FREE TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

The Government of the People's Republic of China and the Government of the Republic of Singapore ("the Parties"),

RECOGNISING their long-standing friendship, strong economic ties and close cultural links as well as the special relationship shared by both countries;

RECALLING the 1st Joint Council for Bilateral Cooperation (the "JCBC") meeting in May 2004 between the then Chinese Vice Premier, Mdm Wu Yi and the then Singapore Deputy Prime Minister, Mr Lee Hsien Loong where both leaders agreed on the desirability of concluding a bilateral free trade agreement (the "CSFTA");

RECALLING the 2nd JCBC meeting in September 2005 where both Parties agreed to look into China's suggestion to form an expert study group to evaluate how a bilateral free trade agreement could result in a "win-win" outcome and reciprocal benefits for both countries;

RECALLING the meeting held in October 2005 between Chinese Premier, Mr Wen Jiabao and Singapore Prime Minister, Mr Lee Hsien Loong where both leaders agreed that the CSFTA in the long run would be beneficial not just for their respective countries, but the region as well, and agreed to establish a Joint Expert Group (the "JEG") to undertake a comprehensive study which was jointly launched by both countries in April 2006 with the aim of promoting the early commencement of the CSFTA negotiations at a mature time;

RECALLING the 3rd JCBC meeting held in August 2006 between the then Chinese Vice Premier, Mdm Wu Yi and Singapore Deputy Prime Minister, Mr Wong Kan Seng where both Parties agreed to launch negotiations for the CSFTA following the successful completion of a study by the JEG which showed long-term economic benefits to both sides, and which decision was reaffirmed by both Chinese Premier, Mr Wen Jiabao and Singapore Deputy Prime Minister, Mr Wong Kan Seng later on the same day;

RECALLING the recommendations in the JEG Report that the CSFTA is also expected to enhance the strong bilateral economic and political linkages between the two countries, and will contribute to regional economic integration by injecting additional momentum into the establishment of the China-ASEAN Free Trade Area;

DESIRING to strengthen and enhance the economic, trade and investment cooperation between the Parties through deepening economic integration for acceleration of economic development and cooperation for the benefit of both domestic consumers and producers of both Parties;

EMPHASISING the need to enhance economic and social benefits and improve living standards in their respective territories through the expansion of trade and investment flows;

SEEKING to facilitate and enhance regional economic cooperation and integration;

REAFFIRMING their desire to build upon their commitments at the World Trade Organization and under the Framework Agreement on Comprehensive Economic Co-operation between the People's Republic of China and the Association of Southeast Asian Nations; and

SEEKING to promote and catalyse the process of establishing the China-ASEAN Free Trade Area,

Have agreed as follows:

Chapter 1. Initial Provisions

Article 1. Establishment of a Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the GATT 1994 and Article V of the GATS, hereby establish a free trade area.

Article 2. Objectives

The objectives of this Agreement are:

(a) to liberalise and promote trade in goods in accordance with Article XXIV of the GATT 1994;

(b) to liberalise and promote trade in services in accordance with Article V of the GATS, including promotion of mutual recognition of professions;

(c) to establish a transparent, predictable and facilitative investment regime and provide a more stable policy framework for investors;

(d) to promote economic cooperation, explore new areas of collaboration, and further strengthen bilateral cooperation in view of recent regional and international strategic developments;

(e) to promote mutually beneficial economic relations as well as to encourage greater collaboration among their respective professional bodies and academic institutions;

(f) to enhance bilateral linkages through other sector-specific collaborations, including sanitary and phytosanitary measures, technical barriers to trade, and customs co-operation; and

(g) to improve the efficiency and competitiveness of their manufacturing and services sectors and to expand trade and investment between the Parties, including joint exploitation of commercial and economic opportunities in non-Parties.

Chapter 2. General Definitions

Article 3. General Definitions

1. Unless otherwise provided, for the purposes of this Agreement:

(a) ASEAN means the Association of Southeast Asian Nations;

(b) customs duty refers to any duty or charge of any kind imposed in connection with the importation of a good but does not include:

(i) charges equivalent to an internal tax including excise duties and a goods and services tax imposed consistently with a Party's WTO obligations;

(ii) fees or other charges that:

(A) are limited in amount to the approximate cost of services rendered; and

(B) do not represent direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes; and

(iii) other duties and charges pursuant to Article III:2 of the GATT 1994, levied at the time of importation imposed consistently with Article 5 (National Treatment on Internal Taxation and Regulation);

(c) days means calendar days, including weekends and holidays;

(d) GATS means the General Agreement on Trade in Services, which is part of the WTO Agreement;

(e) GATT 1994 means the General Agreement on Tariffs and Trade 1994, which is part of the WTO Agreement;

(f) goods and products shall be understood to have the same meaning unless the context otherwise requires;

(g) originating goods of the other Party refers to goods of the other Party that are treated as originating goods in accordance with Chapter 4 (Rules of Origin);

(h) other duties and charges refers to those provided for in subparagraph (b) of paragraph 1 of Article II of the GATT 1994;

(i) WTO means the World Trade Organization; and

(j) WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done on 15 April 1994.

2. In this Agreement, all words in the singular shall include the plural and all words in the plural shall include the singular, unless otherwise indicated in the context.

Chapter 3. Trade In Goods

Article 4. Scope and Coverage

This Chapter applies to trade in goods between the Parties, unless otherwise provided.

Article 5. National Treatment on Internal Taxation and Regulation

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994. To this end, the provisions of Article III of the GATT 1994 shall, mutatis mutandis, be incorporated into and form an integral part of this Agreement.

Article 6. Customs Duties

1. The tariff lines that are subject to the tariff reduction or elimination programme under this Agreement are all the tariff lines covered under the Normal Track, as specified in Article 3(2)(a) of the Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Cooperation between the Association of Southeast Asian Nations and the People's Republic of China done on 29 November 2004 (the "ASEAN-China Trade in Goods Agreement"), read with Annex 1 thereof. In the case of Singapore, this Agreement shall also include all tariff lines covered under the Sensitive Track, as specified in Article 3(2)(b) of the ASEAN-China Trade in Good Agreement, read with Annex 2 thereof (1).

2. Except as otherwise provided in this Agreement, and subject to paragraph 1 as well as a Party's Tariff Elimination Schedule as set out in Annex 1 (Tariff Elimination Schedules), on the date of entry into force of this Agreement, each Party shall eliminate its customs duties on originating goods of the other Party.

3. Except as otherwise provided in this Agreement, either Party shall not increase any existing duty or introduce a new customs duty on an originating good of the other Party.

(1) For greater certainty, in the case of China, tariff lines covered under the Sensitive Track, as specified in Article 3(2)(b) of the ASEAN-China Trade in Goods Agreement, read with Annex 2 thereof, shall continue to be governed by that Agreement.

Article 7. Accelerated Tariff Elimination

1. At the request of either Party, the Parties shall consult to consider accelerating the elimination of customs duties on originating goods as set out in their Tariff Elimination Schedules in Annex 1 (Tariff Elimination Schedules).

2. An agreement by the Parties to accelerate the elimination of customs duties on originating goods shall supersede any duty rate determined pursuant to their Schedules for such goods, and shall enter into force following approval by each Party in accordance with their applicable legal procedures.

3. A Party may at any time accelerate unilaterally the elimination of customs duties on originating goods of the other Party set out in its Tariff Elimination Schedule. A Party considering doing so shall inform the other Party as early as practicable before the new rate of customs duty takes effect.

Article 8. Quantitative Restrictions and Non-tariff Measures

1. Each Party undertakes not to maintain any quantitative restrictions at any time unless otherwise permitted under the WTO disciplines.

2. Neither Party shall adopt or maintain any non-tariff measure on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its WTO rights and obligations, or in accordance with other provisions of this Agreement.

3. Each Party shall ensure the transparency of its non-tariff measures permitted under paragraph 1 above and that they are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to trade between the Parties.

Article 9. State Trading Enterprises

Nothing in this Agreement shall be construed to prevent a Party from maintaining or establishing a state trading enterprise in accordance with Article XVII of the GATT 1994.

Chapter 4. Rules of Origin

Article 10. Definitions

For the purposes of this Chapter:

(a) aquaculture refers to the farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as regular stocking, feeding, protection from predators, etc;

(b) fungible products and materials refers to goods or materials which are interchangeable for commercial purposes, whose properties are essentially identical, and between which it is impractical to differentiate by a mere visual examination;

(c) generally accepted accounting principles refers to the recognized accounting standards of a Party with respect to the recording of revenues, expenses, costs, assets and liabilities, the disclosure of information and the preparation of financial statements. Those standards may encompass broad guidelines of general application as well as detailed standards, practices and procedures;

(d) material refers to ingredients, parts, components, subassembly and/or goods that were physically incorporated into another good or were subject to a process in the production of another good;

(e) non-originating material refers to a material that has not satisfied the requirements of this Chapter;

(f) originating materials or originating goods refers to materials or goods which qualify as originating in accordance with this Chapter;

(g) producer refers to a person who engages in the production of a good;

(h) Product Specific Rules are rules that specify that the materials have undergone a change in tariff classification or a specific manufacturing or processing operation, or satisfy an ad valorem criterion or a combination of any of these criteria;

(i) production refers to methods of obtaining goods including growing, mining, harvesting, raising, breeding, extracting, gathering, collecting, capturing, fishing, trapping, hunting, manufacturing, producing, processing or assembling a good; and

(j) used means spent or consumed in the production of products.

Article 11. Origin Criteria

For the purposes of this Agreement, products imported by a Party shall be deemed to be originating and eligible for preferential concessions if they conform to the origin requirements under any one of the following:

(a) products which are wholly obtained or produced as set out and defined in Article 12 (Wholly Obtained Products);

(b) products not wholly obtained or produced in the territory of the exporting Party, provided that said products are eligible under Articles 13 (Regional Value Content), 14 (Cumulative Rule of Origin) and 15 (Product Specific Rules).

Article 12. Wholly Obtained Products

For the purposes of this Agreement, the following shall be considered as being wholly produced or obtained in a Party:

(a) plant (2) and plant products harvested, picked or gathered there;

(b) live animals (3) born and raised there;

(c) products (4) obtained from live animals referred to in subparagraph (b) above;

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

(e) minerals and other naturally occurring substances, not included in sub-paragraphs (a) to (d), extracted or taken from its

soil, waters, seabed or beneath their seabed;

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

(g) products of sea fishing and other marine products taken from the high seas by vessels registered with a Party or entitled to fly the flag of that Party;

(h) products processed and/or made on board factory ships registered with a Party or entitled to fly the flag of that Party, exclusively from products referred to in sub-paragraph (g) above;

(i) articles collected in the territory of that Party that can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts of raw materials, or for recycling purposes (5);

(j) goods obtained or produced in a Party solely from products referred to in sub-paragraphs (a) to (i) above.

(2) Plant referred to in paragraph (a) covers all plant life, including fruit, flowers, vegetables, trees, seaweed, fungi and live plants.

(3) Animals referred to in paragraphs (b) and (c) covers all animal life, including mammals, birds, fish, crustaceans, molluscs, reptiles, bacteria and viruses.

(4) Products referred to in paragraph (c) covers those obtained from live animals without further processing, including milk, eggs, natural honey, hair, wool, semen and dung.

(5) This would cover all scrap and waste including scrap and waste resulting from manufacturing or processing operations or consumption in the same country, scrap machinery, discarded packaging and all products that can no longer perform the purpose for which they were produced and are fit only for discarding or for the recovery of raw materials. Such manufacturing or processing operations shall include all types of processing, not only industrial or chemical but also mining, agriculture, construction, refining, incineration and sewage treatment operations.

Article 13. Regional Value Content

1. The regional value content of a good shall be calculated on the basis of the following method:

RVC = V - VNM / V x 100

where:

RVC means the regional value content expressed as a percentage;

V means the value of the good, as defined in the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, adjusted on an FOB basis; and

VNM shall be:

(i) the CIF value at the time of importation of the materials; or

(ii) the earliest ascertained price paid for the materials of undetermined origin in the territory of the Party where the working or processing takes place.

2. The percentage of regional value content shall not be less than 40%, except for the goods listed in Annex 2 (Product Specific Rules), which shall comply with the Product Specific Rules as provided under Article 15 (Product Specific Rules).

3. The value of the non-originating materials used by the producer in the production of a good shall not include, for purposes of calculating the regional value content of the good, pursuant to paragraph 1, the value of non-originating materials used to produce originating materials that are subsequently used in the production of the good.

4. When the producer of the good acquires a non-originating material within the Party's territory where it is located, the value of such material shall not include freight, insurance, packing costs, and any other costs incurred in transporting the material from the supplier's warehouse to the producer's location.

Article 14. Cumulative Rule of Origin

Where originating goods or materials of a Party are incorporated into a good in the other Party's territory, the goods or materials so incorporated shall be regarded to be originating in the latter's territory.

Article 15. Product Specific Rules

Products which have undergone sufficient transformation in a Party shall be treated as originating goods of that Party. Products which satisfy the Product Specific Rules provided for in Annex 2 (Product Specific Rules) shall be considered as goods to which sufficient transformation has been carried out in a Party.

Article 16. De Minimis

A good that does not meet tariff classification change requirements, pursuant to the provisions of Annex 2 (Product Specific Rules), shall nonetheless be considered to be an originating good if:

(a) the value of all non-originating materials used in the production of the product, which do not undergo the applicable change in tariff classification or fulfil any other condition set out in Annex 2 (Product Specific Rules), does not exceed 10% of the FOB value of the product; and

(b) the product meets all other applicable requirements provided in this Chapter for qualifying as an originating product. The value of such non-originating materials shall, however, be included in calculating the value of the non-originating materials for any applicable qualifying value content requirement for the product.

Article 17. Minimal Operations and Processes

1. The following operations undertaken by themselves shall be considered as insufficient working or processing to confer the status of originating products:

(a) preserving operations to ensure that the products remain in good condition during transport and storage;

(b) breaking-up and assembly of packages;

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

(d) ironing or pressing of textiles;

(e) simple painting and polishing operations;

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

(g) operations to color sugar or form sugar lumps;

(h) peeling, stoning and shelling, of fruits, nuts and vegetables;

(i) sharpening, simple grinding or simple cutting;

(j) sifting, screening, sorting, classifying, grading or matching (including the making-up of sets of articles);

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

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

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

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

(o) operations whose sole purpose is to ease port handling;

(p) a combination of two or more operations specified in sub-paragraphs (a) to (o); and

(q) slaughter of animals.

2. For the purposes of this Article:

(a) simple generally describes activities which need neither special skills nor special machines, apparatus or equipment specially produced or installed for carrying out the activity; and

(b) simple mixing generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction.

Article 18. Direct Consignment

1. Preferential tariff treatment provided for in this Agreement shall be applied to goods which satisfy the requirements of this Chapter and are directly consigned between the Parties.

2. For the purposes of paragraph 1, the following shall be considered as consigned directly from the exporting Party to the importing Party:

(a) goods that are transported without passing through the territory of a non-Party;

(b) goods whose transport involves transit through one or more non-Parties with or without trans-shipment or temporary storage of up to three (3) months in such non-Parties provided that:

(i) the goods do not enter into trade or commerce there;

(ii) the goods do not undergo any operation there other than unloading and reloading, or any operation required to keep them in good condition; and

(iii) the transit entry is justified for geographical reasons or by considerations related exclusively to transport requirements.

3. Compliance with the provisions set out in paragraph 2(b) shall be authenticated by the importer presenting to the customs authorities of the importing Party either with customs documents of the non-Parties or with any other documents provided to the customs authorities of the importing Party.

Article 19. Treatment of Packing

1. Where, for the purposes of assessing customs duties, a Party treats products separately from their packing, it may also, in respect of its imports consigned from the other Party, determine separately the origin of such packing.

2. Where paragraph 1 is not applied, packing shall be considered as forming a whole with the products and no part of any packing required for their transport or storage shall be considered as having been imported from a non-Party when determining the origin of the products as a whole.

Article 20. Accessories, Spare Parts and Tools

The origin of accessories, spare parts, tools and instructional or other information materials presented with the goods therewith shall be neglected in determining the origin of the goods, provided that such accessories, spare parts, tools and information materials are classified and collected customs duties with the goods by the importing Party.

Article 21. Fungible Products and Materials

In determining whether a good is an originating good, any interchangeable goods or materials shall be distinguished by:

(a) physical separation of the goods or materials; or

(b) an inventory management method recognised in the generally accepted accounting principles of the exporting Party.

Article 22. Neutral Elements

Unless otherwise provided, for the purpose of determining the origin of goods, the origin of the power and fuel, plant and equipment, or machines and tools used to obtain the goods, or the materials used in its manufacture which do not remain in the goods or form part of the goods, shall not be taken into account.

Chapter 5. Customs Procedures

Article 23. Scope

This Chapter is applicable to the extent permitted by the domestic laws of each Party and within the competence and available resources of their respective customs administrations.

Article 24. General Provisions

1. The Parties recognise that their bilateral trade may be facilitated by simplifying customs procedures and having expeditious customs clearance of goods.

2. Customs procedures of both Parties shall, where possible, conform to the standards and recommended practices of the World Customs Organization.

Article 25. Transparency

1. Each Party shall ensure that its laws, regulations, guidelines, procedures and administrative rulings governing customs matters are promptly published, either on the Internet or in print form.

2. Each Party shall designate, establish and maintain one or more inquiry points to address inquiries from interested persons pertaining to customs matters, and shall make available on the Internet information concerning the procedures for making such inquiries.

3. For greater certainty, nothing in this Article or in any part of this Agreement shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodology.

Article 26. Risk Management

1. The Parties shall adopt a risk management approach in its customs activities based on its identified risk of goods in order to facilitate the clearance of low-risk consignments, while focusing its inspection activities on high-risk goods.

2. The Parties shall exchange best practices on risk management techniques used for customs purposes.

Article 27. Certificate of Origin

1. For the purpose of obtaining preferential tariff treatment in the other Party, a Certificate of Origin shall be issued by the authorised body of the exporting Party.

2. Each Party shall inform the customs administration of the other Party of the names and addresses of the authorised bodies issuing the Certificate of Origin and shall provide specimen impressions of official seals used by such authorised bodies. Any change in names, addresses or official seals shall be promptly notified to the other Party.

3. The Certificate of Origin shall be issued before or at the time of exportation whenever the goods to be exported can be considered originating in that Party subject to Chapter 4 (Rules of Origin). The exporter or producer shall submit a written application for the Certificate of Origin together with appropriate supporting documents proving that the products to be exported qualify for the issuance of a Certificate of Origin.

4. The Certificate of Origin, based on the formats as set out in Annex 3 (Formats of Certificates of Origin), shall be completed in the English language and duly signed and stamped, covering one or more goods under one consignment. A Certificate of Origin is applicable to a single importation of a good into the Party's territory and shall remain valid for twelve (12) months from the date of issue.

5. In cases where a Certificate of Origin has not been issued before or at the time of exportation due to involuntary errors or omissions or other valid causes, the Certificate of Origin may be issued retrospectively but not later than one (1) year from the date of shipment, bearing the words "ISSUED RETROSPECTIVELY".

5. In cases where a Certificate of Origin has not been issued before or at the time of exportation due to involuntary errors or omissions or other valid causes, or no later than three (3) days after the date of shipment, the Certificate of Origin may be issued retrospectively but not later than one (1) year from the date of shipment, bearing the words "ISSUED RETROSPECTIVELY".

6. In cases of theft, loss or accidental destruction of a Certificate of Origin, the exporter or producer may, within validity of the original Certificate of Origin, make a written request to the authorised bodies of the exporting Party for issuing a

certified copy, provided that the exporter or producer makes sure that the original copy previously issued has not been used. The certified copy shall bear the words "CERTIFIED TRUE COPY of the original Certificate of Origin number ___ dated ___".

Article 28. Claims for Preferential Treatment

1. Except as otherwise provided in this Chapter, each Party's customs administration shall require an importer claiming preferential tariff treatment for a good to:

(a) make a written declaration before or at the time of importation, in accordance with its laws and regulations, that the good qualifies as an originating good;

(b) have a Certificate of Origin in his possession;

(c) submit, if required by the importing customs administration, the original Certificate of Origin and such other documentation relating to the importation of the goods; and

(d) promptly make a corrected declaration and pay any duties owed, where the importer has reason to believe that a Certificate of Origin, on which a declaration was based, contains information that is not correct.

2. A Party may deny preferential tariff treatment under this Agreement to an imported good if the importer fails to comply with any requirement of this Chapter.

3. Each Party shall provide that:

(a) where the origin of the product is not in doubt, the discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the customs administration of the importing Party for the purpose of carrying out the formalities for importing the products shall not ipso facto invalidate the Certificate of Origin, if it does in fact correspond to the same products presented; and

(b) for multiple items declared under the same Certificate of Origin, a problem encountered with one of the items listed shall not affect or delay the granting of preferential tariff treatment and customs clearance of the remaining items listed in the Certificate of Origin.

4. Where a Certificate of Origin is not provided at the time of importation of a good, the importing Party, upon the request of the importer, may impose the applied non-preferential import customs duty or payment of a deposit equivalent to the full duties on that good as requested. In such a case, the importer will be entitled to a refund of any excess import customs duty or deposit paid if the payment refund claim is made within one (1) year from the date the good was imported, provided that the requirements in paragraph 1 are fulfilled.

Article 29. Verification of Origin

1. A Certificate of Origin is the basis for eligibility of preferential tariff treatment for goods imported from the exporting Party. In cases where verification is required, the importing Party may conduct verification by means of:

(a) written requests for additional information from the importer;

(b) written requests for additional information from the exporter or producer in the territory of the exporting Party;

(c) requests that the competent authority of the exporting Party verify the origin of a good; or

(d) such other procedures as the customs administrations of the Parties may jointly decide.

2. A verification process under paragraph 1 shall only be initiated when there are reasonable grounds to doubt the accuracy or authenticity of the origin of the goods concerned, and when the customs duty is sufficiently material to warrant the request.

3. A verification request to the competent authority of the exporting Party shall specify the reasons, and any documents and information obtained justifying the verification activities shall be forwarded to the competent authority of the requested Party.

4. To the extent allowed by its domestic laws and practices, the competent authorities of the exporting Party shall fully co-operate in any action to verify eligibility.

5. The Party conducting the verification shall, through its competent authority, inform the customs administration of the other Party of the outcome of the verification conducted.

Article 30. Waiver of Certificate of Origin

Each Party shall provide that a Certificate of Origin shall not be required for:

(a) a commercial importation of a good whose value does not exceed US$600 or its equivalent amount in the Party's currency, or such higher amount as it may establish, except that it may require that the invoice accompanying the importation include a statement certifying that the good qualifies as an originating good; or

(b) a non-commercial importation of a good whose value does not exceed US$600 or its equivalent amount in the Party's currency, or such higher amount as it may establish, provided that the importation does not form part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the certification requirements.

Article 31. Record Keeping Requirement

1. Each Party shall require its producers, exporters and importers to retain origin documents for three (3) years.

2. Each Party shall ensure that its authorised bodies retain copies of Certificates of Origin and other documentary evidence of origin for three (3) years. 3. The records to be maintained may include electronic records and shall be maintained in accordance with the domestic laws and practices of each Party.

Article 32. Advance Rulings

1. Each Party shall issue an advance ruling, on an application of the exporter, importer or any person, that is submitted at least three (3) months before the date of importation of the goods that are the subject of the application. The importing Party shall issue its determination regarding the origin of the good within sixty (60) days of the date of an application for advance ruling, provided that all the origin requirements have been complied with. An applicant for an advance ruling from China Customs shall be registered with China Customs.

2. The importing Party shall apply an advance ruling issued by it under paragraph 1. The customs administration of each Party shall establish a validity period for an advance ruling of not less than two (2) years from the date of its issue or in accordance with its respective domestic laws.

3. The importing Party may modify or revoke an advance ruling:

(a) if the ruling was based on an error of fact;

(b) if there is a change in the material facts or circumstances on which the ruling was based;

(c) to conform with a modification of this Chapter; or

(d) to conform with a judicial decision or a change in its domestic laws. 4. Each Party shall provide that any modification or revocation of an advance ruling shall be effective on the date on which the modification or revocation is issued, or on such later date as may be specified therein, and shall not be applied to importations of a good that have occurred prior to that date, unless the person to whom the advance ruling was issued has not acted in accordance with its terms and conditions.

Article 33. Penalties

Each Party shall impose punitive measures for violations of its laws and regulations relating to this Chapter in accordance with its domestic legislation.

Article 34. Review and Appeal

With respect to determinations relating to eligibility for preferential treatment under this Agreement or advance rulings, each Party shall provide that importers in its territory have access to administrative review6 and judicial review in accordance with its domestic laws and regulations.

Article 35. Confidentiality

1. Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private.

2. Each Party shall maintain, in accordance with its domestic laws, the confidentiality of information collected pursuant to this Chapter, including information obtained from the verification of Certificates of Origin and shall protect that information from disclosure that could prejudice the competitive position of the persons providing the information.

3. Pursuant to Article 31 (Record Keeping Requirement), any information communicated between the Parties concerned shall be treated as confidential and used for the validation of Certificates of Origin only. For Singapore the level of administrative review may include the Ministry supervising the customs administration.

Article 36. Third Party Invoicing

The importing Party shall accept Certificates of Origin in cases where the sales invoice is issued either by a company located in a non-Party or by an exporter in the exporting Party for the account of the said company, provided that the product meets the requirements of Chapter 4 (Rules of Origin).

Chapter 6. Trade Remedies

Article 37. Definitions

For the purposes of this Chapter:

(a) domestic industry means, with respect to an imported product, the producers as a whole of the like or directly competitive product or those producers whose collective production of the like or directly competitive product constitutes a major proportion of the total domestic production of such product;

(b) Safeguards Agreement means the Agreement on Safeguards, which is part of the WTO Agreement;

(c) serious injury means a significant overall impairment in the position of a domestic industry; and

(d) threat of serious injury means serious injury that, on the basis of facts and not merely on allegation, conjecture or remote possibility, is clearly imminent.

Article 38. General Provisions

1. The Parties agree and reaffirm their commitments to abide by their rights and obligations under the WTO Agreement on Implementation of Article VI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures, Article XIX of the GATT 1994, and the Safeguards Agreement.

2. The Parties agree to carry out any action taken pursuant to this Chapter in a transparent manner.

Article 39. Co-operation and Consultation

1. Each Party shall designate one or more contact points for the purposes of this Chapter and provide details of such contact points to the other Party. The Parties shall notify each other promptly of any amendments to the details of their contact points.

2. A Party may request consultations with the other Party on matters arising from the operation of this Chapter. Such consultations shall be conducted through the relevant contact points, and shall take place within forty-five (45) days of the request, unless the Parties mutually determine otherwise.

Article 40. Anti-dumping

1. The Parties agree not to take any action pursuant to the WTO Agreement on Implementation of Article VI of the GATT 1994 in an arbitrary or protectionist manner.

2. The Parties agree that as soon as possible following the acceptance of a properly documented application from an industry in one Party for the initiation of an anti-dumping investigation in respect of products from the other Party, the Party that has accepted the properly documented application shall inform the contact point of the other Party of the acceptance

of the application.

Article 41. Subsidies and Countervailing Measures

Neither Party shall introduce or maintain any form of export subsidy on any goods destined for the territory of the other Party.

Article 42. Global Safeguard Measures

1. A Party taking any measure pursuant to Article XIX of the GATT 1994 and the Safeguards Agreement may exclude imports of an originating product from the other Party from the action if such imports are non-injurious.

2. A Party shall advise the relevant contact points of the other Party of any safeguard action on the initiation of an investigation and the reasons for it.

Article 43. Bilateral Safeguard Measures

1. A Party shall have the right to initiate a bilateral safeguard measure on a product within the transition period for that product. The transition period for a product shall begin from the date of entry into force of this Agreement and end five (5) years from the date of completion of tariff elimination for that product.

2. A Party shall be free to take a bilateral safeguard measure, if, as a result of the reduction or elimination of a customs duty under this Agreement, an originating product of the other Party is being imported into the territory of a Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that the imports of such originating product from the other Party constitute a substantial cause of serious injury, or threat thereof, to a domestic industry producing a like or directly competitive product. Such Party may apply a safeguard measure as set by increasing the tariff rate applicable to such originating product during the transition period to the WTO MFN tariff rate applied to such product at the time when the measure is taken.

3. In applying the bilateral safeguard measure, the Parties shall adopt the rules for the application of safeguard measures as provided for under the Safeguards Agreement with the exception of the quantitative restriction measures set out in Article 5 of the Safeguards Agreement, and Articles 9, 13 and 14 of the Safeguards Agreement. As such, all other provisions of the Safeguards Agreement shall, mutatis mutandis, be incorporated into and form an integral part of this Agreement.

4. Notwithstanding the above, no safeguard measure shall be applied against a product originating in a Party as long as its share of the total imports of the product concerned in the importing Party does not exceed 3%.

5. The safeguard measure may be maintained for an initial period of up to three (3) years and may be extended for a period not exceeding one (1) year. Notwithstanding the duration of a safeguard measure on a product, such measure shall terminate at the end of the transition period for that product.

6. Upon the termination of the measure, the tariff rate applicable to the originating product shall be the rate which would have been in effect but for the measure.

7. The Party applying a measure described in paragraph 1 shall, in consultation with the other Party, provide to the other Party mutually agreed trade liberalising compensation in accordance with Article 8 of the Safeguards Agreement. The form of concessions shall have substantially equivalent trade effects or be equivalent to the value of the additional duties expected to result from the measure. If the Parties are unable to agree on compensation within forty-five (45) days in the consultations under paragraph 3, the Party against whose originating product the measure is applied may take action with respect to originating products of the other Party that has trade effects substantially equivalent to the measure. The Party taking such action shall apply the action only for the minimum period necessary to achieve the substantially equivalent effects, and in any event, only while the measure under paragraph 1 is being applied.

8. When applying a bilateral safeguard measure, a Party shall not have simultaneous recourse to the WTO safeguard measures referred to in Article 42 (Global Safeguard Measures).

Chapter 7. Technical Barriers to Trade, Sanitary and Phytosanitary Measures

Article 44. Definitions

1. The definitions in Annex A of the WTO Agreement on Application of Sanitary and Phytosanitary Measures (the "SPS Agreement") and Annex 1 of the WTO Agreement on Technical Barriers to Trade (the "TBT Agreement") shall apply to this Chapter.

2. All definitions provided in the Annexes to this Chapter shall apply only to the respective Annexes.

3. For the purposes of this Chapter:

(a) SPS refers to sanitary and phytosanitary measures; and

(b) TBT refers to technical barriers to trade.

Article 45. Objectives

The objectives of this Chapter are:

(a) to improve the implementation of the SPS Agreement and the TBT Agreement between the Parties, so as to avoid unnecessary barriers to bilateral trade, to promote and facilitate bilateral trade, while protecting human, animal or plant life or health or fulfilling other legitimate objectives (7);

(b) to strengthen mutual understanding of the Parties' administrative systems by establishing a framework for communication and cooperation, and to resolve relevant issues arising from bilateral trade in a prompt and efficient manner, to expand the opportunities for bilateral trade.

(7) As understood under Article 2.2 of the TBT Agreement.

Article 46. Scope and Coverage

This Chapter applies to all sanitary and phytosanitary measures, technical regulations, standards and conformity assessment procedures of a Party which may, directly or indirectly, affect trade between the Parties.

Article 47. Competent Authorities and Contact Points

1. The competent authorities of the Parties are the authorities responsible for the implementation of this Chapter. The contact points of the Parties are the agencies responsible for the communication and notification of information between the Parties, as specified in Annex 4 (Contact Points for TBT and SPS).

2. The Parties shall notify each other of any significant change in the structures, organisations and divisions of the competent authorities and contact points.

Article 48. Reaffirmation

The Parties reaffirm their existing rights and obligations with respect to each other under the TBT Agreement and the SPS Agreement.

Article 49. Regionalisation

1. The Parties agree to properly and actively resolve the quarantine issues of concern to each other related to the import and export of agricultural products of both Parties in accordance with Article 6 of the SPS Agreement.

2. The exporting Party may request the importing Party to recognise its pest-free or disease-free status in all or part of its territory. The importing Party shall give favourable consideration to such request and, following an assessment, may agree to recognise such pest-free or disease-free status of the exporting Party in accordance with paragraph 1. After confirmation of the pest-free or disease-free status, the importing Party shall allow agricultural products originating from these areas of the exporting Party into its markets, in accordance with the importing Party's SPS requirements.

3. If the importing Party considers that a risk with respect to a disease or pest outbreak may exist in a part or parts of the territory of the exporting Party where agricultural products destined for the importing Party originate, the importing Party may request the exporting Party to reaffirm this free status. The importing Party may also request the exporting Party to take specific eradication and control measures to ensure that the free status is maintained and to ensure that agricultural

products originated therein meet the SPS requirements of the importing Party.

4. Any agreement or arrangement on regionalisation which may be concluded between the Parties under this Agreement shall be placed in the Annexes in accordance with Article 58 (Final Provisions on Annexes).

Article 50. Exchange of Information and Cooperation

1. The Parties shall strengthen the exchange of information and cooperation in the areas of mutual interest relating to TBT and SPS, such as:

(a) inspection and quarantine of animals, plants and their products;

(b) quality and safety control of products;

(c) procedure and processing period of approval of food establishments;

(d) technical regulations, standards and conformity assessment procedures; and

(e) sharing of experience in the implementation of the principle of transparency by their respective enquiry points under the TBT Agreement and SPS Agreement.

2. Each Party shall, on request, give positive consideration to proposals to supplement existing co-operation on standards, technical regulations and conformity assessment procedures. Such co-operation, which shall be on mutually agreed terms and conditions, may include but are not limited to advice or technical co-operation relating to the development or application of standards, technical regulations and conformity assessment procedures.

3. The Parties shall strengthen co-operation and communication of experience and expertise in addressing TBT and SPS measures affecting both Parties.

Article 51. International Standards

1. The Parties shall use international standards, or the relevant parts of international standards, as a basis for their technical regulations and related conformity assessment procedures where relevant international standards exist or their completion is imminent, except when such international standards or their relevant parts are ineffective or inappropriate to fulfil legitimate objectives.

2. The Parties shall co-operate with each other, where appropriate, in the context of their participation in international standardising bodies, to ensure that international standards developed within such bodies, that are likely to become a basis for technical regulations, are trade facilitating and do not create unnecessary obstacles to international trade.

3. The Parties shall strengthen communications and co-ordination with each other, where appropriate, in the context of discussions on standards and related issues in the TBT Committee under the TBT Agreement and the SPS Committee under the SPS Agreement and other relevant international or regional fora.

Article 52. Conformity Assessment Procedure

1. The Parties recognise the differences between their legal systems regarding conformity assessment and agree to discuss the possibility of mutual recognition of conformity assessment in accordance with the TBT Agreement.

2. The Parties shall exchange information on conformity assessment procedures including testing, inspection, certification, accreditation and metrology with a view to promoting the recognition of conformity assessment procedures between the Parties.

3. A Party shall give favourable consideration to a request by the other Party to recognise the conformity assessment procedures conducted by bodies in the other Party's territory through a mutual recognition agreement or arrangement.

4. Any agreement or arrangement on mutual recognition of conformity assessment procedures concluded between the Parties under this Agreement shall be specified in the Annexes in accordance with Article 58 (Final Provisions on Annexes).

Article 53. Equivalence

1. The Parties shall give favourable consideration to accepting the equivalence of each other's technical regulations and SPS measures consistent with the purpose of this Chapter, the TBT Agreement and the SPS Agreement.

2. Any agreement or arrangement on acceptance of equivalence of each other's technical regulations and SPS measures which may be concluded between the Parties under this Agreement shall be placed in the Annexes in accordance with Article 58 (Final Provisions on Annexes).

Article 54. Transparency

1. The Parties shall notify each other through their respective TBT and SPS enquiry points, under the TBT Agreement and the SPS Agreement, of any new technical regulation and SPS measure related to the trade of products in accordance with the TBT Agreement and the SPS Agreement, or any change to them. Each Party shall allow at least sixty (60) days for the other Party to present comments in writing on any notification except where considerations of health, safety, environmental protection or national security arise or threaten to arise to warrant more urgent action.

2. Each Party shall make available to the other Party, electronically or in any other form, up-to-date publications on technical regulations and any relevant conformity assessment procedures that are cited in, or may be used to comply with, those technical regulations. Each Party shall make known to the other Party the relevant standards that are cited in, or may be used to comply with, those technical regulations.

Article 55. Joint Working Group

1. The Parties hereby establish the Joint Working Group on TBT and SPS, comprising representatives from the relevant regulatory authorities of each Party.

2. The Joint Working Group shall be led and co-ordinated by co-chairs from both Parties.

3. The Joint Working Group shall be established no later than one (1) year following the date of entry into force of this Agreement. The meeting of the Joint Working Group shall take place once a year, back-to-back with the meetings of the FTA Joint Committee established under Article 111 (Implementation and Review), unless otherwise agreed by the Parties. 4. The functions of the Joint Working Group shall include:

(a) administering and supervising the implementation of this Chapter;

(b) addressing any issue and dispute arising from the implementation of this Chapter and its Annexes;

(c) reviewing this Chapter and its Annexes, making supplementary attachments and Annexes where necessary;

(d) where appropriate, facilitating co-operation in specific areas among accreditation and conformity assessment bodies in the Parties' territories;

(e) ensuring the Parties' relevant regulatory authorities negotiate on the priority issues identified by the Joint Study Report on a Free Trade Agreement between China and Singapore in an appropriate manner, in particular, mutual recognition of conformity assessment procedures on electrical and electronic equipment, regionalisation, mutual recognition of conformity assessment procedures on telecommunications equipment and equivalence;

(f) where appropriate, strengthening the exchange of information with regard to the activities of non-governmental, regional, and multilateral fora related to standardisation, technical regulations, and conformity assessment procedures; and

(g) reporting to the FTA Joint Committee on the implementation of this Chapter when appropriate. 5. Each Party shall, upon request, give favourable consideration to any sector-specific proposal made by the other Party for further co-operation under this Chapter.

Article 56. Confidentiality

1. Where a Party provides information to the other Party in accordance with this Agreement and designates the information as confidential, the other Party shall maintain the confidentiality of such information. Such information shall be used only for the purposes specified, and shall not be otherwise disclosed without the specific permission of the Party providing the information.

2. Nothing in this Chapter shall be construed to require either Party to furnish or allow access to information, the disclosure of which it considers would:

(a) be contrary to its essential security interests;

(b) be contrary to the public interest as determined by its domestic laws, regulations and administrative provisions;

(c) be contrary to any of its domestic laws, regulations and administrative provisions including but not limited to those protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions;

(d) impede law enforcement; or

(e) prejudice legitimate commercial interests of particular public or private enterprises.

Article 57. Preservation of Regulatory Authority

1. Each Party retains all authority under its laws to interpret and implement its technical regulations and SPS measures.

2. Nothing in this Chapter shall:

(a) prevent a Party from adopting or maintaining, in accordance with its international rights and obligations, technical regulations and SPS measures, as appropriate to its particular national circumstances;

(b) prevent a Party from adopting technical regulations and SPS measures to ensure the quality of its imports and exports, or for the protection of human, animal or plant life or health, or the environment, or for the prevention of deceptive practices or to fulfil other legitimate objectives (8);

(c) limit the authority of a Party to take all appropriate measures whenever it ascertains that products may not conform with its technical regulations and SPS measures. Such measures may include withdrawing the products from the market, prohibiting their placement on the market, restricting their free movement, initiating a product recall, initiating legal proceedings or otherwise preventing the recurrence of such problems including through a prohibition on imports. If a Party takes such measures, it shall notify the other Party within fifteen (15) working days of taking the measures, giving its reasons;

(d) oblige a Party to recognise the standards or technical regulations or SPS measures of the other Party as equivalent; or

(e) affect the rights and obligations of either Party as a member of the TBT Agreement or the SPS Agreement.

(8) As understood under Article 2.2 of the TBT Agreement.

Article 58. Final Provisions on Annexes (9)

1. The Parties may, upon request, commence discussions to explore the possibility of establishing additional Annexes of mutual interest after the signing of this Agreement.

2. Where urgent problems of safety, health, consumer or environmental protection or national security arise or threaten to arise for a Party, that Party may suspend the operation of any Annex, in whole or in part, immediately. In such a case, the Party shall immediately advise the other Party of the nature of the urgent problem, the products covered and the objective and rationale of the suspension.

3. For the purposes of this Chapter, an Annex shall provide, but is not limited to, the following details:

(a) the regulatory authorities designated by each Party;

(b) the detailed implementing arrangements; and

(c) the provisions for entry into force and/or termination.

(9) Annexes to this Chapter include Sectoral Annexes.

Chapter 8. Trade In Services

Article 59. Definitions

For the purposes of this Chapter:

(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 service;

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

(c) 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, branch, trust, partnership, joint venture, sole proprietorship or association;

(d) juridical person of the other Party means a juridical person which is either:

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

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

(A) natural persons of the other Party; or

(B) juridical persons of the other Party identified under sub-paragraph (d)(i);

(e) a juridical person is:

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

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

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

(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 Parties means measures taken by:

(i) central, regional or local governments and authorities; and

(ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

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

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

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

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

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

(j) natural person of a Party is a national or a permanent resident of a Party under its laws. Until such time as China enacts its law on treatment of permanent residents of foreign countries, the obligations of each Party with respect to the permanent residents of the other Party shall be limited to the extent of its obligations under the GATS;

(k) person means either a natural person or a juridical person;

(l) qualification procedures means administrative procedures relating to the administration of qualification requirements;

(m) qualification requirements means substantive requirements which a service supplier is required to fulfil in order to obtain certification or a license;

(n) sector of a service means,

(i) with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party's Schedule in Annex 5 (Schedules of Specific Commitments on Services);

(ii) otherwise, the whole of that service sector, including all of its subsectors;

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

(p) service consumer means any person that receives or uses a service; (q) service of the other Party means a service which is supplied:

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

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

(r) 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;

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

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

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

(i) from the territory of a Party into the territory of the other Party ("cross-border" mode);

(ii) in the territory of a Party to the service consumer of the other Party ("consumption abroad" mode);

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

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

(10) Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (ie, the juridical person) shall, nonetheless, through such presence be accorded the treatment provided for service suppliers under this Chapter. 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 60. Scope and Coverage

1. This Chapter applies to measures by a Party affecting trade in services.

2. This Agreement shall not apply to:

(a) services supplied in the exercise of governmental authority within the territory of each Party; or

(b) regulations or requirements governing the procurement by governmental agencies of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale.

3. This Chapter shall not apply to subsidies or grants provided by a Party or to any conditions attached to its receipt or continued receipt of such subsidies or grants, except:

(a) as otherwise specified in this Agreement; or

(b) disciplines that may be developed under Article XV of the GATS as may be reviewed with a view to their incorporation into this Agreement.

4. This Agreement, including its dispute settlement procedures, shall not apply to measures affecting:

(a) traffic rights, however granted; or

(b) services directly related to the exercise of traffic rights, except as provided in paragraph 5.

5. This Chapter shall apply to measures affecting:

(a) aircraft repair and maintenance services;

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

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

Article 61. Market Access

1. With respect to market access through the modes of supply identified in Article 59(u) (Definitions) a Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule. (11)

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 terms of designated numerical units in the form of quotas or the requirement of an economic needs test; (12)

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

(e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

(11) If a Party undertakes a market access commitment in relation to the supply of a service through the mode of supply referred to in Article 59(u)(i) and if the cross-border movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market access commitment in relation to the supply of a service through the mode of supply referred to in Article 59(u)(iii), it is thereby committed to allow related transfers of capital into its territory.

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

Article 62. National Treatment

1. In the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers (13).

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

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

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

Article 63. Additional Commitments

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 61 (Market Access) and 62 (National Treatment) including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule.

Article 64. Schedule of Specific Commitments

1. Each Party shall set out in a Schedule the specific commitments it undertakes under Articles 61 (Market Access), 62 (National Treatment) and 63 (Additional Commitments). With respect to sectors where such commitments are undertaken, each Schedule shall specify:

(a) the sectors in which such commitments are undertaken;

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

(c) conditions and qualifications on national treatment;

(d) undertakings relating to additional commitments; and

(e) where appropriate the time-frame for implementation of such commitments.

2. Measures inconsistent with both Articles 61 (Market Access) and 62 (National Treatment) shall be inscribed in both the columns relating to Articles 61 (Market Access) and 62 (National Treatment).

3. The Parties' Schedules of specific commitments shall be annexed to this Agreement as Annex 5 (Schedules of Specific Commitments on Services) and shall form an integral part thereof.

4. Upon the conclusion of the second package of services commitments between ASEAN and China, pursuant to Article 23(2) of the Agreement on Trade in Services of the Framework Agreement on Comprehensive Economic Co-operation between the Association of Southeast Asian Nations and the People's Republic of China done on 14 January 2007, the commitments undertaken by each Party shall be incorporated into this Agreement and take effect between the Parties.

Article 65. Domestic Regulation

1. In sectors where specific commitments are undertaken under Articles 61 (Market Access), 62 (National Treatment), 63 (Additional Commitments) and 64 (Schedule of Commitments), each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.

2. (a) 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, 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.

(b) The provisions of sub-paragraph (a) shall not be construed to require a Party to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.

3. Where authorisation is required for the supply of a service on which a specific commitment under this Agreement has been made, the competent authorities of each Party shall:

(a) in the case of an incomplete application, at the request of the applicant, identify all the additional information that is required to complete the application and provide the opportunity to remedy deficiencies within a reasonable timeframe;

(b) at the request of the applicant, provide without undue delay, information concerning the status of the application; and

(c) if an application is terminated or denied, to the maximum extent possible, inform the applicant in writing and without delay the reasons for such action. The applicant will have the possibility of resubmitting, at its discretion, a new application.

4. With the objective of ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, the Parties shall jointly review the results of the negotiations on disciplines on these measures, pursuant to Article VI.4 of the GATS, 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; and

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

5. (a) In sectors in which a Party has undertaken specific commitments under Articles 61 (Market Access), 62 (National Treatment), 63 (Additional Commitments) and 64 (Schedule of Commitments) pending the incorporation of the disciplines referred to in paragraph 4, that Party shall not apply licensing and qualification requirements and technical standards that nullify or impair its obligation under this Agreement in a manner which:

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

(ii) could not reasonably have been expected of that Party at the time the specific commitments in those sectors were made.

(b) In determining whether a Party is in conformity with the obligation under paragraph 5(a), account shall be taken of international standards of relevant international organisations (14) applied by that Party.

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

(14) Relevant international organisations refers to international bodies whose membership is open to the relevant bodies of both Parties to this Agreement.

Article 66. Recognition

1. For the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorisation, licensing, or certification of service suppliers, and subject to the requirements of paragraph 3, a Party may recognise, or encourage its relevant competent bodies to recognise, the education or experience obtained, requirements met or licences or certifications granted in the other Party. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties or their relevant competent bodies, or may be accorded autonomously.

2. A Party that is a party to an agreement or arrangement of the type referred to in paragraph 1, whether existing or future, shall afford adequate opportunity for the other Party 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 the other Party to demonstrate that education, experience, licences or certifications obtained or requirements met in that other Party's territory should be recognised.

3. A Party shall not accord recognition in a manner which would constitute a means of discrimination between countries in the application of its standards or criteria for the authorisation, licensing, or certification of service suppliers, or a disguised restriction on trade in services.

Article 67. Recognition Co-operation

1. The Parties shall ensure that their relevant competent authorities commence negotiations on areas for mutual recognition of the equivalence of each Party's:

(a) accounting work experience and qualifications;

(b) auditing work experience and qualifications; and

(c) accounting and auditing standards, as soon as possible.

2. The Parties shall commence negotiation on a Mutual Recognition Arrangement ("MRA") for qualifications or experience obtained, requirements met, or licenses or certifications for architects following the entry into force of this Agreement, with a view to reaching such an MRA as soon as possible, and exploring the possibilities for expanding the MRA to other architectural and engineering areas.

Article 68. Joint Committee on Recognition Co-operation

1. For the purposes of effective implementation of Article 67 (Recognition Co-operation), a Joint Committee on Recognition Co-operation (the "Committee"), including a working group on accounting and auditing, shall be established. The functions of the Committee shall be:

(a) reviewing and discussing the issues concerning the effective implementation of Article 67 (Recognition Co-operation);

(b) identifying and recommending areas for and ways of furthering co-operation between the Parties; and

(c) discussing other issues relating to the implementation of Article 67 (Recognition Co-operation).

2. The Committee, including the working group on accounting and auditing, shall meet on the request of either Party or the FTA Joint Committee established under Article 111 (Implementation and Review) at mutually acceptable time and venue.

Article 69. Monopolies and Exclusive Service Suppliers

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

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

3. If a Party has reason to believe that a monopoly supplier of a service of the other Party is acting in a manner inconsistent with paragraph 1 or 2, it may request the other Party establishing, maintaining or authorising such supplier to provide specific information concerning the relevant operations.

4. This Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:

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

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

Article 70. Business Practices

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 69 (Monopolies and Exclusive Service Suppliers), may restrain competition and thereby restrict trade in services.

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

Article 71. Safeguard Measures

The Parties note the multilateral negotiations pursuant to Article X of the GATS on the question of emergency safeguard measures based on the principle of non-discrimination. Upon the conclusion of such multilateral negotiations, the Parties shall conduct a review for the purpose of discussing appropriate amendments to this Agreement so as to incorporate the results of such multilateral negotiations.

Article 72. Payments and Transfers

1. Except under the circumstances envisaged in Article 107 (Restrictions to Safeguard the Balance-of-Payments), a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.

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

107 (Restrictions to Safeguard the Balance-of-Payments) or at the request of the International Monetary Fund.

Article 73. Transparency

Article III of the GATS is, mutatis mutandis, incorporated into and shall form an integral part of this Agreement.

Article 74. Disclosure of Confidential Information

Nothing in this Chapter 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.

Article 75. Denial of Benefits

A Party may deny the benefits of this Agreement:

(a) to the supply of a service, if it establishes that the service is supplied from or in the territory of a non-Party;

(b) in the case of the supply of a maritime transport service, if it establishes that the service is supplied:

(i) by a vessel registered under the laws of a non-Party; and

(ii) by a person of a non-Party which operates and/or uses the vessel in whole or in part.

(c) to a service supplier that is a juridical person, if it establishes that it is not a service supplier of the other Party.

Article 76. Miscellaneous Provisions

The GATS Annexes, namely: the Annex on Movement of Natural Persons Supplying Services; the Annex on Air Transport Services; the Annex on Financial Services; and the Annex on Telecommunications, shall be incorporated, mutatis mutandis, into and form an integral part of this Agreement.

Chapter 9. Movement of Natural Persons

Article 77. Definitions

For the purposes of this Chapter:

(a) business visitor means a natural person of either Party who is:

(i) a service seller being a natural person who is a sales representative of a service supplier of that Party and is seeking temporary entry into the territory of the other Party for the purpose of negotiating the sale of services for that service supplier, where such representative will not be engaged in making direct sales to the general public or in supplying services directly; or

(ii) (A) an investor of a Party, being a natural person of a Party who is making or has made an investment in the territory of the other Party; or

(B) a duly authorised representative of an investor of a Party (including a juridical person of a Party that is making or has made an investment in the territory of the other Party), seeking temporary entry into the territory of the other Party to establish, expand, monitor, or dispose of an investment of that investor; or

(iii) a goods seller, being a natural person who is seeking temporary entry to the territory of the other Party to negotiate the sale of goods where such negotiations do not involve direct sales to the general public;

(b) contractual service supplier means a natural person of a Party who:

(i) is an employee of a service supplier or an enterprise of a Party, whether a company, partnership or firm, who enters the territory of the other Party temporarily in order to perform a service pursuant to a contract between his employer and a service consumer in the territory of the other Party;

(ii) is employed by a company, partnership or firm of the Party, which has no commercial presence in the territory of the other Party where the service is to be provided;

(iii) receives his or her remuneration from that employer; and

(iv) satisfies any other requirements under the domestic laws and regulations of the other Party to provide such services in the territory of that Party;

(c) executive means a natural person within an organisation who primarily directs the management of the organisation, exercises wide latitude in decision making, and receives only general supervision or direction from higher level executives, the board of directors or stockholders of the business. An executive would not directly perform tasks related to the actual provision of the service or the operation of an investment;

(d) immigration formality means a visa, permit, pass, or other document or electronic authority granting a natural person of one Party the right to enter, reside or work in the territory of the other Party;

(e) immigration measure means any law, regulation, policy or procedure affecting the entry and sojourn of foreign nationals;

(f) intra-corporate transferee means an executive, a manager, or a specialist as defined respectively in sub-paragraphs (c), (g) and (h) of this Article, who is an employee of a service supplier or investor of a Party with a commercial presence, as defined in Chapter 8 (Trade in Services), in the territory of the other Party;

(g) manager means a natural person within an organisation who primarily directs the organisation or a department or sub-division of the organisation, supervises and controls the work of other supervisory, professional or managerial employees, has the authority to hire and fire or take other personnel actions (such as promotion or leave authorisation), and exercises discretionary authority over day-to-day operations. For greater clarity, this does not include employees who primarily perform tasks necessary for the provision of the service;

(h) specialist means a natural person within an organisation who possesses knowledge at an advanced level of technical expertise, and who possesses proprietary knowledge of the organisation's service, research equipment, techniques or management; and

(i) temporary entry means entry by a business visitor, an intra-corporate transferee, or a contractual service supplier, as the case may be, without the intent to establish permanent residence and for the purpose of engaging in activities which are clearly related to their respective business purposes. Additionally, in the case of a business visitor, the salaries of and any related payments to such a visitor should be paid entirely by the service supplier or juridical person which employs that visitor in the visitor's home country.

Article 78. Objectives

The objective of this Chapter, which reflects the preferential trading relationship between the Parties and their mutual desire to facilitate temporary entry of natural persons, is to establish transparent criteria and streamlined procedures for temporary entry, while recognising the need to ensure border security and to protect the domestic labour force in the territories of the Parties.

Article 79. Scope

1. This Chapter applies to measures affecting the movement of natural persons of a Party into the territory of the other Party, where such persons are:

(a) business visitors;

(b) contractual services suppliers; or

(c) intra-corporate transferees.

2. Nothing in this Chapter, Chapter 8 (Trade in Services) or Chapter 10 (Investment) shall apply to measures pertaining to citizenship, nationality, residence or employment on a permanent basis.

3. Nothing contained in this Chapter, Chapter 8 (Trade in Services) or Chapter 10 (Investment) shall prevent a Party from applying measures to regulate the entry or temporary stay of natural persons of the other Party in its territory, including measures necessary to protect the integrity of its territory and to ensure the orderly movement of natural persons across its borders, provided such measures are not applied in a manner so as to nullify or impair the benefits accruing to the other Party under this Agreement (15).

(15) The sole fact of requiring a visa for natural persons of a Party and not for those of non-Parties shall not be regarded as nullifying or impairing trade in goods or services or conduct of investment activities under this Agreement.

Article 80. Expeditious Application Procedures

Each Party shall process expeditiously applications for immigration formalities from natural persons of the other Party, including further immigration formality requests or extensions thereof, so as to avoid unduly impairing or delaying trade in goods or services or conduct of investment activities under this Agreement. Each Party shall notify applicants for temporary entry, either directly or through their authorised representative or their prospective employer of the outcome of their applications, including the period of stay and other conditions.

Article 81. General Principles for Grant of Temporary Entry

1. The Parties may make commitments in respect of temporary entry of natural persons, as defined in Article 59 (Definitions).

2. Such commitments and the conditions governing them shall be inscribed in Annex 6 (Commitments on Temporary Entry of Natural Persons).

3. Where a Party makes a commitment under paragraphs 1 and 2, that Party shall grant temporary entry to the extent provided for in that commitment, provided that such natural persons are otherwise qualified under all applicable immigration measures.

4. In respect of the commitments on temporary entry in Annex 6 (Commitments on Temporary Entry of Natural Persons), unless otherwise specified therein, neither Party may:

(a) require labour certification tests, or other procedures of similar effect;

(b) impose or maintain any numerical restriction relating to temporary entry; or

(c) require labour market testing, economic needs testing or other procedures of similar effects as a condition for temporary entry.

5. Each Party shall limit any fees for processing applications for temporary entry of natural persons to the approximate cost of services rendered.

6. The temporary entry granted by virtue of this Chapter does not replace the requirements needed to carry out a profession or activity according to the specific laws and regulations in force in the territory of the Party authorising the temporary entry.

Article 82. Transparency

Each Party shall, upon modifying or amending an immigration measure that affects the temporary entry of natural persons, ensure that such modifications or amendments are promptly published and made available through electronic means or otherwise, in such a manner as will enable natural persons of the other Party to become acquainted with them.

Article 83. Contact Points

Each Party shall designate a contact point to facilitate communication and the effective implementation of this Chapter, and respond to inquiries from the other Party regarding regulations affecting the movement of natural persons between the Parties or on any matter covered by this Chapter, and shall provide details of this contact point to the other Party. The Parties shall notify each other promptly of any amendment to the details of their contact point. The contact point should identify and recommend areas for and ways of furthering co-operation in promoting increased movement of natural persons between the Parties.

Chapter 10. Investment

Article 84. Investment

1. Upon the conclusion of the investment agreement between ASEAN and China pursuant to Article 5 of the Framework

Agreement on Comprehensive Economic Co-operation between ASEAN and the People's Republic of China (the "ASEAN-China Investment Agreement"), the provisions of that agreement shall, mutatis mutandis, be incorporated into and form an integral part of this Agreement unless the context otherwise requires.

2. Recognising that negotiations on the ASEAN-China Investment Agreement are ongoing, the Parties agree to co-operate to facilitate the early conclusion of that agreement.

3. For greater certainty, any rights, obligations, restrictions or exceptions contained in the ASEAN-China Investment Agreement that do not relate to either Party shall accordingly be inapplicable under this Agreement. Notwithstanding Article 112 (Relation to Other Agreements), in the event of any inconsistency between the ASEAN-China Investment Agreement and this Agreement, the provisions of this Agreement shall prevail.

4. At any time after the entry into force of this Agreement, upon request by either Party, the Parties shall consult with a view to further encouraging or facilitating the flow of investments between the Parties.

Chapter 11. Economic Co-operation

Article 85. Objectives

1. The objectives of this Chapter are:

(a) to further strengthen bilateral co-operation in view of recent regional and international strategic developments;

(b) to reaffirm existing arrangements already in place for bilateral co-operation; and

(c) to explore new areas of collaboration between the Parties.

2. The areas of co-operation may include, but are not limited to:

(a) Trade and Investment Promotion

(b) Participation in China's Regional Development

(c) Tourism Co-operation

(d) Human Resource Development

(e) Facilitation of "Go Global" Efforts of Chinese Enterprises

Article 86. Trade and Investment Promotion

1. Recognising that strong trade and investment flows are important for the development of their respective economies, the Parties shall explore strengthening co-operation in trade and investment promotion.

2. To achieve the above, the Parties shall encourage and facilitate activities which include the following:

(a) policy dialogue to promote and expand trade and investment between the Parties;

(b) exchanging views on important economic and trade issues, and holding consultations to solve common problems relating to bilateral trade and investment;

(c) jointly identifying priority sectors with strong co-operation potential based on the Parties' complementary strengths, and exploring ways of collaboration in the identified sectors;

(d) supporting exchanges and dialogues between the business communities of the Parties; and

(e) reinforcing economic co-operation between the Parties, including in third countries.

3. The Parties shall guide and co-ordinate co-operation in trade and investment promotion through the existing mechanisms of the national-level JCBC, the Investment Promotion Committee (the "IPC"), the MOFCOM–MTI Dialogue and provincial-level business councils. The Parties shall continually strengthen the Government-to-Government mechanisms, and explore new means of co-operation toward this end.

4. The Parties note that the participation of semi-official and non-official organisations in the area of trade and investment promotion has positive effect on bilateral economic co-operation. The Parties agree to support these organisations, where

possible, to foster trade and investment promotion activities.

5. The Parties note the importance of accelerating and promoting broader exchanges and co-operation between the business communities of the Parties and shall encourage business promotion activities so as to foster exchanges and networking among their respective enterprises.

Article 87. Participation In China's Regional Development

1. Recognising that participation in China's regional development is a key pillar in bilateral relations, which is exemplified by the flagship Suzhou Industrial Park project, the Parties shall continue to work closely to broaden and deepen co-operation in this area.

2. Noting that the flagship Sino-Singapore Tianjin Eco-city project is another key step forward in bilateral co-operation in regional development, both Parties agree to work closely with a view to developing the city as a model for sustainable development and enhance co-operation in areas including environmental protection and resource and energy conservation.

3. The Parties reaffirm the role of the bilateral provincial business councils as the important mechanism of their co-operation to support China's regional development initiatives. The Parties agree to strengthen their existing collaboration as well as explore new areas of co-operation through the councils.

4. The Parties shall also work with the respective business chambers in China and Singapore to encourage participation in regional trade fairs in China.

5. The Parties agree in-principle that any business collaboration should be commercially led and the governments should play a facilitative role.

Article 88. Tourism Co-operation

1. Recognising that strong tourism and people-to-people flows are important for the development of their respective economies, the Parties shall explore strengthening co-operation in tourism promotion and exchanges through fora such as the China National Tourism Administration–Singapore Tourism Board High-Level Bilateral Meeting and regular dialogues.

2. The Parties shall continue to further co-operation in the field of tourism. The Parties also note the importance of expanding and deepening tourism cooperation, in particular, to increase edu-tourism and student exchanges.

3. The Parties shall co-operate in good faith to promote tourism by exploring ways and initiatives to introduce greater convenience to travellers. This would further enhance the mutual understanding and friendly exchanges between the peoples of the Parties.

Article 89. Human Resource Development

1. Recognising that human resource development ("HRD") is a key pillar in bilateral relations, the Parties note that HRD is a two-way exchange.

2. In line with the Memorandum of Understanding between the Government of the People's Republic of China and the Government of the Republic of Singapore on the China-Singapore Human Resource Partnership for the 21st Century under the Joint Council for Bilateral Co-operation signed in September 2005, the Parties shall strengthen and explore new ways of cooperation in this area, based on the following principles:

(a) to increase exchanges so as to allow officials to learn about the developments taking place in each other's countries and the evolving best practices;

(b) to expand the forms and fields of exchanges to take into account each other's evolving needs; and

(c) to explore co-operation in jointly extending technical assistance to third countries.

Article 90. Facilitation of "go Global" Efforts of Chinese Enterprises

1. Recognising that facilitating the "Go Global" efforts of Chinese enterprises is a key pillar of bilateral co-operation, the Parties shall intensify their collaboration in this area.

2. The Parties shall explore more ways to facilitate business exchanges and promote awareness amongst Chinese

companies on the advantages of using Singapore as an effective regional platform as well as explore collaborative opportunities in third country markets.

3. The Parties agree that any business collaboration should be commercially led and the role that governments can play is to raise awareness of such opportunities and provide platforms such as business seminars and networking sessions to facilitate exchanges.

4. The Parties shall constantly explore new avenues of collaboration through platforms such as the MOFCOM–MTI Dialogue, the IPC and the JCBC.

Chapter 12. Dispute Settlement

Article 91. Definitions

Unless otherwise provided, for the purposes of this Chapter:

(a) complaining Party means the Party that requests consultations under Article 94 (Consultations); and

(b) Party complained against means the Party to which the request for consultations is made under Article 94 (Consultations).

Article 92. Scope and Coverage

1. This Chapter shall apply to disputes arising under this Agreement which shall also include the Annexes and the contents therein.

2. Any special or additional rules and procedures on dispute settlement for application to this Chapter may be made with the consent of the Parties.

3. Unless otherwise provided for in this Agreement, or as the Parties may otherwise agree, this Chapter shall apply with respect to the avoidance or settlement of disputes between the Parties concerning their respective rights and obligations under this Agreement.

4. This Chapter may be invoked in respect of measures affecting the observance of this Agreement taken by central, regional or local governments or authorities within the territory of a Party.

5. Subject to paragraph 6, nothing in this Chapter shall prejudice any right of the Parties to have recourse to dispute settlement procedures available under any other treaty to which they are parties.

6. Once dispute settlement proceedings have been initiated under this Chapter or under any other treaty to which the Parties are parties, concerning a particular right or obligation arising under this Agreement or that other treaty, the forum selected by the complaining Party shall be used to the exclusion of any other for such dispute.

7. Paragraphs 5 and 6 shall not apply where the Parties expressly agree to the use of more than one dispute settlement forum in respect of that particular dispute.

8. For the purposes of paragraphs 5, 6 and 7, the complaining Party shall be deemed to have selected a forum when it has requested the establishment of, or referred a dispute to, a dispute settlement panel or tribunal in accordance with this Chapter or any other agreement to which the Parties are parties.

Article 93. Liaison Office

1. For the purposes of this Chapter, each Party shall:

(a) designate an office that shall be responsible for all liaison affairs referred to in this Chapter;

(b) be responsible for the operation and costs of its designated office; and

(c) notify the other Party of the location and address of its designated office within thirty (30) days after the completion of its domestic procedures for the entry into force of this Agreement.

2. Unless otherwise provided in this Chapter, the submission of any request or document under this Chapter to the designated office of a Party shall be deemed to be the submission of that request or document to that Party.

Article 94. Consultations

1. A Party complained against shall accord due consideration and adequate opportunity for consultations regarding a request for consultations made by the complaining Party with respect to any matter affecting the implementation or application of this Agreement whereby:

(a) any benefit accruing to the complaining Party directly or indirectly under this Agreement is being nullified or impaired; or

(b) the attainment of any objective of this Agreement is being impeded, as a result of the failure of the Party complained against to carry out its obligations under this Agreement.

2. Any request for consultations shall be submitted in writing, which shall include the specific measures at issue, and the factual and legal basis (including the provisions of this Agreement alleged to have been breached and any other relevant provisions) of the complaint. The complaining Party shall send the request to the Party complained against. Upon receipt, the Party complained against shall acknowledge receipt of such request to the complaining Party.

3. If a request for consultations is made, the Party complained against shall reply to the request within seven (7) days after the date of its receipt and shall enter into consultations in good faith within a period of not more than thirty (30) days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution. If the Party complained against does not respond within the aforesaid seven (7) days, or does not enter into consultations within the aforesaid thirty (30) days, then the complaining Party may proceed directly to request the appointment of an arbitral tribunal under Article 96 (Appointment of Arbitral Tribunals).

4. The Parties shall make every effort to reach a mutually satisfactory resolution of any matter through consultations. To this end, the Parties shall:

(a) provide sufficient information to enable a full examination of how the measure might affect the operation of this Agreement; and

(b) treat as confidential any information exchanged in the consultations which the other Party has designated as confidential.

5. Consultations shall be confidential, and are without prejudice to the rights of either Party in any further or other proceedings.

6. In cases of urgency, including those which concern perishable goods, the Parties shall enter into consultations within a period of no more than ten (10) days after the date of receipt of the request by the Party complained against. If the consultations fail to settle the dispute within a period of twenty (20) days after the date of receipt of the request by the Party complained against, the complaining Party may proceed directly to make a written request to the Party complained against to appoint an arbitral tribunal under Article 96 (Appointment of Arbitral Tribunals).

7. In cases of urgency, including those which concern perishable goods, the Parties and arbitral tribunals shall make every effort to accelerate the proceedings to the greatest extent possible.

Article 95. Conciliation or Mediation

1. The Parties may, at any time, agree to conciliation or mediation, which may begin and be terminated by the Parties at any time.

2. If both Parties agree, conciliation or mediation proceedings may continue before any person or body as may be agreed by the Parties while the dispute proceeds for resolution before an arbitral tribunal appointed under Article 96 (Appointment of Arbitral Tribunals).

3. Proceedings involving conciliation and mediation, and positions taken by the Parties during these proceedings, shall be confidential, and without prejudice to the rights of either Party in any further or other proceedings.

Article 96. Appointment of Arbitral Tribunals

1. If the consultations referred to in Article 94 (Consultations) fail to settle a dispute within sixty (60) days after the date of receipt of the request for consultations, or within twenty (20) days after such date in cases of urgency including those which concern perishable goods, the complaining Party may make a written request to the Party complained against to appoint an arbitral tribunal under this Article.

2. A request for the appointment of an arbitral tribunal shall give the reasons for the request, including the identification of:

(a) the specific measure at issue; and

(b) the factual and legal basis (including the provisions of this Agreement alleged to have been breached and any other relevant provisions) for the complaint sufficient to present the problem clearly.

Article 97. Composition of Arbitral Tribunals

1. Unless the Parties agree otherwise, the arbitral tribunal shall have three (3) members.

2. The complaining Party shall appoint an arbitrator to the arbitral tribunal within twenty (20) days of the receipt of the request for appointment of the arbitral tribunal under Article 96 (Appointment of Arbitral Tribunals) by the Party complained against. The Party complained against shall appoint an arbitrator to the arbitral tribunal within thirty (30) days of its receipt of the request for appointment of the arbitral tribunal under Article 96 (Appointment of Arbitral Tribunals). If a Party fails to appoint an arbitrator within such period, then the arbitrator appointed by the other Party shall act as the sole arbitrator of the tribunal.

3. Once the complaining Party and the Party complained against have appointed their respective arbitrators subject to paragraph 2, the Parties shall endeavour to agree on an additional arbitrator who shall serve as chair. If the Parties are unable to agree on the chair of the arbitral tribunal within thirty (30) days after the date on which the last arbitrator has been appointed under paragraph 2, they shall request the Director-General of the WTO to appoint the chair and such appointment shall be accepted by them. In the event that the Director-General is a national of either Party, the Deputy Director-General or the officer next in seniority who is not a national of either Party shall be requested to appoint the chair.

4. The date of composition of the arbitral tribunal shall be the date on which the chair is appointed under paragraph 3, or the 30th day after the receipt of the request under Article 96 (Appointment of Arbitral Tribunals) where only a sole arbitrator of the tribunal is available.

5. If an arbitrator appointed under this Article resigns or becomes unable to act, a successor arbitrator shall be appointed in the same manner as prescribed for the appointment of the original arbitrator and the successor shall have all the powers and duties of the original arbitrator. The work of the arbitral tribunal shall be suspended during the appointment of the successor arbitrator.

6. Any person appointed as a member or chair of the arbitral tribunal shall have expertise or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements, and shall be chosen strictly on the basis of objectivity, reliability, sound judgment and independence. Additionally, the chair shall not be a national of either Party and shall not have his or her usual place of residence in the territory of, nor be employed by, either Party.

7. Where the original arbitral tribunal is required for a matter as provided in this Chapter but cannot hear the matter for any reason, a new tribunal shall be appointed under this Article.

Article 98. Functions of Arbitral Tribunals

1. The function of an arbitral tribunal is to make an objective assessment of the dispute before it, including an examination of the facts of the case and the applicability of and conformity with this Agreement. Where the arbitral tribunal concludes that a measure is inconsistent with a provision of this Agreement, it shall recommend that the Party complained against bring the measure into conformity with that provision. In addition to its recommendations, the arbitral tribunal may suggest ways in which the Party complained against could implement the recommendations. In its findings and recommendations, the arbitral tribunal cannot add to or diminish the rights and obligations provided in this Agreement.

2. The arbitral tribunal shall have the following terms of reference unless the Parties agree otherwise within twenty (20) days from its composition: "To examine, in the light of the relevant provisions in the CSFTA, the matter referred to this arbitral tribunal by (name of the complaining Party), and to make findings, determinations and recommendations provided for in the CSFTA." The arbitral tribunal shall address the relevant provisions in this Agreement cited by the Parties.

3. The arbitral tribunal established pursuant to Article 96 (Appointment of Arbitral Tribunals):

(a) shall consult regularly with the Parties and provide adequate opportunities for the development of a mutually satisfactory resolution;

(b) shall make its decision in accordance with this Agreement and the rules of international law applicable between the

Parties; and

(c) shall set out, in its decision, its findings of law and fact, together with the reasons therefor.

4. The decision of the arbitral tribunal shall be final and binding on the Parties.

5. An arbitral tribunal shall take its decision by consensus; provided that where an arbitral tribunal is unable to reach consensus, it may take its decision by majority opinion.

6. The arbitral tribunal shall, in consultation with the Parties and apart from the matters set out in paragraph 2 of Article 96 (Appointment of Arbitral Tribunals), and Article 99 (Proceedings of Arbitral Tribunals), regulate its own procedures in relation to the rights of Parties to be heard and its deliberations.

Article 99. Proceedings of Arbitral Tribunals

1. An arbitral tribunal shall meet in closed session. The Parties shall be present at the meetings only when invited by the arbitral tribunal to appear before it.

2. The venue for the substantive meetings of the arbitral tribunal shall be decided by mutual agreement between the Parties, failing which the first substantive meeting shall be held in the capital of the Party complained against, with the second substantive meeting to be held in the capital of the complaining Party.

3. After consulting the Parties, the arbitral tribunal shall, as soon as practical and possible within fifteen (15) days after the composition of the arbitral tribunal, fix the timetable for the arbitral process. In determining the timetable for the arbitral process, the arbitral tribunal shall provide sufficient time for the Parties to prepare their respective submissions. The arbitral tribunal should set precise deadlines for written submissions by the Parties and the Parties shall respect these deadlines.

4. The deliberations of an arbitral tribunal and the documents submitted to it shall be kept confidential. Nothing in this Article shall preclude a Party from disclosing statements of its own positions or its submissions to the public; a Party shall treat as confidential information submitted by the other Party to the arbitral tribunal which the submitting Party has designated as confidential. Where a Party submits a confidential version of its written submissions to the arbitral tribunal, it shall also, upon request by the other Party, provide a non-confidential summary of the information contained in its submissions that can be disclosed to the public.

5. The rules and procedures pertaining to the proceedings before the arbitral tribunal as set out in Annex 7 (Rules and Procedures for Arbitral Proceedings) shall apply unless the arbitral tribunal decides otherwise after consulting the Parties.

6. The report of the arbitral tribunal shall be drafted without the presence of the Parties in the light of the information provided and the statements made. The deliberations of the tribunal shall be confidential. Opinions expressed in the report of the arbitral tribunal by an individual arbitrator shall be anonymous.

7. Following the consideration of submissions, oral arguments and any information before it, the arbitral tribunal shall issue a draft report to the Parties, including both a descriptive section relating to the facts of the dispute and the arguments of the Parties and the arbitral tribunal's findings and conclusions. The arbitral tribunal shall accord adequate opportunity to the Parties to review the entirety of its draft report prior to its finalisation and shall include a discussion of any comments by the Parties in its final report.

8. The arbitral tribunal shall release to the Parties its final report within one hundred and twenty (120) days from the date of its composition. In cases of urgency, including those relating to perishable goods, the arbitral tribunal shall aim to issue its report to the Parties within sixty (60) days from the date of its composition. When the arbitral tribunal considers that it cannot release its final report within one hundred and twenty (120) days, or within sixty (60) days in cases of urgency, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will issue its report. In no case should the period from the composition of an arbitral tribunal to the release of the report to Parties exceed one hundred and eighty (180) days.

9. The final report of the arbitral tribunal shall become a public document within ten (10) days after its release to the Parties.

Article 100. Suspension and Termination of Proceedings

1. Where the Parties agree, the arbitral tribunal may suspend its work at any time for a period not exceeding twelve (12) months from the date of such agreement. Upon the request of either Party, the arbitral proceeding shall be resumed after such suspension. If the work of the arbitral tribunal has been suspended for more than twelve (12) months, the authority for establishment of the arbitral tribunal shall lapse unless the Parties agree otherwise.

2. The Parties may agree to terminate the proceedings of an arbitral tribunal established under this Agreement before the release of the final report to them, in the event that a mutually satisfactory solution to the dispute has been found.

3. Before the arbitral tribunal makes its decision, it may at any stage of the proceedings propose to the Parties that the dispute be settled amicably.

Article 101. Implementation

1. The Party complained against shall inform the complaining Party of its intention in respect of implementation of the recommendations and rulings of the arbitral tribunal.

2. If it is impracticable to comply immediately with the recommendations and rulings of the arbitral tribunal, the Party complained against shall have a reasonable period of time in which to do so. The reasonable period of time shall be mutually determined by the Parties or, where the Parties fail to agree on the reasonable period of time within thirty (30) days of the release of the arbitral tribunal's final report, either Party may refer the matter to the original arbitral tribunal (to the extent this is possible), which shall, following consultations with the Parties, determine the reasonable period of time within thirty (30) days after the date of the referral of the matter to it. When the arbitral tribunal considers that it cannot provide its report within this timeframe, it shall inform the Parties in writing of the reasons for the delay and shall submit its report no later than forty-five (45) days after the date of the referral of the matter to it.

3. Where there is disagreement as to the existence or consistency with this Agreement of measures taken within the reasonable period of time referred to in paragraph 2 to comply with the recommendations of the arbitral tribunal, such dispute shall be referred to the original arbitral tribunal, wherever possible. The arbitral tribunal shall provide its report to the Parties within sixty (60) days after the date of the referral of the matter to it. When the arbitral tribunal considers that it cannot provide its report within this timeframe, it shall inform the Parties in writing of the reasons for the delay and shall submit its report no later than seventy-five (75) days after the date of the referral of the matter to it.

Article 102. Compensation and Suspension of Concessions or Benefits

1. Compensation and the suspension of concessions or benefits are temporary measures available in the event that the recommendations and rulings are not implemented within a reasonable period of time. However, neither compensation nor the suspension of concessions or benefits is preferred to full implementation of a recommendation to bring a measure into conformity with this Agreement. Compensation is voluntary and, if granted, shall be consistent with this Agreement.

2. If the Party complained against fails to bring the measure found to be inconsistent with this Agreement into compliance with the recommendations of the arbitral tribunal within the reasonable period of time determined pursuant to paragraph 2 of Article 101 (Implementation), that Party shall, if so requested, enter into negotiations with the complaining Party with a view to reaching a mutually satisfactory agreement on any necessary compensatory adjustment.

3. If no mutually satisfactory agreement on compensation has been reached within twenty (20) days after the request of the complaining Party to enter into negotiations on compensatory adjustment, the complaining Party may request the original arbitral tribunal to determine the appropriate level of any suspension of concessions or benefits conferred on the Party which has failed to bring the measure found to be inconsistent with this Agreement into compliance with the recommendations of the arbitral tribunal. The arbitral tribunal shall provide its report to the Parties within thirty (30) days after the date of the referral of the matter to it. When the arbitral tribunal considers that it cannot provide its report within this timeframe, it shall inform the Parties concerned in writing of the reasons for the delay and shall submit its report no later than forty-five (45) days after the date of the referral of the matter to it. Concessions or benefits shall not be suspended during the course of the arbitral proceedings.

4. Any suspension of concessions or benefits shall be restricted to those accruing under this Agreement to the Party which has failed to bring the measure found to be inconsistent with this Agreement into compliance with the recommendations of the arbitral tribunal.

5. In considering what concessions or benefits to suspend:

(a) the complaining Party should first seek to suspend concessions or benefits in the same sector or sectors as those affected by the measure or other matter that the arbitral tribunal has found to be inconsistent with this Agreement or to have caused nullification or impairment; and

(b) the complaining Party may suspend concessions or benefits in other sectors if it considers that it is not practicable or effective to suspend concessions or benefits in the same sector or sectors.

6. The suspension of concessions or benefits shall be temporary and shall only be applied until such time as the measure found to be inconsistent with this Agreement has been removed, or the Party that must implement the arbitral tribunal's recommendations has done so, or a mutually satisfactory solution is reached.

Article 103. Language

1. All proceedings pursuant to this Chapter shall be conducted in the English language.

2. Any document submitted for use in any proceedings pursuant to this Chapter shall be in the English language. If any original document is not in the English language, the Party submitting it for use in the proceedings pursuant to this Chapter shall provide an English translation of that document.

Article 104. Expenses

1. Each Party shall bear the costs of its appointed arbitrator and its own expenses and legal costs.

2. The costs of the chair of the arbitral tribunal and other expenses associated with the conduct of its proceedings shall be borne in equal parts by the Parties.

Chapter 13. Exceptions

Article 105. General Exceptions

1. For the purposes of Chapters 3 (Trade in Goods), 4 (Rules of Origin), 5 (Customs Procedures), 6 (Trade Remedies) and 7 (Technical Barriers to Trade, Sanitary and Phytosanitary Measures), Article XX of the GATT 1994 and its interpretive notes are incorporated into and made part of this Agreement, mutatis mutandis.

2. For the purposes of Chapter 8 (Trade in Services), subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in services, nothing in this Agreement shall be construed to prevent the adoption or enforcement by either Party of measures:

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

(b) necessary to protect human, animal or plant life or health; (c) necessary to secure compliance with laws or regulations which are not inconsistent with this Agreement including those relating to:

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

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;

(iii) safety;

(d) inconsistent with Article 62 (National Treatment), provided that the difference in treatment is aimed at ensuring the equitable or effective (17) imposition or collection of direct taxes in respect of services or service suppliers of the other Party.

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

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

footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

Article 106. Security Exceptions

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; or

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

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

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

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

(iv) relating to protection of critical public infrastructure, including critical communication infrastructure, from deliberate attempts intended to disable or degrade such infrastructures; 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.

Article 107. Restrictions to Safeguard the Balance-of-payments

1. In the event of serious balance-of-payments and external financial difficulties or threat thereof, a Party may:

(a) in the case of trade in goods, adopt restrictive import measures in accordance with the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994;

(b) in the case of trade in services, adopt or maintain restrictions on which it has undertaken specific commitments, including on payments or transfers for transactions related to such commitments. It is recognised that particular pressures on the balance-of-payments of a Party in the process of economic development or economic transition may necessitate the use of restrictions to ensure, inter alia, the maintenance of a level of financial reserves adequate for the implementation of its programme of economic development or economic transition.

2. The restrictions referred to in paragraph 1:

(a) shall be consistent with the Articles of Agreement of the International Monetary Fund;

(b) shall avoid unnecessary damage to the commercial, economic and financial interests of the other Party;

(c) shall not exceed those necessary to deal with the circumstances described in paragraph 1;

(d) shall be temporary and be phased out progressively as the situation specified in paragraph 1 improves.

3. In determining the incidence of such restrictions, the Parties may give priority to economic sectors which are more essential to their economic or development programmes. However, such restrictions shall not be adopted or maintained for the purpose of protecting a particular sector.

4. Any restrictions adopted or maintained under paragraph 1, or any changes therein, shall be promptly notified to the other Party.

Chapter 14. General and Final Provisions

Article 108. Scope of Application

This Agreement shall apply to:

(a) in respect of the People's Republic of China, the entire customs territory of the People's Republic of China according to the WTO definition at the time of her accession to the WTO on 11 December 2001. For this purpose, for the People's

Republic of China, "territory" in this Agreement refers to the customs territory of the People's Republic of China; and

(b) in respect of the Republic of Singapore, its land territory, internal waters and territorial sea and any maritime area situated beyond the territorial sea which has been or might in the future be designated under its national law, in accordance with international law, as an area within which Singapore may exercise rights with regards to the sea, the sea-bed, the subsoil and the natural resources.

Article 109. State, Regional and Local Government

In fulfilling its obligations and commitments under this Agreement, each Party shall ensure their observance by regional and local governments and authorities in its territory as well as their observance by non-governmental bodies (in the exercise of powers delegated by central, state, regional or local governments or authorities) within its territory.

Article 110. Contact Point

Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement. On the request of a Party, the contact point of the requested Party shall facilitate communication with the requesting Party.

Article 111. Implementation and Review

1. The Parties shall establish an FTA Joint Committee to be chaired jointly by their respective Ministers or their designees, in order to supervise the implementation of this Agreement and also to review this Agreement.

2. The FTA Joint Committee may establish and delegate responsibilities to ad hoc and standing committees or working groups based on mutually agreed terms of reference and composition thereof.

3. The FTA Joint Committee shall:

(a) monitor and review the general functioning of this Agreement;

(b) review specific matters related to the operation and implementation of this Agreement;

(c) study and recommend appropriate measures to resolve any issues arising from the implementation or application of any part of this Agreement;

(d) consider, at either Party's request, further concessions or issues not already dealt with by this Agreement;

(e) facilitate the avoidance and settlement of disputes arising under this Agreement, including through consultations pursuant to the provisions of Chapter 12 (Dispute Settlement);

(f) consider and adopt any amendment to this Agreement or other modification to the commitments therein, subject to the completion of necessary domestic legal procedures by each Party;

(g) as appropriate, issue interpretations of this Agreement;

(h) consider ways to further the objectives of this Agreement; and/or

(i) take such other actions as the Parties may agree.

4. Unless the Parties otherwise agree, the FTA Joint Committee shall convene:

(a) within a year of the date of entry into force of this Agreement and then in regular session every year, with such sessions to be held alternately in the territory of each Party; and

(b) in special session within thirty (30) days of the request of a Party, with such sessions to be held in the territory of the other Party or at such location as may be agreed by the Parties.

5. Each Party shall treat any confidential information exchanged in relation to a meeting of the FTA Joint Committee on the same basis as the Party providing the information.

6. The FTA Joint Committee may, as it deems necessary, refer any matter arising under this Agreement, for joint consideration and decision by higher authorities.

Article 112. Relation to other Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under existing bilateral and multilateral agreements to which both Parties are parties, including the WTO Agreement.

2. In the event of any inconsistency between this Agreement and any other agreement to which both Parties are parties, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution.

Article 113. Annexes

The Annexes to this Agreement shall form an integral part of this Agreement.

Article 114. Amendments

This Agreement may be amended by agreement in writing by the Parties.

Article 115. Entry Into Force, Duration and Termination

1. This Agreement shall enter into force on the 30th day after the date on which the Parties have exchanged written notifications confirming the completion of their respective domestic procedures for the entry into force of this Agreement. The Parties shall complete their respective domestic procedures, and give their respective written notifications, to enable the entry into force of this Agreement by 1 January 2009.

2. Either Party may terminate this Agreement by written notification to the other Party, and such termination shall take effect six (6) months after the date of the notification.

3. Within thirty (30) days of delivery of a notification under paragraph 2, either Party may request consultations regarding whether the termination of any provision of this Agreement should take effect at a later date than provided under paragraph

2. Such consultations shall commence within thirty (30) days of a Party's delivery of such request.

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

Done at Beijing, this 23rd day of October 2008, in duplicate in both the Chinese and English languages, all texts being equally authentic.

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

FOR THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

PROTOCOL TO AMEND THE FREE TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

The Government of the People's Republic of China and the Government of the Republic of Singapore ("the Parties"),

RECALLING the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore (hereinafter referred to as the "China-Singapore FTA", or the "Agreement") done at Beijing on 23 October 2008;

RECALLING that Article 111 of the Agreement provides for the FTA Joint Committee established by the Parties to, inter alia, review and supervise the implementation of the Agreement;

NOTING that Article 114 of the Agreement provides that it may be amended by agreement in writing by the Parties, and further that Article 113 of the Agreement provides that Annexes to the Agreement shall form an integral part of the

Agreement,

RECOGNISING the progress made between the Parties during the two China- Singapore FTA review meetings which took place in Singapore from 14-15 April 2010 and in Beijing from 31 May -1 June 2011;

SEEKING to incorporate into the China-Singapore FTA various agreements reached between the Parties relating to the expansion or amendment of the Agreement;

HAVE AGREED AS FOLLOWS:

ARTICLE 1 Amendment to Article 21 of the China-Singapore FTA

Article 21 of the China-Singapore FTA shall be replaced as follows: “ARTICLE 21 Fungible Products and Materials In determining whether a good is an originating good, any interchangeable goods or materials shall be distinguished by: (a) physical separation of the goods or materials; or (b) an inventory management method recognised in the generally accepted accounting principles of the exporting Party.”

ARTICLE 2 Amendment to Article 27, paragraph 5, of the China-Singapore FTA

Article 27(5) of the China-Singapore FTA shall be replaced as follows: “5. In cases where a Certificate of Origin has not been issued before or at the time of exportation due to involuntary errors or omissions or other valid causes, or no later than three (3) days after the date of shipment, the Certificate of Origin may be issued retrospectively but not later than one (1) year from the date of shipment, bearing the words "ISSUED RETROSPECTIVELY".”

ARTICLE 3 Amendment to Annex 5 of the China-Singapore FTA

The China-Singapore FTA shall be amended by replacing the existing Annex 5, Part A and Part B of the Agreement, with a new Annex 5, Part A – China’s Schedule of Specific Commitments on Services, and Part B – Singapore’s Schedule of Specific Commitments on Services, as attached to this Protocol.

ARTICLE 4 General Provisions

1. This Protocol and the Annexes attached hereto shall enter into force 90 days from the date of signing of this Protocol.

2. This Protocol and the Annexes shall form an integral part of the China- Singapore FTA.

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

Done at Singapore, this 27th day of July 2011, in duplicate in both the Chinese and English languages, all texts being equally authentic.

FOR THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

Lim Hng Kiang Minister for Trade and Industry

FOR THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA

Chen Deming Minister of Commerce