Free Trade Agreement between China and Costa Rica

Article Article

The Government of the People's Republic of China ("China") and the Government of the Republic of Costa Rica ("Costa Rica") hereinafter referred to as "the Parties";
COMMITTING to strengthen the bonds of friendship and cooperation between the Parties;
DESIRING to contribute to the expansion and development of world trade and reaffirming their willingness to strengthen and reinforce the multilateral trading system as reflected in the World Trade Organization (hereinafter "WTO") and other multilateral, regional and bilateral agreements and arrangements to which they are both parties;
BUILDING on their respective rights and obligations under the WTO Agreement and other multilateral, regional and bilateral instruments of cooperation; SHARING the belief that this Free Trade Agreement shall produce benefits to each Party;
RESOLVING to promote reciprocal trade through the establishment of clear and mutually advantageous trade rules and the avoidance of trade barriers and distortions to their reciprocal trade;
RECOGNIZING the importance of transparency in international trade;
RECOGNIZING that this Agreement should be implemented with a view towards raising the standards of living, creating new job opportunities and promoting sustainable development; and
DESIRING to strengthen their economic partnership to bring economic and social benefits to their people; HAVE AGREED as follows:

Section CHAPTER 1. Initial Provisions

Article 1. Establishment of a Free Trade Area

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

Article 2. Objectives

1. The objectives of this Agreement are to:
(a) encourage expansion and diversification of trade between the Parties;
(b) facilitate trade in goods and services;
(c) establish comprehensible rules in order to ensure a regulated and transparent environment for the trade of goods and services between the Parties;
(d) increase investment opportunities in the territories of the Parties;
(e) ensure an adequate and effective protection of intellectual property rights in the territories of the Parties, taking into consideration the economic situation and the social or cultural need of each Party; as well as to promote technological innovation and the transfer and dissemination of technology between the Parties;
(f) confirm their commitment to the promotion of trade and reaffirm their aspiration to achieve an appropriate balance between the economic, social and environmental components of sustainable development;
(g) create effective procedures for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and
(h) establish a framework for further bilateral cooperation to expand and enhance the benefits of this Agreement.
2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objectives set out in paragraph 1 and shall also interpret them in accordance with customary rules of interpretation of public international law.

Article 3. Relation to other International Agreements

1. Nothing in this Agreement shall derogate from the existing rights and obligations of a Party under the WTO Agreement or any other multilateral or bilateral agreement to which it is a party.

2. In the event of any inconsistency between this Agreement and any other agreement to which the Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution in accordance with customary rules of interpretation of public international law.

Article 4. Extent of Obligations

The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement in their respective territories.

Chapter 2. Definitions of General Application

Article 5. Definitions

For purposes of this Agreement, unless otherwise specified:
Commission means the Free Trade Commission established under Article 135 (The Free Trade Commission); customs administration means the competent authority that is responsible under the law of a Party for the administration of customs laws and regulations;
customs duty means any duty or charge of any kind imposed on or in connection with the importation of a good, but does not include any:
(a) charge equivalent to an internal tax imposed consistently with Article III.2 of GATT 1994 and with Article 8 (National Treatment) of Chapter 3 (National Treatment and Market Access for Trade in Goods);
(b) antidumping or countervailing duty imposed consistently with Article VI of GATT 1994, the WTO Agreement on Implementation of Article VI of GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures and with Chapter 8 (Trade Remedies);
(c) fee or other charge imposed consistently with Article 13 (Administrative Fees and Formalities) of Chapter 3 (National Treatment and Market Access for Trade in Goods);
Customs Valuation Agreement means the WTO Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994;
days means calendar days;
existing means in effect on the date of entry into force of this Agreement;
GATS means the WTO General Agreement on Trade in Services;
GATT 1994 means the WTO General Agreement on Tariffs and Trade 1994;
goods of a Party means domestic products as these are understood in the GATT 1994 or such goods as the Parties may agree, and includes originating goods of that Party;
Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes as adopted by the World Customs Organization;
heading means the first four digits in the tariff classification number under the Harmonized System;
measure includes any law, regulation, procedure, requirement, or practice; national means a natural person who has the nationality of a Party according to Article 6 (Country Specific Definitions);
originating means qualifying under the rules of origin set out in Chapter 4 (Rules of Origin and Related Operational Procedures);
Party means any State for which this Agreement is in force; person means a natural person or a juridical person; person of a Party means a national or a juridical person of a Party;
preferential tariff treatment means the duty rate applicable under this Agreement to an originating good; Safeguards Agreement means the WTO Agreement on Safeguards;
SPS Agreement means the WTO Agreement on the Application of Sanitary and Phytosanitary Measures;
SPS measure means any sanitary or phytosanitary measure as referred to in Annex A, paragraph 1 of the SPS Agreement;
subheading means the first six digits in the tariff classification number under the Harmonized System;
TBT Agreement means the WTO Agreement on Technical Barriers to Trade; territory means for a Party the territory of that Party as set out in Article 6 (Country Specific Definitions);
TRIPS Agreement means the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights;
WTO means the World Trade Organization; and
WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done on 15 April 1994.

Article 6. Country Specific Definitions

For purposes of this Agreement, unless otherwise specified:
1. national means:
(a) with respect to China, a natural person who has the nationality of China according to the laws of China; and

(b) with respect to the Republic of Costa Rica, a Costa Rican as defined in Articles 13 and 14 of the Political Constitution of the Republic of Costa Rica (Constitución Política de la República de Costa Rica).
2. territory means:
(a) with respect to China, the territory of the People's Republic of China, including its land territory, air space, internal waters and territorial sea, and any area beyond its territorial sea, within which it has sovereign rights or jurisdiction of exploration for and exploitation of the natural resources thereof in accordance with international law and its internal laws; and
(b) with respect to the Republic of Costa Rica, the national territory including air and maritime space, where the State exercises complete and exclusive sovereignty or jurisdiction in accordance with its domestic legislation and international law.

Chapter 3. National Treatment and Market Access for Trade In Goods

Article 7. Scope and Coverage

Except as otherwise provided in this Agreement, this Chapter applies to trade in goods between the Parties. National Treatment

Article 8. National Treatment

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, and to this end Article III of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, mutatis mutandis.
2. Paragraph 1 shall not apply to the measures set out in Annex 1 (National Treatment and Import and Export Restrictions). Tariff Elimination

Article 9. Tariff Elimination

1. Except as otherwise provided in this Agreement, no Party may increase any existing customs duty, or adopt any new customs duty, on an originating good of the other Party.
2. Except as otherwise provided in this Agreement, each Party shall eliminate its customs duties on originating goods of the other Party, in accordance with Annex 2 (Tariff Elimination).
3. The schedules attached to Annex 2 (Tariff Elimination) shall not apply to used goods, including those identified as such in headings or subheadings of the Harmonized System. Used goods also include those goods that are reconstructed, repaired, remanufactured or any other similar name given to goods that, after having been used, have been subject to some kind of process to restore their original characteristics or specifications, or to restore the functionality they had when they were new.
4. On the request of any Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in their schedules attached to Annex 2 (Tariff Elimination).
5. Notwithstanding Article 135 (The Free Trade Commission), an agreement between the Parties to accelerate the elimination of a customs duty on a good, shall supersede any duty rate or staging category determined pursuant to their schedules attached to Annex 2 (Tariff Elimination) for such good when approved by the Parties in accordance with their applicable legal procedures.
6. For greater certainty, a Party may:
(a) raise a customs duty to the level established in its Schedule to Annex 2 (Tariff Elimination) following a unilateral reduction; or
(b) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO or in accordance with the relevant provisions of Chapter 14 (Dispute Settlement) of this Agreement.
7. The Parties agree that the base rates for tariff elimination are each Party's applied customs duties on 1st January 2009, which are established in their respective schedule attached to Annex 2 (Tariff Elimination). Special Regimes

Article 10. Temporary Admission of Goods

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:
(a) professional equipment, such as equipment used for scientific research, pedagogical or medical activities, the press or television and cinematographic purposes, necessary for a person who qualifies for temporary entry pursuant to the laws of the importing Party;
(b) goods intended for display or demonstration at exhibitions, fairs, meetings, or similar events;

(c) commercial samples; and
(d) goods admitted for sports purposes.
2. Each Party shall, at the request of the person concerned and for reasons its customs administration considers valid, extend the time limit for temporary admission beyond the period initially fixed in accordance with its domestic law.
3. No Party shall condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that such good:
(a) be used solely by or under the personal supervision of a national or resident of the other Party in the exercise of the business activity, trade, profession or sport of that person;
(b) not be sold or leased while in its territory;
(c) be accompanied by the deposit of a bond or security in an amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;
(d) be capable of identification when exported;
(e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within 6 months, unless extended;
(f) be admitted in no greater quantity than is reasonable for its intended use; and (g) be otherwise admissible into the Party's territory under its domestic law.
4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the good plus any other charges or penalties provided for under its domestic law.
5. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted.
6. Each Party shall provide that its customs administration or other competent authority shall relieve the importer or another person responsible for a good admitted under this Article from any liability for failure to re-export the good on presentation of proof to the satisfaction of the customs administration of the importing Party that the good has been destroyed by reason of force majeure. Non-Tariff Measures

Article 11. Import and Export Restrictions

1. Except as otherwise provided in this Agreement, no Party shall adopt or maintain any non-tariff measure that prohibits or restricts the importation of any good of the other Party or on the exportation or sale for export of any good destined to the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes, and to this end Article XI of the GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, mutatis mutandis.
2. Paragraph 1 shall not apply to the measures established in Annex 1 (National Treatment and Import and Export Restrictions).

Article 12. Import Licensing

1. No Party shall adopt or maintain a measure that is inconsistent with the WTO Agreement on Import Licensing Procedures.
2. Each Party shall notify the other Party of any existing import licensing procedures and the list of goods subject to such procedures upon the entry into force of this Agreement.
3. Each Party shall publish any new import licensing procedures and any modification to either the existing import licensing procedures or the list of goods subject to such procedures, if possible, 21 days before it takes effect and, in any event, no later than such effective date.
4. Each Party shall notify the other Party of any other new import licensing procedures, any modifications to either the existing import licensing procedures or the list of goods subject to such procedures, within 60 days of publication. Such publication shall be in accordance with the procedures set out in the WTO Agreement on Import Licensing Procedures.
5. Notification provided under paragraphs 2 and 4 shall include the information specified in Article 5 of the WTO Agreement on Import Licensing Procedures.

Article 13. Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII.1 of the GATT 1994 and its interpretative notes, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III.2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.
2. No Party shall require consular transactions, including related fees and charges, in connection with the importation of any good of the other Party.

3. Each Party shall make available and maintain, through the Internet or a comparable computer-based telecommunications network, a current list of the fees and charges it imposes in connection with importation or exportation. Other Measures

Article 14. Customs Valuation

The Customs Valuation Agreement and the decisions taken by the WTO Committee on Customs Valuation are incorporated into and made part of this Agreement, mutatis mutandis, and the customs law of each Party shall comply with them. Agriculture

Article 15. Scope and Coverage

1. This Section applies to the measures related to agricultural trade adopted or maintained by the Parties.
2. For purposes of this Agreement, agricultural goods mean those goods referred to in Article 2 of the WTO Agreement on Agriculture.

Article 16. Agricultural Export Subsidies

1. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods, and shall work together toward an agreement in the WTO to eliminate those subsidies and prevent their reintroduction in any form.
2. Neither Party shall maintain, introduce or reintroduce any export subsidy on any agricultural good destined to the territory of the other Party.
3. If either Party considers that the other Party has failed to carry out its obligations under this Agreement by maintaining, introducing or re-introducing an export subsidy, such Party may request consultations with the other Party in accordance with Chapter 14 (Dispute Settlement) with a view to arriving to a mutually satisfactory solution.

Article 17. Domestic Support Measures for Agricultural Goods

In order to establish a fair and market-oriented agriculture trading system, the Parties agree to cooperate in the WTO agricultural negotiations on domestic support measures to provide for a substantial and progressive reduction in trade distorting agricultural support. Institutional Provisions

Article 18. Committee on Trade In Goods

1. The Parties hereby establish a Committee on Trade in Goods, comprising representatives of each Party.
2. The Committee shall consider matters arising under this Chapter, Chapter 4 (Rules of Origin and Related Operational Procedures) or Chapter 5 (Customs Procedures).
3. The Committee's functions shall include, inter alia:
(a) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement and other issues as appropriate;
(b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, if appropriate, referring such matters to the Commission for its consideration;
(c) reviewing future amendments to the Harmonized System to ensure that each Party's obligations under this Agreement are not altered, and consulting in order to resolve any conflicts between: (i) subsequent amendments to Harmonized System 2007 and Annex 2 (Tariff Elimination); or (ii) Annex 2 (Tariff Elimination) and national nomenclatures;
(d) consulting on and endeavouring to resolve any difference that may arise among the Parties on matters related to the classification of goods under the Harmonized System; and
(e) establishing ad hoc working groups with specific functions.
4. The Committee shall meet at least once a year, unless otherwise agreed by the Parties. When special circumstances arise, the Committee shall meet at any time upon request of either Party or the Commission. Definitions

Article 19. Definitions

For purposes of this Chapter:
consular transactions means requirements that goods of a Party intended for export to the territory of the other Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations, or any other customs documentation required on or in connection with importation;
duty-free means free of customs duty;

export subsidies shall have the meaning assigned to that term in Article 1(e) of the WTO Agreement on Agriculture, including any amendment to that Article;
goods intended for display or demonstration includes their component parts, ancillary apparatus and accessories; and
import licensing means an administrative procedure requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body as a prior condition for importation into the territory of the importing Party.

Chapter 4. Rules of Origin and Related Operational Procedures

Article 20. Definitions

For purposes of this Section:
aquaculture means the farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seed stock 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, among others;
CIF means the value of the good imported inclusive of the cost of insurance and freight up to the port or place of entry in the country of importation;
FOB means the value of the good free on board, regardless of the mode of transportation inclusive of the cost of transport to the port or site of final shipment abroad;
fungible materials or goods means materials or goods, which are interchangeable for commercial purposes, whose properties are essentially identical;
Generally Accepted Accounting Principles means the recognized consensus or substantial authoritative support in the territory 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. Generally Accepted Accounting Principles may encompass broad guidelines for general application, as well as detailed standards, practices, and procedures; good means any merchandise, product, article, or material;
material means a good used in the production of another good, including any components, ingredients, subassemblies, raw materials, parts or pieces;
neutral elements means the goods used in the production, testing or inspection of another good but not physically incorporated into the good by themselves;
non-originating materials or non-originating goods means materials or goods other than those which qualify as originating in accordance with the provisions of this Chapter, including materials or goods of undetermined origin;
originating materials or originating goods means materials or goods which qualify as originating in accordance with the provisions of this Chapter;
packing materials and containers for shipment means goods used to protect a good during its transportation or storage, other than containers or packaging materials used for retail sale;
producer means a person who engages in the production of a good; Product Specific Rules means rules which specify that a change in tariff classification, a Regional Value Content, a specific processing operation, or a combination of any of these criteria has to be satisfied for the goods as a result of processes of the non-originating materials used in the production performed in the territory of one or both Parties; and production means methods of obtaining goods including, but not limited to, growing, raising, mining, harvesting, fishing, farming, trapping, hunting, capturing, gathering, collecting, breeding, extracting, manufacturing, processing or assembling a good.

Article 21. Originating Goods

Except as otherwise required in this Chapter, a good shall be considered as originating in a Party when:
(a) the good is wholly obtained or produced in the territory of one or both Parties, as defined in Article 22 (Wholly Obtained Goods);
(b) the good is produced entirely in the territory of one or both Parties, exclusively from materials whose origin conforms to the provisions of this Chapter; or
(c) the good is produced in the territory of one or both Parties, using non-originating materials that conform to the Product Specific Rules and meet the other applicable provisions of this Chapter.

Article 22. Wholly Obtained Goods

For purposes of Article 21 (Originating Goods) subparagraph (a), the following goods shall be considered as wholly obtained or produced in the territory of one or both Parties:
(a) live animals born and raised in the territory of one or both Parties;
(b) goods obtained in the territory of one or both Parties from live animals1;

(c) plants and plant products harvested, picked or gathered in the territory of one or both Parties;
(d) goods obtained from hunting, trapping, fishing, aquaculture, farming, or capturing conducted in the territory of one or both Parties;
(e) minerals and other natural resources not included in subparagraphs (a) through (d) above, extracted or taken from its soil, waters, seabed or subsoil;
(f) goods extracted from the waters, seabed or subsoil outside the territorial sea of a Party, provided that the Party has sole rights to exploit such waters, seabed or subsoil under that Party's applicable domestic law, in accordance with relevant international agreements to which that Party is a party;
(g) goods of sea fishing and other products taken from the territorial sea or the Exclusive Economic Zone of a Party;
(h) goods of sea fishing and other products taken from the high sea by a vessel registered or recorded with a Party and flying or entitled to fly the flag of that Party;
(i) goods processed and/or made on board factory ships registered or recorded with a Party and flying or entitled to fly the flag of that Party, exclusively from goods referred to in subparagraphs (g) and (h) above;
(j) scrap and waste derived from processing operations in the territory of China or Costa Rica and fit only for the recovery of raw materials, or used goods collected in the territory of China or Costa Rica provided that such goods are fit only for the recovery of raw materials; and
(k) goods obtained or produced in the territory of one or both Parties solely from goods referred to in subparagraphs (a) to (j) above. 1 Products refer to those obtained from live animals without further processing, including milk, eggs, natural honey, hair, wool, semen and dung.

Article 23. Product Specific Rules

Except as otherwise provided in this Chapter, a good, using non-originating materials and produced in the territory of one or both Parties, shall comply with the corresponding origin criterion established, such as change in tariff classification, a Regional Value Content, processing operation rule, a combination of any of these criteria or other requirements specified in Annex 3 (Product Specific Rules of Origin) in determining the originating status of the goods.

Article 24. Change In Tariff Classification

For purposes of a change in tariff classification criterion provided in Article 23 (Product Specific Rules), the originating status shall be conferred to the goods only when the non-originating materials used in the production of the goods undergo a change of tariff classification specified in Annex 3 (Product Specific Rules of Origin), as a result of processes performed in the territory of one or both Parties. For these purposes, the Harmonized System shall be the basis of the classification of the goods.

Article 25. Regional Value Content

1. For purposes of the Regional Value Content (RVC) criterion of a good provided in Article 23 (Product Specific Rules), the RVC shall be calculated as follows: RVC = V – VNM x 100 V
where:
RVC: is the Regional Value Content, expressed as a percentage; V: is the value of the good, as defined in the Customs Valuation Agreement, adjusted on an FOB basis; and VNM: is the value of the non-originating materials, including materials of undetermined origin, as provided in paragraph 2.
2. The value of the non-originating materials shall be:
(a) the value of the good, as defined in the Customs Valuation Agreement, adjusted on a CIF basis; or
(b) the earliest ascertainable price paid or payable for the non-originating materials in the territory of the Party where the working or processing takes place. When the producer of a good acquires non-originating materials within that Party, the value of such materials 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.
3. For purposes of calculating the Regional Value Content of the good, pursuant to paragraph 1, the value of the non-originating materials used by the producer in the production of the final good in the territory of the Party shall not include the value of non-originating materials used to produce originating materials that are subsequently used in the production of the final good.

Article 26. Processing Operations

For purposes of the processing operation rule provided in Article 23 (Product Specific Rules), the originating status shall be conferred only to the goods as a result of manufacturing or processing operations specified in Annex 3 (Product Specific Rules of Origin), which are carried out in the territory of one or both Parties.

Article 27. Accumulation

1. 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.
2. A good shall be considered as originating where its production is carried out by one or more producers in the territory of a Party, in such way that the production of the materials incorporated in that good, carried out in the territory of that Party, may be considered as part of the production of the good, provided that the good complies with the requirements established in Article 21 (Originating Goods) and all other applicable requirements in this Chapter.

Article 28. Minimal Operations or Processes That Do Not Confer Origin

The following operations or processes, either by themselves or in combination, are considered to be minimal operations or processes and do not confer origin:
(a) operations to ensure the preservation of goods in good condition during transport and storage;
(b) breaking-up and simple assembly of goods;
(c) packing, unpacking or repacking operations for purposes of sale or presentation; or
(d) slaughter of animals.

Article 29. De Minimis

A good that does not meet tariff classification change requirements, pursuant to the provisions of Annex 3 (Product Specific Rules of Origin), shall nonetheless be considered to be an originating good, provided that: (a) the value of all non-originating materials, as determined pursuant to Article 25 (Regional Value Content), that do not meet the tariff classification change requirement, does not exceed 10% of the FOB value of that good; and (b) the good meets all the other applicable requirements of this Chapter.

Article 30. Fungible Materials and Goods

1. In determining whether a good is an originating good, any fungible materials or goods shall be distinguished by:
(a) physical separation of the fungible goods or materials; or
(b) an inventory management method recognized in the Generally Accepted Accounting Principles of the exporting Party.
2. The inventory management method selected under paragraph 1 for a particular fungible good or material shall continue to be used for that good or material throughout the fiscal year.

Article 31. Neutral Elements

In determining whether a good is an originating good, the origin of the following neutral elements shall be disregarded:
(a) fuel, energy, catalysts and solvents;
(b) equipment, devices and supplies used for testing or inspecting the goods;
(c) gloves, glasses, footwear, clothing, safety equipment and supplies;
(d) tools, dies and moulds;
(e) spare parts and materials used in the maintenance of equipment and buildings;
(f) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings; and
(g) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production.

Article 32. Sets

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all the components of the sets are originating. Nevertheless, when a set is composed of originating and non-originating goods, the set as a whole shall be regarded as originating, provided that the value of the non-originating goods as determined pursuant to Article 25 (Regional Value Content) does not exceed 15% of the total value of the set.

Article 33. Packing, Packages and Containers

1. Containers and packing materials used for the transport of goods shall not be taken into account in determining the origin of the goods.

2. Where goods are subject to a change in tariff classification criterion set out in Annex 3 (Product Specific Rules of Origin), the origin of the packaging materials and containers in which goods are packaged for retail sale shall be disregarded in determining the origin of the goods, provided that the packaging materials and containers are classified with the goods. However, if the goods are subject to a Regional Value Content requirement, the value of the packaging materials and containers used for retail sale shall be taken into account as originating materials or non-originating materials, as the case may be, when determining the origin of the goods.

Article 34. Accessories, Spare Parts and Tools

1. Accessories, spare parts, or tools presented as part of the good upon importation shall be disregarded when determining the origin of the good, provided that:
(a) the accessories, spare parts, or tools are classified with and not invoiced separately from the good; and
(b) the quantities and values of accessories, spare parts, or tools are commercially customary for the good.
2. Where goods are subject to a Regional Value Content requirement, the value of the accessories, spare parts, or tools, shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating the Regional Value Content of the goods.

Article 35. Direct Consignment

1. The originating goods of the Parties claiming for preferential tariff treatment shall be directly consigned between the Parties.
2. Originating goods whose transport involves transit through one or more non-Parties, with or without transhipment or temporary storage in such non-Parties under control of the customs administration of such countries, are still considered directly consigned between the Parties, provided that:
(a) the transit entry is justified for geographical reason or by consideration related exclusively to international transport requirements;
(b) the goods do not enter into trade or consumption there;
(c) the goods do not undergo any operation there other than unloading and reloading, repacking, or any operation required to keep them in good condition;
(d) in case where the goods are temporarily stored in the territory of a non-Party, as provided in paragraph 2, stay of the goods in that non-Party shall not exceed 3 months from the date of its entry.
3. For purposes of paragraph 2, the following documents shall be submitted to the customs administration of the importing Party upon import declaration of the goods:
(a) the Through Bill of Lading and other supporting documents for those goods with trans-shipment in a non-Party; and
(b) in case where the goods are temporarily stored in the territory of a non-Party, additional documentary evidence provided by the customs administration of such non-Party. Where conditions under subparagraphs (a), (b), (c) and (d) are not met, such good will not be considered as originating. Related Operational Procedures

Article 36. Definitions

For purposes of this Section:
authorized body means any body designated under the domestic law of a Party or by the governmental authority of a Party to issue a Certificate of Origin; and
competent authority means:
(a) in the case of China, the General Administration of Customs is responsible for the organization and implementation of the Rules of Origin under this Agreement in accordance with domestic laws, the General Administration of Quality Supervision, Inspection and Quarantine is responsible for the administration of issuance of the Certificate of Origin in accordance with domestic laws; and
(b) in the case of Costa Rica, the National Customs Service (Servicio Nacional de Aduanas).

Article 37. Certificate of Origin

1. To qualify originating goods for preferential tariff treatment, the Certificate of Origin, as set out in Annex 4 (Certificate of Origin), shall be issued by the authorized body or bodies of the exporting Party, on written application by the exporter, together with supporting documents, and shall be submitted on importation to the customs administration of the importing Party. The Certificate of Origin shall:
(a) contain a unique certificate number;
(b) cover one or more goods under one consignment;
(c) state the basis on which the goods are deemed to qualify as originating for purposes of Section A of this Chapter;

(d) contain security features, such as specimen signatures or stamps as advised to the importing Party by the exporting Party; and (e) be completed in English by typing.
2. A Certificate of Origin shall remain valid for 12 months from the date of issuance.
3. In principle, the Certificate of Origin shall be issued before or at the time of exportation. Nevertheless, a Certificate of Origin may exceptionally be issued retrospectively after exportation, on the condition that the exporter provides all the necessary commercial documents and export declaration processed by the customs administration of the exporting Party, provided that:
(a) it was not issued at the time of exportation due to force majeure, or errors, or involuntary omissions or other special circumstances as may be deemed satisfied under the domestic law of each Party, where applicable; or
(b) it is demonstrated to the satisfaction of the authorized body that the Certificate of Origin was issued but was not accepted at importation for technical reasons. The validation period shall remain the same as indicated in the Certificate originally issued.
4. Where paragraph 3 is applied, the Certificate shall be issued retrospectively within 12 months from the date of exportation, and shall be endorsed with the words "ISSUED RETROSPECTIVELY".
5. In the event of theft, loss or accidental destruction of a Certificate of Origin, the exporter or producer may make a written request to the authorized body or bodies of the exporting Party for issuing a certified copy, provided that the original copy previously issued has been proved unused as a result of verification. The certified copy shall bear the words "CERTIFIED TRUE COPY with the original Certificate of Origin number ___ dated ___".

Article 38. Authorized Bodies

1. A Certificate of Origin shall be issued only by the authorized body or bodies in the exporting Party.
2. The competent authority of the exporting Party shall inform the competent authority of the importing Party of the name of each authorized body, as well as the relevant contact details of each authorized body, and shall provide details of any security features for the Certificate of Origin, including official stamps used by each authorized body, prior to the issuance of any Certificates by that body. Any change in the information provided above shall be informed promptly to the competent authority of the other Party.

Article 39. Supporting Documents

The documents used for purposes of proving that the goods covered by a Certificate of Origin can be considered as originating goods and fulfil the other requirements of this Chapter may include, inter alia, the following:
(a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal book-keeping;
(b) documents proving the originating status of the materials used, where these documents are used in accordance with the domestic law;
(c) documents proving the working or processing of materials, where these documents are used in accordance with the domestic law; or
(d) Certificates of Origin proving the originating status of the materials used.

Article 40. Preservation of Certificate of Origin and Supporting Documents

1. The exporter applying for the issuance of a Certificate of Origin shall keep, for at least 3 years, the documents referred to in Article 39 (Supporting Documents), from the date of issuance of the Certificate.
2. The authorized body or bodies of the exporting Party issuing a Certificate of Origin shall keep a copy of the Certificate of Origin for at least 3 years, from its date of issuance.

Article 41. Obligations Regarding Importations

Except as otherwise provided in this Chapter, each Party shall require an importer in its territory that claims preferential tariff treatment to:
(a) make a written statement in the import customs declaration, indicating that the good qualifies as an originating good;
(b) posses a valid Certificate of Origin, at the time the import customs declaration referred to in subparagraph (a) is made; and
(c) submit the original Certificate of Origin and other documentary evidence related to the importation of the goods, upon requirements of the customs administration of the importing Party.

Article 42. Refund of Import Customs Duties or Deposit

1. Where a good is imported into the territory of a Party without the submission of a Certificate of Origin under this Agreement, the customs administration of the importing Party may, where applicable, impose the applied non-preferential customs duties, or require payment of a deposit or guarantee equivalent to the full duties on that good. The importer may, within 1 year, after the payment of the customs duties, apply for a refund of any excess import customs duties imposed, or apply for a refund of deposit or guarantee paid, within 3 months or such longer period as may be specified in the domestic law of the importing Party, after the payment of the deposit or guarantee, on presentation of:
(a) a valid Certificate of Origin issued in accordance with Article 37 (Certificate of Origin); and
(b) other documentary evidence related to the importation of the good as the customs administration of the importing Party may require; provided that the importer declares, on his own initiative, to the customs administration through a written statement upon importation, indicating that the good presented qualifies as an originating good.
2. No customs duties, deposit or guarantee shall be refunded in the case where the importer fails to declare upon importation, in the same way as specified in paragraph 1, to the customs administration that the good qualifies as an originating good, even though a valid Certificate of Origin is submitted subsequently.

Article 43. Exemption of Obligation of Submitting Certificate of Origin

1. 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. Nevertheless, the Party may require a statement certifying that the good is qualified as an originating good;
(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
(c) other cases where a Certificate of Origin is not required, as provided under its domestic law.
2. The exemptions established in paragraph 1 shall be applicable, provided that the importation does not form part of one or more importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the certification requirements set out in Article 37 (Certificate of Origin).

Article 44. Verification of Origin

1. For purposes of determining whether goods imported into the territory of a Party qualify as originating goods under this Chapter, the customs administration of the importing Party may verify origin of the goods, when there are reasonable grounds to doubt the accuracy or authenticity of the Certificate of Origin or when performing the control. The customs administration of the importing Party shall conduct the 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) written requests to the authorized body of the exporting Party to verify the origin of the goods, with a copy of such request being notified or communicated to the competent authority of the exporting Party; or (d) such other procedures as the competent authorities of the Parties may jointly decide, including a verification visit. 2. The customs administration of the importing Party which makes a written request for verification under subparagraph 1(c) shall specify the reasons of the request and provide any documents and information or copies thereof in support of such request.
3. The importer, exporter or producer, who is requested for verification under the subparagraphs 1(a) or 1(b), shall respond the results of the verification in such detail as requested by the requesting Party within 60 days (not extendable) from the date of notification of the written request. The authorized body which is requested to undertake the verification under subparagraph 1(c), shall respond the results of the verification in such detail as requested by the requesting Party, within 6 months from the date of the notification of the written request, to the competent authority of the importing Party, with a copy of the results of the verification being notified or communicated to the competent authority of the exporting Party.
4. The competent authority of the importing Party shall notify, in writing, to the competent authority of the exporting Party of the results of the determination on the origin of the good, including its legal basis and findings of fact.

Article 45. Denial of Preferential Tariff Treatment

1. A Party may deny preferential tariff treatment to a good when:
(a) the good imported does not qualify as originating in accordance with the provisions of this Chapter;
(b) the good imported does not comply with the provisions on direct consignment under Article 35 (Direct Consignment);
(c) the competent authority of the exporting Party fails, as required under Article 38 (Authorized Bodies), to inform the competent authority of the importing Party of the name of the authorized body or bodies, any security features of the Certificate of Origin, or any change in the above information;
(d) the importer, exporter, producer or authorized bodies, as appropriate, requested by the importing Party, fails to comply with the requirements under paragraph 3 of the Article 44 (Verification of Origin);
(e) the Certificate of Origin has not been duly completed, signed, or stamped in accordance with the provisions under this

Chapter;
(f) the data provided under the Certificate of Origin does not correspond to that of the supporting documents submitted; or
(g) the description, quantity and weight of goods, marks and number of packages, number and kinds of packages, as specified in the Certificate of Origin, do not conform to the goods presented.
2. In the event that the preferential tariff treatment is denied, the competent authority of the importing Party shall inform the importer of the decision on the denial of the preferential treatment and the reasons for that decision.

Article 46. Committee on Rules of Origin

1. The Parties hereby establish a Committee on Rules of Origin, comprising in the case of China, the General Administration of Customs, the General Administration of Quality Supervision, Inspection and Quarantine, and the Ministry of Commerce; and in the case of Costa Rica, the Ministry of Foreign Trade (Ministerio de Comercio Exterior) and the National Customs Service (Servicio Nacional de Aduanas).
2. The Committee shall meet on the request of a Party or the Commission to consider any matter arising under this Chapter.
3. The functions of the Committee on Rules of Origin, shall include:
(a) ensuring the effective, uniform and consistent administration of this Chapter, and enhancing the cooperation in this regard;
(b) keeping updated Annex 3 (Product Specific Rules of Origin) on the basis of the transposition of the Harmonized System;
(c) advising the Commission of proposed solutions to address issues related to:
(i) interpretation, application and administration of this Chapter;
(ii) calculation of the Regional Value Content; and
(iii) issues arising from the adoption by either Party of operational practices not in conformity with this Chapter that may adversely affect the flow of trade between the Parties.

Chapter 5. Customs Procedures

Article 47. Definitions

For purposes of this Chapter, customs administration means: (a) for China, the General Administration of Customs of the People's Republic of China; and (b) for Costa Rica, the National Customs Service (Servicio Nacional de Aduanas).

Article 48. Publication

1. Each administration shall publish, including on the Internet, its customs laws, regulations, and rules. (2)
2. Each administration shall designate or maintain one contact point to address inquiries by interested persons concerning customs matters and shall make available on the Internet information concerning the procedures for making such inquiries.

(2) In the case of Costa Rica, the term “rules” shall be understood as general administrative provisions.

Article 49. Release of Goods

1. According to its domestic law, each Party shall establish or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties.
2. Each Party shall endeavour to adopt procedures to ensure, to the extent possible, the release of goods within a period no greater than 48 hours after submission of the customs declaration.

Article 50. Use of Automated Systems

1. The customs administrations shall apply information technology to support customs operations, particularly by facilitating the transmission of information prior to the arrival of the shipment, to allow the release of goods in the shortest time possible after their arrival.
2. The customs administrations shall endeavour to use information technology that expedites procedures for the release of goods and risk management and targeting.

Article 51. Cooperation

1. With a view to facilitating the effective operation of this Agreement, each Party shall endeavour to provide the other Party

with advance notice of any significant modification of its administrative policy and other similar development related to its laws or regulations governing importations or exportations, and that is likely to substantially affect the operation of this Agreement.
2. The Parties, through their customs administrations, shall cooperate in achieving compliance with their respective domestic laws or regulations governing importations or exportations pertaining to:
(a) the implementation and operation of this Agreement, including its Chapter 4 (Rules of Origin and Related Operational Procedures);
(b) the implementation and operation of the Customs Valuation Agreement;
(c) restrictions or prohibitions on imports or exports; and
(d) other customs matters as the Parties may agree.
3. According to its domestic law, each Party, through its customs administration, shall endeavour to provide the other Party with any information that may assist that Party in determining if importations or exportations are in compliance with its laws or regulations governing importations, in particular those related to the prevention of fiscal fraud in any of its modalities.
4. For purposes to facilitate the flow of trade between the Parties, the Parties shall endeavour to provide the other Party with technical advice and assistance for the purpose of improving risk assessment techniques, simplifying and expediting customs procedures, advancing the technical skills of personnel, and enhancing the use of technologies that can lead to improved compliance with the laws or regulations governing importations.
5. The customs administrations of the Parties shall negotiate a Mutual Administrative Assistance Agreement that will cover relevant customs issues, no later than 3 months counted from the date of entry into force of this Free Trade Agreement. The Mutual Administrative Assistance Agreement shall be in compliance with the domestic law of each Party.

Article 52. Risk Management

Each Party shall endeavour to adopt or maintain risk management systems that enable its customs administration to focus its inspection activities on high-risk goods and that simplify the clearance and movement of low-risk goods.

Article 53. Express Shipments

Each customs administration shall adopt or maintain separate and expedited customs procedures for express shipments while maintaining appropriate risk management systems. These procedures shall, under normal circumstances, provide an express or expedited clearance of goods after submission of all the necessary requirements and customs documents.

Article 54. Review and Appeal

Each Party shall ensure, with respect to its determinations on customs matters, that importers in its territory have access to: (a) a level of administrative review independent of the employee or office that issued the determination; and (b) judicial review of the administrative decision.

Article 55. Penalties

Each Party shall adopt or maintain measures that allow for the imposition of administrative penalties and, where appropriate, criminal sanctions for violations of its customs laws and regulations, including those governing tariff classification, customs valuation, country of origin, and claims for preferential treatment under this Agreement.

Article 56. Advance Rulings

1. The customs administration of each Party shall issue written advance rulings prior to the importation of a good into its territory upon written request of an importer in its territory, or exporter in the territory of the other Party, (3) on the basis of the facts and circumstances provided by the requester, including a detailed description of the information required to process a request for an advance ruling. The advance ruling may be issued on the following matters:
(a) tariff classification; or
(b) origin of a good in accordance with this Agreement.
2. The customs administration shall issue an advance ruling within 90 days after a request, provided that the requester has submitted all information that the competent authority requires. These advance rulings shall be in force from their date of notification, provided that the facts or circumstances on which the ruling is based remain unchanged.
3. The advance rulings that are into force may be annulled, amended or revoked, by the authorities that issued them, by administrative initiative, when one of the following situations is presented:
(a) where the facts or circumstances prove that the information on which the advance ruling is based is false or inaccurate.

In these cases, the customs administration may apply appropriate measures to the requester, including civil, criminal and administrative actions, penalties or other sanctions in accordance with its domestic laws;
(b) where the customs administration deems appropriate to apply different criteria on the same facts and circumstances subject to the initial advance rulings. In this case, the amendment or revocation shall be applied from the date of the change and in no case shall oppose to situations occurred being into force the resolution; or
(c) when the administrative decisions are affected due to changes in the laws, regulations and rules that served as basis. In this case, the advance rulings shall automatically cease to be in force from the date of publication of the changes. In the cases mentioned in subparagraphs (b) and (c) the customs administration shall make available to interested persons the information reviewed, with sufficient time prior to the date on which the amendments enter into force, so they can take them into account, with the exception of the cases where it is impossible to publish in advance.

(3) For China, the applicant for an advance ruling on tariff classification must be registered with the local customs authority of China.

Chapter 6. Sanitary and Phytosanitary Measures

Article 57. Objectives

The objectives of this Chapter are to:
(a) facilitate trade between the Parties, while protecting human, animal or plant life or health in the territory of the Parties;
(b) uphold and enhance the implementation of the SPS Agreement and applicable international standards, guidelines and recommendations developed by relevant international organizations; and
(c) provide means to improve communication and consultation to resolve sanitary and phytosanitary issues in an efficient manner.

Article 58. Scope

This Chapter applies to all SPS measures of a Party that may, directly or indirectly, affect trade between the Parties.

Article 59. Definitions

For purposes of this Chapter:
(a) the definitions in Annex A of the SPS Agreement and the definitions provided in the glossary of harmonized terms of the relevant international organizations shall apply to this Chapter; and
(b) relevant international organizations refers to the organizations mentioned in the SPS Agreement, namely the International Plant Protection Convention (IPPC), the Codex Alimentarius (Codex) and the World Organization for Animal Health (OIE).

Article 60. Reaffirmation of Rights and Obligations

1. The Parties reaffirm their rights and obligations under the SPS Agreement. The Parties agree to follow the principles of scientific justification, harmonization, equivalence and regionalization of the SPS Agreement when developing relevant SPS measures. Nothing in this Chapter shall prevent a Party from adopting or maintaining SPS measures in accordance with its rights and obligations under the SPS Agreement. 2. The Parties recognize and apply the decisions on the application of the SPS Agreement adopted by the WTO Committee on Sanitary and Phytosanitary Measures (hereinafter "WTO/SPS Committee").

Article 61. Regionalization

The Parties recognize the principle of regionalization, as provided in Article 6 of the SPS Agreement, as a tool to properly and actively resolve issues of concern to each other, taking into account the appropriate criteria or guidelines developed by the relevant international organizations and decisions adopted by the WTO/SPS Committee.

Article 62. Equivalence

1. The Parties recognize that the principle of equivalence as set out in Article 4 of the SPS Agreement, as applied to SPS measures, produces mutual benefits for both Parties. The importing Party shall give positive consideration to accepting the SPS measures of the exporting Party as equivalent, if the exporting Party objectively demonstrates to the importing Party

that its measures achieve the importing Party's appropriate level of sanitary or phytosanitary protection.
2. For the recognition of equivalence, the Parties should take into account international standards, guidelines and recommendations developed by the relevant international organizations and decisions adopted by the WTO/SPS Committee, where relevant to the particular case.

Article 63. Risk Analysis

1. The Parties recognize that risk analysis is an important tool for ensuring that SPS measures have scientific basis. The Parties shall ensure that their SPS measures are based on an assessment, as appropriate to the circumstances, of the risks to human, animal or plant life or health as provided in Article 5 of the SPS Agreement, and take into account the risk assessment techniques developed by the relevant international organizations.
2. The importing Party shall give priority consideration to market access requests of the exporting Party by undertaking as soon as possible the risk analysis in a manner consistent with the domestic legislation of the importing Party. For this purpose, the competent authorities of the Parties will maintain close communications and good working relationships at each stage of the risk analysis process in order to facilitate it and to avoid undue delay. The exporting Party shall provide the necessary information required by the importing Party for the risk assessment.
3. At the end of the risk analysis process, evidence supporting the risk analysis, remaining uncertainties and risk management proposals shall be communicated to the exporting Party.
4. If an exporting Party submits multiple market access requests to the importing Party, the exporting Party should identify its priority among these requests and this will be taken into account by the importing Party.
5. If a protocol of sanitary and/or phytosanitary requirements is needed based on risk analysis, the competent authorities of the Parties shall enter into negotiations as soon as possible, with the aim of adopting the protocol. The establishment, review and amendment of the protocol by the competent authorities will be in accordance with the provisions of this Chapter and the SPS Agreement. In this sense, the protocol shall be scientifically justified, and shall not constitute a disguised restriction on trade.

Article 64. Control, Inspection and Approval Procedures

Control, inspection and approval procedures shall be carried out in accordance with the provisions of Article 8 and Annex C of the SPS Agreement.

Article 65. Transparency

1. The Parties shall notify each other electronically through their respective WTO/SPS Enquiry Points of their proposed SPS measures that may affect trade between the Parties, in accordance with relevant provisions of the SPS Agreement. Each Party shall allow at least 60 days for the other Party to present comments on any notifications except where urgent problems of health protection arise or threaten to arise. This comment period is encouraged to be extended when the WTO/SPS Committee recommends a longer period. Each Party shall provide the full text of its notified SPS measures to the other Party within 5 working days after receiving the written request.
2. The Parties shall ensure that all adopted SPS measures are published and available to the other Party upon request and at no cost.
3. The Parties agree to strengthen information exchange cooperation between their WTO/SPS Enquiry Points and contact points established in Annex 5 (Contact Points for Sanitary and Phytosanitary Matters), including sharing, when available, translated English versions of the full texts of the adopted SPS measures as well as relevant information.
4. The exporting Party shall take effective measures to prevent and avoid sanitary and phytosanitary risks in bilateral trade, including notification in a timely manner to the importing Party of possible risks associated with its exports. Both Parties should encourage their competent authorities to enhance cooperation in this field and sign cooperative agreements if needed.
5. The importing Party shall notify the exporting Party in a timely manner of any problems that might occur with products imported from the exporting Party, the measure to be taken and its justifications, through the contact points established in Annex 5 (Contact Points for Sanitary and Phytosanitary Matters).

Article 66. Technical Cooperation

1. The Parties agree to strengthen bilateral technical cooperation on sanitary and phytosanitary issues, with a view to enhancing the mutual understanding of the regulatory systems of the Parties and facilitating access to each other's markets, with respect to, inter alia, laboratory testing techniques, disease/pest control methods and risk analysis methodology. The Parties agree to explore cooperation programs on technical assistance and capacity building, including but not limited to training programs and exchange visits.

2. Both Parties agree to encourage their WTO/SPS Enquiry Points to work in the following areas:
(a) providing assistance in English translation;
(b) providing information for specific products; and
(c) providing information on relevant regulations and documents.

Article 67. Committee on Sanitary and Phytosanitary Matters

1. The Parties hereby establish a Committee on Sanitary and Phytosanitary Matters (hereinafter "SPS Committee"), comprising representatives of each Party who have responsibility for sanitary and phytosanitary matters.
2. The SPS Committee shall convene its first meeting not later than 1 year after the date of entry into force of this Agreement and meet once every 2 years or at any time agreed by the Parties, in presence or through teleconference, videoconference, or any other means agreed by the Parties.
3. At its first meeting, the SPS Committee shall establish rules of procedure to guide its operation.
4. The SPS Committee shall have the following functions:
(a) to facilitate and monitor the implementation of this Chapter;
(b) to promote and facilitate communication, information exchange between the competent authorities with a view to enhancing mutual understanding of each Party's SPS measures and the regulatory processes that relate to those measures;
(c) to provide a forum for discussions on sanitary and phytosanitary issues that affect, or may affect, trade between the Parties;
(d) to coordinate technical cooperation programs on sanitary and phytosanitary matters;
(e) to enhance communication and cooperation in international organizations related to sanitary and phytosanitary matters;
(f) to establish ad hoc working groups in accordance with its terms of reference, when necessary;
(g) to review this Chapter in light of developments under the SPS Agreement; and
(h) other functions mutually agreed by the Parties.
5. The SPS Committee shall be coordinated by:
(a) in the case of China, the Department of International Cooperation, General Administration of Quality Supervision, Inspection and Quarantine, or its successor; and
(b) in the case of Costa Rica, the Directorate for the Application of International Trade Agreements of the Ministry of Foreign Trade (Dirección de Aplicación de Acuerdos Comerciales Internacionales del Ministerio de Comercio Exterior), or its successor.
6. In order to facilitate daily communication, the Parties designate contact points in the competent authorities. For detailed information, see Annex 5 (Contact Points for Sanitary and Phytosanitary Matters).

Chapter 7. Technical Barriers to Trade

Article 68. Objectives

The objectives of this Chapter are to:
(a) facilitate and increase trade in goods by preventing and eliminating unnecessary barriers to trade between the Parties, which may arise as a result of the preparation, adoption and application of technical regulations, standards and conformity assessment procedures;
(b) strengthen cooperation between the Parties, with a view to promoting and facilitating the bilateral trade through the establishment of a mechanism of information exchange and enhancing mutual understanding of each Party's regulatory system;
(c) effectively solve the relevant problems arising from bilateral trade; and (d) improve the implementation of the TBT Agreement.

Article 69. Scope

This Chapter applies to all technical regulations, standards and conformity assessment procedures of a Party that may, directly or indirectly, affect trade in goods between the Parties, except SPS measures which are covered by Chapter 6 (Sanitary and Phytosanitary Measures), or purchasing specifications prepared by governmental bodies for production or consumption requirements of governmental bodies.

Article 70. Definitions

The definitions contained in Annex 1 of the TBT Agreement shall apply to this Chapter.

Article 71. Reaffirmation of Rights and Obligations

The Parties reaffirm their existing rights and obligations under the TBT Agreement. Nothing in this Chapter shall prevent a Party from adopting or maintaining technical regulations, standards and conformity assessment procedures in accordance with its rights and obligations under the TBT Agreement.

Article 72. Technical Regulations

1. The Parties agree to use relevant international standards as a basis for technical regulations, except when such international standards would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued.
2. Each Party shall give positive consideration to accepting as equivalent technical regulations of the other Party, even if these regulations differ from their own, provided that they are satisfied that these regulations adequately fulfil the objectives of their own regulations.
3. The Parties recognize the importance of applying good regulatory practice under the TBT Agreement, taking into consideration the decisions and recommendations adopted by the WTO Committee on Technical Barriers to Trade (hereinafter "WTO/TBT Committee").

Article 73. Standards

1. The Parties reaffirm their obligations to ensure that their central government standardizing bodies accept and comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards in Annex 3 to the TBT Agreement.
2. The Parties agree to coordinate and, whenever possible, support each other in international standardization activities.
3. The Parties commit to strengthen cooperation between standardization bodies of each Party, including but not limited to exchange of information and experience.
4. The Parties shall ensure the application of the principles set out in the Decisions of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5 and Annex 3 of the Agreement, adopted by WTO/TBT Committee, since 1st January 1995 (G/TBT/1/Rev. 9, 8 September 2008).

Article 74. Conformity Assessment Procedures

1. The Parties recognize that a broad range of mechanisms exists to facilitate the acceptance of conformity assessment procedures and the results thereof.
2. The Parties agree to exchange information on conformity assessment procedures, including testing, inspection, certification, accreditation and metrology, with a view to negotiating cooperation agreements in the field of conformity assessment procedures in a manner consistent with the provisions of the TBT Agreement and the relevant domestic legislation of the Parties.
3. When cooperating in conformity assessment, the Parties shall take into consideration their participation in the International Laboratory Accreditation Cooperation (ILAC), the International Bureau of Weights and Measures (BIPM), the International Organization of Legal Metrology (OIML) and other relevant international organizations.
4. In case that a compulsory conformity assessment procedure is required, upon request of one Party, the other Party undertakes to provide in English the list of products which are subject to these procedures.
5. The Parties agree to encourage their conformity assessment bodies to work closer with a view to facilitating the acceptance of conformity assessment results between both Parties.

Article 75. Transparency

1. The Parties shall notify each other electronically through their respective WTO/TBT Enquiry Points of their proposed TBT measures at the same time as they submit notifications to the WTO Secretariat in accordance with the TBT Agreement. Each Party shall allow at least 60 days for the other Party to present comments on any notifications except where risks to health, safety and the environment arising or threatening to arise warrant urgent actions. Each Party shall provide, upon request, the full text of its notified TBT measures to the other Party within 5 working days after receiving the written request. This comment period is encouraged to be extended when the WTO/TBT Committee recommends a longer period.
2. Each Party should take the comments of the other Party into due consideration, and upon request of the other Party, provide additional information during the comments period, with a view to clarifying the draft measure.
3. The Parties agree to strengthen information exchange cooperation between their WTO/TBT Enquiry Points, including sharing available translated English versions of the full texts of the TBT measures notified as well as relevant information, within 5 working days after the request.

4. The Parties shall ensure that all adopted technical regulations and conformity assessment procedures are published and available to the other Party upon request and at no cost.

Article 76. Technical Cooperation

1. The Parties agree that collaboration between the competent authorities responsible for TBT matters is important to facilitate bilateral trade. The Parties undertake to cooperate in the following fields:
(a) to increase the mutual understanding of their respective systems by intensifying communication and collaboration between the competent authorities in respect of technical regulations, standards, conformity assessment procedures and good regulatory practice of each other;
(b) to strengthen cooperation, communication and, whenever possible, coordinate positions in the activities of the relevant international organizations and the WTO/TBT Committee;
(c) to exchange information and experiences on port inspection and market surveillance;
(d) to notify the exporting Party in a timely manner of any possibly emerging problems of products imported from the exporting Party, the measure to be taken and its justifications, through the contact points established in Annex 6 (Contact Points for Technical Barriers to Trade); and
(e) to take measures to prevent and correct risk situations in bilateral trade of products, including encouraging their competent authorities to enhance cooperation and sign cooperative agreements if needed.
2. Both Parties agree to encourage their WTO/TBT Enquiry Points to work in the following areas:
(a) providing assistance in English translation;
(b) providing information for specific products; and (c) providing information on relevant regulations and documents.

Article 77. Committee on Technical Barriers to Trade

1. The Parties hereby establish a Committee on Technical Barriers to Trade (hereinafter "TBT Committee") in order to achieve the objectives set in this Chapter, comprising representatives of each Party.
2. The TBT Committee shall convene its first meeting not later than 1 year after the date of entry into force of this Agreement and meet once every 2 years or at any time agreed by the Parties, in presence or through teleconference, videoconference, or any other means agreed by the Parties.
3. At its first meeting, the TBT Committee shall establish rules of procedures to guide its operation.
4. The TBT Committee shall have the following functions:
(a) to facilitate and monitor the implementation and administration of this Chapter;
(b) to address important issues that a Party raises related to the development, adoption, application of technical regulations and conformity assessment procedures;
(c) to facilitate the exchange of information on technical regulations, standards and conformity assessment procedures and strengthen cooperation in these fields;
(d) to explore ways for trade facilitation between the Parties;
(e) to review this Chapter in light of developments of the TBT Agreement; and
(f) other functions mutually agreed by the Parties.
5. The TBT Committee shall be coordinated by:
(a) in the case of China, the Department of International Cooperation of the General Administration of Quality Supervision, Inspection and Quarantine, or its successor; and
(b) in the case of Costa Rica, the Directorate for the Application of International Trade Agreements of the Ministry of Foreign Trade (Dirección de Aplicación de Acuerdos Comerciales Internacionales del Ministerio de Comercio Exterior), or its successor.
6. In order to facilitate daily communication, the Parties designate contact points in the competent authorities. For detailed information, see Annex 6 (Contact Points for Technical Barriers to Trade).

Chapter 8. Trade Remedies

Article 78. Global Safeguard Measures

1. Each Party maintains its rights and obligations under Article XIX of GATT 1994 and the Safeguards Agreement.
2. Neither Party may apply, with respect to the same product, at the same time:
(a) a bilateral safeguard measure; and
(b) a measure under Article XIX of GATT 1994 and the Safeguards Agreement. Bilateral Safeguard Measures

Article 79. Imposition of a Bilateral Safeguard Measure

1. If, as a result of the reduction or elimination of a duty provided for in this Agreement, an originating product benefiting from preferential tariff treatment under this Agreement 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 as to constitute a substantial cause of serious injury or threat thereof, to a domestic industry producing a like or directly competitive product, the importing Party may impose a safeguard measure described in paragraph 2, during the transition period only.
2. If the conditions in paragraph 1 are met, a Party may to the extent necessary to prevent or remedy serious injury, or threat thereof, and to facilitate adjustment:
(a) suspend the further reduction of any rate of duty provided for under this Agreement on the product; or (b) increase the rate of duty on the product to a level not to exceed the lesser of:
(i) the most-favoured-nation (hereinafter "MFN") applied rate of duty in effect at the time the measure is applied; or
(ii) the MFN applied rate of duty in effect on the date of entry into force of this Agreement. (4)
3. If an originating product is imported into the territory of a Party in such increased quantities, in absolute terms or relative to domestic production and under such conditions as to cause material retardation of the establishment of a domestic industry producing a like or directly competitive product, the importing Party may impose a safeguard measure that may consist in an increase of the rate of duty on the product to a level not to exceed the MFN applied rate of duty in effect at the time the measure is applied. (5)

(4) 4 The Parties understand that neither tariff rate quotas nor quantitative restrictions would be a permissible form of a safeguard measure.

(5) This provision is only applicable for a period of 7 years from the date of entry into force of this Agreement.

Article 80. Standards for a Definitive Bilateral Safeguard Measure

1. Neither Party may maintain a safeguard measure:
(a) except to the extent and for such time as may be necessary to prevent or remedy serious injury or threat thereof or material retardation, and to facilitate adjustment or establishment, as the case may be;
(b) for a period exceeding 1 year; except that the period may be extended up to 3 years if the competent authorities determine, in conformity with the procedures set out in Article 81 (Investigation Procedures and Transparency Requirements), that the safeguard measure continues to be necessary to prevent or remedy serious injury or threat thereof or material retardation and to facilitate adjustment or establishment, and that there is evidence that the industry is adjusting or establishing, as the case may be.
2. In order to facilitate adjustment or establishment in a situation where the expected duration of a safeguard measure is over 1 year, the Party applying the measure shall progressively liberalize it at regular intervals during the period of application.
3. Regardless of its duration, such measure shall terminate at the end of the transition period or at the end of the period defined in footnote 5 of Article 79 (Imposition of a Bilateral Safeguard Measure), as the case may be.
4. No safeguard measure shall be applied to the import of a product that has previously been subject to such a measure, unless a period of time equal to half of that during which the safeguard measure was applied for the immediately preceding period has elapsed. 5. On the termination of a safeguard measure, the rate of duty shall be the duty set out in the Party's Schedule attached to Annex 2 (Tariff Elimination) of this Agreement as if the safeguard measure has never been applied. 5 This provision is only applicable for a period of 7 years from the date of entry into force of this Agreement.

Article 81. Investigation Procedures and Transparency Requirements

1. A Party shall apply a safeguard measure only following an investigation by the Party's competent authority in accordance with Articles 3 and 4.2(c) of the Safeguards Agreement; to this end, Articles 3 and 4.2(c) of the Safeguards Agreement are incorporated into and made part of this Agreement, mutatis mutandis.
2. In determining whether increased imports of an originating product of the other Party have caused serious injury or are threatening to cause serious injury to a domestic industry, the competent authority of the importing Party shall follow the rules in Article 4.2(a) and Article 4.2(b) of the Safeguards Agreement; to this end, Article 4.2(a) and Article 4.2(b) of the Safeguards Agreement are incorporated into and made part of this Agreement, mutatis mutandis.

Article 82. Provisional Bilateral Safeguard Measures

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

2. The duration of the provisional safeguard measure shall not exceed 200 days. Such a measure should take any of the forms set out in Article 79.2(b) (Imposition of a Bilateral Safeguard Measure) or 79.3 of this Section during which period the pertinent requirements of Article 79 (Imposition of a Bilateral Safeguard Measure) and Article 81 (Investigation Procedures and Transparency Requirements) shall be met. The guarantees or the received funds arising from the imposition of a provisional safeguard measure shall be promptly released or refunded, as it corresponds, when the investigation does not determine that increased imports have caused or threaten to cause serious injury or material retardation to a domestic industry. The duration of any such provisional safeguard measure shall be counted as a part of the initial period and any extension of a definitive safeguard measure.

Article 83. Notification and Consultation

1. A Party shall promptly notify the other Party, in writing, when:
(a) initiating an investigation under this Section;
(b) applying a provisional measure;
(c) making a finding of serious injury or threat thereof, or material retardation caused by increased imports; (d) taking a decision to impose or extend a definitive safeguard measure; and
(e) taking a decision to modify a measure previously imposed.
2. In making the notifications referred to in subparagraphs (d) and (e) of paragraph 1, the Party applying the measure shall provide the other Party a copy of the public version of the finding and all pertinent information, such as a precise description of the product involved, the proposed measure, the grounds for introducing such a measure, the proposed date of introduction and its expected duration. The notifying Party shall provide a courtesy non-official English translation of the notification.
3. On request of a Party whose product is subject to a safeguard proceeding under this Section, the Party conducting that proceeding shall enter into consultations with the other Party to review a notification under paragraph 1 or any public notice or report that the competent authority has issued in connection with the proceeding.
4. Consultations may be held in person or by any technological means available to the Parties.

Article 84. Compensation and Suspension of Concessions

1. A Party applying a safeguard measure shall, in consultation with the other Party, provide to the other Party mutually-agreed trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the measure. The Party applying the safeguard measure shall provide opportunity for such consultations no later than 30 days after the application of the measure.
2. If the Parties are unable to reach agreement on compensation within 30 days after the commencement of consultations, the exporting Party may suspend the application of substantially equivalent concessions to the trade of the Party applying the safeguard measure.
3. A Party shall notify the other Party in writing at least 30 days before suspending concessions under paragraph 2.
4. The obligation to provide compensation under paragraph 1 and the right to suspend substantially equivalent concessions under paragraph 2 shall terminate on the date of the termination of the safeguard measure.

Article 85. Definitions

For purposes of this Section: competent authority means:
(a) in the case of China, the Ministry of Commerce, or its successor; and
(b) in the case of Costa Rica, the Trade Remedies Department of the Ministry of Economy, Industry and Commerce (Departamento de Defensa Comercial del Ministerio de Economía, Industria y Comercio), or its successor;
directly competitive product refers to the product which, having different physical characteristics and composition to those of the imported product, fulfils the same functions of the latter, satisfies the same needs, and is commercially substitutable;
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;
like product refers to the identical product, that is, the product that is the same in all aspects as the imported product, or in the absence of such a product, to another product which, in spite of not being the same in all aspects, has characteristics closely resembling to those of the imported product;
safeguard measure means a safeguard measure described in paragraph 2 and 3 of Article 79 (Imposition of a Bilateral Safeguard Measure);
serious injury means a significant overall impairment in the position of a domestic industry;
substantial cause means a cause which is important and not less than any other cause;
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; and
transition period, means the 7 year period beginning on the date of entry into force of this Agreement, except in the case of a product where the liberalization process lasts 7 or more years, the transition period shall be equal to the tariff elimination period according to the schedules attached to Annex 2 (Tariff Elimination) of this Agreement. Antidumping and Countervailing Measures

Article 86. Antidumping and Countervailing Measures

1. Except as otherwise provided in this Section, the Parties agree to abide fully by the provisions of the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.
2. The Parties agree to observe the following practices in anti-dumping cases between them:
(a) immediately following the receipt of a properly documented application from an industry in one Party for the initiation of an anti-dumping duty investigation in respect of products from the other Party, the Party that has received the properly documented application shall immediately notify the other Party of the receipt of the application;
(b) during any anti-dumping investigation involving the Parties, the Parties agree to include a courtesy non-official translation to the English language of all notification letters between the Parties;
(c) a Party's investigating authority shall take due account of any difficulties experienced by one or more exporters of the other Party in supplying information requested and provide any assistance practicable; on request of an exporter of the other Party, a Party's investigating authority shall make available the timeframes, procedures and any documents necessary for the offering of an undertaking.
3. For purposes of this Section, investigating authority is:
(a) for China, Ministry of Commerce, or its successor; and
(b) for Costa Rica, the Trade Remedies Department of the Ministry of Economy, Industry and Commerce (Departamento de Defensa Comercial del Ministerio de Economía, Industria y Comercio), or its successor. Dispute Settlement

Article 87. Dispute Settlement

The actions taken in accordance with Article XIX of the GATT 1994, the Safeguards Agreement, the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures shall not be subject to the provisions of Chapter 14 (Dispute Settlement) of this Agreement. Cooperation

Article 88. Cooperation

The Parties may establish a cooperation mechanism between the investigation authorities of each Party to ensure that they have a clear understanding of the practices adopted by the other Party in trade remedies investigations.

Chapter 9. Investment, Trade In Services and Temporary Entry of Business Persons

Article 89. Investment

The Parties reaffirm their commitments under the Agreement between the Government of the People's Republic of China and the Government of the Republic of Costa Rica on the Promotion and Protection of Investments, signed in Beijing, on 24th October 2007.

Section B. Trade In Services (6)

(6) Nothing in this Section shall be subject to the investor-State dispute settlement procedure established in the Agreement between the Government of the People’s Republic of China and the Government of the Republic of Costa Rica on the Promotion and Protection of Investments.

Article 90. Definitions

For purposes of this Section:
1. trade in services means the supply of a service:
(a) from the territory of a Party into the territory of the other Party;

(b) in the territory of a Party to a service consumer of the other Party;
(c) by a service supplier of a Party, through commercial presence in the territory of the other Party; or
(d) by a service supplier of a Party, through presence of natural persons of a Party in the territory of the other Party;
2. juridical person means a legal entity constituted or organized under applicable law, whether or not for profit, and whether privately or governmentally owned, including a corporation, trust, partnership, sole proprietorship, joint venture or association;
3. juridical person is:
(a) "owned" by persons of a Party if more than 50 percent of the equity in it is beneficially owned by persons of that Party;
(b) "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; 6 Nothing in this Section shall be subject to the investor-State dispute settlement procedure established in the Agreement between the Government of the People's Republic of China and the Government of the Republic of Costa Rica on the Promotion and Protection of Investments. 4. service supplier of a Party means any person that supplies a service; (7)
5. measure means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;
6. supply of a service includes the production, distribution, marketing, sale and delivery of a service;
7. commercial presence means any type of business or professional establishment, including through:
(a) the constitution, acquisition or maintenance of a juridical person, or
(b) the creation or maintenance of a branch or a representative office, within the territory of a Party for the purpose of supplying a service.

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

Article 91. Scope and Coverage

1. This Section applies to measures adopted or maintained by a Party affecting trade in services. Such measures include measures affecting: (a) the purchase or use of, or payment for, a service; (b) 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; or (c) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party.
2. For purposes of this Section, measures adopted or maintained by a Party means measures adopted or maintained by:
(a) central, regional or local governments and authorities; and
(b) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities.
3. This Section does not apply to:
(a) government procurement;
(b) air services, 8 including domestic and international air transportation services, whether scheduled or non-scheduled, and related services in support of air services, other than:
(i) aircraft repair and maintenance services;
(ii) the selling and marketing of air transport services; and
(iii) computer reservation system (CRS) services;
(c) subsidies or grants provided by a Party, including government supported loans, guarantees and insurance;
(d) national maritime cabotage and internal waterways cabotage; and
(e) financial services.
4. This Section does not impose any obligation on a Party with respect to a natural person of the other Party seeking access to its employment market, or employed on a permanent basis in its territory, and does not confer any right on that natural person with respect to that access or employment.
5. This Section does not apply to services supplied in the exercise of governmental authority in a Party's territory. A service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.
6. Nothing in this Section shall prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of this Section.(9)

(8) For greater certainty, the term “air services” includes traffic rights.

(9) The sole fact of requiring a visa for natural persons of the other Party shall not be regarded as nullifying or impairing benefits under a specific commitment.

Article 92. National Treatment

1. In the sectors inscribed in its Schedule of Specific Commitments, 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. (10)

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.

(10) 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 93. Market Access

1. With respect to market access through the modes of supply identified in paragraph 1 of Article 90 (Definitions), each Party shall accord to 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 of Specific Commitments. (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 of Specific Commitments, 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; or
(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 subparagraph 1(a) of the Article 90 (Definitions), 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 subparagraph 1(c) of the Article 90 (Definitions), it is thereby committed to allow related transfers of capital into its territory.

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

Article 94. Additional Commitments

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Article 92 (National Treatment) or Article 93 (Market Access), including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule of Specific Commitments.

Article 95. Schedule of Specific Commitments

1. Each Party shall set out in a schedule the specific commitments it undertakes under Article 92 (National Treatment), Article 93 (Market Access), and Article 94 (Additional Commitments). With respect to sectors where such commitments are undertaken, each schedule shall specify:
(a) terms, limitations and conditions on market access;
(b) conditions and qualifications on national treatment;
(c) undertakings relating to additional commitments referred to in Article 94 (Additional Commitments); and (d) where appropriate, the time-frame for implementation of such commitments and the date of entry into force of such commitments.
2. Measures inconsistent with both Article 92 (National Treatment) and Article 93 (Market Access) shall be inscribed in the column relating to Article 93 (Market Access). In this case, the inscription will be considered to provide a condition or qualification to Article 92 (National Treatment) as well.
3. The Parties' schedules of specific commitments are set out in Annex 7 (Schedules of Specific Commitments). The Annex 7 (Schedules of Specific Commitments) attached to this Agreement forms an integral part of this Section.

Article 96. Domestic Regulation

1. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.
2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.
3. Where authorization is required for the supply of a service on which a specific commitment has been made, the competent authorities of a Party shall, within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.
4. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, each Party shall aim to ensure that such measures are:
(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. If the results of the negotiations related to Article VI.4 of GATS (or the results of any similar negotiations undertaken in other multilateral fora in which both Parties participate) enter into effect, this Article shall be amended, as appropriate, after consultations between the Parties, to bring those results into effect under this Agreement. The Parties agree to coordinate on such negotiations, as appropriate.

Article 97. Recognition

1. For purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorization, licensing or certification of services suppliers, and subject to the requirements of paragraph 3, a Party may recognize the education or experience obtained, requirements met, or licenses or certifications granted in the other Party or a non-Party. Such recognition, which may be achieved through harmonization or otherwise, may be based upon an agreement or arrangement with the other Party or a non-Party concerned 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, if the other Party is interested, 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 authorization, licensing or certification of services suppliers, or a disguised restriction on trade in services.
4. Each Party should encourage the relevant bodies in its respective territory to develop mutually acceptable standards and criteria for licensing, temporary licensing and certification of professional services suppliers through future negotiations.

Article 98. Transfers and Payments

1. Each Party shall permit transfers and payments for current transactions relating to its specific commitments to be made freely and without delay into and out of its territory.
2. Each Party shall permit such transfers and payments relating to the supply of services to be made in a freely usable currency at the market rate of exchange prevailing on the date of transfer.
3. Notwithstanding paragraphs 1 and 2, a Party may prevent or delay a transfer or payment through the equitable, non-discriminatory and good faith application of its laws relating to:
(a) bankruptcy, insolvency or the protection of the rights of creditors;
(b) issuing, trading or dealing in securities, futures, options, or derivatives;
(c) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;
(d) criminal or penal offences; or
(e) ensuring compliance with orders or judgments in judicial or administrative proceedings.
4. Nothing in this Section shall affect the rights and obligations of the members of the International Monetary Fund under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Member shall not impose restrictions on any capital transactions inconsistently with its specific commitments under this Section regarding such transactions, except under Article 163 (Restrictions to Safeguard the Balance of Payments) or at the request of the Fund.

Article 99. Denial of Benefits

1. A Party may deny the benefits of this Section to:
(a) service suppliers of the other Party where the service is being supplied by a juridical person that is owned or controlled by persons of a non-Party and the juridical person has no substantive business operations in the territory of the other Party; or
(b) service suppliers of the other Party where the service is being supplied by a juridical person that is owned or controlled by persons of the denying Party and the juridical person has no substantive business operations in the territory of the other Party.
2. Upon a written request of the other Party, the denying Party shall inform in writing and consult with the other Party on the specific case of denial as referred to in paragraph 1 of this Article.

Article 100. Transparency

Further to Chapter 12 (Transparency):
(a) each Party shall maintain or establish appropriate mechanisms for responding to inquiries from interested persons of a Party regarding its laws and regulations relating to the subject matter of this Section; (b) at the time it adopts final laws and regulations relating to the subject matter of this Section, each Party shall, to the extent possible, including upon request, take into consideration substantive comments received from interested persons of a Party with respect to the proposed laws and regulations; and
(c) to the extent possible, each Party shall allow a reasonable period of time between publication of final laws and regulations and their effective date.

Article 101. Implementation and Review

The Parties shall consult annually, or as otherwise agreed, to review the implementation of this Section and consider other matters of mutual interest affecting trade in services.

Section C. Temporary Entry of Business Persons 13

13 Nothing in this Section shall be subject to the investor-State dispute settlement procedure established in the Agreement between the Government of the People's Republic of China and the Government of the Republic of Costa Rica on the Promotion and Protection of Investments.

Article 102. General Principles

1. This Section reflects the preferential trading relationship between the Parties, the mutual objective to facilitate temporary entry of business persons in accordance with their domestic laws and regulations and Annex 7 (Schedules of Specific Commitments), the need to establish transparent criteria and procedures for temporary entry and the need to ensure border security and to protect the domestic labour force and permanent employment in their respective territories.
2. Nothing in this Section shall be construed to prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of a specific commitment (14) or investment activities.
3. This Section shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, nationality, permanent residence, or employment on a permanent basis.

(14) The sole fact of requiring a visa for natural persons of the other Party shall not be regarded as nullifying or impairing benefits under a specific commitment.

Article 103. Grant of Temporary Entry

Each Party shall grant temporary entry to business persons who comply with immigration measures applicable to temporary entry and other related measures, such as those relating to public health and safety and national security, in accordance with this Chapter.

Article 104. Transparency

1. Each Party shall:
(a) no later than 6 months after the date of entry into force of this Agreement, make available explanatory material regarding the requirements for temporary entry under this Section in such a manner as to enable business persons of the other Party to become acquainted with them; and
(b) establish or maintain appropriate mechanisms to respond to inquiries from interested persons regarding its laws and regulations relating to the temporary entry of business persons covered by this Section.
2. Each Party shall endeavour to, within a reasonable period in accordance with its domestic laws and regulations, after an application requesting temporary entry is considered complete under its domestic laws and regulations, inform the applicant of the decision concerning the application.

Article 105. Working Group

1. The Parties hereby establish a Working Group on Temporary Entry of Business Persons, comprising the representatives of each Party set out in Annex 8 (Working Group on Temporary Entry of Business Persons), which shall meet at least once every 3 years, unless otherwise agreed by the Parties, to consider any matter arising under this Section.
2. The Working Group's functions shall include:
(a) to review the application of this Section;
(b) to consider the development of measures to further facilitate temporary entry of business persons between the Parties;
(c) to enhance cooperation under Article 106 (Cooperation); and
(d) to address other related issues of mutual interest.

Article 106. Cooperation

Taking into account the principles set out in Article 102 (General Principles), the Parties shall:
(a) exchange information and experiences on regulations and implementation of programs and technology in the framework of migratory issues, including those related to the use of biometric technology, advanced passenger information systems, frequent passenger programs and security of travel documents;
(b) endeavour to coordinate actively in multilateral fora, in order to promote the facilitation of temporary entry of business persons;
(c) encourage capacity building and promote technical assistance among migratory authorities; and (d) endeavour to take measures to facilitate the temporary entry of business persons of the other Party in accordance with its domestic laws and regulations.

Article 107. Dispute Settlement

1. Chapter 14 (Dispute Settlement) shall not apply to this Section, except for Article 144 (Good Offices, Conciliation and Mediation), provided that:
(a) the matter involves a pattern of practice; and (b) the business person has exhausted, in accordance with the applicable domestic laws and regulations, the available administrative remedies regarding the particular matter.
2. The remedies referred to in subparagraph 1(b) shall be deemed exhausted if a final determination in the matter has not been issued by the competent authority within 1 year of the institution of an administrative proceeding, and the failure to issue a determination is not attributable to delay caused by the business person.

Article 108. Definitions

For purposes of this Chapter:
1. business person means a national of a Party who is engaged in trade in goods, trade in services or investment activities;
2. temporary entry means entry into the territory of a Party by a business person of the other Party without the intent of establishing permanent residence;
3. business visitor or business agent means a natural person of a Party who is:
(a) for China:
(i) a service seller who is a sales representative of a service supplier of that Party and is seeking temporary entry to 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;
(ii) an investor of a Party or a duly authorized representative of an investor of a Party, who is seeking temporary entry into the territory of the other Party to establish, develop, administer, expand, monitor, or dispose an investment of that investor; or
(iii) a goods seller 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;
(iv) temporary entry for business persons shall be granted for a period of stay up to a maximum of 6 months; (b) for Costa Rica: a business agent, travel agent or commercial delegate who is seeking temporary entry into the territory of Costa Rica to address matters related with the activities of the enterprises or juridical persons that they represent, provided that they do not receive any kind of remuneration and do not require residence to perform such activities, in the territory of Costa Rica;
4. intra-corporate transferee means a manager, an executive, or a specialist, who is a senior employee of a service supplier of a Party with a commercial presence in the territory of the other Party, as defined in Article 90 (Definitions) of Section B (Trade in Services);
5. executive means a natural person within an organization who primarily directs the management of the organization, exercises wide latitude in decision-making, and receives only general supervision or direction from higher level executives, the board of directors and/or stockholders of the business. An executive would not directly perform tasks related to the actual provision of the service nor the operation of an investment;
6. immigration measure means any law, regulation or procedure affecting the entry and sojourn of foreign nationals;
7. manager means a natural person within an organization who primarily directs the organization or a department or sub-division of the organization, 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 authorization), and exercises discretionary authority over day-to-day operations; 8. specialist means an employee within an organization who possesses knowledge at an advanced level of technical expertise, and who possesses proprietary knowledge of the organization's service, research equipment, techniques or management.

Chapter 10. Intellectual Property

Article 109. Principles

1. The Parties recognize the importance of intellectual property rights in promoting economic and social development, particularly in the globalization of technological innovation, science and trade, as well as the transfer and dissemination of knowledge and technology to the mutual advantage of technology producers and users, and agree to encourage the development of socio-economic welfare and trade.
2. The Parties recognize the need to achieve a balance between the rights of right holders of intellectual property rights and the legitimate interests of users and society with regard to protected subject matter.

Article 110. General Provisions

1. Each Party reaffirms its commitments established in existing international agreements in the field of intellectual property rights, to which both are parties, including the TRIPS Agreement.

2. Each Party shall establish and maintain transparent intellectual property rights regimes and systems that provide certainty over the protection and enforcement of intellectual property rights; and facilitate international trade through the dissemination of ideas, technology, science and creative works.
3. The Parties will prevent practices which constitute an abuse of intellectual property rights by right holders, or unreasonably restrain competition, or that may unreasonably impede or limit technology transfer.

Article 111. Genetic Resources, Traditional Knowledge and Folklore

1. The Parties recognize the contribution made by genetic resources, traditional knowledge and folklore to scientific, cultural and economic development.
2. The Parties acknowledge and reaffirm the principles and provisions established in the Convention on Biological Diversity adopted on 5th June 1992 and encourage the effort to establish a mutually supportive relationship between the TRIPS Agreement and the Convention on Biological Diversity, regarding genetic resources and the protection of traditional knowledge and folklore.
3. Subject to each Party's international obligations and domestic laws, the Parties may adopt or maintain measures to promote the conservation of biological diversity, share equitably benefits arising from the use of traditional knowledge, innovations and practices relevant to the conservation of biological diversity and the sustainable use of its components in conformity with what is established in the Convention on Biological Diversity.
4. Subject to future developments of domestic laws and the outcome of negotiations in multilateral fora, the Parties agree to further discuss the disclosure of origin or source of genetic resources; and/or prior informed consent obligations in patent applications; and the grant of a patent for an invention that involves or relies on genetic resources, when such resources were acquired or exploited without complying the relevant domestic laws or regulations.

Article 112. Intellectual Property and Public Health

1. The Parties recognise the principles established in the Doha Declaration on the TRIPS Agreement and Public Health adopted on 14th November 2001 by the Ministerial Conference of the WTO. In interpreting and implementing the rights and obligations under this Chapter, the Parties shall ensure consistency with this Declaration.
2. The Parties shall contribute to the implementation and respect the Decision of the WTO General Council of 30th August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, as well as the Protocol Amending the TRIPS Agreement, done at Geneva on 6th December 2005.

Article 113. Technical Innovation and Transfer of Technology

1. The Parties recognize the importance of technology and knowledge transfer as a tool to promote innovation and creative works in order to achieve economic growth.
2. The protection and enforcement of intellectual property rights in each Party should contribute to the promotion of technological innovation and the transfer and dissemination of technology. Subject to domestic laws and regulations, the Parties may further discuss the possibility of providing incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to the other Party.

Article 114. Border Measures

1. Each Party shall provide that any right holder initiating procedures for suspension by the customs administrations of the release of suspected counterfeit trademark or pirated copyright goods (15) into free circulation is required to provide adequate evidence to satisfy the competent authorities that, under the laws of the country of importation, there is prima facie an infringement of the right holder's intellectual property right and to supply sufficient information to make the suspected goods readily recognizable to the customs administrations. The sufficient information required shall not unreasonably deter recourse to these procedures.
2. The competent authorities shall have the authority to require an applicant to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.
3. Where the competent authorities have made a determination that the goods are counterfeit or pirated, a Party shall grant the competent authorities the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee, and of the quantity of the goods in question.
4. Each Party shall provide that competent authorities are permitted to initiate border measures ex officio without the need of a formal complaint from the right holder. Such measures shall apply when there is reason to believe or suspect that the goods being imported, or destined for export are counterfeited or pirated, subject to domestic law that is in compliance with each Party's international obligations.

15For purposes of this Article: counterfeit trademark goods shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation; and pirated copyright goods shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

Article 115. Contact Points

1. Each Party shall designate a contact point or points to facilitate communications between the Parties on any matter covered by this Chapter, and provide the 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. By agreement between the Parties or at a Party's request, the designated contact point will exchange information relevant to the other Party on any issues included in this Chapter. The communications carried out through the designated contact points shall comply with the provisions established in Article 130 (Notification and Provision of Information) of Chapter 12 (Transparency).

Article 116. Geographical Indications

1. The names listed in the Annex 9 (Geographical Indications as Referred to in Article 116.1) are geographical indications in China, within the meaning of paragraph 1 of Article 22 of the TRIPS Agreement. Subject to domestic laws and regulations in a manner that is consistent with the TRIPS Agreement, such names will be protected as geographical indications in the territory of Costa Rica.
2. The names listed in Annex 10 (Geographical Indications as Referred to in Article 116.2) are geographical indications in Costa Rica, within the meaning of paragraph 1 of Article 22 of the TRIPS Agreement. Subject to domestic laws and regulations in a manner that is consistent with the TRIPS Agreement, such names will be protected as geographical indications in the territory of China.
3. Subject to consultations and by mutual consent, the Parties may extend the accorded protection for geographical indications listed in Annexes 9 (Geographical Indications as Referred to in Article 116.1) and 10 (Geographical Indications as Referred to in Article 116.2) to other geographical indications of the Parties. 16

16For greater certainty the inclusion of new geographical indications to Annexes 9 (Geographical Indications as Referred to in Article 116.1) and 10 (Geographical Indications as Referred to in Article 116.2) shall be decided by the Commission in consultation with the relevant domestic authorities.

Article 117. Cooperation

1. The Parties shall cooperate, on mutually agreed terms and subject to the availability of appropriate funds, in the following activities:
(a) education and dissemination projects on the use of intellectual property as a research and innovation tool;
(b) training and specialization courses for public servants on intellectual property rights and other mechanisms;
(c) exchange of information regarding conservation and sustainable use of biological diversity;
(d) exchange of information regarding actions to prevent the illegal access to genetic resources, traditional knowledge, innovation and practices;
(e) exchange of information regarding internal procedures for sharing equitable benefits arising from the use of genetic resources, traditional knowledge, innovations and practices;
(f) exchange of information regarding policy dialogues related to intellectual property in multilateral and regional fora;
(g) projects that enhance knowledge of electronic systems used for the management of intellectual property; (h) sharing experiences and coordination between the relevant customs administrations in the field of border measures;
(i) collaboration in the registration and promotion of geographical indications of the Parties through the exchange of information and experiences on the technical mechanisms and registration procedures available in each Party;
(j) information exchange regarding the protection and enforcement of intellectual property rights;
(k) enhancing public awareness of intellectual property rights; and
(l) other activities and initiatives as may be mutually determined by the Parties.

Chapter 11. Cooperation, Promotion and Enhancement of Trade

Relations

Article 118. General Objective

1. The objective of this Chapter is to establish a framework and mechanisms for present and future development of cooperative relations between the Parties.
2. Without prejudice to the possibility of extending the cooperation efforts to other areas, the Parties shall closely cooperate in areas aimed inter alia at: (a) promoting economic and social development; (b) strengthening the capabilities and competitiveness of the Parties in order to maximize the opportunities and benefits derived from this Agreement; (c) increasing the level and depth of cooperative activities and good practices among the Parties in areas of mutual interest, with special attention to economic, trade, financial, technological, educational and cultural aspects; (d) encouraging the presence of the Parties and their goods and services in their respective markets in Asia, the Pacific and Latin America; (e) stimulating productive synergies, creating new opportunities for trade and investment, and promoting competitiveness and innovation; (f) accomplishing a greater impact in scientific and technological knowledge transfer, research and development, innovation, and entrepreneurship; (g) increasing the export capabilities of the small and medium enterprises (hereinafter "SMEs"); (h) generating a greater and deeper level of supply chain linkages; and (i) promoting competition practices through cooperation mechanisms and technical assistance, in order to facilitate the prevention and/or elimination of anticompetitive practices. 3. No Party shall have recourse to Chapter 14 (Dispute Settlement) regarding any issue arising from or relating to this Chapter.

Article 119. Small and Medium Enterprises

1. Through the cooperation activities established in paragraph 2, the Parties shall support the enhancement of the competitiveness of SMEs and their insertion in international markets with the aim of strengthening their productive capabilities. 2. Cooperation shall include, among others, activities to: (a) design and execute mechanisms to encourage partnerships and development of productive linkages processes; (b) develop human resources and management skills to increase the knowledge of the Costa Rican and Chinese markets; (c) define and develop methods and strategies for the advancement of clusters; (d) increase access to information regarding promotion policies and financial support for SMEs; (e) promote research and development, transfer of technology and innovation; (f) support exporting SMEs through different mechanisms; (g) encourage partnerships and information exchanges between financial agents (credits, banks, guarantee organizations, angel networks and venture capital firms) in order to support SMEs; (h) strengthen institutional frameworks in order to create and operate SMEs; (i) support the participation of SMEs in fairs, commercial and trade missions and other mechanisms of promotion; and (j) strengthen business management capabilities for SMEs and entrepreneurs.

Article 120. Promotion of Innovation, Science and Technology

1. The Parties recognize the importance of promoting and facilitating cooperation activities in innovation, science and technology aimed at achieving a greater social and economic development, including different stakeholders.
2. Cooperation shall include, among others, activities to:
(a) support the participation of public, private and social organizations, including universities, research and development institutions and non-governmental organizations, in the execution of activities related with the areas mentioned in paragraph 1;
(b) promote the exchange of specialists, researchers and professors with the aim of disseminating technical and scientific know-how and offering services in certain fields of science, technology and innovation;
(c) implement joint or coordinated research and/or technological development activities;
(d) exchange information on scientific and technological research;
(e) develop joint cooperation activities in third countries, as may be agreed by the Parties;
(f) exchange or share equipment and materials;
(g) train scientists and technical experts;
(h) organize seminars, workshops and conferences;
(i) promote public/private sector partnerships in order to support the development of innovative products and services, the study of joint efforts to enter new markets, and the transfer of scientific and technological results into national productive systems;
(j) facilitate the cooperation on academic networks; and
(k) promote mutual assistance and exchange information and experiences in the field of information and communication technologies (ICTs) where mutual and complementary interests exist.

Article 121. Export Promotion and Attraction of Investments

1. With the aim of obtaining greater benefits from this Agreement, the Parties recognize the importance of supporting the existing programs related to export and investment promotion, and to launch new ones, as well as to enhance both Parties´ investment climates.
2. Cooperation shall include, among others, activities to:
(a) strengthen the export capabilities, through training and technical assistance programs;
(b) establish and develop mechanisms related to market research, including exchange of information and access to international data bases, among others;
(c) create exchange programs for exporters aiming to provide knowledge of the Chinese or Costa Rican market;
(d) link national producers to international markets, through the promotion of productive linkages to the export activity;
(e) promote greater participation of SMEs in exports;
(f) support the export and investment promotion activities between the Parties;
(g) strengthen the export and investment logistics;
(h) support entrepreneurship activities as an instrument to strengthen the export capabilities and promote investment;
(i) promote the implementation of research and development and technological and innovation programs, with the objective of increasing the export supply and encouraging investment;
(j) promote joint venture mechanisms; and
(k) promote simplified administrative procedures.

Article 122. Culture, Sports and Recreation Activities

1. The Parties recognize the importance and significance of culture, sports and recreation as a way of consolidating and promoting friendship among the Parties. In this framework, the Parties shall undertake cooperation in the following areas with the purpose of enhancing mutual understanding, fostering balanced exchanges and activities between individuals, institutions and organizations representing civil society.
2. Cooperation shall include, among others, activities to:
(a) promote cultural and information exchanges;
(b) encourage cultural, recreational and sports events;
(c) establish cooperation between sports, cultural and recreational agencies, institutions and associations of both Parties;
(d) promote the dissemination of cultural, sports and recreational activities;
(e) promote the exchange of goods and services related to cultural, sports and recreational activities;
(f) provide a platform for athletes to travel to, train and compete in the territory of the other Party;
(g) support activities that raise awareness of artistic works;
(h) promote the exchange of experiences with respect to conservation and restoration of national heritage, protection of archaeological monuments and cultural heritage;
(i) encourage the exchange and training of professionals and technicians, including coaches, players, sports medicine personnel and special needs sports personnel;
(j) exchange visits in order to review sports, cultural and recreational facilities and share experiences in the implementation, development, maintenance and operation of these facilities;
(k) exchange of experiences on management of different sports disciplines; and
(l) promote cooperation in the audiovisual and media sectors, through joint initiatives in training programs, as well as audiovisual development, production and distribution activities, including the educational and cultural fields.

Article 123. Agricultural Cooperation

1. The Parties recognize that agriculture constitutes a core activity for both Parties, and that enhancing this economic field will improve quality of life and social and economic development in their territories.
2. In order to accomplish these objectives, and in accordance with their domestic laws, regulations and relevant procedures, the Parties shall cooperate, among others, in activities to:
(a) strengthen institutional capabilities of government agencies, research institutions, universities and businesses, in the areas of scientific investigation and transfer and validation of technologies including, among others, soil management and nutrition, irrigation and drainage, animal nutrition, horticulture under protected environments, traceability and safety, and bio fuels;
(b) manage joint research projects in areas of mutual and complementary interests, as well as academic and business networks in the areas of agriculture and livestock;
(c) develop and validate technologies for agriculture and livestock production of higher quality and lower environmental impact;
(d) promote effective risk management in the agribusiness chains aiming to incorporate measures for adaptation and mitigation of climate change and variability;
(e) transfer knowledge, technology, technical assistance and information services for sustainable land management and risk

management for hydro meteorological phenomena;
(f) create incentives and provide the information required in order to allow the exploitation of the markets by producers of agricultural, livestock and aquaculture goods produced through cleaner processes along the agricultural chains;
(g) promote partnerships between public, private and academic sectors with the aim of supporting the development of innovative products and services, especially those related to the enhancement of productivity, competitiveness and the establishment of alliances to take advantage of trade opportunities in different agricultural and livestock production chains;
(h) encourage capacity building, technology transfer, and research and development of agricultural and livestock biotechnology and bio-safety;
(i) strengthen capabilities in plant genetic resources;
(j) support, through market access, the production of non-traditional crops with a high level of biodiversity components;
(k) strengthen seed technology capabilities;
(l) strengthen public, private and academic capabilities for sustainable management of fisheries and aquaculture systems;
(m) strengthen bilateral cooperation on sanitary and phytosanitary issues between each Party's relevant institutions with a view to facilitating access to each other's markets;
(n) promote and manage services for the commercialization, logistics and marketing of agricultural products, livestock, aquaculture and processing products of agricultural origin;
(o) promote the management and use of communication and information technologies for the modernization of agricultural and livestock public and private organizations; and
(p) encourage strategies to promote undergraduate and graduate degrees, specialized training, research and training visits and the exchange of experiences between scientists, researchers and technical experts, among others.

Article 124. Management of Natural Disasters

Cooperation in the area of management of natural disasters shall include, among others, activities for:
(a) monitoring, including methodology, vulnerability and risk indicators, early-warning, prevention, mitigation, response and rehabilitation and reconstruction capabilities of natural disasters;
(b) responding to natural disasters and emergencies;
(c) disseminating best practices, exchanging experiences and conducting training in the management of natural disasters; and
(d) improving disaster risk reduction in all domestic policies, including post-disaster rehabilitation and reconstruction.

Article 125. Private Dispute Resolution 17

The Parties recognize the importance of private dispute resolution as valuable mechanisms that enhance and promote predictability and certainty in trade relations among private parties. With this view and to the extent possible, cooperation shall include, among others, activities to:
(a) encourage the use of private dispute resolution means, such as arbitration, for the settlement of international commercial disputes between private parties arising in the free trade area;
(b) promote the subscription of cooperation agreements between institutions dedicated to the analysis of private dispute resolution mechanisms or the administration of these procedures; and
(c) strengthen capacity building for the management of private cases of dispute settlement, including exchange of better practices, training, internships, consultancies, technical cooperation projects, among others.

(17) For greater certainty "private dispute resolution" shall be understood for Costa Rica as "alternative dispute resolution", which is defined as "processes and mechanisms such as negotiation, mediation, conciliation, arbitration and others of the same nature between private parties".

Article 126. Competition

Cooperation in competition shall include, among others, activities to:
(a) promote the implementation of enforcement mechanisms, including the notification, consultation and exchange of information between the authorities in charge of competition. In particular, to prevent or proscribe anticompetitive practices or economic concentration that discourages competition;
(b) promote capacity building in the field of competition; and
(c) promote the exchange of experiences, technical assistance and training of human resources, in order to strengthen and effectively enforce the competition laws in areas such as antitrust, merger and subsidies, competition advocacy, intellectual property, market access, jurisprudence, among others.

Article 127. Other Areas

The Parties may agree to cooperate in other areas of mutual interest other than the ones set out in this Agreement. Such areas may include, among others, education, health, traditional medicine and infrastructure. Cooperation in these areas shall be carried out through the relevant authorities of each Party and upon agreement.

Article 128. Mechanisms of Cooperation

1. In order to administrate this Chapter and to facilitate the management of cooperation activities, the Parties hereby establish a Committee on Cooperation (hereinafter, "the Committee").
2. The Committee shall comprise representatives of the Ministry of Foreign Trade of Costa Rica (Ministerio de Comercio Exterior), the Ministry of National Planning and Economic Policy of Costa Rica (Ministerio de Planificación Nacional y Política Económica); and representatives of the Ministry of Commerce and relevant authorities of the People's Republic of China; or their successors.
3. This Committee shall meet at least once every 3 years, unless otherwise agreed by the Parties. When special circumstances arise, the Committee shall meet at any time upon request of either Party or the Commission.
4. This Committee shall have the following functions:
(a) oversee the implementation of this Chapter;
(b) encourage the Parties to undertake cooperation activities under the cooperation framework established in this Chapter;
(c) make recommendations on the cooperation modalities and activities under this Chapter, in accordance with the strategic priorities of the Parties; and
(d) review the operation of this Chapter and the application and fulfilment of its objectives between the relevant authorities, including but not limited to the relevant government agencies, research institutes, and universities in order to foster closer cooperation in thematic areas; the review may be carried out through periodic reports from the Parties.
5. In order to implement cooperation activities, and in accordance with each Party's capabilities, the Committee may suggest to conduct cooperation through the following means:
(a) technical assistance, exchange of experiences between experts, scientists, researchers, among others;
(b) exchange of information, contact points and good practices in areas of mutual interest;
(c) mutual access to academic, industrial and business networks;
(d) implementation and identification of joint research projects with universities and research centres;
(e) promotion of associations and companies of public and/or private sectors, for supporting the development of innovative products and services;
(f) technology transfer in the areas of mutual interest;
(g) design of models of technologic innovation based on public and/or private cooperation; and
(h) seek resources to conduct the implementation of the objectives set out in this Chapter.

Chapter 12. Transparency

Article 129. Publication

1. Each Party shall ensure that its laws, regulations, procedures, and administrative rulings of general application respecting any matter covered by this Agreement, as well as their respective international agreements regarding trade that may affect the operation of this Agreement, are promptly published or otherwise made publically available in such a manner as to enable interested persons of the other Party and the other Party to become acquainted with them.
2. To the extent possible, each Party shall:
(a) publish any law regarding any matter covered by this Agreement that it proposes to adopt; and
(b) provide the other Party a reasonable opportunity to comment on such proposed laws.

Article 130. Notification and Provision of Information

1. To the extent possible, each Party shall notify the other Party of any measure that the Party considers might materially affect the operation of this Agreement or otherwise substantially affect that Party's interests under this Agreement. Notwithstanding paragraph 4, the information referred to under this paragraph shall be considered to have been provided when it has been made available by appropriate notification to the WTO.
2. On request of the other Party, a Party shall at no cost and as promptly as possible, provide information and respond to questions pertaining to any actual or proposed measure, whether or not that other Party has been previously notified of that measure.
3. Any notification or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.
4. Any information, request or notification provided under this Chapter shall be provided to the other Party through the

contact point, unless otherwise established in this Agreement or subsequently agreed by the Parties.

Article 131. Administrative Proceedings

With a view to administering in a consistent, impartial, and reasonable manner all measures of general application affecting matters covered by this Agreement, each Party shall ensure that in its administrative proceedings applying measures referred to in Article 129.1 (Publication) to particular persons, goods, or services of the other Party in specific cases, that:
(a) wherever possible, persons of the other Party that are directly affected by a proceeding are provided reasonable notice, in accordance with domestic procedures, when a proceeding is initiated; such notice shall include a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated, and a general description of any issues in controversy;
(b) such persons are afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding, and the public interest permit; and
(c) its procedures are in accordance with domestic law.

Article 132. Review and Appeal

1. Each Party shall establish or maintain judicial or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of final administrative actions regarding matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.
2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:
(a) a reasonable opportunity to support or defend their respective positions; and
(b) a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority.
3. Each Party shall ensure, subject to appeal or further review as provided in its domestic law, that such decisions shall be implemented by, and shall govern the practice of, the office or authority with respect to the administrative action that is the subject of the decision.

Article 133. Specific Rules

The provisions of this Chapter are without prejudice to any specific rules established in other chapters of this Agreement.

Article 134. Definitions

For purposes of this Chapter: administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and fact situations that fall generally within its ambit and that establishes a norm of conduct but does not include:
(a) a determination or ruling made in an administrative proceeding that applies to a particular person, good or service of the other Party in a specific case; or
(b) a ruling that adjudicates with respect to a particular act or practice.

Chapter 13. Administration of the Agreement

Article 135. The Free Trade Commission

1. The Parties hereby establish the Free Trade Commission, comprising Ministerial level officials of the Parties, as set out in Annex 11 (The Free Trade Commission), or their designees.
2. The Commission shall:
(a) supervise the operation and implementation of this Agreement;
(b) evaluate the achieved results in the application of this Agreement;
(c) oversee the further elaboration of this Agreement;
(d) seek to resolve disputes that may arise regarding the interpretation or application of this Agreement;
(e) supervise the work of any committee or working group established under this Agreement and recommend appropriate actions;
(f) consider and make decisions on issues referred by any committee or working group established under this Agreement or by either Party;

(g) establish the amount of remuneration and expenses that will be paid to panelists and experts in dispute settlement proceedings; and
(h) consider and make decisions on any other matter that may affect the operation of this Agreement, or that is entrusted by the Parties.
3. The Commission may:
(a) establish and delegate responsibilities to committees and working groups;
(b) modify in fulfilment of the Agreement's objectives:
(i) the schedules attached to Annex 2 (Tariff Elimination), with the purpose of adding one or more goods to the tariff elimination schedules;
(ii) the schedules attached to Annex 2 (Tariff Elimination), by accelerating tariff elimination;
(iii) the rules of origin established in Annex 3 (Product Specific Rules of Origin); (iv) Annex 4 (Certificate of Origin);
(v) Annex 7 (Schedules of Specific Commitments); and
(vi) Annex 9 (Geographical Indications as Referred to in Article 116.1) and Annex 10 (Geographical Indications as Referred to in Article 116.2);
(c) issue interpretations of the provisions of this Agreement; and
(d) take any other action that the Parties may agree.
4. Each Party shall implement, in accordance with its applicable legal procedures, any modification referred to in subparagraph 3(b) within such period as the Parties may agree.
5. The Commission shall establish its rules and procedures.
6. All decisions of the Commission shall be taken by consensus.
7. The Commission shall meet at least once a year, unless the Commission otherwise decides. When special circumstances arise, the Commission shall meet at any time upon request of either Party. Regular sessions of the Commission shall be chaired successively by each Party. The sessions may be held by any technological means available to the Parties.

Article 136. Free Trade Agreement Coordinators

1. Each Party shall appoint a free trade agreement coordinator as set out in Annex13 (Free Trade Agreement Coordinators).
2. The coordinators shall work jointly to develop agendas and make other preparations for Commission meetings, and shall follow-up on Commission decisions, as appropriate.

Article 137. Administration of Dispute Settlement Proceedings

1. The Commission shall establish the amounts of remuneration and expenses that will be paid to panelists and experts in dispute settlement proceedings.
2. The remuneration of panelists and their assistants, experts, their travel and lodging expenses and all general expenses of panels shall be borne equally by the disputing Parties.
3. Each Party shall:
(a) designate an office that shall provide administrative assistance to the panels established under Chapter 14 (Dispute Settlement) and perform such other administrative functions as the Commission may direct; and (b) notify the Commission of the location of its designated office.
4. Each Party shall be responsible for:
(a) the operation and costs of its designated office; and
(b) its own expenses and legal costs incurred in dispute settlement proceedings.

Article 138. Committees and Working Groups

1. The Parties agree on establishing committees and working groups in the following matters:
(a) trade in goods;
(b) rules of origin;
(c) sanitary and phytosanitary matters;
(d) technical barriers to trade;
(e) working group on temporary entry of business persons; and
(f) cooperation.
2. The Commission may create additional committees or working groups, as needed. Each committee or working group shall establish their rules and procedures.
3. The meetings of the committees and working groups shall be programmed with the periodicity established in the relevant provisions and concurrently with the Commission meetings.
4. Regular sessions of the committees and working groups shall be chaired successively by each Party. The sessions may be held by any technological means available to the Parties.

5. When necessary, the committees and working groups shall consult with each other, in order to address the pertinent issues.

Article 139. Contact Points

1. Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement, and shall notify this designation to the other Party within 60 days of the date of entry into force of this Agreement.
2. On the request of the other Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

Chapter 14. Dispute Settlement

Article 140. Cooperation

The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation to arrive at a mutually satisfactory resolution of any matter that might affect its operation when a dispute occurs.

Article 141. Scope of Application (18)

Unless otherwise provided in this Agreement, the dispute settlement provisions of this Chapter shall apply with respect to the avoidance or settlement of all disputes between the Parties regarding the interpretation or application of this Agreement and wherever a Party considers that a measure of the other Party is inconsistent with the obligations of this Agreement or that the other Party has otherwise failed to carry out its obligations under this Agreement.

(18) The Parties agree that this Chapter does not apply to proposed measures and/or non violation complaints (nullification or impairment of a benefit in cases where there is no violation of the Agreement's provisions).

Article 142. Choice of Forum

1. Where a dispute arises under this Agreement and under other agreements including another free trade agreement to which both Parties are Party or the WTO Agreement, the complaining Party may select the forum in which to settle the dispute.
2. Without prejudice to the Party's rights and obligations under the WTO Agreement, once the complaining Party has requested a panel under an agreement referred to in paragraph 1, the forum selected shall be used to the exclusion of the dispute settlement provisions under those agreements in respect of that matter, unless both Parties agree otherwise.

Article 143. Consultations

1. The consulting Parties shall make every attempt to arrive at a mutually satisfactory resolution of any dispute through consultations under this Article.
2. A Party may request consultations with the other Party with respect to any measure or other matter that it considers may affect the operation of this Agreement. The request for consultations shall be submitted in writing and shall set out the reasons for the request, including identification of the measure or other matter at issue and an indication of the legal basis for the complaint. The complaining Party shall deliver the request to the other Party.
3. If a request for consultations is made, the Party complained against shall reply to the request within 10 days after the date of its receipt and shall enter into consultations in good faith, with a view of reaching a mutually satisfactory solution, within a period of:
(a) not more than 30 days after the date of receipt of the request;
(b) on disputes concerning perishable goods, 15 days after the date of receipt of the request. The consultation period shall not exceed 45 days from the date of receipt of the request to initiate consultations and 20 days in case of perishable goods, unless both Parties agree to extend these periods.
4. The consulting Parties shall:
(a) provide sufficient information to enable a full examination of how the measure or other matter at issue might affect the operation of this Agreement; and
(b) treat any confidential information exchanged in the course of consultations on the same basis as the Party providing the

information.
5. In consultations under this Article, a consulting Party may request the other Party to make available personnel of its government agencies or other regulatory bodies who have expertise in the matter subject to consultations.
6. Consultations may be held in person or by any technological means available to the Parties. In the event that the Parties decide to hold consultations in person, these shall be held in a place agreed by the Parties, or if there is no agreement, in the capital of the requested Party.
7. Consultations shall be confidential and without prejudice to the rights of any Party in any further proceedings.

Article 144. Good Offices, Conciliation and Mediation

1. Good offices, conciliation and mediation are procedures undertaken voluntarily if the Parties so agree.
2. Proceedings involving good offices, conciliation and mediation, and in particular the positions taken by the Parties during these proceedings, shall be confidential and without prejudice to the rights of either Party in any further proceedings under this Chapter.
3. Good offices, conciliation or mediation may be requested at any time by either Party. They may begin at any time and be terminated at any time.
4. If the Parties agree, good offices, conciliation or mediation may continue while the dispute proceeds for resolution before a panel established under Article 145 (Establishment of a Panel).

Article 145. Establishment of a Panel

1. If the Party complained against does not answer the request for consultations within 10 days from the date of receipt of such request, or if the Party complained against does not enter into consultations within the periods laid down in Article 143 (Consultations), paragraph 3, or if the consultation period has expired and the Parties have failed to resolve the dispute, the complaining Party may request in writing the establishment of a panel to consider the matter.
2. The complaining Party shall identify the measure or other matter at issue and indicate the provisions of this Agreement considered relevant, and shall deliver the request for the establishment of the panel to the other Party.
3. A panel shall be established upon receipt of a request.
4. Unless otherwise agreed by the disputing Parties, the panel shall be established, selected and perform its functions in a manner consistent with this Chapter.

Article 146. Composition of a Panel

1. The Parties shall apply the following procedures in selecting a panel:
(a) a panel shall comprise 3 members;
(b) each Party shall appoint a panelist within 10 days of the receipt of the request for the establishment of the panel;
(c) if one Party does not appoint a panelist within the aforementioned 10 days, the other Party shall be entitled to appoint a panelist of its selection;
(d) the Parties shall endeavour to agree on a third panelist, who shall not be a national of any of the Parties, to serve as chairperson of the panel, within 15 days of the receipt of the request for the establishment of the panel;
(e) in the event that the chairperson of the panel cannot be appointed in accordance with the procedure set out in sub-paragraph (d), either Party may request the Director General of the WTO to designate the panelist within 10 days of the receipt of such request. This selection shall be made among WTO experienced panelists that abide by the criteria established by the Parties;
(f) all panelists shall meet the qualifications set out in paragraph 2. Each Party shall endeavour to appoint panelists who have expertise or experience relevant to the subject matter of the dispute.
2. All panelists shall:
(a) have expertise or experience in law, international trade, other matters covered by this Agreement, or the resolution of disputes arising under international trade agreements;
(b) be chosen strictly on the basis of objectivity, reliability and sound judgment;
(c) be independent of, and not be affiliated with or take instructions from, any Party;
(d) comply with the Rules of Conduct for the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes; and
(e) not have participated in the dispute in any other capacity pursuant to Article 144 (Good Offices, Conciliation and Mediation).
3. The date of composition of the panel shall be the date on which the chairperson is appointed.
4. If any of the panelists resigns or becomes unable to act, a new panelist shall be appointed in accordance with this Article. If a Party believes that a panelist is in violation of the Rules of Conduct referred to in paragraph 2(d), both Parties shall consult and, if they agree, the panelist shall be removed and a new panelist shall be appointed in accordance with this

Article.
5. Where in accordance to paragraph 4, there is a need to appoint a new panelist, panel proceedings shall be suspended until the new panelist is appointed. The new panelist shall have all the powers and duties of the original panelist. 6. The procedures set out in this Article shall apply in those cases where the original panel, or some of its members, are unable to reconvene pursuant to Articles 153 (Implementation of the Panel Report), 154 (Compliance Review), 155 (Compensation and Suspension of Concessions or Other Obligations) and 156 (Post Suspension). In these cases, the period for notifying the report shall be counted from the date on which the last panelist is appointed.

Article 147. Functions of the Panel

1. The function of a panel 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.
2. Where a panel concludes that a measure is inconsistent with this Agreement, it shall recommend that the Party complained against brings the measure into conformity.
3. The panel, in its findings and recommendations, cannot add to or diminish the rights and obligations provided for in this Agreement.

Article 148. Rules of Procedure of the Panel

1. The Commission shall establish Rules of Procedure, no later than during its first session, which shall ensure:
(a) a right to at least one hearing before the panel;
(b) an opportunity for each Party to provide initial and rebuttal written submissions;
(c) the possibility of using technological means to conduct the proceedings;
(d) that the hearings before the panel and its deliberations shall be confidential; and
(e) the protection of confidential information.
2. Unless the Parties otherwise agree, the panel shall conduct its proceedings in accordance with the Rules of Procedure. The panel may, in consultation with the Parties, regulate its own procedures in relation to the rights of the Parties to be heard and its deliberations.
3. The Commission may modify the Rules of Procedure.
4. Unless the Parties otherwise agree within 20 days from the date of the establishment of the panel, the terms of reference of the panel shall be: "To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of the panel pursuant to Article 145 (Establishment of a Panel) and to make findings of fact and law, conclusions and, if needed, recommendations for the resolution of the dispute."
5. Where the Parties have agreed on different terms of reference they shall notify these to the panel within 2 days of its composition.
6. The location of any hearing of the panel, if it is held in person, shall be decided by mutual agreement of the Parties, failing which, it shall be held in the capital of the Party complained against.
7. The panel shall make every effort to take its decisions by consensus, provided that where a panel is unable to reach consensus it may take its decisions by majority vote. Panelists may furnish separate opinions on matters not unanimously agreed. All opinions expressed in the panel report by individual panelists shall be anonymous. 8. The remuneration of the panelists and other expenses of the panel shall be borne by the Parties in equal shares.

Article 149. Information and Technical Advice

1. On request of a Party, or on its own initiative, unless both Parties disapprove, the panel may seek information and technical advice from any person or body that it deems appropriate.
2. Before the panel requests information or technical advice, appropriate procedures shall be established in consultation with the Parties. The panel shall provide the Parties with:
(a) prior notification and time to make observations before the panel regarding requests for information and technical advice pursuant to paragraph 1; and
(b) a copy of any information or technical advice submitted in answer to a request made pursuant to paragraph 1 and the opportunity to submit comments.
3. When the panel takes into consideration such information or technical advice in the preparation of its report, it shall also take into account any comments or observations submitted by the Parties on the information or technical advice.
4. When a request for information or technical advice is made in accordance with this Article, any period regarding the panel procedure shall be suspended from the date of the delivery of the request to the date when the written report is delivered to the panel.

Article 150. Suspension or Termination of Proceedings

1. The Parties may agree to suspend the work of the panel at any time for a period not exceeding 12 months from the date of such agreement. If the panel procedure has been suspended for more than 12 months, the terms of reference of the panel shall lapse unless the Parties agree otherwise, without prejudice of the complaining Party's right to request consultations and subsequently request the establishment of a panel on the same matter at a later stage. This paragraph shall not apply where the suspension is the result of attempts in good faith at reaching a mutually satisfactory solution pursuant to Article 144 (Good Offices, Conciliation and Mediation).
2. The Parties may agree to terminate the proceedings before a panel by jointly notifying the panel to this effect, at any time prior to the notification of the panel report.

Article 151. Report of the Panel

1. The panel shall base its report on the relevant provisions of this Agreement and the submissions and arguments of the Parties.
2. The panel shall notify a report to the Parties containing:
(a) findings of fact and law;
(b) its conclusions as to whether the measure or other matter at issue is inconsistent with this Agreement; and
(c) its recommendations, if any, for the resolution of the dispute.
3. Unless the Parties otherwise agree, the panel shall notify the report to the Parties within 120 days after the composition of the panel.
4. In exceptional cases, if the panel considers it cannot notify its report to the Parties within 120 days, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will notify its report. Any delay shall not exceed a further period of 30 days, unless the Parties otherwise agree.
5. In cases regarding perishable goods, the panel shall make every effort to notify its report within 80 days from the date of its composition. Any delay shall not exceed a further period of 10 days, unless the Parties otherwise agree.
6. The Parties shall simultaneously make the report available to the public, subject to the protection of confidential information, within 25 days after its notification, or 5 days after the panel responds to a request, if any, pursuant to Article 152 (Request for Clarification of the Report).
7. The panel report is final and binding on the Parties.

Article 152. Request for Clarification of the Report

1. Within 25 days of the notification of the report, either Party may submit a written request to the panel for clarification of any items the Party considers require further explanation or definition.
2. The panel shall respond the request within 20 days following the submission of such request. The clarification of the panel shall only be a more precise explanation of the contents of the report, and not an amendment of such report.
3. The filing of this request for clarification will not postpone the effect of the panel report or the compliance of the adopted decision, unless the panel decides otherwise.

Article 153. Implementation of the Panel Report

1. The Party complained against shall, without undue delay, take any measure necessary to comply in good faith with the report.
2. The disputing Parties may also agree at any time on a mutually satisfactory solution to the dispute.
3. If it is not practicable to comply immediately, the Parties shall endeavour to agree on a reasonable period of time to comply, within 30 days after the date of the notification of the report.
4. Failing agreement between the Parties on the reasonable period of time in accordance with paragraph 3, either Party may request the original panel to establish the reasonable period of time. Such a request shall be made in writing and notified to the other Party. The panel shall notify its report to the Parties within 20 days from the date of the submission of the request.
5. The reasonable period of time may be extended by mutual agreement of the Parties. All periods contained in this Article constitute part of the reasonable period of time.

Article 154. Compliance Review

1. The Party complained against shall notify the complaining Party by the end of the reasonable period of time of any measure that it has taken to comply with the report of the panel and provide information including the effective date and the relevant text of the measure.
2. In the event of disagreement between the Parties concerning the existence or the consistency of any measure notified under paragraph 1 with the provisions of this Agreement, the complaining Party may refer the matter to the original panel.

Such request shall be made in writing, identify the specific measure at issue and explain how such measure is inconsistent with the provisions of this Agreement. The panel shall notify its report within 45 days of the date of the submission of the request.

Article 155. Compensation and Suspension of Concessions or other Obligations

1. If a panel has concluded, in accordance with Article 151 (Report of the Panel), that a measure or other matter at issue is inconsistent with this Agreement and the Party complained against has failed to carry out the recommendations of the panel report within the reasonable period of time, or if the complaining Party considers that the Party complained against has failed to carry out the mutually satisfactory solution, or if the panel, in accordance with Article 154 (Compliance Review) concludes that the measure taken to comply is inconsistent with that Party's obligations under this Agreement, the Party complained against shall enter into negotiations with the complaining Party with a view to developing mutually acceptable compensation.
2. If the disputing Parties:
(a) are unable to agree on compensation within 30 days after the period for negotiating such compensation has begun; or
(b) have agreed on compensation and the complaining Party considers that the other Party has failed to observe the terms of the agreement, the complaining Party may at any time thereafter provide written notice to the Party complained against that it intends to suspend the application, to that Party, of concessions or other obligations of equivalent effect. The notice shall specify the level of concessions or other obligations that the Party proposes to suspend. The complaining Party may begin suspending concessions or other obligations 30 days after the date on which it provides written notice under this paragraph, or 7 days after the panel issues its report under paragraph 3, as the case may be.
3. If the Party complained against considers that the level of concessions or other obligations proposed to be suspended is excessive, it may, within 30 days after the complaining Party provides notice under paragraph 2, request that the original panel be reconvened to consider the matter. The Party complained against shall also deliver its request in writing to the complaining Party. The panel shall reconvene as soon as possible after delivery of the request and shall notify its report to the disputing Parties within 60 days after it reconvenes. If the panel finds that the level of concessions or other obligations proposed to be suspended is excessive, it shall establish the level of concessions or other obligations it considers to be of equivalent effect.
4. In considering what concessions or other obligations to suspend pursuant to paragraph 2:
(a) a complaining Party should first seek to suspend concessions or other obligations in the same sector or sectors affected by the measure or other matter at issue that the panel has found to be inconsistent with the obligations of this Agreement; and
(b) a complaining Party that considers it is not practicable or effective to suspend concessions or other obligations in the same sector or sectors may suspend concessions or other obligations in other sectors.
5. Compensation and suspension of concessions or other obligations shall only be applied until the Party complained against has implemented the recommendation of the panel report or a mutually satisfactory solution is reached.

Article 156. Post Suspension

1. Without prejudice to the procedures in Article 155 (Compensation and Suspension of Concessions or Other Obligations), if the Party complained against considers that it has complied, it may provide written notice to the complaining Party to request the end of the suspension of concessions or other obligations.
2. If the complaining Party agrees, it shall reinstate any concessions or other obligations suspended under Article 155 (Compensation and Suspension of Concessions or Other Obligations). If the complaining Party disagrees, it shall refer the matter to the original panel within 60 days of the receipt of the written notice provided by the Party complained against. If the complaining Party does not refer the matter to the panel within said period, it shall lose its right to apply the suspension of concessions or other obligations.
3. The panel shall notify its report on the matter within 30 days after the complaining Party refers the matter to it. If the panel concludes that the Party complained against has complied, the complaining Party shall promptly reinstate any concessions or other obligations suspended under Article 155 (Compensation and Suspension of Concessions or Other Obligations).

Article 157. Private Rights

No Party shall provide for a right of action under its domestic law against the other Party on the grounds that a measure of the other Party is inconsistent with this Agreement.

Article 158. Time Limits

1. All periods laid down in this Chapter and in the Rules of Procedure shall be counted in calendar days, the first day being the day following the act or fact to which they refer.
2. Any period referred to in this Chapter and in the Rules of Procedure may be modified by mutual agreement of the Parties.

Chapter 15. Exceptions

Article 159. General Exceptions

1. For purposes of Chapter 3 (National Treatment and Market Access for Trade in Goods), Chapter 4 (Rules of Origin and Related Operational Procedures), Chapter 5 (Customs Procedures), Chapter 6 (Sanitary and Phytosanitary Measures) and Chapter 7 (Technical Barriers to Trade), Article XX of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, mutatis mutandis. The Parties understand that the measures referred to in Article XX (b) of GATT 1994 include environmental measures necessary to protect human, animal, or plant life or health, and that Article XX (g) of GATT 1994 applies to measures relating to the conservation of living and nonliving exhaustible natural resources, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in goods.
2. For purposes of Chapter 9 (Investment, Trade in Services and Temporary Entry of Business Persons), Article XIV of GATS (including its footnotes) is incorporated into and made part of this Agreement, mutatis mutandis. The Parties understand that the measures referred to in Article XIV (b) of GATS include environmental measures necessary to protect human, animal, or plant life or health, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services and investment.

Article 160. Security Exceptions

Nothing in this Agreement shall be construed:
(a) to require a Party to furnish or allow access to any information the disclosure of which it determines to be 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 fissionable materials or the materials from which they are derived;
(ii) relating to the supply of services as carried out directly for the purpose of provisioning a military establishment;
(iii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
(iv) taken in time of war or other emergency in international relations; or
(c) to prevent a Party from taking any action in pursuance of its obligations under the United Nations Charter for maintenance of international peace and security.

Article 161. Taxation

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.
2. Nothing in this Agreement shall affect the rights and obligations of any Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency. In the case of a tax convention between the Parties, the competent authorities under that convention shall have sole responsibility for determining whether any inconsistency exists between this Agreement and that convention.
3. Notwithstanding paragraph 2, Article 8 (National Treatment) and such other provisions of this Agreement as are necessary to give effect to that Article shall apply to taxation measures to the same extent as does Article III of GATT 1994.

Article 162. Disclosure of Information

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.

Article 163. Restrictions to Safeguard the Balance of Payments

Where a Party is in serious balance of payments and external financial difficulties or threat thereof, the Party may adopt or maintain restrictions to safeguard the balance of payments in accordance with the WTO Agreement and with the Articles of Agreement of the International Monetary Fund.

Article 164. Definitions

For purposes of this Chapter:
1. **Tax convention** means a convention for the avoidance of double taxation or other international taxation agreement or arrangement.
2. **Taxation measure**s do not include:
(a) customs duties as defined in Article 5 (Definitions);
(b) the measures listed in subparagraphs (b) and (c) to the definition of customs duties in Article 5 (Definitions).

Chapter 16. Final Provisions

Article 165. Annexes, Appendices, and Footnotes

The Annexes, Appendices, and footnotes to this Agreement constitute an integral part of this Agreement.

Article 166. Amendments

1. The Parties may agree in writing on any amendment of this Agreement.
2. Such amendment shall enter into force and constitute an integral part of this Agreement, 60 days after the date on which the Parties have exchanged written notifications confirming the completion of their respective applicable legal procedures for its entry into force.

Article 167. Amendment of the Wto Agreement

If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended and this Agreement is substantially affected thereby, the Parties shall consult with a view to amending the relevant provision of this Agreement, as appropriate, in accordance with Article 166 (Amendments).

Article 168. Entry Into Force and Termination

1. This Agreement shall enter into force 60 days after the date on which the Parties have exchanged written notifications confirming the completion of their respective applicable legal procedures for its entry into force. 2. Either Party may terminate this Agreement by written notification to the other Party. The termination shall take effect 180 days after the date of such notification.

Article Article

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement. DONE at Beijing, China, on this 8th day of April of 2010, in duplicate in the Chinese, Spanish and English languages. The three texts are equally authentic. In the event of divergence between these texts, the English text shall prevail. For the Government of the For the Government of the People's Republic of China Republic of Costa Rica Chen Deming Marco Vinicio Ruiz Minister of Commerce Ministro de Comercio Exterior