on any matter relating to the implementation of this Chapter, including possible cooperative activities. The Parties shall exchange the contact details of their designated contact points.2

2 In the case of Chile, the contact point shall be in its Undersecretariat of International Economic Relations of the Ministry of Foreign Affairs or its successor.

Article 144. Implementation and Dispute Resolution

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Chapter. Should any matter arise under this Chapter, the Parties concerned shall make every attempt to reach a mutually satisfactory resolution of the matter, inter alia through dialogue, exchange of information or, if appropriate, cooperation.

2. For any matter arising under this Chapter, the Parties shall only have recourse to the rules and procedures provided therein. The Parties concerned may nevertheless, if they so agree, have access to good offices, conciliation and mediation procedures. Such procedures may begin and be terminated at any time and shall be confidential and without prejudice to the rights of the Parties concerned in any other procedures provided for in this Chapter.

3. If the Parties concerned so agree, good offices, conciliation and mediation procedures may continue while other proceedings referred to in Articles 145 (Consultations) and 146 (Panel of experts) are in progress.

Article 145. Consultations

1. A Party (the requesting Party) may request bilateral expert consultations with another Party (the responding Party) regarding any matter arising under this Chapter by delivering a written request to the responding Party's contact point referred to in Article 143 (Contact points). The request shall set out the reasons for requesting consultations, including information that is specific and sufficient, and identify the provisions of this Chapter considered to be applicable, to enable the responding Party to respond. The requesting Party shall inform the other Parties, through the contact points referred to in Article 143 (Contact points), that a request for bilateral expert consultations has been submitted.

2. Unless otherwise agreed by the requesting Party and the responding Party (Consulting Parties), bilateral expert consultations shall begin no later than 30 days from the receipt of the request for consultations. The Consulting Parties shall promptly inform the other Parties of any mutually agreed resolution of the matter.

3. If the Consulting Parties do not reach a mutually agreed solution through bilateral expert consultations in accordance with paragraph 2, within 90 days from the receipt of the request for such consultations, a Consulting Party may request in writing consultations in the Sub-Committee on trade and sustainable development.

4. The Consulting Parties shall enter into consultations in the Sub-Committee on on trade and sustainable development promptly, and no later than 30 days after the date of receipt pursuant to paragraph 3 by the responding Party of the request. For the purposes of this paragraph, the Sub-Committee on on trade and sustainable development shall be composed only by the Consulting Parties.

5. The Consulting Parties may agree to seek advice from any expert or body they deem appropriate to assist them in the consultations.

6. Consultations may be held in person or by any other means of communication agreed by the Consulting Parties. If consultations are held in person, they shall be held in the Responding Party, unless the consulting Parties agree otherwise.

7. The Consulting Parties shall promptly inform the other Parties of any mutually agreed resolution of the matter. Any solution or decision reached by the Consulting Parties shall be made publicly available, unless they agree otherwise.

8. Consultations shall be deemed to be concluded no later than 120 days after the date of receipt of the request for bilateral consultations unless the Consulting Parties agree otherwise.

Article 146. Panel of Experts

1. If the Consulting Parties fail to reach a mutually satisfactory resolution of a matter arising under this Chapter through consultations under Article 145 (Consultations), within the time period set out in paragraph 8 of that Article, a consulting Party may request the establishment of a panel of experts. Article 167 (Establishment of arbitration panel), 168 (Arbitration panel), 169 (Procedures of the arbitration panel) and 171 (Termination of arbitration panel proceedings) of Chapter X (Dispute Settlement) and Annex XVII (Model Rules of Procedure for the Conduct of Arbitration Panels) shall apply mutatis mutandis, except as otherwise provided for in this Article.

2. The panellists shall have relevant expertise in relation to the matter referred to in paragraph 1. They shall be independent, serve in their individual capacities and shall not take instructions from any organisation or government with regard to issues related to the disagreement, or be affiliated with the government of a Party.

3. If the matter is related to multilateral instruments referred to in this Chapter, the panel of experts should seek information from the ILO or relevant bodies established under those instruments, including any pertinent available interpretative guidance, findings or decisions adopted by the ILO or those bodies. Any information obtained shall be submitted to the parties concerned for their comments.

4. The panel of experts shall submit an initial report containing its findings and recommendations to the parties concerned within 100 days from the date of establishment of the panel of experts. A party concerned may submit written comments to the panel of experts on its initial report within 25 days from the date of receipt of the report. After considering any such written comments, the panel of experts may modify the initial report and make any further examination it considers appropriate. The panel of experts shall present to the parties concerned a final report within 60 days from the date of receipt of the initial report. The Parties shall publish, or otherwise make publicly available, the final report.

5. The parties concerned shall discuss appropriate measures to implement the final report of the panel of experts. Such measures shall be communicated to the other Parties, through their contact points, within 90 days from the date of issuance of the final report and shall be monitored by the Joint Committee.

6. Any time period for the purposes of this Article may be modified by mutual agreement of the parties concerned.

7. When a panel of experts considers that it cannot comply with a timeframe imposed on it for the purposes of this Article, it shall, through the contact points, inform the parties concerned in writing stating the reasons of further delay and the date on which the panel of experts plans to deliver its report and provide an estimate of the additional time required. Any additional time should not exceed 60 days.

8. The costs of the panel of experts shall be borne by the parties concerned in equal shares. Each party concerned shall bear its own legal and other costs incurred in relation to the panel of experts. The panel of experts may decide that the costs be distributed differently taking into account the particular circumstances of the case.

9. Where a procedural question arises, the panel of experts may, after consultation with the parties concerned, adopt an appropriate procedure.

Article 147. Review

The Parties shall assess in the Sub-Committee on trade and sustainable development the progress achieved in pursuing the objectives set out in this Chapter and consider relevant international developments in order to identify areas where further actions could promote these objectives.

Chapter VI. Competition Policy

Article 148. Objectives

1. The Parties recognise that anti-competitive business conduct may frustrate the benefits arising from this Agreement.

2. The Parties undertake to apply their competition laws in a manner consistent with this Chapter so as to avoid that the benefits of the liberalisation process in goods and services as provided by this Agreement may be diminished or cancelled out by anti-competitive business conduct. (10) To facilitate this, the Parties agree to co-operate and coordinate under the provisions of this Chapter. This co-operation includes notification, consultation, and exchange of information.

3. For the purposes of this Agreement, "anti-competitive business conduct" includes, but is not limited to, anti-competitive agreements, concerted practices or arrangements by competitors, the abuse of single or joint dominant positions in a market and mergers with substantial anti-competitive effects. These practices refer to goods and services and may be carried out by private and public enterprises.

4. The Parties recognise the importance of principles of competition that are accepted in relevant multilateral fora of which the Parties are members or observers, including non-discrimination, due process, and transparency.

(10) For the purpose of this Chapter, "goods" shall mean goods classified in chapters 1 to 97 of the HS.

Article 149. Notifications

1. Each Party, through its designated authority, shall notify the other Parties of an enforcement activity regarding anti-competitive business conduct relating to goods and services if it is liable to substantially affect another Party's important interests, or if the anti-competitive business conduct is liable to have a direct and substantial effect in the territory of that other Party or is taking place principally in the territory of that other Party.

2. Provided that this is not contrary to the Parties' competition laws and does not affect any investigation being carried out, notification shall take place at an early stage of the procedure.

3. The notifications provided for in paragraph 1 should be detailed enough to permit an evaluation in the light of the interests of the other Parties.

Article 150. Co-ordination of Enforcement Activities

A Party, through its designated authority, may notify another Party of its willingness to co-ordinate enforcement activities with respect to a specific case. This co-ordination shall not prevent the Parties from taking autonomous decisions.

Article 151. Consultations

1. Each Party shall, in accordance with its laws, take into consideration the important interests of the other Parties in the

course of its enforcement activities on anticompetitive business conduct relating to goods and services. If a Party considers that an investigation or proceeding being conducted by another Party may adversely affect such Party's important interests it may transmit its views on the matter to that other Party through its designated authority. Without prejudice to the continuation of any action under its competition laws and to its full freedom of ultimate decision, the Party so addressed should give full and sympathetic consideration to the views expressed by the requesting Party.

2. If a Party considers that an anti-competitive business conduct carried out within the territory of another Party may have an adverse effect on its interests, the first Party may, through its designated authority, request that that other Party initiates appropriate enforcement activities. The request shall be as specific as possible about the nature of the anti-competitive business conduct and its effect on the interest of the requesting Party, and shall include an offer of such further information and other assistance as the requesting Party is able to provide. The requested Party shall carefully consider whether to initiate enforcement activities, or to expand ongoing enforcement activities, with respect to the anti-competitive business conduct identified in the request.

3. Regarding the issues addressed in paragraphs 1 and 2 each Party undertakes to exchange information regarding sanctions and remedies applied and to provide the grounds on which those actions were taken, when requested by another Party.

4. A Party may request consultations within the Joint Committee regarding the issues addressed in paragraphs 1 and 2 as well as any other matter covered by this Chapter. Such a request shall indicate the reasons for the request and whether any procedural time limit or other constraints require that consultations be expedited.

Article 152. Exchange of Information and Confidentiality

1. With a view to facilitating the effective application of their competition laws in order to eliminate the negative effects of anti-competitive business conduct relating to goods and services, the Parties are encouraged to exchange information.

2. All exchange of information shall be subject to the rules and standards of confidentiality applicable in the territory of each Party. No Party shall be required to provide information when this is contrary to its laws regarding disclosure of information. Each Party shall maintain the confidentiality of any information provided to it according to the limitations that the submitting Party requests for the use of such information. Where the laws of a Party so provide, confidential information may be provided to their respective courts of justice.

Article 153. Public Enterprises and Enterprises Entrusted with Special or Exclusive Rights, Including Designated Monopolies

1. With regard to public enterprises and enterprises to which special or exclusive rights have been granted, the Parties shall ensure that no measure is adopted or maintained that distorts trade in goods or services between the Parties to an extent contrary to the Parties' interests and that such enterprises shall be subject to the rules of competition insofar as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them.

2. The Parties confirm their rights and obligations under Article XVII of the GATT 1994 and Article VIII of the GATS with regard to enterprises referred to in paragraph 1.

Article 154. Dispute Settlement

No Party may have recourse to dispute settlement under this Agreement for any matter arising under this Chapter.

Article 155. Designated Authorities

For the purpose of applying Articles 149, 150 and 151, each Party shall designate its competition authority or any other public entity and communicate its decision to the other Parties at the first meeting of the Joint Committee but in no case later than 60 days after the entry into force of the Agreement.

Article 156. Definitions

For the purpose of this Chapter:

(a) "competition laws" means:

(i) for Chile, Decreto Ley N° 211 of 1973 and Ley N° 19.610 of 1999 and their implementing regulations or amendments as

well as other laws dealing with competition matters;

(ii) for the Republic of Iceland, Competition Law No. 8/1993 as amended by Law No. 24/1994, 83/1997, 82/1998 and 107/2000 as well as other laws dealing with competition matters;

(iii) for the Principality of Liechtenstein, any competition rules that Liechtenstein recognises or undertakes to apply within its territory, including those provided for in other international agreements, such as the Agreement on the European Economic Area;

(iv) for the Kingdom of Norway, Act No. 65 of 11 June 1993 relating to Competition in Commercial Activity as well as other laws dealing with competition matters;

(v) for the Swiss Confederation, the Federal Act on Cartels and Other Restraints of Competition of 6 October 1995 and the Order on the Control of Business Concentration of 17 June 1996, and any regulation provided for by these acts as well as other laws dealing with competition matters, and any changes that the above mentioned legislation may undergo after the conclusion of this Agreement;

(b) "enforcement activity" includes any application of competition laws by way of investigation or proceeding conducted by a Party, which may result in the imposition of penalties or remedies.

Chapter VII. Subsidies

Article 157. Subsidies/state Aid

1. The rights and obligations of the Parties in respect of subsidies related to goods shall be governed by Article XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.

2. The rights and obligations of the Parties in respect of subsidies related to services shall be governed by the GATS.

3. Each Party may request information on individual cases of state aid believed to affect trade between the Parties. The requested Party will make its best efforts to provide such information.

Chapter VIII. Transparency

Article 158. Publication

1. The Parties shall publish, or otherwise make publicly available, their laws, regulations, procedures and administrative rulings of general application as well as the international agreements, that may affect the operation of this Agreement.

2. The Parties shall provide, upon request, information on matters referred to in paragraph 1.

Article 159. Contact Points and Exchange of Information

1. In order to facilitate communication between the Parties on any trade matter covered by this Agreement, each Party shall designate a contact point. On the request of any Party, the contact point of the other Parties shall indicate the office or official responsible for the matter and provide the required support to facilitate communication with the requesting Party.

2. On the request of a Party, each Party shall provide information and reply to any question from the other Parties relating to an actual measure that may affect the operation of this Agreement. The Parties shall make information on proposed measures available to the extent possible under their domestic laws and regulations.

3. The information referred to under this Article shall be considered to have been provided when the information has been made available by appropriate notification to the WTO or when the information has been made available on the official, publicly and fee-free accessible website of the Party concerned.

Article 160. Cooperation on Increased Transparency

The Parties agree to cooperate in bilateral and multilateral fora on ways to increase transparency in trade matters.

Chapter IX. Administration of the Agreement

Article 161. The Joint Committee

1. The Parties hereby establish the EFTA-Chile Joint Committee, comprising Ministers of each Party, or senior officials delegated by them for this purpose.

2. The Joint Committee shall:

(a) supervise the implementation of this Agreement and evaluate the results obtained in its application;

(b) oversee the further elaboration of this Agreement;

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

(d) supervise the work of the sub-committees and working groups established or created under this Agreement; and

(e) carry out any other function assigned to it under this Agreement.

3. The Joint Committee may decide to set up such sub-committees and working groups as it considers necessary to assist it in accomplishing its tasks. The Joint Committee may seek the advice of non-governmental persons and groups.

4. The Joint Committee shall establish its rules of procedure. (11) It may take decisions as provided for in this Agreement. On other matters the Joint Committee may make recommendations. The Joint Committee shall take decisions and make recommendations by consensus.

5. Subject to the provisions set out in Annex XV, the Joint Committee may amend the Annexes and the Appendices to this Agreement.

6. The Joint Committee shall meet whenever necessary but normally every two years. The regular meetings of the Joint Committee shall alternate between Chile and an EFTA State.

7. Each Party may request at any time, through a notice in writing to the other Parties, 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.

(11) Rules of procedure were adopted by Joint Committee Decision No. 1 of 2006 (31 January 2006).

Article 162. The Secretariat

1. The Parties hereby establish a Secretariat of this Agreement, comprising the competent organs referred to in Annex XVI.

2. All communications to or by a Party shall be sent through the respective competent organs unless otherwise provided for in this Agreement.

Chapter X. Dispute Settlement

Article 163. Scope

1. This Chapter shall apply with respect to the avoidance or the settlement of all disputes arising from this Agreement between one or several EFTA States and Chile.

2. The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through co-operation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

3. This Chapter shall not apply to Articles 12,14(1), 15(1), 17(3), 18(1), 28(1) and 157(1) and (2).

Article 164. Choice of Forum

1. Disputes on the same matter arising under both this Agreement and the WTO Agreement, or any agreement negotiated thereunder, to which the Parties are party, may be settled in either forum at the discretion of the complaining Party. The forum thus selected shall be used to the exclusion of the other.

2. Once dispute settlement procedures have been initiated under this Agreement pursuant to Article 167 or dispute

settlement proceedings have been initiated under the WTO Agreement, the forum selected shall be used to the exclusion of the other.

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

4. Before a Party initiates dispute settlement proceedings under the WTO Agreement against another Party or Parties, that Party shall notify all other Parties of its intention.

Article 165. Good Offices, Conciliation or Mediation

1. Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the Parties involved so agree. They may begin at any time and be terminated at any time.

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

Article 166. Consultations

1. A Party may request in writing consultations with another Party whenever it considers that a measure applied by that Party is inconsistent with this Agreement or that any benefit accruing to it directly or indirectly under this Agreement is impaired by such measure. The Party requesting consultations shall at the same time notify the other Parties in writing thereof. Consultations shall take place before the Joint Committee unless the Party or Parties making or receiving the request for consultations disagree.

2. Consultations shall be held within 30 days from the date of receipt of the request for consultations. Consultations on urgent matters, including those on perishable agricultural goods, shall commence within 15 days from the receipt of the request for consultations.

3. The Parties involved in the consultations shall provide sufficient information to enable a full examination of how the measure is inconsistent with, or may impair the benefit accruing to them under this Agreement and 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 involved in any further proceedings.

5. The Parties involved in the consultations shall inform the other Parties of any mutually agreed resolution of the matter.

Article 167. Establishment of Arbitration Panel

1. If the matter has not been resolved within 60 days, or 30 days in relation to a matter of urgency, after the date of receipt of the request for consultations, it may be referred to arbitration by one or more of the Parties involved by means of a written notification addressed to the Party or Parties complained against. A copy of this notification shall also be communicated to all Parties so that each Party may determine whether to participate in the dispute.

2. Where more than one Party requests the establishment of an arbitration panel relating to the same matter, a single arbitration panel should be established to examine these complaints whenever feasible.

3. A request for arbitration shall give the reason for the complaint including the identification of the measure at issue and an indication of the legal basis of the complaint.

4. A Party to this Agreement which is not a Party to the dispute, on delivery of a written notice to the disputing Parties, shall be entitled to make written submissions to the arbitration panel, receive written submissions of the disputing Parties, attend all hearings and make oral submissions.

Article 168. Arbitration Panel

1. The arbitration panel shall comprise three members.

2. In the written notification pursuant to Article 167, the Party or the Parties referring the dispute to arbitration shall

designate one member of the arbitration panel.

3. Within 15 days of the receipt of the notification referred to in paragraph 2, the Party or Parties to which it was addressed to shall designate one member of the arbitration panel.

4. The Parties to the dispute shall agree on the appointment of the third arbitrator within 15 days of the appointment of the second arbitrator. The member thus appointed shall chair the arbitration panel.

5. If all 3 members have not been designated or appointed within 30 days from the date of receipt of the notification referred to in paragraph 2, the necessary designations shall be made at the request of any Party to the dispute by the Director-General of the WTO within a further 30 days.

6. 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 or previously have been employed by any of the Parties, nor have dealt with the case in any capacity.

7. If an arbitrator dies, withdraws or is removed, a replacement shall be selected within 15 days in accordance with the selection procedure followed to select him or her. In such a case, any time period applicable to the arbitration panel proceedings shall be suspended for a period beginning on the date the arbitrator dies, withdraws or is removed and ending on the date the replacement is selected.

8. The date of establishment of the arbitration panel shall be the date on which the Chair is appointed.

Article 169. Procedures of the Arbitration Panel

1. Unless the Parties to the dispute agree otherwise, the arbitration panel proceedings shall be conducted in accordance with the Model Rules of Procedure set out at Annex XVII.

2. Unless the Parties to the dispute otherwise agree within 10 days from the date of delivery of the request for the establishment of the arbitration panel, the terms of reference shall be:

"To examine, in the light of the relevant provisions of the Agreement, the matter referred to in the request for the establishment of an arbitration panel pursuant to Article 167 and to make findings of law and fact together with the reasons therefore for the resolution of the dispute."

3. At the request of a Party to the dispute or on its own initiative, the arbitration panel may seek scientific information and technical advice from experts as it deems appropriate. Any information so obtained shall be submitted to the Parties for comments.

4. The arbitration panel shall make its ruling based on the provisions of this Agreement, in particular in the light of its objectives as set out in Article 2, applied and interpreted in accordance with the rules of interpretation of public international law.

5. Decisions of the arbitration panel shall be taken by a majority of its members. Arbitrators may furnish separate opinions on matters not unanimously agreed. No arbitration panel may disclose which arbitrators are associated with majority or minority opinions.

6. The expenses of the arbitration panel, including the remuneration of its members, shall be borne by the Parties to the dispute in equal shares.

Article 170. Ruling

1. The arbitration panel shall within 90 days from the date of the establishment of the arbitration panel present to the Parties to the dispute its ruling.

2. The arbitration panel shall base its ruling on the submissions and arguments of the Parties to the dispute and on any scientific information and technical advice pursuant to Article 169(3).

3. Unless the Parties to the dispute decide otherwise, the ruling shall be published 15 days after it is presented to them.

Article 171. Termination of Arbitration Panel Proceedings

A complaining Party may withdraw its complaint at any time before the ruling 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.

Article 172. Implementation of Arbitration Panel Rulings

1. The ruling shall be final and binding on the Parties to the dispute. Each Party to the dispute shall be bound to take the measures necessary to comply with the ruling referred to in Article 170.

2. The Parties to the dispute shall endeavour to agree on the specific measures that are required for complying with the ruling.

3. The Party complained against shall notify the other Party within 30 days after the ruling has been transmitted to the Parties to the dispute:

(a) the specific measures required for complying with the ruling;

(b) the reasonable period of time to do so; and

(c) a concrete proposal of a temporary compensation until the full implementation of the specific measures required for compliance with the ruling.

4. In case of disagreement between the Parties to the dispute on the content of such notification, the complaining Party may request the original arbitration panel to rule on whether the proposed measures referred to under paragraph 3(a) are in compliance with the ruling, on the duration of the period of time and on whether the compensation proposal is manifestly disproportionate. The ruling shall be given within 45 days after that request.

5. The Party or Parties concerned shall notify to the other Party or Parties to the dispute and the Joint Committee the measures adopted in order to implement the ruling before the expiry of the reasonable period of time determined in accordance with paragraph 4. Upon that notification, any Party to the dispute may request the original arbitration panel to rule on the conformity of those measures with the ruling. The ruling of the arbitration panel shall be given within 45 days from that request.

6. If the Party or Parties concerned fails to notify the implementing measures before the expiry of the reasonable period of time determined in accordance with paragraph 4, or if the arbitration panel rules that the implementing measures notified by the Party or Parties concerned are not in compliance with the ruling, such Party or Parties shall, if so requested by the complaining Party or Parties, enter into consultations with a view to agree on a mutually acceptable compensation. If no such agreement has been reached within 20 days from the request, the complaining Party or Parties shall be entitled to suspend only the application of benefits granted under this Agreement equivalent to those affected by the measure found to be inconsistent with, or to impair benefits under, this Agreement.

7. In considering what benefits to suspend, the complaining Party or Parties should first seek to suspend benefits in the same sector12 or sectors as that affected by the measure that the arbitration panel has found to be inconsistent with, or to impair benefits under, this Agreement. The complaining Party or Parties that consider it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.

8. The complaining Party or Parties shall notify the other Party or Parties of the benefits which it intends to suspend no later than 60 days before the date on which the suspension is due to take effect. Within 15 days from that notification, any of the Parties to the dispute may request the original arbitration panel to rule on whether the benefits which the complaining Party or Parties intend to suspend are equivalent to those affected by the measure found to be inconsistent with, or to impair benefits under, this Agreement, and whether the proposed suspension is in accordance with paragraphs 6 and 7. The ruling of the arbitration panel shall be given within 45 days from that request. Benefits shall not be suspended until the arbitration panel has issued its ruling.

9. The suspension of benefits shall be temporary and shall only be applied by the complaining Party or Parties until the measure found to be inconsistent with, or to impair benefits under, this Agreement has been withdrawn or amended so as to bring it For the purpose of this Article, with respect to goods ‘sector' shall mean goods classified in Chapters 1 to 97 of the HS. into conformity with this Agreement, or the Parties to the dispute have reached agreement on a resolution of the dispute.

10. At the request of any of the Parties to the dispute, the original arbitration panel shall decide on the conformity with the ruling of any implementing measures adopted after the suspension of benefits and, in light of such ruling, whether the suspension of benefits should be terminated or modified. The ruling of the arbitration panel shall be given within 30 days from the date of that request.

11. The rulings provided for in this Article shall be binding.

Article 173. Other Provisions

1. Any time period mentioned in this Chapter may be extended by mutual agreement of the Parties involved.

2. Hearings of the arbitration panels shall be closed to the public, unless the Parties decide otherwise.

Chapter XI. General Exceptions

Article 174. Balance of Payments Difficulties

1. Where a Party is in serious balance of payments and external financial difficulties, or under threat thereof, it may adopt or maintain restrictive measures with regard to trade in goods and in services and with regard to payments and capital movements, including those related to direct investment.

2. The Parties shall endeavour to avoid the application of the restrictive measures referred to in paragraph 1.

3. Any restrictive measure adopted or maintained under this Article shall be nondiscriminatory and of limited duration and shall not go beyond what is necessary to remedy the balance of payments and external financial situation. Such a measure shall be in accordance with the conditions established in the WTO Agreements and consistent with the Articles of Agreement of the International Monetary Fund, as applicable.

4. The Party maintaining or having adopted restrictive measures, or any changes thereto, shall promptly notify them to the other Parties and present, as soon as possible, a time schedule for their removal.

5. The Party applying restrictive measures shall consult promptly within the Joint Committee. Such consultations shall assess the balance of payments situation of the Party concerned and the restrictions adopted or maintained under this Article, taking into account, inter alia, such factors as:

(a) the nature and extent of the balance of payments and the external financial difficulties;

(b) the external economic and trading environment of the consulting Party;

(c) alternative corrective measures which may be available.

The consultations shall address the compliance of any restrictive measures with paragraphs 3 and 4. All findings of statistical and other facts presented by the International Monetary Fund relating to foreign exchange, monetary reserves and balance of payments shall be accepted and conclusions shall be based on the assessment by the International Monetary Fund of the balance of payments and the external financial situation of the consulting Party.

Article 175. National Security Clause

1. Nothing in this Agreement shall be construed:

(a) to require a Party to furnish any information the disclosure of which it considers contrary to its essential security interests;

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

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

(ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials or relating to the supply of services, as carried on directly or indirectly for the purpose of supplying or provisioning a military establishment;

(iii) relating to the government procurement of arms, ammunition or war materials or procurement indispensable for national security or for national defense purposes; or

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

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

2. The Joint Committee shall be informed to the fullest extent possible of measures taken under paragraphs 1(b) and (c) and of their termination.

Article 176. Taxation

1. Nothing in this Agreement shall apply to taxation measures except:

(a) Article 13, and such other provisions of this Agreement as are necessary to give effect to that Article to the same extent as does Article III of the GATT 1994; and

(b) with regard to taxation measures applicable in Sections I and II of Chapter III and Chapter Vter (Digital Trade), where Article XIV of the GATS applies, mutatis mutandis.

2. Nothing in this Agreement shall affect the rights and obligations of any Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.

Chapter XII. Final Provisions

Article 177. Definitions

For the purposes of this Agreement, unless otherwise specified:

"days" means calendar days;

"measure" includes inter alia any law, regulation, procedure, requirement or practice; and

"Party" means any State regarding which this Agreement has entered into force.

Article 178. Annexes and Appendices

The Annexes and Appendices to this Agreement constitute an integral part thereof.

Article 179. Amendments

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

2. Amendments to this Agreement shall be subject to ratification, acceptance or approval.

3. Unless otherwise agreed, amendments shall enter into force on the first day of the third month following the date on which at least one EFTA State and Chile have deposited their instrument of ratification, acceptance or approval with the Depositary. In relation to an EFTA State depositing its instrument of ratification, acceptance or approval after the date on which at least one EFTA State and Chile have deposited their instrument of ratification, acceptance or approval with the Depositary, the amendment shall enter into force on the first day of the third month following the deposit of its instrument.

4. Notwithstanding paragraphs 1 to 3, the Joint Committee may decide to amend any Annexes or Appendices to this Agreement. If a Party has accepted a decision subject to the fulfilment of domestic legal requirements, the decision shall enter into force on the first day of the third month following the date on which the last Party notifies the Depositary that its internal requirements have been fulfilled, unless otherwise specified in the decision.

5. Amendments regarding issues related only to one or several EFTA States and Chile shall be agreed upon by the Parties concerned.

6. The text of the amendments and the instruments of ratification, acceptance or approval shall be deposited with the Depositary.

7. A Party may apply an amendment provisionally, subject to its domestic legal requirements. Provisional application of amendments shall be notified to the Depositary.

Article 180. Additional Parties

Any third State may, upon invitation by the Joint Committee, become a Party to this Agreement. The terms and conditions of the accession of the additional Party shall be the subject of an agreement between the Parties and the invited State.

Article 181. Withdrawal and Termination

1. Any Party to this Agreement may withdraw therefrom by means of a written notification to the Depositary. The withdrawal shall take effect on the first day of the sixth month after the date on which the notification was received by the Depositary.

2. If one of the EFTA States withdraws from this Agreement, a meeting of the remaining Parties shall be convened to discuss the issue of the continued existence of this Agreement.

Article 182. Entry Into Force

1. This Agreement is subject to ratification, acceptance or approval. The instruments of ratification, acceptance or approval shall be deposited with the Depositary.

2. This Agreement shall enter into force on 1 February 2004 in relation to those Signatory States which by then have ratified, accepted or approved the Agreement, provided they have deposited their instruments of ratification, acceptance or approval with the Depositary at least 30 days before the date of entry into force, and provided that Chile is among the States that have deposited their instruments of ratification, acceptance or approval.

3. In case this Agreement does not enter into force on 1 February 2004, it shall enter into force on the first day of the first month following the latter deposit of the instruments of ratification, acceptance or approval by Chile and at least one EFTA State.

4. In relation to an EFTA State depositing its instrument of ratification, acceptance or approval after this Agreement has entered into force, this Agreement shall enter into force on the first day of the third month following the deposit of its instrument.

5. If its constitutional requirements permit, any EFTA State may apply this Agreement provisionally. Provisional application of this Agreement under this paragraph shall be notified to the Depositary.

Article 183. Depositary

The Government of Norway shall act as Depositary.

Annex X. REFERRED TO IN ARTICLE 57. RESERVATIONS

Appendix 1. Reservations by Chile

Sector: All sectors

Subsector:

Level of Government: National

Legal source or authority of the measures:

Decreto Ley 1939, Diario Oficial, noviembre 10, 1977, Normas sobre Adquisición, Administración y Disposición de Bienes del Estado, Título I

Decreto con Fuerza de Ley 4 del Ministerio de Relaciones Exteriores, Diario Oficial, noviembre 10, 1967

Succinct description of the measure:

Chile may only dispose of the ownership or other rights over "State land" to Chilean natural or juridical persons, unless the applicable legal exceptions, such as in Decreto Ley 1939, apply. "State land" for these purposes refers to State-owned land up to a distance of 10 kilometers from the border and up to a distance of 5 kilometers from the coastline. Corporeal

immovable property situated in areas declared the borderland zone by virtue of Decreto con Fuerza de Ley 4, 1967, of the Ministerio de Relaciones Exteriores may not be acquired, either as property or in any other title, by (1) natural persons with nationality in a neighboring country; (2) juridical persons with their principal seat in a neighboring country; (3) juridical persons with 40 percent or more of capital owned by natural persons with nationality in a neighboring country; or (4) juridical persons effectively controlled by such natural persons.

Notwithstanding the foregoing, this limitation may not apply if an exemption is granted by a Decreto Supremo of the President of the Republic based on considerations of national interest.

Sector: All sectors

Subsector:

Level of Government: National

Legal source or authority of the measure:

Any existing or future measure as described below

Description:

Chile reserves the right to adopt or maintain any measure relating to the ownership or control of land within five kilometers of the coastline that is used for agricultural activities. Such measures could include a requirement that the majority of each class of stock of a Chilean juridical person that seeks to own or control such land be held by Chilean persons or by persons residing in Chile for 183 days or more per year.

Sector: All sectors

Subsector:

Level of Government: National

Legal source or authority of the measure:

Any existing or future measure as described below

Succinct description of the measure:

In the transfer or disposal of any interest in stock or asset held in an existing state enterprise or governmental entity, Chile reserves the right to prohibit or impose limitations on the ownership of said interest or asset, and also on the right of foreign investors or their investment to control any state company created thereby or investments made by the same. In connection with any such transfer or disposal, Chile may adopt or maintain any measure related to the nationality of senior management and members of the Board of Directors.

A "State owned company" shall mean any company owned or controlled by Chile by means of an interest share in the ownership thereof, and it shall include any company created after the effective date of this Treaty for the sole purpose of selling or disposing of its interest share in the capital or assets of an existing state enterprise or governmental entity.

Sector: Energy

Subsector:

Level of Government: National

Legal source or authority of the measures:

Constitución Política de la República de Chile, Capítulo III

Ley 18097, Diario Oficial, enero 21, 1982, Ley Orgánica Constitucional sobre Concesiones Mineras, Títulos I, II y III.

Ley 18248, Diario Oficial, octubre 14, 1983, Código de Minería , Títulos I y II.

Ley 16319, Diario Oficial octubre 23, 1965, Crea la Comisión Chilena de Energía Nuclear, Títulos I, II y III.

Succinct description of the measure:

The exploration, exploitation and treatment (beneficio) of liquid or gaseous hydrocarbons, deposits of any kind existing in

sea waters subject to national jurisdiction, and deposits of any kind wholly or partially located in areas classified as important to national security with mining effects, which qualification shall be made by law only, can be the object of administrative concessions or special operating contracts, subject to the requirements and the conditions to be determined, in each case by a supreme decree of the President of the Republic. For greater certainty, it is understood that the term beneficio shall not include the storage, transportation or refining of the energy material referred to in this paragraph.

The production of nuclear energy for peaceful purposes may only be carried out by the Comisión Chilena de Energía Nuclear or, with its authorization, jointly with third persons. Should the Comisión grant such an authorization, it may determine the terms and conditions thereof.

Sector: Issues involving minorities and indigenous peoples

Subsector:

Level of Government: National

Legal source or authority of the measure:

Any existing or future measure as described below

Succinct description of the measure:

Chile reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Chile reserves the right to adopt or maintain any measure denying investors of the EFTA States and their investments or service providers of the EFTA States, any rights or preferences provided to indigenous peoples.

Sector: Fisheries

Subsector: Aquaculture

Level of Government: National

Legal source or authority of the measures:

Ley 18892, Diario Oficial enero 21, 1992, Ley General de Pesca y Acuicultura, Títulos I y VI.

Succinct description of the measure:

A concession or authorization is required for the use of beaches, land adjacent to beaches (terrenos de playas), water-column (porciones de agua) and sea-bed lots (fondos marinos) to engage in aquaculture activities.

Only Chilean natural or juridical persons constituted in accordance with Chilean law and foreigners with permanent residency may be holders of an authorisation or concession to carry out aquaculture activities.

Sector: Fisheries

Subsector:

Level of Government: National

Legal source or authority of the measures:

Ley 18892, Diario Oficial, enero 21, 1992, Ley General de Pesca y Acuicultura, Títulos I, III, IV y IX

Decreto Ley 2.222, Diario Oficial, mayo 31, 1978, Ley de Navegación, Títulos I y II

Succinct description of the measure:

In order to harvest and to catch hydrobiological species in interior waters, in the territorial sea and Exclusive Economic Zone of Chile, a permit issued by the Subsecretaría de Pesca is required.

Only Chilean natural persons or juridical persons constituted in accordance with Chilean law and foreigners with permanent residency may be holders of permits to harvest and to catch hydrobiological species.

Only Chilean vessels are permitted to fish in interior waters, in the Territorial seas and Chile's Exclusive Economic Zone. Chilean vessels are those defined in the Ley de Navegación. Access to industrial extractive fishing activities shall be subject

to prior registration of the vessel in Chile.

Only a Chilean natural or juridical person may register a vessel in Chile. A juridical person must be constituted in Chile with principal domicile and real and effective seat in Chile with its president, manager and the majority of the directors or administrators being Chilean natural persons. In addition, more than 50 percent of its equity capital must be held by Chilean natural or juridical persons. For these purposes, a juridical person with ownership participation in another juridical person that owns a vessel has to comply with all the aforementioned requisites.

A joint ownership (comunidad) may register a vessel if the majority of the joint owners are Chilean with domicile and residency in Chile. The administrators must be Chilean natural persons and the majority of the rights of the joint ownership (comunidad) must belong to a Chilean natural or juridical person. For these purposes a juridical person with ownership participation in a joint ownership (comunidad) that owns a vessel, has to comply with all the aforementioned requisites.

An owner (natural or juridical person) of a fishing vessel registered in Chile prior to June 30, 1991, shall not be subject to the nationality requirement above mentioned.

Fishing vessels specifically authorized by the maritime authorities, pursuant to powers conferred by law in cases of reciprocity granted to Chilean vessels by other States may be exempted from the above mentioned requisites on equivalent terms provided to Chilean vessels by that State.

Access to small scale fishing activities (pesca artesanal) shall be subject to registration in the Registro de Pesca Artesanal. Registration for small scale fishing (pesca artesanal) is only granted to Chilean natural persons and foreign natural persons with permanent residency, or a Chilean juridical person constituted by the aforementioned persons.

Sector: Fisheries

Subsector: Fishing-related activities

Level of Government: National

Legal source or authority of the measures:

Any existing or future measure as described below

Succinct description of the measure:

Chile retains the right to control the activities of foreign fishing, including fish landing, first landing of fish processed at sea, and access to Chilean ports (port privileges).

Chile reserves the right to control the use of beaches, land adjacent to beaches (terenos de playas), water-columns (porciones de agua) and sea-bed lots (fondos marinos) for the issuance of maritime concessions. For greater certainty, “maritime concessions” does not include aquaculture.

Sector: Government finance

Subsector: Securities

Level of Government: National

Legal source or authority of the measure:

Any existing or future measure as described below

Succinct description of the measure:

Chile reserves the right to adopt or maintain any measure related to the acquisition, sale or disposal by EFTA States’ nationals of bonds, treasury securities or any other type of debt instruments issued by the Central Bank or the Government of Chile. This is not intended to affect the rights of EFTA States’ financial institutions (banks) established in Chile to acquire, sale or dispose such instruments when required for purposes of regulatory capital.

Sector: Mining

Subsector:

Level of Government: National

Legal source or authority of the measures:

Constitución Política de la República de Chile, Capítulo III.

Ley 18097, Diario Oficial, enero 12, 1982,Ley Orgánica Constitucional sobre Concesiones Mineras, Títulos I, II y III

Ley 18248, Diario Oficial, octubre 14, 1983, Código de Minería, Títulos I y III.

Ley 16319, Diario Oficial, octubre 23, 1965, crea la Comisión Chilena de Energía Nuclear, Títulos I, II y III

Succinct description of the measure:

The exploration, exploitation and treatment (beneficio) of lithium, deposits of any kind existing in sea waters subject to national jurisdiction, and deposits of any kind wholly or partially located in areas classified as important to national security with mining effects, which qualification shall be made by law only, can be the object of administrative concessions or special operating contracts, subject to the requirements and the conditions to be determined, in each case by a supreme decree of the President of the Republic. For greater certainty, Chile has the right of first refusal, at the customary market prices and terms, for the purchase of mineral products from mining operations in the country, when thorium or uranium are contained in significant amounts therein.

For greater certainty, Chile may demand that producers separate from mining products, the portion of substances which may not be granted in mining concessions which exist, in significant amounts, in said products, and which can be economically and technically separated, for delivery to or for sale on behalf of the State. For these purposes, economically and technically separated requires that the costs incurred to recover the substances concerned through a sound technical procedure, and to commercialize and deliver the same shall be lower than its commercial value.

Natural atomic materials and lithium extracted, and concentrates, derivatives and compounds of both of them, cannot be subject to any kind of juridical acts, unless executed or entered into by the Comisión Chilena de Energía Nuclear, or with its prior authorization. Should the Comisión grant an authorization, it shall determine, in turn, the conditions granted therein.

Sector: Printing, publishing and other related industries

Subsector:

Level of Government: National

Legal source or authority of the measures:

Ley 19733, Diario Oficial junio 4, 2001, Ley sobre las Libertades de Opinión e Información y Ejercicio del Periodismo, Títulos I y III

Succinct description of the measure:

The owner of a social communication medium such as newspapers, magazine or regularly published texts whose publishing address is located in Chile or a national news agency, shall in the case of a natural person have a duly established domicile in Chile and in the case of a juridical persons shall be constituted with domicile in Chile or have an agency authorized to operate within the national territory. Only Chilean nationals may be president, administrators or legal representatives of the juridical person. The director legally responsible and the person who replaces him or her must be Chilean with domicile and residence in Chile.

Appendix 2. Reservations by Iceland

Sector: All sectors

Sub-sector: Company Law

Level of Government: National

Legal source or authority of the measure:

Law No. 138/1994 Respecting Private Limited Companies, Law No. 2/1995 Respecting Public Limited Companies, Law No. 34/1991 on Investment by Non-Residents in Business Enterprises

Succinct description of the measure:

The majority of the founders of a private limited company or a public limited company must be resident in Iceland or another EEA (1) Member State. The Minister of Commerce can grant exemptions from these restrictions on grounds of an

application.

The managers and at least half the board of directors of a private limited company or a public limited company must be residents in Iceland or another EEA Member State. The Minister of Commerce can grant exemptions from these restrictions on grounds of an application.

(1) European Economic Area

Sector: All sectors

Sub-sector: Real estate

Level of Government: National

Legal source or authority of the measure:

Law No. 19/1966 on the Right to Own and Use Real Estate, Law No. 34/1991 on Investment by Non-Residents in Business Enterprises

Succinct description of the measure:

Only Icelandic citizens and Icelandic legal entities and citizens and legal entities from another EEA Member State are allowed to own real estate in Iceland unless the ownership and use is linked to an investment in real estate pertaining to the business activity of the investor. The same applies to renting of real estate if the duration of the lease lasts for more than three years. These restrictions do not apply to a non-EEA citizen who has been residing in Iceland for at least five years. The Minister of Justice can grant exemptions from these restrictions on grounds of an application.

Sector: Fisheries

Sub-sector: Fishing, whaling

Level of Government: National

Legal source or authority of the measure:

Law No. 13/1992 on the Right to Conduct Fishing in Iceland's Economic Zone, Law No. 34/1991 on Investment by Non-Residents in Business Enterprises, Law No. 26/1949 on Whaling

Succinct description of the measure:

Only Icelandic citizens and Icelandic legal entities under Icelandic control are allowed to fish in the Icelandic economic zone. The same applies to whaling.

Sector: Fisheries

Sub-sector: Fish Processing

Level of Government: National

Legal source or authority of the measure:

Law No. 34/1991 on Investment by Non-Residents in Business Enterprises

Succinct description of the measure:

Only Icelandic citizens and Icelandic legal entities are allowed to own and manage enterprises engaged in fish processing in Iceland. Fish processing in this context is freezing, salting, drying and any other process used to initially preserve fish and fish products, including melting and meal processing. This reservation does not apply to secondary fish processing.

Sector: Fisheries

Subsector: Fish Auctioning

Level of Government: National

Legal source or authority of the measure:

Law No. 123/1989 on the Auctioning of Fish

Succinct description of the measure:

Only Icelandic citizens and Icelandic legal entities are allowed to own and manage enterprises engaged in fish auctioning in Iceland.

Sector: Power and Energy sector

Sub-sector: -

Level of Government: National

Legal source or authority of the measure:

Not Applicable

Succinct description of the measure:

All activities in the power and energy sector shall be treated as services under this Agreement.

Appendix 3. Reservations by Liechtenstein

Sector: All sectors

Sub-sector:

Level of Government: National

Legal source or authority of the measure:

Gewerbegesetz vom 10. Dezember 1969 (Act on Commercial Law of 10 December 1969), LR (Systematic Collection of Liechtenstein Law) 930.1 and the relevant laws with regard to categories mentioned in Article 2, paragraph 1 of that Act as well as relevant Parliament or Government decisions.

Succinct description of the measure:

The establishment of a commercial presence by a juridical person (including branches) is subject to the requirement that no objection for reasons of national economy (balanced proportion of national and foreign capital; balanced ratio of foreigners in comparison with the number of resident population; balanced ratio of total number of jobs in the economy in comparison with the number of the resident population; balanced geographic situation; balanced development of the national economy, between and within the sectors) exists.

Sector: All sectors

Sub-sector:

Level of Government: National

Legal source or authority of the measure:

Gewerbegesetz vom 10. Dezember 1969 (Commercial Law Act), Personen- und Gesellschaftsrecht vom 20. Januar 1926 (Company Law), LR 216.0

Succinct description of the measure:

The establishment of a commercial presence by an individual is subject to the requirement of prior residence during a certain period of time and of permanent domicile in Liechtenstein.

He/she must possess sector specific government-recognized professional qualifications.

The establishment of a commercial presence by a juridical person (including branches) is subject to the following requirements: At least one of the managers has to fulfil the requirements of prior residence during a certain period of time and of permanent domicile in Liechtenstein. He must possess sector specific government-recognized professional qualifications. The majority of the administrators (authorized to manage and represent the juridical person) must be residents in Liechtenstein and have either to be Liechtenstein citizens or have prior residence during a certain period of time in Liechtenstein. The general and the limited partnership have to fulfil the same conditions as corporations with limited

liability (juridical person). In addition the majority of the associates have to be Liechtenstein citizens or to have prior residence during a certain period of time in Liechtenstein.

The Liechtenstein company law does not prohibit joint stock companies from foreseeing in their articles of incorporation the preclusion or limitation of the transfer of registered shares.

Sector: All sectors

Subsector:

Level of Government: National

Legal source or authority of the measure:

Agreement on the European Economic Area of 2 May 1992 (EEA Agreement)

Succinct description of the measure:

Treatment accorded to subsidiaries of third-country companies formed in accordance with the law of an EEA Member State and having registered office, central administration or principal place of business within an EEA Member State is not extended to branches or agencies established in an EEA Member State by a third-country company.

Treatment less favourable may be accorded to subsidiaries of third countries having only their registered office in the territory of an EEA Member State unless they show that they possess an effective and continuous link with the economy of one of the EEA Member States.

Sector: All sectors

Subsector:

Level of Government: National and Sub-national

Legal source or authority of the measure:

Grundverkehrsgesetz vom 9. Dezember 1992 (Law on the acquisition of real estate of 9 December 1992), LR 214.11

Succinct description of the measure:

All acquisitions of real estate are subject to authorization. Such authorization is granted only if an actual and proven requirement for living or business purposes is given and a certain period of residence has been completed. Non-residents are excluded from the acquisition of real estate.

Sector: Power and Energy sector

Sub-sector: -

Level of Government: National

Legal source or authority of the measure:

Not Applicable

Succinct description of the measure:

All activities in the power and energy sector shall be treated as services under this Agreement.

Appendix 4. Reservations by Norway

Sector: All sectors

Sub-sector: -

Level of Government: National

Legal source or authority of the measure:

Companies Act of 13 June 1997 No 44 (aksjeloven) and Joint Stock Public Companies Act of 13 June 1997, No 45 (allmennaksjeselskapsloven)

Succinct description of the measure:

The general manager in a joint stock company and at least half of the members of the board of directors and of the corporate assembly must be residents of Norway. The residency criteria do not apply to nationals of an EEA Member State who are permanent residents of one of these States. The Ministry of Trade and Industry may grant exemptions from this provision.

Sector: Power and Energy sector

Repair of Transport Equipment sector

Sub-sector: -

Level of Government: National and Sub-national

Legal source or authority of the measure:

Not Applicable

Succinct description of the measure:

All activities in the power and energy sector as well as in the repair of transport equipment sector shall be treated as services under this Agreement.

Sector: Real estate

Sub-sector: Secondary residences

Level of Government: National

Legal source or authority of the measure:

Concessions Act of 31 May 1974, No. 19

Succinct description of the measure:

Acquisition or leasing of secondary residences by non-residents is subject to a concession.

Sector: Fishing and fish processing

Subsector: -

Level of Government:

Legal source or authority of the measure:

Regulation of Participation in Fishing Act of 16 June 1972, No 57

Economic Zone Act of 17 December 1976, No 91

The Fishing Limit Act of 17 June 1966, No 19

Succinct description of the measure:

A concession to acquire a fishing vessel or share in a company which owns such vessels can only be given to a Norwegian citizen or a body that can be defined as a Norwegian citizen. A company is regarded as having equal rights with a Norwegian citizen when its main office is situated in Norway and the majority of the Board, including the Chair of the Board, are Norwegian citizens and have stayed in the country the last two years. Norwegian citizens also have to own a minimum of 60% of the shares and have to be authorised to vote for at least 60% of the votes.

Ownership to the fishing fleet shall be reserved for professional fishermen. To obtain the right to own a fishing vessel, one has to have a record of active, professional fishing on a Norwegian fishing boat for at least three of the last five years.

It is prohibited for other persons than Norwegian nationals or companies, as defined above, to process, pack or transship fish, crustaceans and molluscs or parts and products of these inside the fishing limits of the Norwegian Economic Zone. This applies to catches from both Norwegian and foreign vessels. Exceptions are granted under special circumstances.

Appendix 5. Reservations by Switzerland

Sector: All sectors

Sub-sector: -

Level of Government: National

Legal source or authority of the measure:

Federal Act of 30 March 1911 (Code of Obligations) supplementing the Swiss Civil Code (Systematic Collection of Federal Laws and Regulations [RS], No. 220)

Succinct description of the measure:

- The vast majority of companies in Switzerland are organized as corporations (Société anonyme [SA] – Aktiengesellschaft [AG]), featuring a predetermined capital and shareholders' liability limited to the nominal capital invested. Of the members of the board of directors of a Swiss corporation, the majority must be Swiss citizens residing in Switzerland. Exceptions are possible in the case of holding companies.

- Limited liability companies (Société à responsabilité limité [Sàrl] – Gesellschaft mit beschränkter Haftung [GmbH]) are characterized by a limited capital divided into quotas. In a limited liability company, at least one managing officer must be residing in Switzerland.

- A foreign company may also establish one or several branch offices in Switzerland. At least one representative of a branch office must be residing in Switzerland.

Sector: All sectors

Sub-sector: Real estate

Level of Government: National and sub-national

Legal source or authority of the measure:

Federal Act of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad (RS 211.412.41)

Succinct description of the measure:

Foreign nationals not residing in Switzerland and companies established, or controlled from, abroad are not allowed to invest in the residential property market (except for residential property directly linked to a business presence) and in agricultural real estate. For the acquisition of vacation homes, a cantonal permit is required.

Sector: Energy

Sub-sector: Oil Prospection and Exploitation

Level of Government: Sub-national

Legal source or authority of the measure:

Concordat of 24 September 1955 on Oil Prospecting and Exploitation (RS 931.1)

Succinct description of the measure:

This intercantonal agreement (among 10 cantons) stipulates that oil concessions may be granted only to companies that are at least 75 percent Swiss-owned. Other cantons apply similar restrictions.

Sector: Energy

Sub-sector: Nuclear energy

Level of Government: National

Legal source or authority of the measure:

Federal Act of 23 December 1959 on the Peaceful Uses of Atomic Energy, (RS 732.0); Federal Decree of 8 October 1978 relative to the Atomic Energy Act (RS 732.01)

Succinct description of the measure:

Authorization to construct and operate nuclear facilities is granted only to Swiss citizens domiciled in Switzerland and legal persons that are subject to Swiss law, headquartered in Switzerland and Swiss-owned.

Sector: Energy

Sub-sector: Hydroelectric power

Level of Government: National

Legal source or authority of the measure:

Federal Act of 22 December 1916 on the Uses of Hydroelectric Power, (RS 721.80)

Succinct description of the measure:

When granting concessions, cantons take public interest considerations into account (they may in particular require the concession-holder to have its registered office in the relevant canton).

Sector: Energy

Sub-sector: Pipelines

Level of Government: National

Legal source or authority of the measure:

Federal Act of 4 October 1963 on Pipelines for Liquid or Gaseous Fuels (RS 746.1)

Succinct description of the measure:

For foreign-owned or controlled companies a registered office and management presence in Switzerland is required.

Appendix 6. Reservations by All Parties

Sector: Social services

Subsector:

Level of Government: National

Legal source or authority of the measure:

Any existing or future measure as described below

Succinct description of the measure:

All Parties reserve the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for reasons of public interest: income security or insurance, social security or insurance, social welfare, public education, public training, health care and child care.

Appendix 7. Reservations by the EFTA States

Sector: All sectors

Sub-sector: -

Level of Government: National and sub-national

Legal source or authority of the measure:

Not applicable

Succinct description of the measure:

Collective copyright or neighbouring rights' management systems; royalties, levies, grants and funds, designed to preserve and promote linguistic and cultural diversity.

ANNEX XI. CURRENT PAYMENTS AND CAPITAL MOVEMENTS

1. With respect to its obligations under Articles 61 and 62 of the Agreement, Chile reserves the right of the Central Bank of Chile to maintain or adopt measures in conformity with the Constitutional Organic Law of the Central Bank of Chile ("Ley Orgánica Constitucional del Banco Central de Chile, Ley 18.840") ("Law 18.840") or other legislation, in order to ensure currency stability and the normal operation of domestic and foreign payments. For this purpose, the Central Bank of Chile is empowered to regulate the supply of money and credit in circulation and international credit and foreign exchange operations. The Central Bank of Chile is empowered as well to issue regulations governing monetary, credit, financial and foreign exchange matters. Such measures include, inter alia, the establishment of restrictions or limitations on current payments and transfers (capital movements) to or from Chile, as well as transactions related to them, such as requiring that deposits, investments, or credits from or to a foreign country, be subject to a reserve requirement ("encaje"). Notwithstanding the above, the reserve requirement that the Central Bank of Chile can apply pursuant to Article 49 No. 2 of Law 18.840 shall not exceed 30 percent of the amount transferred and shall not be imposed for a period which exceeds two years.

2. When applying measures under this Annex, Chile, as established in its laws and regulations, shall not discriminate between EFTA States and any third country with respect to transactions of the same nature.

ANNEX XV. REFERRED TO IN ARTICLE 161(5). DECISIONS OF THE JOINT COMMITTEE

1. In the case of Chile, the decisions of the Joint Committee may be implemented through executive agreements ("acuerdos de ejecución"), in accordance with Chilean law.

2. In the case of the EFTA States, the final acceptance of a decision of the Joint Committee may be subject to the fulfillment of their respective constitutional requirements.

ANNEX XVI. REFERRED TO IN ARTICLE 162. SECRETARIAT

For the purposes of Article 86 of this Agreement, the competent organs of the Parties are:

(a) for Chile, the General Directorate of International Economic Affairs of the Ministry of Foreign Affairs (Dirección General de Relaciones Económicas Internacionales del Ministerio de Relaciones Exteriores), or its successor,

and

(b) for the EFTA States, the EFTA Secretariat.

ANNEX XVII. REFERRED TO IN ARTICLE 169. MODEL RULES OF PROCEDURE FOR THE CONDUCT OF ARBITRATION PANELS

General provisions

1. In these rules:

"adviser" means a person retained by a Party to advise or assist that Party in connection with the arbitration panel proceeding;

"complaining Party" means any Party that requests the establishment of an arbitration panel under Article 167 of this Agreement;

"arbitration panel" means an arbitration panel established pursuant to Article 168 of this Agreement;

"representative of a Party" means an employee or any person appointed by a government department or agency or of any other government entity of a Party; and

"Party or Parties" means the Party or Parties to the dispute.

2. The Party complained against shall be in charge of the logistical administration of dispute settlement proceedings, in particular the organisation of hearings, unless otherwise agreed.

Notifications

3. Any request, notice, written submissions or other document shall be delivered by either Party or the arbitration panel by delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of telecommunication that provides a record of the sending thereof.

4. A Party shall provide a copy of each of its written submissions to the other Party and to each of the arbitrators. A copy of the document shall also be provided in electronic format.

5. All notifications shall be made and delivered to Chile and the EFTA State Party.

6. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitration panel proceeding may be corrected by delivery of a new document clearly indicating the changes.

7. If the last day for delivery of a document falls on a legal holiday of a Party, the document may be delivered on the next business day.

Commencing the arbitration

8. Unless the Parties otherwise agree, they shall meet with the arbitration panel within seven days following the date of the establishment of the arbitration panel in order to determine such matters that the Parties or the arbitration panel deem appropriate, including the remuneration and expenses that shall be paid to the arbitrators, which normally shall conform to the WTO standards.

Initial submissions

9. The complaining Party shall deliver its initial written submission no later than 20 days after the date of establishment of the arbitration panel. The Party complained against shall deliver its written counter-submission no later than 20 days after the date of delivery of the initial written submission.

Operation of arbitration panels

10. The chair of the arbitration panel shall preside at all of its meetings. An arbitration panel may delegate to the chair authority to make administrative and procedural decisions.

11. Except as otherwise provided in these rules, the arbitration panel may conduct its activities by any means, including telephone, facsimile transmissions or computer links.

12. Only arbitrators may take part in the deliberations of the arbitration panel but the arbitration panel may permit their assistants to be present during such deliberations.

13. The drafting of any decision and ruling shall remain the exclusive responsibility of the arbitration panel.

14. Where a procedural question arises that is not covered by these rules, an arbitration panel may adopt an appropriate procedure that is not inconsistent with this Agreement.

15. When the arbitration panel considers that there is a need to modify any time period applicable in the proceeding, or to make any other procedural or administrative adjustment in the proceeding, it shall inform the Parties in writing of the reasons for the modification or adjustment with the indication of the period or adjustment needed.

Hearings

16. The chair shall fix the date and time of the hearing in consultation with the Parties and the other members of the arbitration panel. It shall notify in writing to the Parties of the date, time and location of the hearing. That information shall also be made publicly available by the Party in charge of the logistical administration of the proceeding when the hearing is open to the public. Unless the Parties disagree, the arbitration panel may decide not to convene a hearing.

17. Unless the Parties otherwise agree, the hearing shall be held in Geneva, where the complaining Party is Chile, or in Santiago, where the complaining Party is an EFTA State.

18. The arbitration panel may convene additional hearings if the Parties so agree.

19. All arbitrators shall be present at hearings.

20. The following persons may attend the hearing, irrespective of whether the proceedings are open to the public or not:

(a) representatives of a Party;

(b) advisers to a Party;

(c) administration personnel, interpreters, translators and court reporters; and

(d) arbitrators' assistants.

Only the representative and advisor of a Party may address the arbitration panel.

21. No later than five days before the date of a hearing, each Party shall deliver a list of the names of those persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.

22. The hearings of the arbitration panels shall be closed to the public, unless the Parties decide otherwise. If the Parties decide that the hearing is open to the public, part of the hearing may however be closed to the public, if the arbitration panel, on application by the Parties, so decides for serious reasons. In particular, the arbitration panel shall meet in closed sessions when the submission and arguments of a Party contain business confidential information.

23. The arbitration panel shall conduct the hearing in the following manner, ensuring that the complaining Party and the Party complained against are afforded equal time:

Argument

(a) argument of the complaining Party.

(b) argument of the Party complained against.

Rebuttal Argument

(a) reply of the complaining Party.

(b) counter-reply of the Party complained against.

24. The arbitration panel may direct questions to either Party at any time during a hearing.

25. The arbitration panel shall arrange for a transcript of each hearing to be prepared and shall, as soon as possible after it is prepared, deliver a copy of the transcript to the Parties.

26. Within 10 days after the date of the hearing, each Party may deliver a supplementary written submission responding to any matter that arose during the hearing.

Questions in writing

27. The arbitration panel may at any time during the proceedings address questions in writing to one or both Parties. The arbitration panel shall deliver the written questions to the Party or Parties to whom the questions are addressed.

28. A Party to whom the arbitration panel addresses written questions shall deliver a copy of any written reply to the other Party and to the arbitration panel. Each Party shall be given the opportunity to provide written comments on the reply within five days after the date of delivery.

Confidentiality

29. The Parties shall maintain the confidentiality of the panel's hearings, to the extent that the panel holds the hearing in closed session under rule 22. Each Party shall treat as confidential the information submitted by the other Party to the arbitration panel which that Party has designated as confidential. Where a Party submits a confidential version of its written submissions to the panel, it shall also, upon request of the other Party, provide a nonconfidential summary of the information contained in its submissions that could be disclosed to the public, no later than 15 days after the date of either the request or the submission, whichever is later. Nothing in these rules shall preclude a Party from disclosing statements of its own positions to the public.

Ex parte contacts

30. The arbitration panel shall not meet or contact a Party in the absence of the other Party.

31. No arbitrator may discuss an aspect of the subject matter of the proceeding with a Party or both Parties in the absence of the other arbitrators.

Role of experts

32. Upon request of a Party or on its own initiative, the arbitration panel may obtain information and technical advice from any person or body that it deems appropriate. Any information so obtained shall be submitted to the Parties for comments.

33. When a request is made for a written report of an expert, any time period applicable to the arbitration panel proceeding shall be suspended for a period beginning on the date of delivery of the request and ending on the date the report is delivered to the arbitration panel.

Amicus curiae submissions

34. Unless the Parties otherwise agree within three days following the date of the establishment of the arbitration panel, the arbitration panel may receive unsolicited written submissions, provided that they are made within 10 days following the date of the establishment of the arbitration panel, that they are concise and in no case longer than 15 typed pages, included any annexes, and that they are directly relevant to the factual and legal issue under consideration by the panel.

35. The submission shall contain a description of the person, whether natural or legal, making the submission, including the nature of its activities and the source of its financing, and specify the nature of the interest that that person has in the arbitration proceeding. It shall be made in English and Spanish languages.

36. The arbitration panel shall list in its ruling all the submissions that it has received and that conform to the provisions of the above rules. The arbitration panel shall not be obliged to address, in its ruling, the factual or legal arguments made in such submissions. Any submission obtained by the arbitration panel under this rule shall be submitted to the Parties for comments.

Cases of urgency

37. In cases of urgency referred to in Article 167(1) of this Agreement, the arbitration panel shall appropriately adjust the time periods mentioned to in these rules.

Translation and interpretation

38. Subject to agreement by the Parties, the languages used in the proceedings of the arbitration panel shall be English and Spanish. This shall apply to all oral or written submissions.

39. Each Party shall arrange for and bear the costs of the translation of its written submissions into the languages of the arbitration panel.

40. The arbitration panel may suspend the proceeding for the time necessary to allow a Party to complete a translation.

41. The Party complained against shall arrange for the interpretation of oral submissions into English and Spanish languages.

42. Arbitration panel rulings shall be issued in English and Spanish languages.

43. The costs incurred to prepare a translation of an arbitration panel ruling shall be borne equally by the Parties.

44. Any Party may provide comments on a translated version of a document that is prepared in accordance with these rules.

Computation of time

45. Where anything under this Agreement or these rules is to be done, or the arbitration panel requires anything to be done, within a number of days after, before or of a specified date or event, the specified date or the date on which the specified event occurs shall not be included in calculating that number of days.

46. Where, by reason of the operation of rule 7, a Party receives a document on a date other than the date on which the same document is received by the other Party, any period of time the calculation of which is dependent on such receipt shall be calculated from the date of receipt of the last such document.

Other proceedings

47. These rules shall apply to the proceedings established under Article 172(4), (5), (8) and (10) of this Agreement except that:

(a) the Party making a request under Article 172(4) shall deliver its initial written submission within 10 days after the date the request is submitted, and the responding Party shall deliver its written counter-submission within 10 days after the date of

delivery of the initial written submission;

(b) the Party making a request under Article 172(5) shall deliver its initial written submission within 10 days after the date the request is submitted and the responding Party shall deliver its written counter-submission within 10 days after the date of delivery of the initial written submission;

(c) the Party making a request under Article 172(8) shall deliver its initial written submission within 10 days after the date the request is submitted and the responding Party shall deliver its written counter-submission within 10 days after the date of delivery of the initial written submission; and

(d) the Party making a request under Article 172(10) shall deliver its initial written submission within 10 days after the date the request is submitted and the responding Party shall deliver its written counter-submission within 10 days after the date of delivery of the initial written submission.

48. If appropriate, the arbitration panel shall fix the time limit for delivering any further written submissions, including rebuttal written submissions, so as to provide each Party with the opportunity to make an equal number of written submissions subject to the time limits for arbitration panel proceedings set out in Article 172 of this Agreement and these rules.

Qualification of arbitrators

49. Arbitrators should be selected among persons whose independence and impartiality are beyond doubt. The members shall have sufficiently diverse background and a wide spectrum of experience. Arbitrators shall serve in their individual capacities and not as government representatives, nor as representatives of any organisation.

A. A candidate shall disclose any interest, relationship or matter that is likely to affect the candidate's independence or impartiality or that might reasonably create an appearance of impropriety or an apprehension of bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.

The candidate shall disclose such interests, relationships and matters by completing an Initial Disclosure Statement provided by the Joint Committee and sending it to the Joint Committee.

Without limiting the generality of the foregoing, candidates shall disclose the following interests, relationships and matters:

(1) any financial interest of the candidate:

(a) in the proceeding or in its outcome; and

(b) in an administrative proceeding, a domestic court proceeding or another arbitration panel or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;

(2) any financial interest of the candidate's employer, partner, business associate or family member:

(a) in the proceeding or in its outcome; and

(b) in an administrative proceeding, a domestic court proceeding or another arbitration panel or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;

(3) any past or existing financial, business, professional, family or social relationship with any interested parties in the proceeding, or their counsel, or any such relationship involving a candidate's employer, partner, business associate or family member; and

(4) public advocacy or legal or other representation concerning an issue in dispute in the proceeding or involving the same goods.

B. Once appointed, a member shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in Section A and shall disclose them. The obligation to disclose is a continuing duty which requires a member to disclose any such interests, relationships and matters that may arise during any stage of the proceeding.

The member shall disclose such interests, relationships and matters by communicating them in writing to the Joint Committee for consideration by the Parties.