TRADE PARTNERSHIP AGREEMENT BETWEEN THE REPUBLIC OF ECUADOR AND THE REPUBLIC OF COSTA RICA

PREAMBLE

The Government of the Republic of Ecuador, on the one hand, and the Government of the Republic of Costa Rica, on the other hand, determined to:

STRENGTHEN the special ties of friendship and cooperation between them and promote regional economic integration;

EXPAND trade through greater international cooperation and strengthening of relations between their peoples for mutual benefit;

PURPOSE the creation of a larger and more secure market for goods and services produced in their respective territories and a stable and predictable environment for investment, thereby improving the competitiveness of their firms in global markets;

PROMOTE comprehensive economic development to reduce poverty;

PROMOTE the creation of new employment opportunities, and improve working conditions and living standards in their respective territories;

RECOGNIZE the importance of inclusive trade and small and medium-sized enterprises in international trade;

ESTABLISH clear and mutually beneficial rules governing their commercial exchange; CREATE a common framework of principles and rules for their bilateral trade in government procurement, with a view to its expansion under transparent conditions and as a means of promoting economic growth;

ENSURE a predictable legal and commercial framework for business and investment; RECOGNIZE that the promotion and protection of investments of one Party in the territory of the other Party will contribute to an increase in the flow of investments and stimulate mutually beneficial business activity;

FACILITATE contacts between the companies and private sectors of the Parties;

AVOID distortions in their reciprocal trade;

STRENGTHEN the competitiveness of its companies in global markets and seek greater insertion in global and regional value chains.

FACILITATE trade by promoting efficient and transparent customs procedures that ensure predictability for importers and exporters;

STIMULATE creativity and innovation and promote trade in the innovative sectors of their economies;

PROMOTE the protection and preservation of the environment and the contribution of trade to sustainable development

PROMOTE transparency in international trade and investment;

PRESERVE its ability to safeguard the public welfare;

REAFFIRM the objective of eliminating unnecessary barriers to trade, in order to generate greater dynamism in the flow of trade in goods and services and investment between the Parties and;

EXERCISE their respective rights and obligations under the Marrakesh Agreement establishing the World Trade Organization, as well as other bilateral, regional and multilateral international integration and cooperation instruments to which they are party;

HAVE AGREED to enter into this Trade Partnership Agreement in accordance with the following:

Chapter 1. Initial Provisions and General Definitions

Section A. Initial Provisions

Article 1.1. Establishment of the Free Trade Zone

The Parties to this Agreement, in accordance with Article XXIV of the WTO General Agreement on Tariffs and Trade 1994 and Article V of the WTO General Agreement on Trade in Services, establish a free trade area.

Article 1.2. Objectives

1. The objectives of this Agreement are as follows:

(a) stimulate the expansion and diversification of trade between the Parties;

(b) eliminate unnecessary barriers to trade and facilitate the cross-border movement of goods and services between the Parties;

(c) facilitate trade in goods through, in particular, the implementation of agreed customs and trade facilitation provisions, standards, technical regulations and conformity assessment procedures, and sanitary and phytosanitary measures;

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

(e) support the deepening of relations between productive sectors, taking into account the special needs of MSMEs, in order to achieve inclusive trade;

(f) increase investment opportunities in the territories of the Parties;

(g) adequately and effectively protect and enforce intellectual property rights in the territory of each Party, taking into consideration the balance of rights and obligations arising therefrom;

(h) create effective procedures for the implementation and enforcement of this Agreement, for its joint administration, and for preventing and resolving disputes; and

(i) promote the effective and reciprocal opening of the Parties' government procurement markets.

Article 1.3. Relationship to other International Agreements

1. The Parties confirm the rights and obligations existing between them pursuant to the WTO Agreement and other agreements to which the Parties are parties.

2. Unless otherwise provided in this Agreement, if a Party considers that a provision of this Agreement is inconsistent with a provision of another agreement to which the Parties are parties, such Party shall request consultations (1) with a view to reaching a mutually satisfactory solution. This paragraph is without prejudice to the rights and obligations of the Parties under Chapter 24 (Dispute Settlement).

(1) For greater certainty, the consultations provided for in this paragraph do not constitute a stage of the dispute settlement set forth in Chapter 24 (Dispute Settlement).

Article 1.4. Interpretation of the Agreement

The Parties shall perform and interpret this Agreement in good faith and in accordance with customary rules of interpretation of public international law, including the Vienna Convention on the Law of Treaties.

Article 1.5. Scope of Obligations

Each Party shall ensure the adoption of all necessary measures to give effect to the provisions of this Agreement in its territory and at all levels of government.

Section B. General Definitions

Article 1.6. Definitions of General Application

For the purposes of this Agreement, unless otherwise specified:

WTO TRIPS Agreement means the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (2), which is part of the WTO Agreement}

(2) For greater certainty, WTO TRIPS Agreement includes any waiver in force between the Parties of any provision of the WTO TRIPS Agreement granted by WTO Members pursuant to the WTO Agreement.

WTO Antidumping Agreement means the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 of the WTO, which forms part of the WTO Agreement,

WTO Customs Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 of the WTO, which forms part of the WTO Agreement;

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

WTO SPS Agreement means the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, which is par. WTO Agreement;

WTO TBT Agreement means the WTO Agreement on Technical Barriers to Trade, which is part of the WTO Agreement;

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, dated April 15, 1994;

WTO Agreement on Safeguards means the WTO Agreement on Safeguards. of the WTO, which is part of the WTO Agreement,

WTO Subsidies Agreement means the WIO Agreement on Subsidies and Countervailing Measures, which forms part of the WTO Agreement;

customs duty means any import tax or duty and charge of any kind levied in connection with the importation of goods, including any form of surcharge or additional charge on imports, except any:

(a) charge equivalent to an internal tax established in accordance with Article III.2 of GAIT 1994;

(b) anti-dumping duty or countervailing measure that is applied in accordance with a Party's domestic law and in conformity with Article VI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures and the WTO Agreement on Implementation of Article VI of the GATT 1994; or

(c) duty or other charge related to the importation, proportional to the cost of the services rendered;

customs authority means the authority which, in accordance with the respective laws of each Party, is responsible for administering and enforcing the customs laws and regulations, as appropriate:

(a) for Costa Rica, to the National Customs Service, or its successor; and

(b) for Ecuador, to the National Customs Service of Ecuador, or its successor; Chapter means the first two digits of the Harmonized System tariff classification code;

Commission means the Administrative Commission established pursuant to Chapter 23 (Administration of the Agreement);

procurement means the process by which a government acquires the use of or acquires goods or services, or any combination thereof, for governmental purposes and not with a view to commercial sale or resale or with a view to use in the production or supply of goods or services for commercial sale or resale;

days means calendar days;

corporation means any entity organized or organized under applicable law, whether or not for profit, or whether privately or governmentally owned, including corporations, trusts, partnerships, sole proprietorships, joint ventures, and other forms of associations;

existing means in effect on the date of entry into force of this Agreement;

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

measure includes any law, regulation, procedure, requirement or practice; merchandise means any product, article or material;

good of a Party means domestic products as understood in the GATT 1994 or such goods as the Parties may agree, and includes goods originating in that Party. A good of a Party may incorporate materials from a non-Party;

originating good means that it qualifies under the rules of origin set out in Chapter 3 (Rules of Origin and Origin Procedures);

MSMEs stands for Micro, Small and Medium-Sized Enterprises (3),

(3) For greater certainty, in the case of Ecuador, MSMEs include the actors of the Popular and Solidarity Economy "AEPYS", a figure contemplated in the Constitution of the Republic of Ecuador and the Organic Law of Popular and Solidarity Economy, provided that such actors meet the criteria required to be considered as MSMEs. AEPYS means "the actors of the popular and solidarity economy" which are the economic organizations, where their members, individually or collectively, organize and develop processes of production, exchange, commercialization, financing and consumption of goods and services, in order to satisfy the needs of their members.

national means a natural person who has the nationality of a Party in accordance with Annex 1.1 or a permanent resident of a Party;

WTO means the World Trade Organization,

Party means the Republic of Costa Rica, on the one hand, and the Republic of Ecuador, on the other hand, jointly referred to as the Parties;

heading means the first four digits of the Harmonized System tariff classification code; person means a natural person or a company;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes, as adopted and applied by the Parties in their respective legislation;

subheading means the first six digits of the tariff classification code under the Harmonized System;

territory means, for a Party, the territory of that Party as set forth in Annex 1.1; and

preferential tariff treatment means the tariff applicable under this Agreement to an originating good.

The company's activities are based on relationships of solidarity, cooperation and reciprocity, privileging work and the human being as the subject and purpose of its activity, oriented towards good living, in harmony with nature, over appropriation, profit and capital accumulation.

Annex 1.1. Country-Specific Definitions

For the purposes of this Agreement, unless otherwise specified herein:

government at the central level means:

(a) for Costa Rica, the national level of government; and

(b) for Ecuador, the central level of government;

government at the local level means:

(a) for Costa Rica, the municipalities; and

(b) for Ecuador, the decentralized autonomous governments;

natural person who has the nationality of a Party means:

(a) for Costa Rica, a Costa Rican as defined in Articles 13 and 14 of the Political Constitution of the Republic of Costa Rica; and

(b) for Ecuador, an Ecuadorian as defined in Articles 7 and 8 of the Constitution of the Republic of Ecuador;

Territory (4) means:

(a) for Costa Rica, the national territory including air and maritime space, where the State exercises complete and exclusive sovereignty or special jurisdiction in accordance with Articles 5 and 6 of the Political Constitution of the Republic of Costa Rica and International Law; and

(b) for Ecuador, the continental and maritime space, the adjacent islands, the territorial sea, the Galapagos Archipelago, the soil, the submarine platform, the subsoil and the overlying continental, insular and maritime space, and the respective air spaces, over which it exercises sovereignty and jurisdiction in accordance with international law and its internal legislation.

(4) For greater certainty, the definition of and references to "territory" contained in this Agreement apply exclusively for purposes of determining the geographic scope of application of this Agreement.

Chapter 2. National Treatment and Market Access for Commodities

Article 2.1. Scope of Application

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

Section A. National Treatment

Article 2.2. National Treatment

1. Each Party shall accord national treatment to goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, and to this , Article III of the GATT 1994 and its interpretative notes are incorporated into and made an integral part of this Agreement, mutatis mutandis.

2. Paragraph 1 shall not apply to measures listed Annex 2.2.

Section B. Tariff Elimination

Article 2.3. Tariff Elimination

1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any new customs duty, on a good originating in the other Party.

2. Except as otherwise provided in this Agreement, each Party shall eliminate its customs duties on originating goods of the other in accordance with Annex 2.3.

3. The tariff elimination program provided for in this Chapter shall not apply to used goods, including goods that are identified as such in headings or subheadings of the Harmonized System. Used goods also include goods that have been rebuilt, remanufactured, remanufactured or any other similar appellation given to goods that after having been used have undergone some process to restore them to their original characteristics or specifications, or to restore them to the functionality they had when new.

4. At the request of any Party, consultations shall be held to consider the improvement of tariff conditions for market access in accordance with Annex 2.3.

5. Notwithstanding Article 23.1 (The Administrative Commission), an agreement between the Parties to improve the tariff conditions for market access for a good shall prevail over any customs duty or category defined in Annex 2.3 for such good, when approved by the Parties in accordance with their applicable legal procedures.

6. For greater certainty, a Party may:

(a) increase a customs duty to the level set out in Annex 2.3, following a unilateral reduction; or

(b) maintain or increase a customs tariff when authorized by the WTO Dispute Settlement Body.

Section C. Special Regimes

Article 2.4. Exemption from Customs Duties

1. No Party may adopt a new exemption from customs duties, or extend the application of an existing exemption from customs duties with respect to existing beneficiaries, or extend it to new beneficiaries, where the exemption is conditioned, explicitly or implicitly, on compliance with a performance requirement.

2. No Party may condition, explicitly or implicitly, the continuation of any existing customs duty exemption on compliance with a performance requirement.

Article 2.5. Temporary Admission of Goods

1. Each Party shall authorize temporary admission free of customs duties for the following goods, irrespective of their origin:

(a) professional equipment, including equipment for scientific research, medical activities, press or television, computer software, and broadcasting and cinematographic equipment necessary for the exercise of the business, trade or profession of a person who qualifies for temporary entry under the national legislation of the importing Party;

(b) goods intended for display or demonstration at exhibitions, fairs, meetings or similar events;

(c) commercial samples, films and advertising recordings; and

(d) goods admitted for sporting purposes.

2. Goods entered under the temporary admission regime shall be subject to compliance with the terms established in the national legislation of each of the Parties.

3. No Party may condition the temporary duty-free admission of a good referred to in paragraph 1 on conditions other than that the good:

(a) is used solely by or under the personal supervision of a national or resident of the other Party in the exercise of that person's business, trade, professional or sporting activity;

(b) is not subject to sale or lease while it remains in its territory;

(c) is accompanied by a bond or guarantee in an amount not exceeding the charges that would otherwise be due for entry or final importation, refundable at the time of departure of the merchandise;

(d) is susceptible to identification when exported;

(e) is exported upon the departure of the person referred to in subparagraph (a), or within a period corresponding to the purpose of the temporary admission that the Party may establish, or within one year;

(f) is admitted in quantities no greater than is reasonable in accordance with its intended use; and

(g) otherwise admissible in the territory of the Party in accordance with its national legislation.

4. If any of the conditions imposed by a Party under paragraph 3 have not been met, the Party may apply the customs duty and any other charges that would normally be due on the good, plus any other charges or penalties established accordance with its national legislation.

5. Each Party shall adopt and maintain procedures to facilitate the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that when such merchandise accompanies a national or resident of the other Party who is requesting temporary entry, the merchandise shall be cleared simultaneously with the entry of that national or resident.

6. Each Party shall allow a good temporarily admitted under this Article to be exported through a customs port other than the port through which it was admitted.

7. In accordance with its national legislation, each Party shall provide that the importer or other person responsible for a good admitted in accordance with this Article shall not be responsible for the impossibility of exporting the good, upon presenting satisfactory evidence to the importing Party that the good has been destroyed within the original time limit set for temporary admission.

8. Subject to Chapter 10 (Cross-Border Trade in Services) and Chapter 15 (Investment), no Party may:

(a) prevent a vehicle or container used in international transportation that has entered its territory from the other Party from leaving its territory by any route that has a reasonable relation to the prompt and economic departure of such vehicle or container;

(b) The port of entry of the vehicle or container is different from the port of departure, and no bond shall be required and no penalty or charge shall be imposed solely on the grounds that the port of entry of the vehicle or container is different from the port of departure;

(c) condition the release of any obligation, including any bond, which it has applied to the entry of a vehicle or container into its territory, to its departure through a particular port; and

(d) require that the vehicle or carrier bringing a container into its territory from the territory of the other Party be the same vehicle or carrier that brings it into the territory of the other Party.

9. For the purposes of paragraph 8, vehicle means a truck, tractor-trailer, tractor, trailer or trailer unit, locomotive or wagon or other railway equipment.

Article 2.6. Goods Reimported after Repair or Alteration

1. No Party may apply a customs duty to a good, regardless of its origin, that has been re- entered into its territory after been temporarily exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repairs or alterations could have been carried out in the territory of the Party from which the good was exported for repair or alteration.

2. Neither Party may apply a customs duty to a good that, regardless of its origin, is temporarily admitted from the territory of the other Party for the purpose of being repaired or altered.

3. For the purposes of this article, repair or alteration does not include an operation or process that:

(a) destroys the essential characteristics of a good or creates a new or commercially different good; or

(b) transforms an unfinished good into a finished good.

Section D. Non-Tariff Measures

Article 2.7. Import and Export Restrictions

1. Except as otherwise provided in this Agreement, no Party may adopt or maintain any non-tariff measure that prohibits or restricts the importation of any good of the other Party or the exportation or sale for export of any good destined for the territory of the other , except as provided in 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 an integral part of this Agreement, mutatis mutandis.

2. The Parties understand that the rights and obligations of the GATT 1994 embodied in paragraph 1 prohibit, in any circumstances in which any other type of restriction is prohibited, a Party from adopting or maintaining:

(a) export and import price requirements, except as permitted for the enforcement of antidumping and countervailing duty provisions and undertakings;

(b) granting import licenses conditional on compliance with a performance requirement; or

(c) voluntary export restrictions incompatible with Article VI of GATT 1994, implemented under Article 18 of the WTO Subsidies Agreement and Article 8.1 of the WTO Antidumping Agreement.

3. Paragraphs 1 and 2 shall not apply to measures set forth in Annex 2.2.

4. No Party may require that, as a condition of an import commitment or for the importation of a good, a person of the other Party establish or maintain a contractual or other relationship with a distributor in its territory.

5. For the purposes of paragraph 4, distributor means a person of a Party who is responsible for the commercial distribution, agency, dealership or representation in the territory of that Party of goods of the other Party.

Article 2.8. Import and Export Licensing

1. No Party shall maintain or adopt a measure that is inconsistent with the WTO Agreement on Import Licensing Procedures (hereinafter referred to as the "Agreement", "WTO Import Licensing Agreement"). For this purpose, the WTO Import Licensing Agreement and its interpretative notes are incorporated into this Agreement and form an integral part thereof, mutatis mutandis.

2. Upon entry into force of this Agreement, each Party shall notify the other Party of any existing import and export licensing procedures.

3. With the objective of seeking greater transparency in reciprocal trade, the Party that establishes procedures for the processing of export licenses shall notify the other Party in a timely manner.

Article 2.9. Administrative Burdens and Formalities

1. Each Party shall ensure, in accordance Article VIII of the GATT 1994 and its interpretative notes, that all fees and charges of any nature (other than customs duties, charges equivalent to an internal tax or other internal charges applied in accordance with Article III.2 of the GATT 1994, and anti-dumping 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 indirect protection. of GATT 1994, and antidumping and countervailing duties), imposed on or in connection with importation or exportation, shall be limited to the approximate cost of services rendered and shall not represent an indirect protection to domestic goods, nor a tax on imports or exports for fiscal purposes. For this purpose, Article VIII of GATT 1994 and its interpretative notes are incorporated into this Agreement and form an integral part thereof, mutatis mutandis.

2. Neither Party shall require consular transactions, including related fees and charges, in connection with the importation of any goods of the other Party.

3. Each Party shall make available and maintain, through the Internet, to the extent practicable, an up-to-date list of fees or charges imposed in connection with importation or exportation.

Section E. Other Measures

Article 2.10. State Trading Enterprises

1. The rights and obligations of the Parties with respect to state trading enterprises shall be governed by Article XVII of GATT 1994, its interpretative notes and the Understanding on the Interpretation of Article XVII of GATT 1994, which are incorporated into and form an integral part of this Agreement, mutatis mutandis.

Article 2.11. Customs Valuation

1. The WTO Customs Valuation Agreement and any successor agreement shall govern the customs valuation rules applied by the Parties in their reciprocal trade. For this purpose, the WTO Customs Valuation Agreement and any successor agreement are incorporated into and form an integral part of this Agreement, mutatis mutandis. 2. Each Party's customs legislation shall comply with Article VII of the GATT 1994 and the WTO Customs Valuation Agreement.

Section F. Agriculture

Article 2.12. Scope and Coverage

This Section applies to measures adopted or maintained by a Party relating to trade in agricultural goods.

Article 2.13. Agricultural Export Subsidies

1. The Parties share the objective of the multilateral elimination of export subsidies on agricultural goods and should work together towards an agreement in the WTO to eliminate such subsidies and prevent their reintroduction in any form.

2. Neither Party may adopt or maintain any export subsidy on any agricultural commodity destined for the territory of the other Party.

Section G. Institutional Arrangements

Article 2.14. Committee on Trade In Goods

1. The Parties establish a Committee on Trade in Goods (hereinafter "the Committee"), composed of representatives of each Party.

2. The meetings of the Committee and of any ad hoc Working Group shall be chaired by representatives of the Ministry of Production, Foreign Trade, Investment and Fisheries of Ecuador and the Ministry of Foreign Trade of Costa Rica, or their successors.

3. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter;

(b) report to the Commission on the implementation and administration of this Chapter, as appropriate;

(c) promote trade in goods between the Parties, including through consultations on the acceleration of tariff elimination under this Agreement, and such other matters as may be appropriate;

(d) address obstacles to trade in goods between the Parties, especially those related to the application of non-tariff measures and, if appropriate, submit these matters to the Commission for its consideration;

(e) provide the Commission with advice and recommendations on technical assistance in matters relating to this Chapter,

(f) consult and make best efforts to resolve any differences that may arise between the Parties on matters relating to the classification of goods under the Harmonized System;

(g) establishing ad-hoc Working Groups with specific mandates; and

(h) to deal with any other matter related to this Chapter.

4. Unless otherwise agreed by the Parties, the Committee shall meet every two years in ordinary session, on a date mutually agreed by the Parties. The Parties shall determine those cases in which extraordinary meetings may be held.

5. The meetings may be held in person or by any technological means. When they are face-to-face, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless they agree otherwise. The first meeting of the Committee shall be held no later than one year after the date of entry into force of this Agreement.

6. Unless otherwise agreed by the Parties, the Committee shall be of a permanent nature and shall develop its working rules.

Section H. Definitions

Article 2.15. Definitions

For the purposes of this Chapter:

Duty-free means free of customs duties;

export license means an administrative procedure that requires the submission of an application or other documents (other than those generally required for customs clearance purposes) to the relevant administrative body, as a condition precedent to exportation in the territory of the exporting Party;

import license means an administrative procedure that requires the submission of an application or other documents (other than those generally required for customs clearance purposes) to the relevant administrative body, as a condition precedent to importation into the territory of the importing Party;

agricultural goods means those goods referred to in Article 2 of the WTO Agreement on Agriculture;

goods temporarily admitted for sporting purposes means sporting equipment for use in sporting competitions, events or training in the territory of the Party into which they are admitted;

goods intended for exhibition or demonstration include their components, auxiliary apparatus and accessories;

recycled goods means goods made entirely goods that have reached the end of their useful life and have undergone a production process resulting in a new good;

advertising films and recordings means visual media or recorded audio materials consisting essentially of images or sound depicting the nature or operation of goods or services offered for sale or hire by a person established or resident in the territory of a Party, provided that such materials are suitable for exhibition to potential customers, but not for dissemination to the general public;

performance requirement means a requirement of: (a) export a certain volume or percentage of goods or services;

(b) replace imported goods with goods or services of the Party granting the exemption from customs duties or import license;

(c) that a person benefiting from a customs duty exemption or import license purchases other goods or services in the territory of the Party granting the customs duty exemption or import license, or grants a preference to domestically produced goods;

(d) that a person benefiting from a customs duty exemption or import license produces goods or services in the territory of Party granting the customs duty exemption or import license, or import, with a certain level or percentage of domestic content; or

(e) relate in any way the volume or value imports to the volume or value of exports or to the amount of foreign exchange inflows,

but does not include the requirement that an imported good be:

(f) subsequently exported;

(g) used as material at the production of another merchandise which is subsequently exported;

(h) replaced by an identical or similar good used as a material in the production of another good that is subsequently exported; or

(i) replaced by an identical or similar good that is subsequently exported;

consular transactions means the requirements whereby goods of one Party, intended for export to the territory of the other Party, must first be presented 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 documents required for or in connection with importation.

Chapter 3. Rules of Origin and Origin Procedures

Section A. Rules of Origin

Article 3.1. Originating Goods

Except as otherwise provided in this Chapter, a good is originating when:

(a) is wholly obtained or wholly produced in the territory of one or both Parties, as defined in Article 3.2;

(b) is produced in the territory of one or both Parties exclusively from originating materials; or

(c) is produced in the territory of one or both Parties from non-originating materials resulting from a production or transformation process that complies with a change in tariff classification, regional value content or other requirements, as specified in Annex 3.1,

and with the other provisions of this Chapter.

Article 3.2. Wholly Obtained or Wholly Produced Goods

For the purposes of subparagraph (a) of Article 3.1, the following goods shall be considered to be wholly obtained or wholly produced in the territory of one or both Parties:

(a) plants and plant products harvested or collected in the territory of one or both Parties;

(b) live animals born and raised in the territory of one or both Parties;

(c) goods obtained from live animals raised in the territory of one or both Parties;

(d) goods obtained from hunting, trapping, fishing or aquaculture in the territory of one or both Parties;

(e) fish, crustaceans and other marine species taken from the sea or seabed, outside the territory of a Party, by a vessel registered or recorded in a Party and flying its flag;

(f) goods produced on board factory ships registered or registered in a Party and flying its flag, exclusively from the goods referred to in subparagraph (e);

(g) minerals and other inanimate natural resources extracted from the soil, waters, seabed or subsoil in the territory of one or both Parties;

(h) goods other than fish, crustaceans and other living marine species, obtained or extracted by a Party from marine waters, seabed or subsoil outside the territory of a Party, provided that Party has rights to exploit such marine waters, seabed or subsoil;

(i) wastes and derived from:

(i) manufacturing operations conducted in the territory of one or both Parties; or

(ii) used goods collected in the territory of one or both Parties,

provided that such waste or scrap is used only for recovery of raw materials; and

(j) goods produced in one or both Parties exclusively from the materials referred to in subparagraphs (a) through (i).

Article 3.3. Regional Content Value

1. The regional value content (hereinafter "RVC") of a good shall be calculated on the basis of the following method:

VCR = VM - VMN / VM x 100

where:

RCA: is the regional content value, expressed as a percentage;

VM: Is the value of the good, adjusted on an FOB basis, in accordance with Article 3.34; and

VMN: is the value of non-originating materials.

2. The value of non-originating materials shall be:

(a) the CIF value at the time importation of the material; or

(b) the first determinable price paid or payable for the non-originating materials in the territory of the Party where the processing or transformation took place. When the producer of a good acquires non-originating materials within that Party, the value of such materials shall not freight, insurance, packing costs and all other costs incurred in transporting the material from the supplier's warehouse to the place where the producer is located.

3. The values referred to above shall be determined in accordance with the WTO Customs Valuation Agreement.

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

5. All records of costs considered for the calculation of regional value content shall be recorded and maintained in accordance with Generally Accepted Accounting Principles applicable in the territory of the Party where the good is produced.

6. For purposes of calculating the regional value content, the value of non-originating materials used by the producer in the production of a good shall not include the value of non- originating materials used by:

(a) another producer in the production of an originating material that is acquired and used by the producer of the good in

the production of that good, or

(b) the producer of the goods in the production of an original material of his own manufacture.

Article 3.4. Minimum Operations or Processes

1. The operations or processes that, individually or in combination, do not confer origin to a good are the following:

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

(b) grouping or splitting of packages;

(c) packing, unpacking or repacking operations for retail sale;

(d) packaging in bottles, cans, jars, bags, cases and boxes and placing on cardboard or boards, and any other packaging operation;

(e) the affixing or printing of trademarks, labels, logos and other similar distinctive signs on the products or their packaging; or

(f) slaughter of animals.

2. The provisions of this article shall prevail over the specific rules of origin contained in Annex 3.1.

Article 3.5. Intermediate Material

When an intermediate material is used in the production of a good, no account shall be taken of the non-originating materials contained in such intermediate material for purposes of determining the origin of the good.

Article 3.6. Accumulation

1. Goods or materials originating in the territory of a Party, incorporated in a good in the territory of the other Party, shall be considered originating in the territory of that other Party.

2. A good shall be considered originating when it is produced in the territory of one or both Parties by one or more producers, provided that the good meets the requirements set out in Article 3.2 and all other applicable requirements of this Chapter.

3. Where each Party has established a preferential trade agreement with the same country or group of non-Party countries, goods or materials originating in such country or group of non-Party countries, incorporated in a good or material in the territory of a Party, may be considered as originating in the territory of that Party, provided that:

(a) the applicable rules of origin for that good or material under this Agreement are complied with;

(b) each Party has with the non-Party or group of non-Parties administrative cooperation agreements that ensure the proper implementation of paragraph 3; and

(c) the Commission shall establish, by means of a decision, the necessary conditions for its application.

Article 3.7. De Minimis

1. A good will be considered originating if the value of all the materials not used in the manufacture of the good is less than or equal to the value of all the materials used in the manufacture of the good.

The value of the originating products used in its production, which do not comply with the change of tariff classification in accordance with Annex 3.1, does not exceed 10% of the FOB value of the good.

2. Where the good referred to in paragraph 1 is subject to a change in tariff classification and regional value content requirement, the value of all non-originating materials shall be included in the calculation of the regional value content of the good.

3. In such a case, the good shall be considered originating if the total weight of all non- originating fibers or yarns of the component that determines the tariff classification of the good, which do not meet the change in tariff classification requirement set out in Annex 3.1, does not exceed 10% of the total weight of the good.

4. In all cases, the merchandise shall comply with all other applicable requirements of this Chapter.

Article 3.8. Goods and Fungible Materials

1. For the purpose of determining whether a good is originating, any good or fungible material shall be distinguished by:

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

(b) an inventory management method, such as average, last-in-first-out (LIFO) or first-in-first-out (FIFO), as recognized in the Generally Accepted Accounting Principles of the exporting Party.

2. The inventory management method selected, in accordance with paragraph 1, for a particular commodity or expendable material will continue to be used for those commodities or materials during the taxable year of the person who selected the inventory management method.

Article 3.9. Accessories, Spare Parts and Tools

1. Accessories, spare parts or tools delivered with the good shall be treated as originating if the good is originating and shall be disregarded in determining whether all non-originating materials used in the production of the good undergo the corresponding change in tariff classification, provided that:

(a) the accessories, spare parts or tools are classified with the merchandise and have not been invoiced separately, regardless of whether each is separately identified on the invoice itself; and

(b) the quantities and value of such accessories, spare parts or tools are those customary for the goods.

2. If a good is subject to a regional value content requirement, the value the accessories, spare parts or tools described in paragraph 1 shall be considered as originating or non- originating materials, as the case may be, when calculating the regional value content of the good.

Article 3.10. Sets or Assortments of Goods

1. If goods are classified as a set as a result of the application of Rule 3 of the General Rules of Interpretation of the Harmonized System, the set shall be considered as originating only if each good in the set is originating, and both the set and the goods comply all other applicable requirements of this Chapter.

2. Notwithstanding paragraph 1, a set or assortment of goods is originating if the value of all non-originating goods in the set or assortment does not exceed 15% of the FOB value of the set or assortment.

Article 3.11. Retail Containers and Packaging Materials

1. When retail containers and packaging materials are classified in the Harmonized System with the good they contain, the origin of the goods shall not be taken into account in determining the origin of the good.

2. Where goods are subject to a regional value content requirement, value of packaging materials and retail containers shall be taken into account in determining the origin of the goods, as the case may be.

Article 3.12. Containers and Packing Materials for Shipment

Containers and packing materials for shipment shall not be taken into account determining the origin of the goods.

Article 3.13. Indirect Materials

1. For the purpose of determining whether a good is originating, indirect materials shall be considered as originating regardless of the place of production.

2. Indirect materials mean items used in the production of a commodity that are not physically incorporated into or part of the commodity, including:

(a) fuel, energy, catalysts and solvents;

(b) equipment, apparatus and attachments used for the verification or inspection of goods;

(c) gloves, goggles, footwear, clothing, safety equipment and attachments;

(d) tools, dies and molds;

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

(f) lubricants, greases, composites and other materials used in the production, operation of equipment or maintenance of buildings; and

(g) any other goods that are not incorporated into the goods, but whose use in the production of the goods can be adequately demonstrated to part of that production.

Article 3.14. Direct Transport

1. For an originating good to maintain such status, it must be transported directly between the Parties.

2. Direct transport from the exporting Party to the importing Party shall be considered direct transport when:

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

(b) the goods transit through one or more non-Party countries, with or without transshipment or temporary storage in such non-Party countries, provided that:

(i) remain under the control of the customs authorities in the territory of a non-Party; and

(ii) do not undergo any operation other than unloading, reloading, repacking, splitting of shipments, labeling, packaging or any other operation to maintain them in good condition or that does not transform or change the original character of the goods.

3. Compliance with the provisions set forth in paragraph 2 shall be evidenced by the presentation to the customs authority of the importing Party of:

(a) in the case of transit or transshipment, the transport documents, such as the air waybill, bill of lading, consignment note or multimodal transport documents, certifying the transport from the country of origin to the importing Party, as the case may be;

(b) in the case of warehousing, the transport documents, such as the air waybill, bill of lading, consignment note or multimodal transport documents, certifying the transport from the country of origin to the importing Party, as the case may be, and the documents issued by the customs authority or other competent entity in accordance with the legislation of the non-Party certifying the warehousing; or

(c) in the absence of the above, any other supporting document requested by the customs authority of the importing Party, in accordance with its national legislation.

Section B. Origin Procedures

Article 3.15. Proofs of Origin

1. For purposes of this Chapter, the following documents shall be considered Proofs of Origin to certify that the goods qualify as originating in accordance with the provisions of this Chapter:

(a) a Certificate of Origin, as indicated in Article 3.16; or

(b) a Statement on Invoice, as indicated in article 3.17.

2. The Proofs of Origin referred to in paragraph 1 shall be valid for one year from the date of issue.

Article 3.16. Certificate of Origin

1. In order for originating goods to qualify for preferential tariff treatment, at the time of importation, the importer must have in his possession the original of a written or electronic Certificate of Origin issued on the basis of the format set out in Annex 3.16, and provide a copy to the customs authority of the importing Party upon request.

2. The exporter of the goods shall complete and submit a Certificate of Origin to the authorized entity, which shall be

responsible for its issuance before or at the time of the date of shipment of the goods abroad, as well as in the cases indicated in paragraph 6.

3. The Certificate of Origin shall cover one or more goods of a single shipment.

4. The exporter of the good requesting a Certificate of Origin shall submit all the necessary documents proving the originating status of the good in question, as required by the authorized entity. Likewise, the exporter must undertake to comply with the other requirements applicable to this Chapter.

5. In case of theft, loss or destruction of a Certificate of Origin, the exporter may request in writing to the authorized entity that issued it, a duplicate of the original Certificate of Origin, which shall be made on the basis of the export invoice or any other proof that would have served as a basis for the issuance of the original Certificate of Origin, in possession of the exporter.

The duplicate issued in accordance with this paragraph shall have in the remarks field the phrase "DUPLICATE of the Certificate of Origin number... from..... date.....", so that the period of validity is counted from the day indicated on the original Certificate of Origin.

6. Notwithstanding paragraph 2, a Certificate of Origin, in exceptional cases, may be issued after the date of shipment of the goods, provided that:

(a) was not issued before or at the time of shipment due to errors, inadvertent omissions or any other circumstance that may be considered justified, provided that not more than one year has elapsed since export and the exporter delivers all the necessary commercial documents; or

(b) it is demonstrated to the satisfaction of the authorized entity of the exporting Party, that the Certificate of Origin originally issued was not accepted at the of importation for technical reasons. The period of validity must be maintained as indicated in the Certificate of Origin originally issued.

In these cases, the phrase "CERTIFICATE ISSUED SUBSEQUENTLY" must be indicated in the observations field of the Certificate of Origin, and the number and date of the Certificate of Origin originally issued must also be indicated the case of the case mentioned in subparagraph (b).

7. When the exporter of the goods is not the producer, he may request the issuance of a Certificate of Origin on the basis of:

(a) information provided by the producer of the goods; or

(b) a declaration given by the producer of the goods to the exporter, stating that the goods qualify as originating in the exporting Party.

8. An exporter to whom a Certificate of Origin has been issued shall promptly notify in writing the authorized entity of the exporting Party and the importer of any change that may affect the accuracy or validity of the Certificate.

Article 3.17. Invoice Statement

1. The Invoice Declaration referred to in subparagraph 1 (b) of Article 3.15 may be issued, in accordance with this Article, only by an approved exporter as provided in Article 3.18.

2. The Invoice Declaration may be issued only if the goods in question are considered originating in the exporting Party.

3. Where the approved exporter is not the producer of the good in the exporting Party, an Invoice Declaration for the good may be issued by the approved exporter on the basis of:

(a) information provided by the producer of the goods to the approved exporter; or

(b) a declaration given by the producer of the good to the authorized exporter, indicating that the good qualifies as originating in the exporting Party.

4. An approved exporter shall be prepared to submit at any time during the period set forth in paragraph 4 of Article 3.24, upon request of the approved entity of the exporting Party, all appropriate documents demonstrating that the good for which the Invoice Declaration was issued qualifies as originating in the exporting Party.

5. The text of the Invoice Declaration shall be as provided in Annex 3.17. An Invoice Declaration shall be issued by an approved exporter by typing, stamping or printing on the invoice or any other commercial document! that describes the goods in sufficient detail to permit their identification. The Invoice Declaration shall be deemed to have been issued on the

date of issue of such commercial document.

6. An approved exporter who has issued an Invoice Declaration shall promptly notify in writing authorized entity of the exporting Party and the importer of any changes that may affect the accuracy or validity of the Invoice Declaration.

7. The Invoice Declaration may not be made on an invoice or any other commercial document issued by a person other than the exporter or producer located in a non-Party (1).

(1) Any other commercial document may be, for example, the packing list accompanying the goods.

Article 3.18. Approved Exporter

1. The authorized entity of the exporting Party may authorize an exporter in such Party to issue Invoice Declarations as an authorized exporter provided that the exporter:

(a) frequent shipments of goods originating in the exporting Party;

(b) has sufficient knowledge and the capacity to issue Invoice Declarations in an appropriate manner and complies with the conditions set forth in the national legislation of the exporting Party; and

(c) deliver to the authorized entity of the exporting Party, a written statement in which it accepts full responsibility for any Invoice Declarations identifying it, as if it had signed them by hand.

2. The authorized entity of the exporting Party shall provide the authorized exporter with an authorization number, which shall appear on the Invoice Declaration. It shall not be necessary for the Invoice Declaration to be signed by the authorized exporter.

3. An exporter requesting such authorization shall offer, to the satisfaction of the authorized entities, all the guarantees necessary for them to verify the originating status of the products, as well as compliance with the other requirements of this Chapter.

4. The authorized entity of the exporting Party shall ensure the proper use of the authorization by the authorized exporter.

5. The authorized entity of the exporting Party may revoke the authorization at any time, in accordance with the national legislation of the exporting Party, when the authorized exporter no longer complies with the conditions set forth in paragraph 1 or otherwise misuses the authorization.

Article 3.19. Notifications

1. Upon entry into force of this Agreement, each Party shall provide to the other Party a record of the names of the authorized entities and accredited officials to issue Certificates of Origin, as well as samples of the signatures and impressions of the seals used by the authorized entity for the issuance of Certificates of Origin.

2. Any change in the registration referred to in paragraph 1 shall be notified in writing to the other Party. The change shall enter into force 15 days after receipt of the notification or within a later period specified in such notification.

3. The authorized entity of the exporting Party shall provide to the customs authority of the importing Party information regarding the composition of the authorization number, as well as the names, addresses, e-mail addresses for purposes of verifications of origin and authorization numbers of the authorized exporters, and the dates on which such authorizations become effective. Each Party shall notify the other Party of any change, including the date on which such change becomes effective.

Article 3.20. Electronic Certificate of Origin

The Parties may begin to develop, from the entry into force of this Agreement, the electronic Certificate of Origin, with the objective of implementing it in the medium term.

Article 3.21. Obligations Relating to Imports

1. Except as otherwise provided in this Chapter, each Party shall require that an importer applying for preferential tariff treatment in its territory:

(a) declare on the customs import document, on the basis of a Proof of Origin, that the good qualifies as originating in the other Party;

(b) has in its possession the Proof of Origin at the time the declaration referred to in subparagraph (a) is made;

(c) has in its possession documents certifying that the requirements set forth in Article 3.14 have been met; and

(d) provide the Proof of Origin, as well as all the documentation indicated in subparagraph (c) to the customs authority, when required by the latter.

2. When the Proofs of Origin contain errors of a form which do not create doubts as to the accuracy of the information contained therein, such as spelling and typing errors, they shall be accepted by the customs authority of the importing Party.

3. When a Proof of Origin is not accepted by the customs authority of the importing Party at the time of importation, because it is illegible, has errors, omissions, erasures, erasures, amendments, has been written between the lines, or has not been completed in accordance with the instructions for completion or with the provisions of this Chapter, such customs authority shall not deny preferential tariff treatment. In this case, the customs authority of the importing Party shall request the importer, on a one-time, non-extendable basis, to submit a new Proof of Origin within a period of 15 days, counted from the day following the date of receipt of the notification of the rejection of such Proof of Origin, and may authorize the release, after adopting the measures that considers necessary to ensure the fiscal interest, in accordance with its national legislation (2).

(2) For greater certainty, in the case of Costa Rica, the phrase "measures to guarantee the fiscal interest" used in This Chapter refers to release with guarantee, in accordance with its national legislation.

4. At the end of the period set forth in paragraph 3, if a new properly issued Proof of Origin has not been submitted, the importing Party shall deny preferential tariff treatment, and if measures have been taken to ensure the fiscal interest, it shall proceed to enforce them.

5. In the event that a new, correctly issued Proof of Origin is presented and measures have been taken to guarantee the fiscal interest, the customs authority of the importing Party shall proceed to lift the measures in the shortest possible time, in accordance with its national legislation.

Article 3.22. Refund of Customs Duties

When an originating good is imported into the territory of a Party without the importer of the good having applied for preferential tariff treatment at the time of importation, the importer may apply, no later than one year after the date of acceptance of the customs import declaration, for reimbursement of any duty overpaid as a result of not having applied for preferential tariff treatment, by submitting to the customs authority:

(a) the Proof of Origin, which shall comply with the provisions set forth Articles 3.16 and 3.17; and

(b) other documentation related to the importation of the good, in accordance with the national legislation of the importing Party.

Article 3.23. Supporting Documents

Documents used to demonstrate that goods covered by a Proof of Origin are considered to be originating goods and meet the requirements of this Chapter may include, but are not limited to, the following:

(a) direct evidence of the processes carried out by the exporter or producer to obtain the referred goods, contained for example in its accounts or internal accounting;

(b) documents proving the originating status of the materials used, including the costs related to the production of the exported goods;

(c) documents proving the working or processing of the materials; and

(d) Certificates of Origin proving the originating status of the materials used.

Article 3.24. Preservation of Proofs of Origin and Supporting Documents

1. An exporter requesting the issuance of a Certificate of Origin shall maintain for a period of at least five years, the documents referred to in article 3.23, counted from the date of their issuance.

2. The authorized entity of the exporting Party issuing the Certificate of Origin shall maintain a copy of the Certificate of Origin for a period of at least five years from the date of its issuance.

3. An importer claiming preferential treatment for a good shall maintain, for a period of at least five years from the date of importation of the good, documentation related to the importation including a copy of the Proof of Origin.

4. An approved exporter who issues an Invoice Declaration shall maintain for a period of at least five years, the documents referred to in article 3.23, counted from the date of its issuance.

5. The records and documents referred to in paragraphs 1 to 4 may be kept in paper or electronic form, in accordance with the legislation of each Party.

Article 3.25. Exceptions to the Proof of Origin Requirement

1. The Parties shall not require a Proof of Origin demonstrating that a good is originating when it is:

(a) an importation of goods the customs value of which does not exceed one thousand United States dollars or its equivalent in national currency or such greater amount as the Party may establish; or

(b) an importation of goods for which the importing Party has exempted the requirement of presenting the Proof of Origin.

2. Paragraph 1 shall not apply to imports, including staggered imports, which are made or intended to be made for the purpose of evading compliance with the certification requirements of this Chapter.

Article 3.26. Verification Process

1. For the purpose of determining whether a good imported by one Party from the other Party if a good qualifies as an originating good, the customs authority of the importing Party may conduct a verification of origin through:

(a) written requests for information to the exporter or producer; in which the merchandise subject to verification must be specifically indicated;

(b) written questionnaires addressed to the exporter or producer; in which the merchandise subject to verification must be specifically indicated;

(c) visits to the facilities of an exporter or producer in the territory of the other Party, for the purpose of observing the facilities, the production process of the good, and reviewing the records related to origin, including accounting records and any type of supporting documents indicated in Article 3.23. The authorized entity of the exporting Party may participate in these visits, as an observer; or

(d) any other procedure agreed upon by the Parties.

2. The customs authority of the importing Party shall notify the initiation of the verification process to the exporter or producer, through the authorized entity of the exporting Party, together with the dispatch of the first questionnaire or written request for information or visit referred to in paragraph 1. The authorized entity of the exporting Party shall have a period of 10 days, from the receipt of the communication of the initiation of the verification process, to make this notification in accordance with its national legislation and send proof of the notification made to the customs authority of the importing Party. At the end of this period, the customs authority of the importing Party shall consider the exporter or producer of the goods as notified and shall continue with the verification procedure. The notifications, communications and exchanges of information subsequent to the initiation shall be made directly between the customs authority of the importing Party and the exporter or producer of the merchandise, with a copy to the authorized entity of the exporting Party. In addition, the customs authority of the importing Party shall notify the importer of the initiation of the verification process no later than within the aforementioned period.

3. For the purposes of this Article, the customs authority of the importing Party that carries out the verification of origin shall notify by electronic mail or by any means that shows the receipt of the written requests for information, questionnaires and visits to the exporters or producers. Likewise, notifications, communications and exchanges of information subsequent to the initiation of the verification process shall be made by electronic mail or by any means that provides evidence of receipt.

4. For the purposes of subparagraphs 1 (a) and 1 (b), the exporter or producer shall respond to the request for information

or questionnaire made by the customs authority of the importing Party within a period of 30 days from the date of receipt thereof. During such period, the exporter or producer may, only once, request in writing to the customs authority of the importing Party the extension of such period, which may not exceed 30 additional days. The importing Party shall deny the preferential tariff treatment for the merchandise in by failing to respond to such request or questionnaire.

5. When the customs authority of the importing Party has received the response to the written request for information or the questionnaire referred to in subparagraphs 1 (a) and 1 (b), within the corresponding term, and considers that the information provided in the response is insufficient or that further information is required to verify the origin of the merchandise subject to verification, it may request such information from the exporter or producer, which shall be sent within a period not to exceed 30 days from the date of receipt of the request for additional information.

6. The importer within a period of 30 days from the notification of the initiation of the process of verification of origin, may provide the documents, evidence or statements they consider relevant, and may request only once and in writing an extension to the customs authority of the importing Party, which may not exceed 30 days. If the importer fails to provide documentation, this shall not be sufficient reason to deny preferential tariff treatment, without prejudice to the provisions of paragraph 5.

7. For the purposes of subparagraph 1(c), the customs authority of the importing Party shall give written notice of such request at least 30 days prior to the verification visit to the exporter or producer. In the event that the exporter or producer does not give its written consent to the visit within 15 days from the date of receipt of the notification, the customs authority of the importing Party shall deny preferential tariff treatment to the good in question.

8. Where the exporter or producer receives a notification pursuant to paragraph 7, it may request, once only, within 15 days from the date of receipt of the notification, the postponement of the proposed verification visit for a period not exceeding 30 days from the date on which the notification was received, or for such longer period as may be agreed between the customs authority of the importing Party and the exporter or producer.

9. A Party shall not deny preferential tariff treatment solely on the basis of the postponement of the verification visit.

10. The customs authority of the importing Party shall draw up a record of the visit, which shall contain the facts found by it, and if applicable, a list of the information or documentation collected. Said report may be signed by the producer or exporter. In case the producer or exporter refuses to sign the minutes, this fact shall be recorded, without affecting the validity of the visit.

11. The customs authority of the importing Party shall, within a period not to exceed 365 days from the date of receipt of the notification of the initiation of the verification process, notify the exporter or producer in writing of the results of the determination of origin of the merchandise, as well as the factual and legal basis for the determination.

12. The customs authority of the importing Party shall notify the importer in writing of the result of the verification of origin procedure, which shall be accompanied by the the legal and factual basis for the determination, respecting the confidentiality of the information provided by the exporter or producer.

13. If, as a result of an origin verification procedure pursuant this Article, the customs authority of the importing Party determines that the good does not qualify as originating, such Party may suspend preferential tariff treatment to any subsequent imports of identical goods that have been produced by the same producer, until it is demonstrated to the customs authority of the importing Party that the goods qualify as originating under the provisions of this Chapter.

14. The suspension of preferential tariff treatment, pursuant to paragraph 13, shall be communicated by the customs authority of the importing Party to the exporter or producer, importer and the authorized entity of the exporting Party, stating the legal and factual basis for its determination, and respecting the confidentiality of the information.

Article 3.27. Measures to Guarantee the Fiscal Interest

1. In the event that doubts arise at the time of dispatch of the goods as to the authenticity of the Proofs of Origin or the origin of the goods, including the veracity of the information declared in the Proofs of Origin, the customs authority of the importing Party may not prevent the dispatch of the goods. However, the customs authority may adopt the measures to guarantee fiscal interests, in accordance with its national legislation.

2. When the importing Party adopts measures to ensure the fiscal interest, it may request information in accordance with paragraph 3 related to the authenticity of the Proofs of Origin, within a period of no more than 60 days following the adoption of such measures. Otherwise, the customs authority of the importing Party shall lift the measures taken to secure the fiscal interest in the shortest possible time, in accordance with its national legislation.

3. The customs authority of the importing Party may request by e-mail or by any means that shows the receipt of the written requests, information to the authorized entity of the exporting Party responsible for the issuance of the Certificate of Origin, in order to verify the authenticity of the Certificates of Origin. In the case of Invoice Declarations, the customs authority of the importing Party may request by e-mail or by any means that shows receipt of the written requests, information to the authorized entity of the exporting Party, in order to verify the authenticity of the Invoice Declarations. In both scenarios, the authorized entity of the exporting Party shall have a period of 60 days following the date of receipt of the request to provide the requested information.

4. In the event that the customs authority of the importing Party does not receive the requested information and documentation within the established time limit or that the authorized entity of the exporting Party does not recognize the authenticity of the Proofs of Origin, the preferential tariff treatment may be refused to the goods covered by the Tests of Origin subject to review and to execute the measures that have been adopted to guarantee the fiscal interest.

5. In the event that the authorized entity of the exporting Party recognizes the authenticity of the Proofs of Origin, the customs authority of the importing Party shall proceed to issue a determination accepting the preferential tariff treatment and to lift the measures that have been adopted to guarantee the fiscal interest, in the shortest possible time, in accordance with its national legislation.

6. If there are doubts about the origin of the good, which includes the veracity of the information declared in the Proof of Origin, the customs authority of the importing Party shall initiate a process of verification of origin in accordance with Article 3.26 within a period of no more than 60 days after they have adopted measures to guarantee the fiscal interest. Otherwise, the customs authority of the importing Party shall proceed to accept the corresponding preferential tariff treatment and to lift the measures that have been adopted to ensure the fiscal interest, in the shortest possible time, in accordance with its national legislation.

7. If the customs authority of the importing Party does not issue a determination of origin within the period referred to in paragraph 11 of Article 3.26, it shall proceed to accept the corresponding preferential tariff treatment and to lift the measures that have been adopted to ensure the fiscal interest, in the shortest possible time, in accordance with its national legislation.

8. If as a result of the conclusion of the verification of origin in accordance with Article 3.26 it is determined:

(a) the originating status of the good, the customs authority of the importing Party shall proceed to accept the application for preferential tariff treatment and to lift the measures it has adopted to ensure the fiscal interest the shortest possible time, in accordance with its national legislation; or

(b) the non-originating character of the good, the customs authority of the importing Party shall deny the request for preferential tariff treatment and shall proceed to execute the measures it has adopted to guarantee the fiscal interest.

Article 3.28. Sanctions

Each Party shall maintain or adopt criminal, civil or administrative sanctions for infringements related to the provisions of this Chapter, in accordance with its national legislation.

Article 3.29. Review and Appeal Appeals

Each Party shallensure, inrespect of its administrative acts related to the determination of origin, that importers, exporters or producers have access to:

(a) a level of administrative review independent of the official or unit that issued the administrative act; or

(b) a level of judicial review of the administrative act.

Article 3.30. Confidentiality

1. Each Party shall maintain, in accordance with its national legislation, the confidentiality of information provided in the framework of a verification of origin process.

2. Such information shall not be disclosed without the express consent of the person providing it, except in the event that it is required in the context of judicial or administrative proceedings.

3. Any breach of confidentiality of information shall be dealt with in accordance with the national legislation of each Party.

Article 3.31. Invoicing by a Person other Than the Exporter or Producer

1. In the case of an importation of originating goods in accordance with the provisions of this Chapter, the invoice presented at the time of importation may be issued by a person other than the exporter or producer, located in a Party or non-Party country.

2. In the case of invoicing by a person other than the exporter or producer, if the proof of origin is an Invoice Declaration, it shall be included in any other commercial document issued by the exporting Party that describes the good in sufficient detail to permit its identification.

3. In the "observations" field of the Certificate of Origin, when a good is invoiced by a person other than the exporter or producer, the phrase: "Operation invoiced by a person other than the exporter or producer" may be indicated.

Article 3.32. Uniform Regulations

The Parties may establish, on the date of entry into force of this Agreement, or such other date as the Parties may agree, Uniform Regulations concerning the interpretation, application and administration of this Chapter and such other matters as the Parties may agree, which may be adopted by the Commission.

Article 3.33. Rules of Origin Committee

1. The Parties establish a Committee on Rules of Origin (hereinafter "the Committee"), composed of representatives of each Party.

2. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter;

(b) report to the Commission on the implementation and administration of this Chapter, as appropriate,

(c) to cooperate in the effective, uniform and consistent administration of this Chapter, and to encourage cooperation in this regard,

(d) review and recommend to the Commission any modifications to Annex 3.1, including when amendments are made to the Harmonized System;

(e) propose to the Parties, through the Commission, modifications to this Chapter. The proposed modifications shall be submitted at the request of one or both Parties, who shall submit the proposals with the corresponding technical support and studies; and

(f) to deal with any other matter related to this Chapter.

3. Unless otherwise agreed by the Parties, the Committee shall meet every two years in ordinary session, on a date mutually agreed by the Parties. The Parties shall determine those cases in which extraordinary meetings may be held.

4. The meetings may be held in person or by any technological means. When they are face-to-face, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless they agree otherwise. The first meeting of the Committee shall be held no later than one year after the date of entry into force of this Agreement.

5. Unless otherwise agreed by the Parties, the Committee shall be of a permanent nature and shall develop its working rules.

Article 3.34. Definitions

For the purposes of this Chapter:

aquaculture means the cultivation or farming of aquatic species, including, among others, fish, mollusks, crustaceans, other invertebrates and plants, covering their complete or partial life cycle, from seed such as eggs, fish, shellfish, shellfish, crustaceans, and other invertebrates, and plants, covering their complete or partial life cycle, from seed such as eggs, fish, crustaceans, crustaceans, other invertebrates, and plants, immature fish, fry (3) and larvae. It is carried out in a selected and controlled environment, in natural or artificial water environments, in marine, fresh or brackish waters. It includes stocking

or seeding, restocking or replanting, cultivation, as well as research activities and the processing of the products derived from this activity;

(3) Fry means young fish in the post-larval stage, e.g., minnows, smolts and glass eels.

CIF means the value of the imported merchandise including insurance and freight costs to the port or place of introduction in the country of importation by whatever means of transport;

shipping containers and packing materials means goods used to protect merchandise during transportation and does not include containers and materials in which merchandise is packaged for retail sale;

authorized entity means:

(a) for Costa Rica, the Promotora de Comercio Exterior de Costa Rica (PROCOMER), or its successor; and.

(b) for Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries or its successor, which is the competent authority for the issuance of Certificates of Origin, granting the authorization of authorized exporter and other powers contained in this Chapter. In turn, it may delegate the issuance of Certificates of to authorized entities, in accordance with its national legislation;

exporter means a person located in the territory of a Party from which the good is exported;

FOB means the value of the goods free on board, including the cost of transportation to the final port or place of shipment, regardless of the means of transport;

importer means a person located in the territory of a Party into which the good is imported;

material means a good that is used in the production of another good, including any component, ingredient, raw material, part or piece;

intermediate material means an originating material that is produced by the producer of a good and used in the production of that good;

fungible goods or materials means goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical and which cannot be distinguished from one another by simple visual examination;

identical goods means identical goods as defined in the WTO Customs Valuation Agreement;

non-originating good or non-originating material means a good or material that does not qualify as originating under this Chapter, including materials or goods of unknown origin;

Generally Accepted Accounting Principles means recognized consensus or substantial support authorized and adopted 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 of general application, as well as those detailed standards, practices and procedures;

production means the cultivation, extraction, harvesting, fishing, breeding, trapping, hunting, hunting, manufacturing, processing, or assembling of a commodity;

producer means a person who engages in the production of a good in the territory of a Party; and

preferential tariff treatment means the tariff applicable under this Agreement to an originating good.

Chapter 4. Trade Facilitation and Customs Procedures

Article 4.1. General Provisions

1. The Parties reiterate their commitment to implement the Trade Facilitation Agreement, set out in Annex 1A of the WTO Agreement, by ensuring that their import, export and transit operations of goods are applied in a predictable, uniform and transparent manner.

2. Each Party shall employ information technology, to the extent possible, to make its controls more efficient and facilitate legitimate trade.

Article 4.2. Publication

1. Each Party shall publish, including on the Internet, its laws, regulations, and procedures for the import, export, and transit of goods; as well as the forms, required documents, the schedule of personnel operating at ports, airports, land border posts, and other points of entry; the duties and taxes and any other payments applicable to the import, export, and transit of goods, as well as the procedures for appeal or review and penalties.

2. Each Party shall designate or maintain one or more consultation points to address inquiries from interested persons on customs matters, and shall make available on the Internet information regarding the procedures to be followed in making such inquiries.

3. To the extent possible, each Party shall publish in advance any regulations of general application on customs matters that it proposes to adopt, and shall provide interested persons with an opportunity to comment prior to their adoption.

4. Each Party shall ensure that its customs laws, regulations and procedures are transparent and non-discriminatory.

5. Information on fees and charges related to the supply of foreign trade services provided by a Party shall be published, including on the Internet.

Article 4.3. Dispatch of Goods

1. In order to facilitate trade between the Parties, each Party shall adopt or maintain simplified customs procedures for the efficient clearance of goods.

2. Pursuant to paragraph 1, each Party shall adopt or maintain procedures that:

(a) provide for the release of goods within a period no longer than that required to ensure compliance with their customs legislation and, to the extent possible, within 48 hours of arrival;

(b) allow goods to be cleared at the point of arrival, without compulsory transfer to warchouses or other premises, except when the customs authority needs to exercise additional controls, for reasons of infrastructure, acts of God or force majeure; and

(c) allow importers, in accordance with their national legislation, to withdraw the goods from their customs, before and without prejudice to the final determination the customs authority of the applicable customs duties, taxes and charges, for which a guarantee may be required for release prior to payment, provided that this guarantee does not exceed the amount of the final payment and is released after the payment of the obligations has been satisfied.

3. Each Party shall ensure, to the extent possible, that its competent authorities in the control of export and import of goods coordinate, inter alia, the requirements for information and documents, establishing a single place and time for physical verification, without prejudice to the controls that may apply in the case of post-clearance audits.

4. With a view to preventing loss or deterioration of perishable goods, provided that all regulatory requirements have been complied with, each Party shall arrange for the release of perishable goods:

(a) in normal circumstances, as soon as possible after the arrival of the goods and the submission of information required for the release of the goods; and

(b) in exceptional circumstances where it would be appropriate to do so, outside the working hours of your customs authority.

5. Each Party shall give due priority to perishable goods when scheduling any revisions that may be necessary.

6. Each Party shall allow, to the extent possible, the electronic submission of any entry process documents, including licenses, permits, authorizations and other required documents.

Article 4.4. Automation

1. Each Party shall endeavor to use information technology that makes the procedures for the import, export and transit of goods expeditious and efficient. To this end, each Party shall:

(a) will strive to use internationally recognized norms, standards and practices;

(b) will make electronic systems accessible to its customs users;

(c) shall allow the electronic transmission and processing of information and data prior to the arrival of the goods, in order to allow their clearance in accordance with the provisions of article 4.3;

(d) use electronic or automated systems for risk analysis and management, except in duly justified cases;

(e) work on the development of compatible electronic systems between the Parties! customs authorities to facilitate the exchange of international trade data between them;

(f) work to develop the set of common data elements and processes in accordance with the World Customs Organization (hereinafter "WCO") Data Model and related WCO recommendations and guidelines; and

(g) provide for the possibility of adopting procedures that allow the option of electronic payment of duties, taxes, fees and charges for the import, export or transit of goods.

2. Each Party shall adopt or maintain procedures to enable expeditious control of means of transport of goods leaving or entering its territory.

Article 4.5. Risk Administration or Risk Management

1. Each Party shall endeavor to adopt or maintain risk management systems that enable its customs authority to focus its inspection activities on high-risk goods, and that simplify the clearance and movement of low-risk goods, while respecting the confidential nature of information obtained through such activities.

2. In implementing risk management, each Party shall inspect imported goods based on appropriate selectivity criteria, avoiding physical inspection of all goods entering its territory, and to the extent possible, with the aid of non-intrusive inspection instruments.

Article 4.6. Transit of Goods

Each Party shall grant free transit to goods of the other , in accordance with Article V of the GATT 1994, including its interpretative notes.

Article 4.7. Expedited Delivery Shipments

1. Each Party shall adopt or maintain special customs procedures for fast delivery shipments, while maintaining appropriate control and selection systems in accordance with their nature.

2. The procedures referred to in paragraph 1 shall:

(a) provide for separate and expedited customs procedures for fast delivery shipments;

(b) provide for the presentation of the cargo manifest for the clearance of a fast delivery shipment, prior to the arrival of the shipment;

(c) to allow the presentation of a single cargo manifest covering all the goods contained in a shipment transported by an express delivery service, through electronic means;

(d) provide for the clearance of quick delivery shipments of lower risk and/or value with a minimum of documentation required for their release;

(e) under normal circumstances, to the extent possible, provide for the clearance of expedited shipments within 6 hours of presentation of the necessary customs documents, provided the shipment has arrived;

(f) under normal circumstances, to provide that no tariffs shall be fixed for the expedited delivery of correspondence, documents, newspapers and periodicals for non- commercial purposes; and

(g) under normal circumstances, provide that no customs duties shall be levied on expedited in respect of a de minimis value, fixed by each Party in its national legislation. Formal entry documents shall be simplified in accordance with the national legislation of each Party.

Article 4.8. Authorized Economic Operator

1. The Parties shall promote the implementation and strengthening of Authorized Economic Operator (AEO) programs in accordance with the WCO Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework of Standards), in order to facilitate the clearance of their goods. Their obligations, requirements and formalities shall be established in accordance with the national legislation of each Party.

2. The customs authorities of the Parties shall move forward, in accordance with their respective legal systems, in the subscription and effective implementation of Mutual Recognition Agreements between them.

Article 4.9. Foreign Trade Single Window

The Parties shall promote the creation of a Foreign Trade Single Window to expedite and facilitate trade. The Parties shall seek interoperability between their Single Windows.

Article 4.10. Review and Appeal

Each Party shall ensure, with respect to administrative acts concerning the import, export and transit of goods, that persons subject to such acts have access to:

(a) a level of administrative review that is independent of the official or office that issued the act; or

(b) at least one level of judicial review.

Article 4.11. Sanctions

Each Party shall adopt or maintain measures that allow for the imposition of administrative sanctions and, where appropriate, criminal sanctions, for the violation of national legislation on customs matters.

Article 4.12. Advance Rulings

1. Each Party shall issue in writing an advance ruling prior to the importation of a good into its territory, when an importer in its territory, or an exporter or producer in the territory of the other Party has so requested in writing, with respect to:

(a) tariff classification;

(b) the application of customs valuation criteria for a particular case, in accordance with the application of the provisions contained in the WTO Customs Valuation Agreement;

(c) whether a good is originating under Chapter 3 (Rules of Origin and Origin Procedures) of this Agreement;

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

2. Each Party shall issue the advance ruling within 60 calendar days of the filing of the request, provided that the applicant has submitted all information to the satisfaction of the customs authority, including, if requested, a sample of the good for which the applicant is requesting the advance ruling. In issuing the advance ruling, the Party shall take into account the facts and circumstances submitted by the applicant.

3. Each Party shall provide that advance rulings shall take effect from the date of their issuance, or such other date specified in the ruling provided that the facts or circumstances on which the ruling is based have not changed.

4. Each Party shall endeavor to make its advance rulings publicly available, including on the Internet, subject to confidentiality requirements under its national law.

5. The advance rulings issued and in force may be annulled, modified or revoked by the same authorities that issued them, ex officio or at the request of the applicant, when one of the following situations arises:

(a) the competent authority has knowledge that the resolution was issued based on information provided by the applicant in a false, incorrect or inaccurate manner or omits circumstances or facts relevant to the decision making process. In such cases, the effects of the annulment shall be applicable as of the date on which the advance tuling was issued and the appropriate civil, criminal and administrative penalties may be applied in accordance with the national legislation of each Party;

(b) the competent authority considers it appropriate to apply different criteria on the same facts and circumstances that were the object of the initial advance ruling. In this event, the modification or revocation shall be applied as from the date of

the change and in no case may it be opposed to situations presented while the resolution was in force; or

(c) when the decision must be modified due to changes introduced in the rules that served as basis, it shall apply only as of the date on which the changes in the rules were generated and in no case may it be opposed to situations presented while the decision was in force.

With respect to subparagraph (a), the Competent Authority shall notify the applicant of the respective resolution. In the cases provided for in subparagraphs (b) and (c), the Competent Authority shall make the revised information available to the interested persons sufficiently in advance of the date on which the amendments become effective.

Article 4.13. Committee on Trade Facilitation and Customs Procedures

1. The Parties establish a Committee on Trade Facilitation and Customs Procedures (hereinafter "the Committee"), composed of representatives of each Party.

2. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter;

(b) report to the on the implementation and administration this Chapter, as appropriate;

(c) promptly deal with matters proposed by a Party with respect to the development, adoption, application or implementation of the provisions of this Chapter;

(d) to promote the joint cooperation of the Parties in the development, application, implementation, execution and improvement of all matters pertaining to this Chapter, as well as to serve as a forum for consultation and discussion on such matters;

(e) at the request of a Party, resolve consultations on any matter arising under this Chapter within 30 days,

(f) propose solutions to the Commission on issues related to:

(i) interpretation and application of this Chapter;

(ii) customs tariff classification matters; and

(iii) other matters relating to practices or procedures adopted by the Parties under this Chapter; and

(g) to deal with any other matter related to this Chapter.

3. Unless otherwise agreed by the Parties, the Committee shall meet every two years in ordinary session, on a date mutually agreed by the Parties. The Parties shall determine those cases in which extraordinary meetings may be held.

4. The meetings may be held in person or by any technological means. When they are face-to- face, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless they agree otherwise. The first meeting of the Committee shall be held no later than one year after the date of entry into force of this Agreement.

5. Unless otherwise agreed by the Parties, the Committee shall be of a permanent nature and shall develop its working rules.

Article 4.14. Cooperation

1. In order to facilitate the effective operation of this Chapter, each Party shall endeavor to give prior notice to the other Party of any significant changes in its customs legislation that may affect the implementation of this Chapter.

2. The Parties shall cooperate to achieve compliance with their respective legislation with respect to:

(a) the implementation and operation of the provisions of this Chapter in matters imports or exports, transit of goods;

(b) the implementation and operation of the WTO Customs Valuation Agreement;

(c) restrictions or prohibitions on imports or exports;

(d) training of staff and users; and

(e) such other customs matters as the Parties may agree.

3. In order to facilitate trade between the Parties, each Party shall endeavor to provide the other with technical advice and assistance for the purpose of improving risk assessment and risk management techniques, simplifying and expediting customs procedures for the timely and efficient clearance of goods, improving the technical skills of personnel, and increasing the use of technologies that may lead to better compliance with a Party's customs legislation.

4. The Parties shall make efforts to cooperate in:

(a) strengthen each Party's ability to enforce customs legislation;

(b) improve coordination in matters related customs issues;

(c) facilitate the exchange of information between the Parties regarding their experiences in the implementation and strengthening of the Foreign Trade Single Windows; and

(d) exchange experiences in the national committees on trade facilitation, their functions, and their work to facilitate internal coordination and implementation of commitments under the WTO Trade Facilitation Agreement.

5. The Parties agree to enter into an Agreement on Cooperation and Mutual Assistance in Customs Matters.

6. Each Party shall designate and notify a focal point for matters arising under this article. The Parties shall notify without delay of any changes important in contact information. They may also establish and maintain other channels of communication in order to facilitate the secure and rapid exchange of information.

Chapter 5. Good Regulatory Practices

Article 5.1. Definitions

For the purposes of this Chapter:

(a) Regulatory impact analysis is the systematic process of analyzing and determining the impact of regulatory measures based on the definition of a problem. This analysis is a fundamental public policy tool for evidence-based decision making, allowing to present alternatives so that the regulatory authority can choose the option it deems appropriate to solve the problem and maximize social welfare;

(b) good regulatory practices refers to the use of tools in the process of planning, drafting, adopting, implementing, reviewing and monitoring regulatory measures;

(c) public consultation is the participatory mechanism, of a consultative and non- binding nature, by means of which the State, during a reasonable period of time, collects data and opinions from society in relation to a draft regulatory measure; and

(d) regulatory measures refer to measures of general application determined in accordance with Article 5.3, related to any matter covered by this Agreement, adopted by the regulatory authorities, and the observance of which is mandatory.

Article 5.2. General Objective

The general objective of this Chapter is to reinforce and encourage the adoption of good regulatory practices, in order to promote the establishment of a transparent regulatory environment with predictable procedures and stages, both for citizens and economic operators.

Article 5.3. Scope of Application

Each Party shall, in accordance with its domestic legislation and planning, determine and make publicly available the regulatory measures to which the provisions of this Chapter shall apply.

Article 5.4. General Provisions

1. The Parties reaffirm their commitment to adopt good regulatory practices in order to facilitate trade in goods and services, as well as the flow of investment between them.

2. The provisions of this Chapter shall not affect the right of the Parties to:

(a) to adopt, maintain or establish such regulatory measures as they deem appropriate, in accordance with their respective regulatory and administrative procedures and other internationally agreed commitments, with a view to achieving legitimate public policy objectives; or

(b) identify their regulatory priorities in the area and at the levels of government they deem appropriate.

Article 5.5. Establishment of Coordination Processes or Mechanisms

1. The Parties recognize that good regulatory practices can be promoted through effective interagency coordination, so that each Party:

(a) promote the creation and strengthening of internal mechanisms to facilitate effective inter-institutional coordination;

(b) seek to generate internal processes in each competent body for the preparation and review of regulatory measures, aimed at promoting good regulatory practices; and

(c) may establish or maintain coordination processes at the national or central level.

2. The Parties recognize that the processes referred to in paragraph 1 may vary according to their respective circumstances, including differences in political and institutional structures. Nevertheless, the Parties shall seek to:

(a) Encourage that, during the drafting phase of regulatory projects and proposals for regulatory measures, international good regulatory practices are taken into consideration, including those established in Article 5.6;

(b) to strengthen coordination and intensify the exchange of information among national governmental institutions to identify possible duplications and avoid the creation of inconsistent regulatory measures;

(c) promoting good regulatory practice policies on a systematic basis; and

(d) publicly report any proposal to carry out systemic regulatory improvement actions.

Article 5.6. Implementation of Good Regulatory Practices

1. Each Party shall encourage its respective competent regulatory authorities to submit drafis and proposed modifications of regulatory measures to public consultation, for a reasonable period of time, allowing interested parties to comment, in accordance with its legal system.

2. Each Party shall encourage its competent regulatory authorities to conduct, in accordance with its legal system, a regulatory impact analysis (RIA) prior to the adoption and proposed modification of regulatory measures that have a significant economic impact, or, where appropriate, another criterion established by that Party.

3. Recognizing that institutional, social, cultural and legal differences may result in specific regulatory approaches, the regulatory impact assessments conducted should, among other aspects:

(a) identify the problem to be solved, the actors or groups affected, the legal basis for the proposed action, existing international references and the objectives to be achieved;

(b) describe the feasible alternatives to address the identified problem, including the no action option, and outline their potential impacts;

(c) compare the alternatives proposed, pointing out, with justification, the solution or combination of solutions considered most appropriate to achieve the objectives pursued;

(d) be based on the best available scientific, technical, economic or other relevant information available to the respective regulatory authorities within their competence, mandate, capacity and resources; and

(ec) describe the strategy for the implementation of the suggested solution, including forms of monitoring and oversight where appropriate, as well as the need for modification or repeal of existing regulatory measures.

4. Each Party shall encourage its competent regulatory authorities, when developing regulatory measures, to take into consideration international references, to the extent appropriate and consistent with its respective national legislation.

5. Each Party shall promote that the new regulatory measures are clearly written, concise, organized and easy to understand, recognizing the possibility of involving technical issues that require specialized knowledge for their correct understanding and application.

6. Each Party shall endeavor to ensure that its competent regulatory authorities, in accordance with its legal system, facilitate public access to information on draft and proposed regulatory measures and make such information available on the Internet.

7. Each Party shall seek to maintain or establish internal procedures for the review of existing regulatory measures, as often as it deems appropriate, to determine whether they should be modified, expanded, simplified or repealed, with the objective of making its regulatory regime more effective.

8. When conducting regulatory impact assessments, the competent authorities should consider the potential impact of the regulatory proposal on MSMEs.

Article 5.7. Cooperation

1. The Parties shall cooperate in order to properly implement this Chapter and maximize the benefits derived from it. Cooperative activities shall take into account the needs of each Party and may include:

(a) information exchange, dialogues, bilateral meetings or mectings between the Parties and stakeholders, including MSMEs;

(b) training programs, seminars and other technical assistance initiatives;

(c) strengthening cooperation and exchange of experiences on the management of existing regulatory measures and other relevant activities among regulatory authorities; and

(d) exchange of data, information and practices related to the development of new regulatory measures, public consultations, regulatory impact analysis practices, estimation of potential costs and benefits of regulatory measures and practices related to the ex post review of regulatory measures.

2. The Parties recognize that regulatory cooperation depends on a commitment that regulatory measures are developed and made available in a transparent manner.

Article 5.8. Chapter Administration

1. The Parties shall establish focal points, who shall be responsible for following up on issues related to the implementation of this Chapter.

2. The focal points may meet in person or by any available technological means.

3. The Parties shall, every three years after the entry into force of this Agreement, consider the need for a review of this Chapter, in light of the milestones in the area of good regulatory practices at the international level and the experiences accumulated by the Parties.

Article 5.9. Relationship with other Chapters

In the event of any inconsistency between this Chapter and another chapter of this Agreement, the other chapter shall prevail to the extent of the inconsistency.

Article 5.10. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 24 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 6. Sanitary and Phytosanitary Measures

Article 6.1. Scope of Application

This Chapter applies to all sanitary and phytosanitary measures that may directly or indirectly affect trade between the Parties.

Article 6.2. Objectives

The objectives of this Chapter are:

(a) human, animal and plant life and health in the territories of the Parties;

(b) facilitate and increase bilateral trade, avoiding unnecessary trade restrictions; (c) collaborate for a better implementation of the WTO SPS Agreement;

(d) create a Committee to deal in a transparent manner with issues related sanitary and phytosanitary measures;

(e) strengthening communication and collaboration between the competent authorities of the Parties on sanitary and phytosanitary matters; and

(f) promote the continuous improvement of the sanitary and phytosanitary situation of the Parties.

Article 6.3. Reaffirmation of the WTO SPS Agreement

The Parties reaffirm their existing rights and obligations under the WTO SPS Agreement. The Parties recognize and reiterate their commitment to implement the decisions on the implementation of the SPS Agreement adopted by the WTO Committee on Sanitary and Phytosanitary Measures (hereinafter referred to as the "WTO SPS Committee").

Article 6.4. Rights and Obligations of the Parties

1. The Parties may adopt, maintain or apply their sanitary or phytosanitary measures to achieve an appropriate level of sanitary or phytosanitary protection provided that they are based on scientific principles.

2. The Parties may establish, apply or maintain sanitary or phytosanitary measures with a higher level of protection than that which would be achieved by the application of a measure based on an international standard, guideline or recommendation, provided that there is scientific justification for doing so.

3. Sanitary and phytosanitary measures shall not be applied in a manner that constitutes a disguised restriction on international trade.

Article 6.5. Equivalence

1. The recognition of equivalence of sanitary and phytosanitary measures may be given considering the standards, guidelines and recommendations established by the competent international organizations and the decisions adopted by the SPS Committee of the WTO on the matter.

2. A Party shall accept as equivalent the sanitary or phytosanitary measures of the other Party, even if they differ from its own, provided that they are shown to achieve the other Party's appropriate level of protection, in which case reasonable access for inspections, tests and other necessary procedures shall be provided.

Article 6.6. Risk Assessment and Determination of the Appropriate Level of SPS Protection

1. Sanitary and phytosanitary measures applied by the Parties shall be based on an assessment appropriate to the circumstances of the risks to human, animal or plant life or health, in accordance with Article 5 of the WTO SPS Agreement, taking into account the relevant standards, guidelines and recommendations of the competent international organizations.

2. The establishment of appropriate levels of protection shall take into account the objective of protecting human, animal and plant health, while facilitating trade and avoiding arbitrary or unjustified distinctions that could become disguised restrictions.

3. The Parties shall provide each other with the necessary facilities for the evaluation, when required, of sanitary and phytosanitary services, based on the guidelines and recommendations of international organizations or other procedures mutually agreed upon by the Parties.

Article 6.7. Adaptation to Regional Conditions with Inclusion of Pest- or Disease-Free Areas and Areas of Low Pest or Disease Prevalence

1. In assessing the sanitary or phytosanitary characteristics of a region, the Parties shall take into account, inter alia, the level of prevalence of specific diseases or pests, the existence of eradication or control programs, and appropriate criteria or guidelines that may be developed by competent international organizations.

2. The Parties shall recognize pest- or disease-free arcas and areas of low pest or disease prevalence in accordance with the WTO SPS Agreement, the recommendations and/or guidelines of the World Organization for Animal Health (hereinafter referred to as "OJE") and the International Plant Protection Convention (hereinafter referred to as "IPPC").

3. In determining such areas, the Parties shall consider technical and scientifically justified factors, which provide the necessary evidence to objectively demonstrate to the other Party that such areas are and are likely to remain pest- or disease-free areas or areas of low prevalence. To this end, reasonable access shall be provided, upon request to the other Party, for inspection, testing and other relevant procedures.

4. The Parties recognize the recommendations expressed in the OMSA compartmentalization standards.

5. If a Party does not recognize the determination of pest- or disease-free areas or areas of low pest or disease prevalence made by the other Party, it shall justify the technical and scientific reasons for such refusal in a timely manner.

Article 6.8. Inspection, Control and Approval

The Parties shall establish inspection, control and approval procedures taking into consideration Article 8 and Annex C of the WTO SPS Agreement.

Article 6.9. Transparency

1. The Parties shall apply sanitary and phytosanitary measures in a transparent manner. For these purposes, the Parties shall notify each other of such measures in accordance with Annex B of the WTO SPS Agreement.

2. Additionally, the Parties shall notify each other:

(a) the application of emergency measures within a period not exceeding three days, in accordance with the provisions of Annex B of the WTO SPS Agreement;

(b) in a timely manner any problems that may occur with the imported products from the exporting Party, the measure to adopt and their justifications, through the competent authorities established in Article 6.14;

(c) cases of exotic or unusually occurring pests or diseases; and

(d) updated information at the request of a Party, of the requirements that apply to the importation of specific products, and to inform on the status of the processes and measures in process, with respect to the requests for access of products related to the SPS Agreement of the WTO by the exporting Party.

3. Likewise, the Parties shall make their best efforts to improve mutual understanding of sanitary and phytosanitary measures and their application, and shall exchange information on matters related to the development and application of sanitary and phytosanitary measures, which affect or may affect trade between the Parties, with a view to minimizing their negative effects on trade.

4. Notifications shall be made in writing to the contact points established in accordance with the WTO SPS Agreement. Written notification shall be understood to mean notifications by post, fax or e-mail.

Article 6.10. Cooperation and Technical Assistance

1. The Parties agree to cooperate and provide each other with the technical assistance necessary for the implementation of this Chapter, in order to improve mutual understanding of the Partiesâ regulatory systems and facilitate access to each other's markets.

2. The Parties may develop through the Committee established in Article 6.11 a work program on cooperation and technical assistance on sanitary and phytosanitary measures.

3. The competent authorities of the Parties, referred to in Article 6.14, may enter into cooperation and technical assistance agreements.

Article 6.11. Committee on Sanitary and Phytosanitary Measures

1. The Parties establish the Committee on Sanitary and Phytosanitary Measures (hereinafter "the Committee"), composed of representatives of each Party with responsibilities in this area, as a forum to ensure and monitor the implementation and

administration of this Chapter, as well as to address and attempt to resolve problems that arise in the trade of goods subject to the application of sanitary and phytosanitary measures.

2. The Committee may establish working groups on sanitary and phytosanitary matters as it deems appropriate.

3. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter;

(b) report to the Commission on the implementation and administration of this Chapter, as appropriate,

(c) serve as a forum to consult, discuss and attempt to resolve problems related to the development or application of sanitary or phytosanitary measures that affect or may affect trade between the Parties;

(d) contribute to trade facilitation through the timely handling of consultations on problems related to the implementation of this Chapter;

(e) improve any present or future relationship between the offices responsible for the application of sanitary and phytosanitary measures of the Parties;

(f) contribute to mutual understanding of the Partiesâ sanitary and phytosanitary measures, their implementation processes, and related domestic regulations;

(g) promote cooperation, technical assistance, training and exchange of information on sanitary and phytosanitary measures;

(h) consult on the position of the Parties on issues to be discussed at meetings of the WTO SPS Committee and other fora of which the Parties are members; and

(i) to deal with any other matter related to this Chapter.

4. Unless otherwise agreed by the Parties, the Committee shall meet every two years in ordinary session, on a date mutually agreed by the Parties. The Parties shall determine those cases in which extraordinary meetings may be held.

5. The meetings may be held in person or by any technological means. When they are face-to-face, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless they agree otherwise. The first meeting of the Committee shall be held no later than one year after the date of entry into force of this Agreement.

6. Unless otherwise agreed by the Parties, the Committee shall be of a permanent nature and shall develop its working rules.

Article 6.12. Settlement of Disputes

Once the consultation procedure pursuant to subparagraph 3 (c) of Article 6.11 has been exhausted, a Party that is not satisfied with the outcome of such consultations may resort to the dispute settlement procedure set forth in Chapter 24 (Dispute Settlement).

Article 6.13. Definitions

For the purposes of this Chapter, the definitions and glossaries of Annex A of the WTO SPS Agreement and of the international reference bodies shall apply.

Article 6.14. Focal Points and Competent Authorities

1. Each Party shall establish a focal point who shall be responsible for coordinating the implementation of this Chapter. The focal points shall be:

(a) for Costa Rica, the Ministry of Foreign Trade, or its successor,

(b) for Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries, or its successor.

2. For the purposes of this Chapter, the competent authorities for Sanitary and Phytosanitary Measures are:

(a) for Ecuador:

(i) Phytosanitary and Zoosanitary Regulation and Control Agency (AGROCALIDAD), or its successor;

(ii) National Agency of Regulation, Control and Sanitary Surveillance (ARCSA), or its successor; and

(iii) Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP) through the Undersecretariat of Quality and Safety, or its successor;

(b) for Costa Rica:

(i) State Phytosanitary Service (SFE), or its successor;

(ii) National Animal Health Service (SENASA), or its successor; and

(iii) Ministry of Health, or its successor.

Chapter 7. Technical Barriers to Trade

Article 7.1. Scope of Application

1. This Chapter applies to the preparation, adoption and application of all standards, technical regulations and conformity assessment procedures of each Party that may directly or indirectly affect trade in goods.

2. Notwithstanding the provisions paragraph 1, this Chapter does not apply to:

(a) sanitary and phytosanitary measures, which shall be covered by Chapter 6 (Sanitary and Phytosanitary Measures); and

(b) purchasing specifications established by governmental institutions for the production or consumption needs of governmental institutions, which shall be governed by Chapter 17 (Government Procurement).

Article 7.2. Objectives

The objective of this Chapter is to facilitate and increase trade in goods by identifying, avoiding and eliminating unnecessary obstacles to trade between the Parties that may arise as a result of the preparation, adoption and application of technical regulations, standards and conformity assessment procedures, and the promotion of joint cooperation between the Parties, within the terms of the WTO TBT Agreement.

Article 7.3. Reaffirmation of the WTO TBT Agreement

The Parties reaffirm their existing rights and obligations with respect to each other under the WTO TBT Agreement, which are incorporated into this Chapter, mutatis mutandis.

Article 7.4. Trade Facilitation

1. The Parties shall intensify their joint work in the field of standards, technical regulations and conformity assessment procedures, with a view to facilitating trade between the Parties. In particular, the Parties shall seek to identify, develop and promote trade facilitating initiatives relating to standards, technical regulations and conformity assessment procedures that are appropriate to particular issues or sectors, taking into account the Parties' respective experience in other appropriate bilateral, regional or multilateral agreements.

2. The Parties recognize the existence of a wide range of cooperative mechanisms to support greater regulatory convergence, and eliminate technical barriers to trade including increasing, to the extent possible, harmonization of national standards with international standards, as well as cooperation through mutual recognition agreements.

3. When a Party detains at the port of entry a good originating in the territory of the other Party by virtue of a perceived non-compliance with a technical regulation, it shall immediately notify the importer of the reasons for the detention.

Article 7.5. Use of International Standards

1. Each Party shall use relevant international standards, guides and recommendations as provided for in Articles 2.4 and 5.4 of the WTO TBT Agreement as the basis for its technical regulations and conformity assessment procedures.

2. In determining whether an international standard, guide or recommendation within the meaning given in Article 2, Article 5 and Annex 3 of the WTO TBT Agreement exists, each Party shall apply the principles set forth in the Decisions and Recommendations adopted by the WTO Committee on Technical Barriers to Trade (hereinafter "WTO TBT Committee") since January 1, 1995, G/TBT/1/Rev.14, dated September 24, 2019 issued by the WTO TBT Committee.

3. Each Party shall encourage its national standardizing bodies to cooperate with the relevant national standardizing bodies of the other Party in international standardization activities. Such cooperation may be effected through the activities of the Parties in regional and international standardizing bodies of which the Parties are members.

Article 7.6. Technical Regulations

1. Each Party shall consider accepting as equivalent the technical regulations of the other Party, even if they differ from its own, provided that it is satisfied that they adequately fulfill the legitimate objectives of its own technical regulations.

2. When a Party does not accept a technical regulation of the other Party as equivalent to one of its own, it shall, at the request of the other Party, explain the reasons for its decision.

3. At the request of a Party that has an interest in developing a technical regulation similar to the technical regulation of the other Party and to minimize duplication of costs, the other Party may provide any relevant information, studies or other available documents, on which the development of these technical regulations has been based, except for confidential information.

4. Technical regulations shall not restrict trade more than necessary to achieve a legitimate objective, taking into account the risks that would be created by not achieving it. Such legitimate objectives, among others, are: the imperatives of national security; the prevention of practices that may mislead; the protection of human health or safety, animal or plant life or health, or the environment. In assessing these risks, relevant elements to be taken into consideration are, among others: available scientific and technical information, related processing technology or end uses for which the products are intended.

Article 7.7. Conformity Assessment

1. The Parties recognize that a wide range of mechanisms exist to facilitate the acceptance in the territory of one Party of the results of conformity assessment procedures carried out in the territory of the other Party, for example:

(a) the importing Party's reliance on a supplier's declaration of conformity;

(b) voluntary agreements between conformity assessment bodies in the territory of the Parties;

(c) agreements on mutual acceptance of the results of conformity assessment procedures with respect to specific regulations, carried out by bodies located in the territory of the other Party;

(d) accreditation procedures to qualify conformity assessment bodies;

(e) the designation assessment bodies; and

(f) the recognition by a Party of the results of conformity assessment procedures carried out in the territory of the other Party.

The Parties shall intensify the exchange of information in relation to these and similar mechanisms to facilitate the acceptance of results of conformity assessment procedures.

2. In the event that a Party does not accept the results of a conformity assessment procedure carried out in the territory of the other Party, the latter shall, at the request of that other Party, explain the reasons for its decision.

3. Each Party shall accredit, license or otherwise recognize conformity assessment bodies in the territory of the other Party on terms no less favorable than those accorded to conformity assessment bodies in its territory. If a Party accredits, authorizes or otherwise recognizes a body assessing conformity to a specific standard or technical regulation in its territory and refuses to accredit, authorize or otherwise recognize a body assessing conformity to that same standard or technical regulation in the territory of the other Party, it shall, on request of that other Party, explain the reasons for its decision.

4. The Parties may enter into negotiations aimed at the conclusion of agreements on mutual recognition of the results of their respective conformity assessment procedures, following the principles of the WTO TBT Agreement. In the event that a Party does not agree to enter into such negotiations, it shall, at the request of the other Party, explain the reasons for its

decision.

Article 7.8. Transparency

1. Each Party shall notify in accordance with Article 10 of the WTO TBT Agreement:

(a) its draft technical regulations and conformity assessment procedures; and

(b) technical regulations and conformity assessment procedures adopted to address urgent safety, health, environmental protection or national security problems that arise or threaten to arise under the terms of the WTO TBT Agreement.

2. Each Party shall publish on the website of its competent national authority those technical regulations and conformity assessment procedures, including those that are consistent with the technical content of any relevant international standard. This publication shall remain publicly available as long as such technical regulations and conformity assessment procedures are in force.

3. Each Party shall allow a period of at least 60 days from the date of the notification referred to in subparagraph 1(a) for the other Party and interested persons to provide written comments on the proposal. A Party shall give sympathetic consideration to reasonable requests for an extension of the time period for comment.

4. Each Party shall make available to the other Party the responses to the significant comments it receives from the other Party, cither in printed or electronic form, no later than the date on which it publishes the final version of the technical regulation or conformity assessment procedure.

5. The notification of draft technical regulations and conformity assessment procedures shall include an electronic link to, or a copy of, the full text of the notified document.

6. A Party shall, upon request of the other Party, provide information on the objective and basis of the technical regulation or conformity assessment procedure that such Party has adopted or proposes to adopt.

7. The Parties agree that the period between publication and entry into force of technical regulations and conformity assessment procedures shall not be less than six months, unless it is impracticable to meet their legitimate objectives within that period. The Parties may consider reasonable requests for extension of the time period.

8. The Parties shall ensure that all technical regulations and conformity assessment procedures adopted and in force are publicly available on a free official website, in such a way that they are easily located and accessible.

9. Each Party shall implement the provisions of paragraph 4 as soon as practicable and in no case later than three years after the entry into force of this Agreement.

Article 7.9. Technical Cooperation

1. At the request of a Party, the other Party shall give favorable consideration to any sector-specific proposal made by the requesting Party for further cooperation under this Chapter.

2. The Parties agree to cooperate and provide technical assistance in the field of standards, technical regulations and conformity assessment procedures, and other related matters, with a view to facilitating access to their markets. In particular, the Parties shall consider the following activities, among others:

(a) to promote the application of this Chapter;

(b) to promote the implementation of the WTO TBT Agreement;

(c) strengthen the capacities of their respective standardization bodies, technical regulations, conformity assessment, and information and notification systems under the WTO TBT Agreement, including the training of human resources; and

(d) increase participation in international organizations, including those of a regional nature, related to standardization, technical regulation and conformity assessment.

Article 7.10. Committee on Technical Barriers to Trade

1. The Parties establish a Committee on Technical Barriers to Trade (hereinafter referred to as the "Committee"), "The Committee shall be composed of representatives of each Party in accordance with Annex 7.10.

2. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter;

(b) report to the Commission on the implementation and administration of this Chapter, as appropriate,

(c) promptly deal with matters that a Party proposes with respect to the development, adoption, application or implementation of standards, technical regulations, or conformity assessment procedures;

(d) to encourage the joint cooperation of the Parties in the development and improvement of standards, technical regulations and conformity assessment procedures;

(e) as appropriate, facilitate sectoral cooperation between governmental and non- governmental bodies on standards, technical regulations, conformity assessment procedures and other related matters in the territories of the Parties;

(f) exchange information about the work being carried out in non-governmental, regional and multilateral fora involved in activities related to standards, technical regulations and conformity assessment procedures;

(g) at the request of a Party, to resolve consultations on any matter arising under this Chapter,

(h) review this Chapter in light of any developments under the WTO TBT Agreement, and decisions or recommendations of the WTO TBT Committee, and make suggestions on possible amendments to this Chapter;

(i) take any other action that the Parties consider will assist them in the implementation of this Chapter and the WTO TBT Agreement and in the facilitation of trade between the Parties;

(j) to recommend to the Commission the establishment of working groups to deal with specific matters related to this Chapter and the WTO TBT Agreement; and

(k) to deal with any other matter related to this Chapter.

3. The Parties shall make every effort to reach a mutually satisfactory solution to the consultations referred to in subparagraph 2(g) within a period 30 days.

4. Where the Parties have resorted to consultations pursuant to subparagraph 2(g), such consultations shall replace those provided for in Article 24.4 (Consultations).

5. The representatives of each Party in accordance with Annex 7.10 shall be responsible for coordinating with the relevant bodies and persons in its territory, as well as for ensuring that such bodies and persons are convened.

6. Unless otherwise agreed by the Parties, the Committee shall meet every two years in ordinary session, on a date mutually agreed by the Parties. The Parties shall determine those cases in which extraordinary meetings may be held.

7. The meetings may be held in person or by any technological means. When they are face-to-face, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless they agree otherwise. The first meeting of the Committee shall be held no later than one year after the date of entry into force of this Agreement.

8. Unless otherwise agreed by the Parties, the Committee shall be of a permanent nature and shall develop its working rules.

Article 7.11. Exchange of Information

1. Any information or explanation provided at the request of a Party in accordance with the provisions of this Chapter shall be provided in printed or electronic form within 30 days, which may be extended upon justification by the reporting Party.

2. Regarding the exchange of information, in accordance with Article 10 of the WTO TBT Agreement, the Parties should implement the recommendations indicated in the document Decisions and Recommendations adopted by the WTO TBT Committee since January 1, 1995, G/TBT/1/Rev.14, dated September 24, 2019 issued by the WTO TBT Committee.

Article 7.12. Definitions

For the purposes of this Chapter, the terms and definitions in Annex 1 of the WTO TBT Agreement shall apply.

Chapter 8. Trade Remedies

Article 8.1. Competent Investigating Authorities

For the purposes of this Chapter, competent investigating authority means:

(a) for Costa Rica, the Dirección de Defensa Comercial del Ministerio de Economia, Industria y Comercio, or its successor; and

(b) for Ecuador, the DirecciÃ©n de Defensa Comercial del Ministerio de Produccion, Comercio Exterior, Inversiones y Pesca or its successor.

Section A. Bilateral Safeguard Measures

Article 8.2. Imposition of a Bilateral Safeguard Measure

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

2. If the conditions set out in paragraph 1 are met, a Party may, to the extent necessary to prevent or remedy serious injury or threat thereof and to facilitate readjustment:

(a) suspend the future reduction of any tariff rate provided for in this Agreement for the good; or

(b) increase the rate of duty for the good to a level not to exceed the lesser of:

(i) the most favored nation (MFN) tariff rate applied at time the measure is applied; or

(ii) the base tariff rate as set forth in Annex 2.3 (1) (Tariff Elimination Program).

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

Article 8.3. Standards for a Bilateral Safeguard Measure

1. No Party may maintain a bilateral safeguard measure:

(a) except to the and for the period necessary to prevent or remedy the serious damage and to facilitate readjustment;

(b) for a period exceeding two years, except that this period may be extended for an additional two years, if the competent authority determines, in accordance with the procedures set forth in Article 8.4, that the measure continues to be necessary to prevent or remedy serious injury, to facilitate adjustment, and that there is evidence that the domestic industry is in the process of adjustment; or

(c) after the expiration of the transition period.

2. In order to facilitate readjustment in a situation where the expected duration of a bilateral safeguard measure exceeds one year, the Party applying the measure shall progressively liberalize it at regular intervals during the period of application.

3. A Party may not apply a bilateral safeguard measure more than once against the same good until a period equal to the duration of the previous bilateral safeguard measure, including any extension, has elapsed, starting from the termination of the previous bilateral safeguard measure, provided that the period of non-application is at least one year.

4. Upon termination of the bilateral safeguard measure, the Party that has adopted the measure shall apply the tariff rate in accordance with its Schedule of Schedule 2.3 (Tariff Elimination Program).

Article 8.4. Investigation Procedures and Transparency Requirements

1. A Party may apply a bilateral safeguard measure only after an investigation conducted by the Party's competent authority

in accordance with Articles 3 and 4.2(c) of the WTO Agreement on Safeguards, and for this purpose, Articles 3 and 4.2(c) of the WTO Agreement on Safeguards are incorporated into and made an integral part of this Agreement, mutatis mutandis.

2. In the investigation described in paragraph 1, the Party shall comply with the requirements of Articles 4.2(a) and 4.2(b) of the WTO Agreement on Safeguards, and to this end, Articles 4.2(a) and 4.2(b) of the WTO Agreement on Safeguards are incorporated into and made an integral part of this Agreement, mutatis mutandis.

3. Each Party shall ensure that its competent authorities complete this type of investigation within a total period of no more than 12 months, including any extension.

Article 8.5. Provisional Bilateral Safeguard Measures

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

2. The duration of the provisional bilateral safeguard shall not exceed 200 days, shall adopt any of the forms provided for in paragraph 2 of Article 8.2, and shall comply with the relevant requirements of Articles 8.2 and 8.4. Guarantees or funds received for provisional measures shall be released or reimbursed promptly, when the investigation does not determine that increased imports have caused or threatened to cause serious injury to the domestic industry. The duration of any provisional bilateral safeguard measure shall be counted as part of the duration of a definitive bilateral safeguard measure.

Article 8.6. Notification and Consultation

1. A Party shall promptly notify other in writing, when:

(a) initiate a bilateral safeguard procedure accordance with this Section,

(b) apply a provisional bilateral safeguard measure; and

(c) adopt the final decision to apply or extend a bilateral safeguard measure.

2. A Party shall provide to the other Party a copy of the public version of the report of its competent investigating authority required under paragraph 1 of Article 8.4.

3. Upon request of a Party whose good is subject to a bilateral safeguard proceeding under this Chapter, the Party conducting the proceeding shall initiate consultations with the requesting Party to review the notifications under paragraph 1, or any public notice or report issued by the competent investigating authority in connection with such proceeding.

Article 8.7. Compensation

1. No later than 30 days after it applies a bilateral safeguard measure, a Party shall provide an opportunity for consultations with the other Party regarding appropriate trade liberalization compensation in the form of concessions having substantially equivalent effect on trade, or equivalent to the value of the additional duties expected as a result of the measure.

2. If the Parties are unable to agree on compensation within 30 days after the initiation of consultations, the exporting Party may suspend the application of substantially equivalent concessions to the trade of the Party applying the bilateral safeguard .

3. The exporting Party shall notify the Party applying the bilateral safeguard measure in writing at least 30 days before suspending concessions under paragraph 2.

4. The right of suspension referred to in paragraph 2 shall not be exercised during the first year that the bilateral safeguard measure is in effect, provided that the safeguard measure was taken as a result of an increase in absolute terms of imports and that such measure is in conformity with the provisions of this Agreement.

5. The obligation to provide compensation under paragraph 1 and the right to suspend concessions under paragraph 2 shall terminate on the date of termination of the bilateral safeguard measure.

Article 8.8. Definitions

For the purposes of this Section:

threat of serious harm means the clear imminence of serious harm based on facts and not merely on allegation, conjecture or remote possibility;

substantial cause means a cause that is important and not less than any other cause;

serious injury means a significant overall impairment of the position of a domestic industry;

transition period means the five-year period commencing on the date of entry into force of this Agreement, except for any goods for which the Annex 2.3 (Tariff Schedule) of the Party applying the safeguard measure provides that it shall eliminate its duties on the good over a period of five years or more, where transition period means the period of tariff reduction for the good set out in Annex 2.3 (Tariff Schedule) plus an additional period of two years.

Section B. Global Safeguarding Measures

Article 8.9. Global Safeguarding Measures

1. Each Party retains its rights and obligations under Article XIX of the GATT 1994 and the WTO Agreement on Safeguards.

2. This Agreement confers no additional rights or obligations on the Parties with respect to actions taken pursuant Article XIX of the GATT 1994 and the WTO Agreement on Safeguards, except that the Party imposing a global safeguard measure may exclude imports of a good originating in the other , if such imports are not a substantial cause of serious injury or threat of serious injury.

3. For the purposes of paragraph 2, imports from the other Party shall normally be considered not to constitute a substantial cause of serious injury or threat of serious injury if that Party is not among the five principal suppliers of the good subject to the proceeding, based on its share of total imports during the three years immediately preceding the initiation of the investigation, unless the Party conducting the investigation justifies through a duly substantiated resolution the need to include imports from the other Party, on the grounds that their exclusion would affect the effectiveness of the measure.

4. No Party shall apply with respect to the same good and during the same period:

(a) a bilateral safeguard measure in accordance with Section A; and

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

5. Except as provided in paragraph 4, Chapter 24 (Dispute Settlement) shall not apply to this Section.

Section C. Antidumping and Countervailing Duties

Article 8.10. Antidumping and Countervailing Duties

1. Each Party retains its rights and obligations under Article VI of the GATT 1994, the WTO Antidumping Agreement, and WTO Subsidies Agreement, with respect to the application of antidumping and countervailing duties.

2. Except as provided in paragraph 3, nothing in this Agreement shall be constmed to impose any rights or obligations on the Parties with respect to anti-dumping and countervailing duties.

3. Without prejudice to Article 6.5 of the WTO Antidumping Agreement and Article 12.4 of the WTO Subsidies Agreement, and in accordance with Article 6.9 of the WTO Antidumping Agreement and Article 12.8 of the WTO Subsidies Agreement, the competent investigating authority shall make meaningful disclosure of all essential facts and considerations that form the basis for the decision on the application of definitive measures. In this , the competent investigating authority shall send to the interested parties a written report containing such information, and shall the interested parties sufficient time to submit their comments and rebuttals in writing and orally to this report.

4. Chapter 24 (Dispute Settlement) shall not apply to this Section.

Section D. Cooperation

Article 8.11. Cooperation

The Parties agree to establish a mechanism for cooperation between their investigating authorities. Cooperation between

the Parties may include, but is not limited to, the following activities:

(a) exchange of available non-confidential information on trade remedy investigations they have carried out with respect to imports originating in or coming from third countries other than the Parties;

(b) technical assistance on trade remedies; and

(c) exchange of information in order to improve understanding of this Chapter and of the Partiesâ trade remedy regimes.

Chapter 9. Competition Policy

Article 9.1. Objectives and Principles

1. The purpose of this Chapter is to ensure that the benefits of trade liberalization under this Agreement are not undermined by anti-competitive practices or transactions, as well as to promote cooperation between the Parties in the application of their respective competition laws.

2. The Parties agree that the following practices (1) are incompatible with this Agreement, insofar as they may affect trade between the Parties:

(1) Ecuadorian law considers acts of unfair competition as anticompetitive practices. Notwithstanding the foregoing, Ecuador is not required to apply the provisions of this Chapter in to unfair competitive practices.

(a) agreements between undertakings, decisions of associations of undertakings and concerted practices, the object or effect of which is to prevent, restrict or distort competition;

(b) any abuse by one or more companies of a dominant position or substantial market power or significant market share; and.

(c) concentrations between companies that significantly hinder effective competition;

as specified in their respective competition laws.

Article 9.2. Legislation and Competent Authorities

1. Each Party shall adopt or maintain national competition laws that promote and protect the competitive process in its markets by prohibiting the conduct or transactions referred to in paragraph 2 of Article 9.1, in order to promote economic efficiency and consumer welfare.

2. Each Party shall establish or maintain one or more authorities responsible for the enforcement of its respective competition laws.

3. Each Party shall maintain its autonomy to develop and apply its own competition legislation.

4. Each Party shall ensure that any exceptions to the application its competition laws are provided for in its legislation and implemented in a transparent manner.

Article 9.3. Implementation

1, Each Party shall ensure that its respective national competition authorities act in accordance with the principles of legality, transparency, procedural fairness, due process and compliance with time limits in the application of their respective competition laws.

2. Each Party shall provide persons subject to the imposition of a sanction or corrective measure under its competition law with a reasonable opportunity to present evidence, be heard and request a review of the sanction or corrective measure, through administrative and/or judicial channels, in accordance with each Party's legislation.

3. Each Party shall make its competition laws publicly available.

4. Each Party shall ensure that all final decisions finding a violation of its competition laws are provided in written form and indicate any relevant factual findings and the legal basis on which the decision is based, in accordance each Party's law.

5. Each Party shall ensure that its competition law is applied by its competition authority or authorities in accordance with the objectives set out in this Chapter, and shall be applied in a non- discriminatory manner.

Article 9.4. Cooperation

1. The Parties recognize the importance of cooperation and coordination between their respective national competition authorities to promote the effective enforcement of their respective competition laws.

2. Accordingly, the Parties shall cooperate in matters relating to the application of competition policy and law, including notification, exchange of information, consultations and technical assistance, in accordance with Articles 9.5, 9.6, 9.7, and 9.5, respectively.

3. The Parties, through their competition authorities or competent competition authorities, may sign cooperation agreements or arrangements for the purpose of strengthening cooperation in competition matters considering their available resources.

4. This cooperation shall not prevent the Parties from making autonomous decisions.

Article 9.5. Notifications

1, The competition authority of a Party shall notify the competition authority of the other Party of any enforcement activity of its competition s relating to the practices or actions referred to in Article 9.2 if it considers that such activity may affect important interests of the other Party.

2. Provided that it is not contrary to the domestic laws of the Parties, nor does it affect any ongoing investigation, the notification shall relate to non-confidential information (2) and shall be made at an early stage of the administrative proceeding. The competition authority of the Party conducting the enforcement activity of its competition law may take into the submissions received from the other in its determinations.

(2) For Ecuador, the term non-confidential information refers to information that is not classified as confidential or reserved, in accordance with its national regulations.

Article 9.6. Exchange of Information

1. The Parties recognize the value of transparency competition policies.

2. In order to facilitate the effective application of their respective competition laws, the Parties may exchange non-confidential information at the request of one of them, provided that this is not contrary to their national laws and does not affect any ongoing investigation.

Article 9.7. Consultations

In order to promote understanding between the Parties or to address specific matters arising this Chapter, a Party shall, at the request of the other Party, initiate consultations, without prejudice to the autonomy of each Party to develop, maintain and apply its competition law. The requesting Party shall indicate the matter affects trade between the Parties. The requested Party shall give the utmost consideration to the concerns of the other Party.

Article 9.8. Technical Assistance

1. The Parties may provide technical assistance to each other, subject to available resources, in any area they deem appropriate, including the exchange of experiences, capacity building for the implementation of their competition laws and policies; promotion of competition culture.

2. Upon entry into force of this Agreement, the Parties shall notify the point of contact at the competition authority or authorities to whom any request for a request for a technical assistance.

Article 9.9. State-Owned Enterprises and Designated Monopolies

1. Nothing in this Chapter shall be construed to prevent a Party from establishing or maintaining state-owned enterprises

and/or designated monopolies in accordance with its laws.

2. Patdes shall ensure that designated state-owned enterprises and designated monopolies are subject to their respective competition laws and that they do not adopt or maintain any practice referred to in Article 9.1.2 that affects trade between the Parties, insofar as the application of this provision does not hinder the performance, in law or in fact, of the particular tasks assigned to them in their respective legislation.

Article 9.10. Settlement of Disputes

No Party may have recourse to the dispute settlement procedure set forth Chapter 24 (Settlement) or to any investor-State dispute settlement mechanism with respect to any matter arising under this Chapter.

Article 9.11. Definitions

For the purposes of this Chapter:

competent authority means:

(a) for Ecuador, the Superintendencia de Control de Poder de Mercado, or its successor; and

(b) for Costa Rica, the Commission to Promote Competition and the Superintendency of Telecommunications, according to the scope of their competencies, or their successors;

competition law means:

(a) for Ecuador, the Ley Organica de RegulaciÃ©n y Control del Poder de Mercado, Reglamento a Ley Organica de RegulaciÃ©n y Control del Poder de Mercado;

(b) for Costa Rica, the Law for the Strengthening of the Competition Authorities of Costa Rica, Law No. 9736 of September 5, 2019; the Law for the Promotion of Competition and Effective Consumer Defense, Law No. 7472 of December 20, 1994; and the General Telecommunications Law, Law No. 8642 of June 30, 2008;

and its implementing and amending regulations.

Chapter 10. Cross-Border Trade In Services

Article 10.1. Scope of Application

1. This Chapter applies to measures adopted or maintained by a Party affecting cross-border trade in services supplied by service suppliers of the other Party. Such measures include measures affecting:

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

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

(c) access to and use of distribution and transportation systems, or telecommunications facilities and other services related to the supply of a service;

(d) the presence in its tenitoi io of service supplier of the other Party; and

(e) the provision of a bond or other form of financial guarantee as a condition for the provision of a service.

2. For the purposes of this Chapter, measures adopted or maintained by a Party means measures adopted or maintained by:

(a) central or local governments or authorities; and.

(b) non-governmental institutions in the exercise of powers delegated to them by central or local governments or authorities.

3. This Chapter does not apply to:

(a) air services (1), including domestic and international air transport services, scheduled and non-scheduled, as well as related support services for air services, except:

(1) For greater certainty, the term air services includes traffic rights.

(i) aircraft repair and maintenance services while the aircraft is out of service;

(ii) the sale and marketing of air transportation services; and

(iii) computerized reservation system (CRS) services;

(b) procurement, as defined in 1.6 (Definitions of General Application); and

(c) subsidies or donations granted by a Party, including grants, guarantees and assurances provided by the government.

4. Articles 10.4, 10.7 and 10.5 shall apply to measures by a Party affecting the supply a service on its by a covered investment. (2)

(2) For greater certainty, the scope of Articles 10.4, 10.7, and 10.8 is limited to the scope specified in Article 10.1, for measures adopted or maintained by a Party affecting the supply of a service in its territory by a covered investment, subject to any applicable non-conforming measures or exceptions. Nothing in this Chapter, including this paragraph, is subject to any investor-State dispute settlement mechanism.

5. This Chapter does not impose any obligation on a Party with respect to a national of the other Party seeking to enter its labor market or to have permanent employment in its territory, or to confer any rights on that national with respect to such access or employment, nor shall it apply to citizenship or residency rules on a permanent basis.

6. Nothing in this Chapter shall be construed to impose any obligation on a Party with respect to its immigration measures.

7. This Chapter does not apply to services supplied in the exercise of governmental authority. A service supplied in the exercise of governmental authority means any service that is supplied neither on a commercial basis nor in competition with one or more service suppliers.

8. This Chapter does not apply measures adopted or maintained by a party in relation to financial services (3), except as provided in Chapter 1 (Financial Services).

(3) For greater certainty, the supply of financial services should mean the supply of services as defined in Article 1.2 of the GATS.

Article 10.2. National Treatment

Each Party shall accord to service suppliers of the other Party treatment no less favorable than that it accords, in like circumstances, to its suppliers.

Article 10.3. Most-Favored-Nation Treatment

1. Each Party shall accord to service suppliers of the other Party treatment no less favorable than that it accords, in like circumstances, to service of a non-Party.

2. Nothing in this Chapter shall be to a Party from conferring advantages on adjacent countries for the purpose of facilitating trade, limited to contiguous border areas, in services that are produced or consumed locally.

Article 10.4. Market Access

No Party may adopt or maintain, on the basis of a regional subdivision or of its entire territory, measures which:

(a) Impose limitations on:

(i) the number of service providers, either in the form of numerical quotas, monopolies or exclusive service providers, or by requiring an economic needs test;

(ii) the total value of assets or service transactions on the basis of numerical quotas or by requiring an economic needs test;

(iii) the total number of service operations or the total amount of service output, expressed in designated numerical units, in the form of quotas or by requiring an economic needs test (4);

(4) Subparagraph (ii i) does not cover a Party's measures that limit the inputs for the supply of services.

(iv) the total number of natural persons who may be employed in a given sector or who may be employed by a service supplier and who are necessary for the supply of a specific service and are directly related to it, in the form of numerical quotas or through the requirement of an economic needs test; or

(b) restrict or prescribe the specific types of legal entity or joint venture which a service supplier may supply a service.

Article 10.5. Local Presence

No Party require a service supplier of the other Party to establish or maintain a representative office or other form of enterprise, or to reside in its territory, as a condition for the cross-border supply of a service.

Article 10.6. Nonconforming Measures

1. Articles 10.2, 10.3, 10.4 and 10.5 do not apply to:

(a) any existing nonconforming measure maintained by a Party in:

(i) the central level of government, as stipulated by that party in its List of Annex I;

(ii) a local level of government (5)

(5) For greater certainty, Parties are not required to list existing nonconfotan measures maintained by a local government.

(b) the continuation or prompt renewal of any disproportionate measure referred to in subparagraph (a); or

(c) the modification of any non-conforming measure referred to in subparagraph (a), provided that such modification does not diminish the conformity of the measure, as in effect immediately prior to the modification, with Articles 10.2, 10.3, 10.4 and 10.5.

2. Articles 10.2, 10.3, 10.4 and 10.5 not apply to any measures that a Party adopts or maintains in relation to sectors, subsectors or activities as set out in its Schedule to Annex II.

Article 10.7. Transparency In the Development and Application of Regulations (6)

(6) For greater certainty, regulations include regulations that establish or apply licensing criteria or authorizations.

In Addition to Chapter 22 (Transparency):

(a) each Party shall establish or maintain appropriate mechanisms for responding to inquiries from interested persons concerning its regulations relating to the subject matter of this Chapter, in accordance with its legislation;

(b) at the time of adopting final regulations relating to the subject matter of this Chapter (7), each Party shall respond in writing, to the extent practicable, upon request, to substantive comments received from interested persons with respect to the proposed regulations; and

(7) The implementation of the obligation to establish appropriate mechanisms for small administrative bodies may need to take into account budgetary and resource constraints.

(c) to the extent possible, each Party shall provide a reasonable period of time between the publication of final regulations and the date on which they enter into force.

Article 10.8. National Regulation

1, The Parties shall ensure that all measures of general application to which this Chapter applies are administered in a reasonable, objective and impartial manner. This obligation shall not apply to measures covered by Annex I or to measures covered by Annex II of each Party.

2. Where a Party requires authorization for the supply of a service, the competent authorities of that Party shall, within a reasonable period of time after the submission of an application considered complete in accordance with its domestic law, inform the applicant of the decision regarding the application. At the request of such applicant, the competent of the Party shall provide, without undue delay, information concerning the status of application. This obligation shall not apply to authorization requirements covered by paragraph 2 of Article 10.6.

3. In order to ensure that measures relating qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, each Party shall endeavor to ensure, in a manner appropriate to each individual sector, that such measures do not constitute unnecessary barriers to trade in services:

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

(b) are not more burdensome than necessary to ensure quality of service; and.

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

4. The Parties recognize their mutual obligations relating to domestic regulation in Article VI.4 of the WTO GATS and affirm their commitment to the development of any necessary disciplines in accordance with Article VI.4. To the extent that any such disciplines are adopted WTO, the Parties shall jointly review them, as appropriate, with a view to determining whether this Article should be modified so that such results are incorporated into this Agreement.

Article 10.9. Mutual Recognition

1. For the purposes of complying, in whole or in part, with its standards or criteria for the authorization or certification of service suppliers or the licensing of service suppliers, and subject to the requirements of paragraph 4, a Party may recognize education or experience obtained, requirements met, or licenses or certificates granted in a particular country. Such recognition, which may be effected by harmonization or , may be based on an agreement or convention with the country in question or may be granted autonomously.

2. Where a Party recognizes, autonomously or by means of an agreement or arrangement, education or experience obtained, qualifications completed, or licenses or certificates granted in the territory of a non-Party, nothing in Article 10.3 shall be construed to require the Party to recognize education or experience obtained, qualifications completed, or licenses or certificates granted in the territory of the non-Party.

3. A Party that is a party to an agreement or convention of the type referred to in paragraph 1, existing or future, shall provide adequate opportunities the other Party, if the other Party is interested, to negotiate its accession to such an agreement or convention or to negotiate comparable ones with it. Where a Party grants autonomous recognition, it shall provide adequate opportunity for the other Party to demonstrate that the education, experience, licenses or certificates obtained or requirements fulfilled in the territory of that other Party should be recognized.

4. No Party shall grant recognition in a manner that would constitute a means of discrimination between countries in the application of its standards or criteria for the authorization or certification of service suppliers or the licensing thereof, or a disguised restriction on trade in services.

Article 10.10. Transfers and Payments

1. Each Party shall permit all transfers and payments related to the cross-border supply of services to be made freely and without delay to and from its territory.

2. Each Party shall allow all transfers and payments related to the cross-border supply of services to be made in freely circulating currency at the market rate of exchange prevailing on the date of transfer.

3. Notwithstanding the provisions of paragraphs 1 and 2, a Party may prevent or delay the making of the transfer or payment, through the equitable, non-discriminatory and good faith application of its national law with respect to:

(a) bankruptcy, insolvency or protection of creditors! rights; (b) issuance, trading or operation of 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 infractions; or

(e) guarantee of compliance with judicial or administrative orders or rulings.

Article 10.11. Denial of Benefits

A Party may deny the benefits of this Chapter to:

(a) a service supplier of the other Party if the service supplier is an enterprise owned or controlled by persons of a non-Party and the enterprise does not have substantial business activities in the territory of the other Party; or

(b) a service supplier of the other Party if the service supplier is an enterprise owned or controlled by persons of the denying Party and the enterprise has no substantial business activities in the territory of the other Party.

Article 10.12. Investment and Cross Border Services Trade Committee

1. The Parties establish the Committee on Investment and Cross-Border Trade in Services (hereinafter "the Committee"), the membership of which is set forth in Annex 10.12.

2. The Committee shall have, among others, the following functions:

(a) serve as a forum for monitoring the implementation and administration of this Chapter and Chapter 15 (Investment);

(b) facilitate the exchange of information between the Parties, as well as technical cooperation on trade in services and investment;

(c) examine issues of interest to the Parties related to trade in services and investment that are discussed in international fora; and,

(d) consider other trade in services and investment matters of mutual interest.

(e) Meetings may be held in person or through any technological means.

Article 10.13. Professional Services

Annex 10.13 (Professional Services) applies to measures adopted or maintained by a Party relating to the licensing or certification of professional service suppliers, as set out in that Annex.

Article 10.14. Definitions

For purposes of this Chapter:

cross-border trade in services or cross-border supply of services means the supply of a service:

(a) from the territory of one Party to the territory of the other Party;

(b) in the territory of a Party, by a person of that Party, to a person of the other Party; or

(c) by a national of a Party in the territory of the other Party,

but does not include the supply of a service in the territory of a Paige by a covered investment or by an investor of the other Party, as defined in Article 15.1 (Definitions);

company means a company as defined in Article 1.6 (Definitions of General Application) and a branch of a company;

service supplier of a Party means a person of that Party that intends to supply or does supply a service;(8)

(8) The Parties understand that for the purposes of Articles 10.2, 10.3 and 10.4, service suppliers has the same meaning as services and service suppliers as used in Articles XVII, II and XVI of the WTO GATS, respectively.

aircraft repair and maintenance activities performed on an aircraft or part thereof while the aircraft is in service and does not include so-called line maintenance;

computer reservation system (CRS) services means services provided through computerized systems that contain information about air carriers' schedules, seat availability, fares and fare-setting rules, and through which reservations can

be made or tickets issued;

professional services means services that require higher education (9) or equivalent training or experience for their provision and whose exercise is authorized or restricted by a Party, but does not include services provided by persons engaged in a trade or to crew members of merchant ships and aircraft; and

(9) For greater certainty, higher education shall be understood as that which is established by the national legislation of the Parties.

sale or marketing of air transportation services means the opportunities for the air carrier in question to freely sell and market its transportation services, and all aspects of marketing, such as market research, advertising and distribution, but does not include the pricing of air transportation services or applicable collllliations.

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Annex 10.12: Committee on Cross-Border Trade and Investment in Services

For the purposes of Article 10.12, the Committee on Investment and Cross-Border Trade in Services shall be composed as follows:

(a) for Costa Rica by representatives of the Ministry of Foreign Trade, or their successors; and

(b) for Ecuador by representatives of the Ministry of Production, Foreign Trade, Investment and Fisheries, or their successors.

Aneio 10.12 -1

Exhibit 10.13: Professional Services

Development of Professional Services Standards

1, Each Party shall encourage the relevant bodies in its respective territory to develop generally acceptable standards and criteria for the licensing and qualification of professional service suppliers, and to submit to the Commission recommendations on their recognition.

2. The rules and criteria to in 1 may be drawn up in relation to the following aspects: (a) education: accreditation Â¢1c educational institutions or academic programs; (b) examinations: licensing qualification examinations, including alternative methods

of evaluation, such as oral examinations and interviews; (c) experience: the extent and nature of the experience required to obtain a license;

(d) conduct and ethics: rules of professional conduct and the nature of disciplinary actions in case of contravention of these rules;

(e) professional development and renewal of certification: continuing education and the corresponding requirements to obtain the professional certificate;

(E scope of action: scope or limits of authorized activities; and

(g) local knowledge: requirements on knowledge of aspects such as laws, regulations, language, geography or local climate.

3. Upon receipt of a recommendation referred to paragraph 1, the Commission shall review it within a reasonable period of time to decide whether it is consistent with this Agreement. Based on the Commission's review, cach Party shall encourage its respective competent authorities to implement that recommendation, where appropriate, within a mutually agreed period of time.

Temporary Licenses

4, For mutually agreed individual professional services, each Party shall encourage the competent bodies in its territory to develop procedures for the granting of temporary licenses to professional service suppliers of the other Party.

Exhibit 10.13 1

Professional Services Working Group

5. The Parties, by mutual agreement, may form a Working Group on Professional Services, including representatives of relevant professional bodies of each Party, to facilitate the activities set out in paragraphs 1 and 4.

6. The IT Group below may consider, for individual professional services, the following matters:

(a) petra procedures encourage the development mutual recognition agreements or conventions between their relevant professional bodies;

(b) develop workable procedures on standards licensing and certification of pre- professional service providers;

Annex 10.12. Committee on Cross-Border Trade and Investment in Services

For the purposes of Article 10.12, the Committee on Investment and Cross-Border Trade in Services shall be composed as follows:

(a) for Costa Rica by representatives of the Ministry of Foreign Trade, or their successors; and

(b) for Ecuador by representatives of the Ministry of Production, Foreign Trade, Investment and Fisheries, or their successors.

Annex 10.13. Professional Services

Development of Professional Services Standards

1. Each Party shall encourage the relevant bodies in its respective territory to develop generally acceptable standards and criteria for the licensing and qualification of professional service suppliers, and to submit to the Commission recommendations on their recognition.

2. The rules and criteria to in 1 may be drawn up in relation to the following aspects:

(a) education: accreditation of educational institutions or academic programs;

(b) examinations: licensing qualification examinations, including alternative methods of evaluation, such as oral examinations and interviews;

(c) experience: the extent and nature of the experience required to obtain a license;

(d) conduct and ethics: rules of professional conduct and the nature of disciplinary actions in case of contravention of these rules;

(e) professional development and renewal of certification: continuing education and the corresponding requirements to obtain the professional certificate;

(f) scope of action: scope or limits of authorized activities; and

(g) local knowledge: requirements on knowledge of aspects such as laws, regulations, language, geography or local climate.

3. Upon receipt of a recommendation referred to paragraph 1, the Commission shall review it within a reasonable period of time to decide whether it is consistent with this Agreement. Based on the Commission's review, cach Party shall encourage its respective competent authorities to implement that recommendation, where appropriate, within a mutually agreed period of time.

Temporary Licenses

4. For mutually agreed individual professional services, each Party shall encourage the competent bodies in its territory to develop procedures for the granting of temporary licenses to professional service suppliers of the other Party.

Professional Services Working Group

5. The Parties, by mutual agreement, may form a Working Group on Professional Services, including representatives of relevant professional bodies of each Party, to facilitate the activities set out in paragraphs 1 and 4.

6. The Working Group below may consider, for individual professional services, the following matters:

(a) procedures to encourage the development of mutual recognition agreements or conventions between their relevant professional bodies;

(b) develop workable procedures on standards licensing and certification of pre- professional service providers;

(c) identify those professional services that are a priority for its work; and (d) other matters of mutual interest related to the provision professional services.

7. The Working Group shall report to the Commission on its progress and future direction with respect to its work.

Review

8. The Commission shall review the implementation of this Annex at least once every three years, or as the Parties deem appropriate.

Chapter 11. Financial Services

Article 11.1. Definitions

For the purposes of this Chapter:

cross-border trade in financial services or cross-border supply financial services means the supply a financial service:

(a) of the territory of one Party to the territory of the other Party;

(b) in the territory of a Party by a person of that Party to a person of the other Party; or

(c) by a national of a Party in the territory of the other Party,

but does not include the supply of a financial service in the territory of a Party for an investment in that ;

self-regulatory entity means any non-governmental entity, including any securities or financial derivatives market or exchange, clearinghouse or other body or association, that exercises proprietary or delegated regulatory or supervisory authority over financial service suppliers or financial institutions;

public entity means a central bank or monetary authority of a Party, or any financial institution owned or controlled. a Party;

financial institution means any financial intermediary or other enterprise that is authorized to do business and that is regulated or supervised as a financial institution in accordance with the law of the Party in whose territory it is located;

financial institution of the other Party means a financial institution, including a branch, located in the tenitorium of a Party and which is controlled by persons of the other Party;

investment means "investment" as defined in Article 15.18 (Definitions), except that, with respect to "loans" and "debt instruments" referred to in that Article:

(a) a loan granted to a financial institution or a debt instrument issued by a financial institution is an investment only when it is treated as regulatory capital by the Party in whose territory it is located the financing institution; and.

(b) a loan granted by a financial institution or a debt instrument owned a financial institution, other than a loan or debt instrument of a financial institution referred to in paragraph (a), is not an investment.

For greater certainty, a pt estain granted by cross-border supplier of financial services, or a debt instrument owned by a cross-border supplier of financial services, other than a loan to a financial institution or a debt instrument issued by a financial institution, is an investment if such loan or instrument meets the criteria for investments set forth in Article 15.18 (Definitions);

Investor of a Party means a "Investor of a Party" as defined in Article 15.18 (Definitions);

new financial service means a financial service not supplied in the territory of the Party, but which is supplied in the of the other Party, and includes any new form of supply of a financial service or the sale of a financial product that is not sold in the the Party;

person of a Party means a "person of a Party" as defined in Article 1.5 (Definitions of General Application) and, for greater certainty, does not include a branch of a company of a non-Party;

financial service supplier of a Party means a company of a Party engaged in the business of supplying a financial service in the territory of that Party;

cross-border financial service supplier of a Party means a person of a Party that is engaged in the business of supplying a financial service in the territory of the Party and that seeks to supply or does supply a financial service through the cross-border supply of such services;

financial service means any service of a financial nature. Financial services include all insurance and insurance-related services, and all banking and other financial services (except insurance), as well as all services incidental or auxiliary to a service of financial nature. Financial services include the following activities:

Services, including insurance and insurance coverage

(a) direct insurance (including coinsurance):

(i) life insurance;

(ii) insurance;

(b) reinsurance and retrocession;

(c) insurance brokerage activities, e.g., insurance brokers and insurance agents;

(d) The services auxiliary to insurance, e.g., consultants, actuaries, risk assessment and claims adjusting;

Financial services and other financial services (including insurance)

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

(f) loans of all types, including personal loans, mortgages, loans and financing of commercial transactions;

(g) financial advisory services;

(h) all payment services and money transfers, credit, charge and similar cards, traveler's checks and bank drafts;

(i) guarantees and commitments;

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

(i) money market instruments (including checks, bills of exchange and certificates of deposit);

(i) currencies;

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

(iv) exchange and money market instruments, such as swaps and forward rate agreements;

(v) transferable securities;

(vi) other negotiable instruments and financial assets, including metal;

(k) participation in issues of all kinds of securities, including and placement as agents (publicly or privately), and the provision of services related to such issues;

(l) foreign exchange brokerage;

(m) asset management, e.g., cash or management, collective investment management in all its forms, pension fund administration, custodial and depository services, and trust services;

(n) payment and clearing services in respect of financial assets, including securities, derivatives and other negotiable instruments;

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

(p) advisory, intermediation and other auxiliary financial services in respect of any of the activities specified in the guidelines. (e) to (0), including information and credit analysis, research and advice on investments and. securities portfolios, and advice on acquisitions and corporate restructuring and strategy.

Article 11.2. Scope of Application

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

(a) financial institutions of the other Party;

(b) investors the other Party and the investments of such investors in financial institutions in the Party's territory; and

(c) cross-border trade in financial services.

2. Chapters 10 (Cross-Border Trade In Services) and 15 (Investment) apply to the measures described in paragraph 1 only to the extent that those Chapters or the Articles of those Chapters are incorporated this Chapter.

(a) Articles 10.11 (Denial of Benefits), 15.9 (Measures Relating to Health, Safety, Environment, Labor Rights and Other Regulatory Requirements), 15.11 (Expropriation and Compensation), 15.12 (Transfers), 15.13 (Denial of Benefits) and 15.14 (Special Formalities and Information Requirements) are incorporated. into and made an integral part of this Chapter.

(b) Article 10.10 (Transfers and Payments) is incorporated into and forms an integral part of this Chapter to the extent that cross-border trade in financial services is subject to the obligations under Article 11.6 (Cross-Border Trade).

3. This Chapter does not apply to the ineiliclas acloptadas or maintained by a Party related to:

(a) activities or services that are part of a pension plan or statutory social security system; or

(b) activities or services carried out for the account or with the guarantee of the Party or with the use of financial resources of the Party, including its public entities,

However, this Chapter shall apply if a Party permits any of the activities or services referred to in paragraphs (a) or (b) to be performed by its financial institutions in competition with a public entity or financial institution.

4. This Chapter does not apply to laws, regulations, or requirements governing the acquisition by governmental agencies of financial services for governmental purposes and not the purpose of sale or use in the provision of services for commercial sale.

Article 11.3. National Treatment

1. Each Party shall accord to investors of the other Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of financial institutions and investments in financial institutions in its territory.

2. Each Party shall accord to financial institutions of the other Party and to investments of investors of other Party in financial institutions treatment no less favorable than that it accords, in like circumstances, to its own financial institutions and to investments of its own investors in financial institutions, with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of financial institutions and investments.

3. For purposes of the national treatment obligations in paragraph 1 of Article 11.6, a Party shall accord to cross-border financial service suppliers of the other Party treatment no less favorable than that it accords, in like circumstances, to its own financial service suppliers with respect to the supply of the relevant service.

Article 11.4. Most-Favored-Nation Treatment

Each Party shall accord to investors of the other Party, to financial institutions of the other Party, to investments of investors in financial institutions, and to cross-border financial service suppliers of the other Party, treatment no less favorable than that it accords, in like circumstances, to investors, to financial institutions of the other Party, and to cross-border financial service suppliers of the other Party, treatment no less favorable than that it accords, in like circumstances, to investors, to financial institutions of the other Party, and to cross-border financial service suppliers of the other Party financial institutions, investments of investors in financial institutions and cross-border suppliers of financial services of a non-Party.

Article 11.5. Market Access for Financial Institutions

1. A Party shall not adopt or maintain, with respect to financial institutions of the other Party, on the basis of a regional subdivision or its entire territory, measures that:

(a) impose limitations on:

(i) the number of financial institutions, in the form of numerical quotas, monopolies, exclusive service providers or through the requirement of an economic needs test;

(ii) the total value of assets or financial services transactions in the form of numerical quotas or by requiring an economic needs test;

(iii) the total number of financial services operations or the total amount of financial services output, expressed in designated units, in the form of quotas or by requiring a test of economic needs (1); or

(1) This shall not cover measures of a Party that limit inputs for the supply of financial services.

(iv) the total number of natural persons that may be employed in a given financial services sector, or that a financial institution may employ, and that are necessary for the supply of a specific financial service, and are directly related to it, in the form of numerical quotas or through the requirement of an economic needs test; or

(b) restrict or prescribe the specific types of legal entity or joint venture through which a financial institution may provide a service.

2. For purposes of this Article, financial institutions of the other Party include financial institutions that investors of the other Party intend to establish in the territory of the Party.

Article 11.6. Cross-border Trade

1. Each Party shall permit, on terms and conditions that accord national treatment, cross-border financial service suppliers of the other Party to supply the services specified in Annex 11.6 (Cross-Border Trade).

2. Each Party shall permit persons located in its territory and its nationals, wherever located, to purchase financial services from cross-border financial service suppliers of the other Party located in the territory of the other Party. This does not oblige a Party to permit such suppliers to do business or advertise in its territory. Each Party may define doing business and advertising for the purposes of this obligation, provided that such definitions are not inconsistent with paragraph 1.

3. Without prejudice to other means of prudential regulation of cross-border trade in financial services, a Party may require the registration or authorization of cross-border suppliers of financial services of the other Party and of financial instruments.

Article 11.7. New Financial Services (2)

(2) The Parties understand that nothing in this Article precludes a financial institution of a Party from requesting the other Party to consider authorizing the supply of a financial service that is not supplied in the territory of Party. The request shall be subject to the domestic regulations of the Party to which the request is made, and for greater certainty, shall not be subject to the obligations of this Article.

1. Each Party shall permit a financial institution of the other Party to supply any new financial service that that Party would permit its own financial institutions to supply in like circumstances, without further legislative action by the Party.

2. Notwithstanding subparagraph I(b) of Article 11.5, a Party may determine the legal and institutional form through which the new financial service may be supplied and may require authorization for the supply of the new financial service. Where a Party requires a financial institution to obtain authorization to supply a new financial service, the decision shall be made within a reasonable period of time and the authorization may be refused only on prudential grounds or for failure to comply with requirements.

Article 11.8. Treatment of Certain Information

Nothing in this Chapter obliges a Party to disclose or allow access to:

(a) information relating to the financial affairs and accounts of individual customers of financial institutions or cross-border financial service providers; or

(b) any confidential information the disclosure of which would impede law enforcement or otherwise be contrary the public interest or would prejudice the legitimate commercial interests of particular persons.

Article 11.9. Senior Management and Boards of Directors

1. Neither Party may require that financial institutions of the other Party hire persons of a particular nationality for senior executive positions or other key personnel.

2. Neither Party may require that more than a simple majority of the Board of Directors of a financial institution of the other Party be composed of nationals of the Party, persons residing in the territory of the Party, or a combination of both.

Article 11.10. Nonconforming Measures

1. Articles 11.3, 1.1.4, 11.5, 11.6 and 11.9 shall not apply to:

(a) any existing non-conforming measure maintained by a Party in:

(i) the central level government, as established by that Party in its Schedule to Annex III; or

(ii) a local level government; (3)

(3) For greater certainty, Parties are not required to list existing non-conforming measures maintained by a local level government.

(b) the continuation or prompt renewal of any nonconforming measure referred to in subparagraph (a); or

(c) the modification of any nonconforming measure referred to in subparagraph (a) provided that such modification does not diminish the degree of conformity of the measure as it was in effect:

(i) immediately prior to the amendment, with article 11.3, 11.4, 11.5 or 11.9; or

(ii) as of the date of entry into force of this Agreement, with Article 11.6. 2. Articles 11.3, 11.4, 11.5, 11.6 and 11.9 shall not apply to any measures that a Party adopts or maintains in to sectors, subsectors or activities, as indicated in section B in its Schedule to Annex III.

3. A non-conforming measure set out in a Party's Schedule to Annex I or II shall be treated as a measure to Article 10.2 (National Treatment), 10.3 Most-Favored-Nation Treatment), 15.3 National Treatment), or 15.4 (Most-Favored-Nation Treatment) shall be treated as a measure to which Article 11.3 (National Treatment) or 1.1.4 (Most-Favored-Nation Treatment), as the case may be, does not apply, to the extent that the nation, sector, subsector, or activity set out in the Schedule is covered by this Chapter.

Article 11.11. Exceptions

1. Nothing in this Chapter or this Agreement shall be construed to prevent a Party from adopting or maintaining measures for prudential reasons (4), for the protection of investors, financial market participants, depositors, policyholders, policyholders, insureds or beneficiaries or persons to whom a financial institution or cross-border financial service supplier has a fiduciary obligation, or to ensure the integrity and stability of the financial system. Where such measures are not in accordance with the provisions of this Chapter or this Agreement, they shall not be used as a means of avoiding the Party's obligations under such provisions.

(4) The term "prudential reasons" is understood to the maintenance of the safety, soundness, integrity or financial responsibility of individual financial institutions or cross-border financial service providers, as well as the safety and financial and operational integrity of clearing and payment systems.

2. Nothing in this Chapter or this Agreement applies to nondiscriminatory measures of a general nature taken by any public entity in pursuance of monetary, credit, related, or exchange tate policies. This paragraph shall not affect a Party's obligations under Article 15.7 (Performance Requirements) with respect to measures covered by Chapter 15 (Investment) or under Articles 1.0.10 (Transfers and Payments) and 15.12 (Transfers).

3. Notwithstanding the provisions of Articles 10.10 (Transfers and Payments) and 15,. 12 (Transfers) as incorporated into this Chapter, a Party may prevent or limit transfers from a financial institution or cross-border financial service supplier to or for the benefit of a person affiliated or related to such institution or supplier through the equitable, non-discriminatory and good faith application measures relating to the maintenance of the safety, soundness, integrity or financial responsibility of financial institutions or cross-border financial service suppliers. This paragraph is without prejudice to any other provision of

this Agreement that permits the Party to restrict transfers.

4. For greater certainty, nothing in this Chapter shall be construed to prevent a Party from adopting or enforcing measures necessary to ensure compliance with laws or regulations that are not inconsistent with this Chapter, including those relating to the prevention of deceptive and. fraudulent practices or address the effects of a breach of a contract of financial services, subject to the requirement that such measures shall not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where same conditions prevail, or a disguised restriction on investment in financial institutions or on trade in financial services, as covered by this Chapter.

Article 11.12. Transparency and Administration of Certain Measures

1. The Parties recognize that transparent regulations and policies governing the activities of financial institutions and cross-border financial service suppliers are important to facilitate foreign financial institutions and foreign cross-border financial service suppliers' access to each Party's market as well as operations in the neighborhoods. Each Party undertakes to promote regulatory transparency in financial services.

2. In lieu of Article 22.2 (Publication), each Party, to the extent practicable and in accordance with its law:

(a) publish in advance any regulations of general application relating to matters in this Chapter that it proposes to adopt and the purpose of the regulation; and

(b) provide interested persons and the other Party a reasonable opportunity to comment on the proposed regulations.

The competent authorities (5) of each Party shall make publicly available the requirements, including any necessary documentation, for completing requests related to the supply of financial services.

(5) For greater certainty, in this article, when "competent authorities" is indicated, it is understood as the following authorities regulatory or supervisory authorities of the Parties, as applicable.

4. At the request of the interested party, the competent authority of a Party shall inform him of the status of his application. Where the authority requires additional information from the applicant, it shall notify him without undue delay.

5. Within 180 days, the competent authorities of a Party shall make an administrative decision on a complete application by an investor in a financial institution, a financial institution or a cross-border financial service supplier of the other Party relating to the supply of a financial service, and shall promptly notify the applicant of the decision. An application shall not be considered complete until all relevant proceedings have been held and all necessary information has been received. Where it is not practicable to make a decision within 180 days, the regulatory authority shall notify the applicant without undue delay and shall attempt to make the decision thereafter within a reasonable period of time.

6. At the request of an unsuccessful applicant, the competent authority that has refused an application shall inform the applicant, the extent practicable, of the reasons for the refusal of the application.

7. Each Party shall establish appropriate mechanisms to respond to inquiries interested parties with respect to issues of general application covered by this Chapter.

8. Each Party shall ensure that standards of general application adopted or maintained by self-regulatory organizations of the Party are timely published or otherwise made available in such a manner as to enable interested persons to become acquainted with them.

9. To the extent practicable, each Party shall allow a reasonable period of time to elapse between the publication of the final regulations and their entry into force.

10. In adopting final regulations, the Party shall, to the extent practicable and in accordance with its law, consider in writing substantive comments received from interested parties with respect to the proposed regulations.

Article 11.13. Domestic Regulation

Except in relation to the nonconforming measures listed in its Schedule to Annex III, each Party shall ensure that all measures of general application to which this Chapter applies are administered in a reasonable, objective and impartial manner.

Article 11.14. Self-Regulatory Entities

Where a Party requires a financial institution or cross-border financial service supplier of another Party to be a member of, participate in, or have access to a self-regulatory entity the purpose of providing a financial service in or into the territory of that Party, the Party shall ensure that such self-regulatory entity complies with the obligations in Articles 11.3 and 11.4.

Article 11.15. Payment and Clearing Systems

Each Party shall grant, on terms and conditions that accord national treatment, to financial institutions of the other Party established in its territory, access to payment and clearing systems administered by public entities and to official financing and refinancing facilities available in the ordinary course of business. This paragraph is not intended to grant access to the facilities of the Party's lender of last resort.

Article 11.16. Recognition

1. A Party may recognize prudential measures of a non-Party in the application of the measures covered by this Chapter. Such recognition may be:

(a) unilaterally granted;

(b) by harmonization or other means; (c) based on an agreement or arrangement with a non-Party.

2. A Party granting recognition of prudential measures under paragraph 1 shall provide adequate opportunity for the other Party to demonstrate that circumstances exist in which there are or will be equivalent regulation, supervision and enforcement of regulation, and, if appropriate, that there are or be procedures relating to the exchange of information between the Parties.

3. Where a Party grants recognition of prudential measures in accordance with subparagraph l(c) and the circumstances set out in paragraph 2 exist, the Party shall provide adequate opportunity for the other Party to negotiate accession to the convention or agreement, or to negotiate a co-patentable convention or agreement.

Article 11.17. Financial Services Committee

1, The Parties establish the Financial Services Committee (hereinafter "the Committee"), composed of representatives of each Party. The principal representative of each Party shall be an official of the Party's authority responsible for financial services set out in Annex 11.17 (Financial Services Committee).

2. The functions of the Committee shall include:

(a) supervise the implementation of this Chapter and its subsequent development;

(b) consider matters related to financial services referred to it by a Party; and

(c) perform such other functions as may be assigned by the Commission or agreed by this Committee, within the scope of its competencies and in accordance the legislation of each Party.

3. The Committee shall meet when the Parties so decide, on the date and according to the agenda previously agreed, to evaluate the operation of this Agreement with respect to financial services. The Committee shall report to the Commission on the results of each meeting.

4. The meetings may be held in person or by any technological means. When they are held in person, they shall be held at least in the of each Party, and it shall be responsibility of the host Party to organize and chair the meeting.

5. Unless otherwise agreed by the Parties, the Committee shall have a permanent character and shall elaborate its working rules.

Article 11.18. Consultations

1. A Party may request consultations with the other Party with respect to any matter related. to this Agreement affecting financial services. The other Party shall give due consideration to the request. The Parties shall inform the Committee of the results of the consultations.

2. Consultations under this Article shall include officials of the authorities set forth in Annex 11.17.

3. Nothing in this article shall be construed to require regulatory authorities participating in consultations pursuant to paragraph 1 to disclose information or act in a manner that would interfere with specific regulatory, supervisory, administrative or enforcement matters.

4. Nothing in this Article shall be construed to require a Party to derogate from its relevant legislation relating to the exchange of information between financial intermediaries or the requirements of an agreement or arrangement between the Parties' financial authorities.

Article 11.19. Settlement of Disputes

1. Chapter 24 (Settlement of Disputes) shall apply, in the terms modified by this article, to the settlement of disputes arising from the application of this Chapter.

2. Where a Party claims that a dispute arises under this Chapter, Article 24.8 (Selection of Panel) shall apply, except:

(a) where the disputing Parties so agree, the panel shall be composed entirely of panelists who meet the qualifications set forth in paragraph 3;

(b) in any other case:

(i) each disputing Party may select panelists who meet the qualifications set forth in paragraph 3 or in Article 24.7 (Qualifications of Panelists); and.

(ii) if the Party complained against invokes Article 11.11 (Exceptions), the chairperson of the panel shall meet the qualifications set out in paragraph 3, unless the disputing Parties agree.

3. Financial services panelists should:

(a) have specialized knowledge or experience in financial law or the practice of financial services, which may include the regulation of financial institutions;

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

(c) be independent and not be bound by or take instructions from any Party; and

(d) comply with the Code of Conduct to be established by the Commission.

4. Notwithstanding Article 24.15 (Non-Compliance - Suspension of Benefits), where a panel finds that a measure is inconsistent with this Agreement and the measure under dispute affects:

(a) only to the financial services sector, the complaining Party may suspend benefits only in the financial services sector;

(b) only to a sector other than the financial services sector, the complaining Party may not suspend benefits in the financial services sector; or

(c) to the financial services sector and any other sector, the complaining Party may suspend benefits in the financial services sector that have an effect equivalent to the effect of the measure on the Party's financial services sector.

Annex 11.6. Cross-Border Trade

Costa Rica

Banking and other financial services (excluding insurance)

1. Paragraph 1 of Article 11.6 applies to the cross-border supply of or trade in financial services, as defined in subparagraph (a) of the definition of cross-border supply of financial services in Article 11.1 (6), with respect to:

(6) Costa Rica reserves the right to request prior approval with respect to the provision and transfer of data and related software; considerations include the protection of sensitive consumer information, the prohibition of unauthorized reuse of sensitive information, the ability of financial regulators to access the records of financial institutions related to the provision of such information, and requirements for the location of technological facilities.

(a) provision and transfer of financial information, financial data processing and related software referred to in subparagraph (a) above (o) of the definition of financial service; and

(b) advisory services and other auxiliary services, excluding intermediation related to banking and other financial services referred to in subparagraph (p) of the definition of financial service (7).

(7) It is understood that advisory services include portfolio management advisory services but not other services related to portfolio management and that ancillary services do not include those services referred to subparagraphs (e) through (o) of the definition of financial service.

Services to be provided in relation to the following

2. Paragraph 1 of Article 11.6 applies to the cross-border supply of or trade financial services, as defined in subparagraph (a) of the definition of cross-border supply of financial services in Article 11.1 with respect to:

(a) insurance against risks related to:

(i) space launch and space transportation (including satellite), international maritime transportation and international commercial aviation, covering any or all of the following: the goods being transported, the vehicle transporting the goods, and the liability that may arise therefrom; and

(ii) goods in international transit, covering any or all of the following: the goods being transported, the vehicle transporting the goods and liability that may arise therefrom (8);

(8) For greater certainty, in Costa Rica, regardless of the international insurance subscribed, all private motor vehicles must purchase compulsory insurance, without any exception or recognition of other coverage, while in transit through the Costa Rican territory.

(b) reinsurance and retrocession;

(c) services needed to support global accounts (9);

(9) For the purposes this subparagraph: (a) services necessary to support global accounts means that master (umbrella) insurance coverage issued to an multinational client in a territory other than Costa Rica by an insurer of a Party extends to the operations of the multinational client in Costa Rica; and (b) A multinational customer is any foreign company owned by a foreign manufacturer or service provider doing business in Costa Rica.

(d) services auxiliary to insurance as referred to in subparagraph (d) of the definition of financial services in Article 11.1 (10);

(10) This paragraph only applies to lines of risk insurance relating to subparagraphs 2 (a), 2 (b) and 2 (c); or to insurance products registered with the Superintendency General of Insurance (SUGESE).

(e) insurance intermediation activities, such as brokerage and agency as referred to in subparagraph c) of the definition of financial services in Article 11.1 (11); and

(11) This paragraph applies only to risk insurance lines relating to subparagraphs 2 (a), 2 (b) and 2 (c).

(f) unprovided follow up lines (surplus lines) (12).

(12) Lines of insurance not offered (surplus lines) are defined as insurance coverage that is not available. of any company authorized in the Costa Rican market.

3. Paragraph 2 applies only if an Ecuadorian entity is not insuring a risk in Costa Rica by itself or through an agent.

Ecuador

Banking services and other financial services (excluding insurance)

1. Paragraph 1 of Article 11.6. applies to the cross-border supply of trade in financial services, as defined in subparagraph (a) of the definition of cross-border supply of financial services in Article 11.1, with respect to:

(a) provision and transfer of financial information, financial data processing, and software referred to in subparagraph (0) of

the definition of financial service, subject to prior authorization by the supervisory authority, when required; and

(b) advisory and other auxiliary financial services, excluding intermediation, with respect to banking and other financial services referred to in subparagraph (p) of the definition of financial service.

Insurance services and insurance-related services

1. Paragraph 1 of Article 11.6 applies to the cross-border supply of or trade in financial services, as defined in subparagraph (a) of the definition of cross-border supply of financial services in Article 11.1, with respect to:

(a) insurance against risks related to:

(i) international maritime transport, international commercial aviation and space launch and transport (including satellites), covering any or all of the following: the goods being transported, the vehicle transporting the goods and the civil liability that may arise therefrom, and

(ii) goods in international transit, covering any or all of the following elements: the goods being transported, the vehicle transporting the goods and the liability that may arise from the goods; (13)

(13) For greater certainty, in Ecuador, it will be possible to establish a compulsory seal of sailing articles. for motor vehicles transiting in Ecuadorian territory.

(b) reinsurance and retrocession;

(c) consulting, actuarial services, risk assessment and adjustment of insurance claims included in subparagraphs (a) and (b), provided are authorized by the supervisory authority;

(d) insurance intermediation activities, such as brokerage and agencies as referred to in subparagraph (c) of the definition of financial services in Article 11.1, included. in (a) and (b); and,

(e) unprovided lines of insurance (surplus lines) (14).

(14) Lines of insurance not offered (surplus lines) are defined as insurance coverage that is not available from any authorized company in the Ecuadorian market.

Annex 11.17. Financial Services Committee

Financial Services Authorities

1. For the purposes of transparency, the financial services autoi ities responsible for financial services are:

(a) for Costa Rica, the Consejo Nacional de SupervisiÃ©n del Sistema Financiero and the Ministerio de Comercio Exterior for banking and other financial and insurance services, or their successors; and

(b) The Board of Financial Policy and Regulation; and the Ministry Production, Foreign Trade, Investment and Fisheries, or its successor.

Chapter 12. Telecommunications Services

Article 12.1. Definitions

For the purposes of this Chapter:

leased circuits (1) means telecommunications facilities between two or more designated points that are intended for the dedicated use or availability to a particular customer or to other users chosen by that customer;

(1) In the case of Ecuador, "leased circuits" refers to carrier services.

company means a company as defined in Article 1.6 (Definitions of General Application) and includes a branch of a company;

essential facilities means facilities of a public telecommunications network or service which:

(a) are exclusively or predominantly supplied by a single or limited number of suppliers; and

(b) it is not economically or technically feasible to replace them in order to provide a service;

interconnection means a link between providers of public telecommunications services for the purpose of enabling users of one provider to communicate with users of another provider and to access services provided by another provider;

reference interconnection offer: means an interconnection offer offered by a major supplier and registered with and/or approved by a telecommunications regulatory body, which sufficiently details the terms, rates, and technical, economic and legal conditions for interconnection such that public telecommunications service providers wishing to accept it may obtain interconnection with the major supplier on that basis;

cost-oriented means cost-based, and may include a reasonable profit, and may involve different costing methodologies for different facilities or services;

telecommunications regulatory body means the body of a Party responsible for the regulation of telecommunications;

Major supplier means a supplier of public telecommunications services that has the ability to materially affect (taking into consideration pricing and supply) the terms of participation in the relevant market for public telecommunications services, as a result of:

(a) control essential facilities; or

(b) to make use of its position in the market;

public telecommunications network means telecommunications infrastructure used to provide public telecommunications services between and among defined network termination points;

public telecommunications services or publicly available telecommunications services means any telecommunications service that a Party requires, either explicitly or in fact, to be offered to the general public in accordance with its law. Such services may include, but are not limited to, telephony and data transmission that typically incorporate customer-supplied information between two or more points without any end-to-end change in the form or content of the customer's information;

telecommunications means the transmission and reception of signals by any electromagnetic means;

enabling title means the authorizations, licenses, concessions, permits, registrations or any other type of enabling title, which a Party may require to supply public telecommunications services;

user: means an end user or a provider of public telecommunications services; and end user means an end consumer of or a subscriber to a public telecommunications

service, including a service provider other than the public telecommunications service provider.

Article 12.2. Scope (2)

(2) For greater certainty, this Chapter does not establish market access rights or obligations.

1. This Chapter applies to:

(a) measures adopted or maintained by a Party relating to access to and use of public telecommunications networks and services;

(b) measures adopted or maintained by a Party relating to the obligations of suppliers of public telecommunications networks and services (3); and

(3) In the case of Costa , supplier of public telecommunications networks shall be understood as an "operator" of public telecommunications networks; which means a natural or juridical person, public or private, that operates public telecommunications networks with the proper authorization, and that may or may not supply telecommunications services available to the public.

(c) other measures adopted or maintained by a Party relating to public telecommunications networks and services.

2. Except to ensure that an enterprise operating a broadcasting station or cable system has continued access to and use of public telecommunications services, this Chapter shall not apply to any measures adopted or maintained by a Party relating to the broadcasting or cable distribution of radio or television programming.

3. Nothing in this Chapter shall be constmed to :

(a) oblige a Party, or oblige a Party to require any enterprise, to establish, construct, acquire, lease, operate or supply telecommunications networks or services not offered to the general public;

(b) oblige a Party to require any enterprise exclusively engaged in the broadcasting or cable distribution of radio or television programming to make its broadcasting or cable distribution facilities available as a public telecommunications network; or

(c) prevent a Party from prohibiting persons operating private networks from using their private networks to provide public telecommunications networks or services to third parties.

Article 12.3. Access to and Use of Public Telecommunications Networks and Services (4)

(4) For greater certainty, this Article does not prevent a Party from requesting a license from an enterprise to provide any public telecommunications network or service in its territory.

1. Each Party shall ensure that service suppliers of the other Party have access to and may make use of public telecommunications networks or services, including leased circuits, offered in its territory or on a cross-border basis, on reasonable and non-discriminatory terms and conditions, including as specified in paragraphs 2 through 6.

2. Each Party shall ensure that service suppliers of the other Party are permitted:

(a) purchase or lease and connect a terminal or other equipment that interfaces with a public telecommunications network;

(b) to provide services to individual or multiple end users through owned or leased circuits;

(c) connect owned or leased circuits with public telecommunications networks and services or with circuits leased or owned by another company;

(d) perform switching, signaling, processing and function conversion functions; and (e) use operating protocols of your choice in the provision of any service.

3. Each Party shall ensure that service suppliers of the other Party may use public telecommunications services to transmit information in its territory or across its borders, including for intracorporate communications, and to access information contained in databases or otherwise stored in machine-readable form in the territory of either Party.

4. Notwithstanding paragraph 3, a Party may take measures that are necessary to ensure the security and confidentiality of messages, or to protect the privacy of personal data of end- users of public telecommunications services, provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services.

5. Each Party shall ensure that no conditions are imposed on access to and use of public telecommunications networks and services, other than those necessary to:

(a) safeguarding the public service responsibilities of providers public telecommunications networks or services, in particular their ability to make their networks and services available to the general public; or

(b) protect the technical integrity of public telecommunications networks or services.

6. Provided that the conditions for access to and use of public telecommunications networks and services meet the criteria set forth in paragraph 5, such conditions may include:

(a) requirements to use specific technical interfaces, including interface , for interconnection with such networks or services;

(b) requirements, when necessary, for the interoperability of such networks and services;

(c) the approval of terminal equipment or other equipment interfacing with the network and technical requirements related to the connection of such equipment to these networks;

(d) procedures for granting licenses or notifications that, if adopted or maintained, are transparent and that applications submitted are processed in accordance with the laws or regulations of each Party; and

(e) restrictions on connecting owned or leased circuits to public telecommunications networks or services or to circuits leased or owned by another company.

Article 12.4. Interconnection

1. (a) Each Party shall ensure that suppliers of public telecommunications services in its territory provide, directly, or indirectly within the same , interconnection to suppliers of public telecommunications services of the other Party at any economically and technically feasible point;

(b) in compliance with subparagraph (a), each Party shall ensure that suppliers of public telecommunications services in its territory take reasonable steps to protect the confidentiality of commercially sensitive information of, or relating to, suppliers and end-users of public telecommunications services obtained as a result of interconnection agreements, and only use such information to provide these services;

(c) each Party shall provide to its telecommunications regulatory body the authority to require suppliers of public telecommunications services to register their interconnection contracts.

Interconnection obligations relating to major suppliers of public telecommunication services

2. Each Party shall ensure that a major supplier in its territory provides interconnection to the networks, facilities and equipment of suppliers of public telecommunications services of the other Party:

(a) at any economically and technically feasible point in your network;

(b) under non-discriminatory terms, conditions (including technical standards and specifications), and rates;

(c) of a quality no less favorable than that supplied by the major supplier to its own similar services, to similar services of unaffiliated service suppliers, or their subsidiaries or other affiliates;

(d) in a timely manner, on terms, conditions (including technical standards and specifications) and cost-oriented tariffs that are transparent, reasonable, taking into account economic feasibility and sufficiently unbundled, so that providers need not pay for network components or facilities that they do not require for the service to be provided; and

(e) upon request, at points in addition to the network termination points offered to most users, subject to charges reflecting the cost constructing the necessary additional facilities.

Options for Interconnection with Major Suppliers

3. Each Party shall ensure that a major supplier in its territory provides public telecommunications service suppliers of the other Party the opportunity to interconnect their facilities and equipment with those of such major supplier through:

(a) the negotiation of a new interconnection agreement;

(b) a reference interconnection offer containing the rates, terms and conditions that the major supplier generally offers to suppliers of public telecommunications services; or

(c) the terms and conditions of an existing interconnection agreement.

Public Availability of Offers and Interconnection Agreements

4. If a major supplier in the territory of a Party has a reference interconnection offer, that Party shall require that the offer be made publicly available.

5. Each Party shall make publicly available the procedures applicable to interconnection negotiations with a major supplier in its territory.

6. Each Party shall require a major supplier in its territory to register all interconnection agreements to which it is a party with its telecommunications regulatory body.

7. Each Party shall make publicly available the interconnection agreements in force between a major supplier in its territory and other suppliers of public telecommunications services in its territory.

Article 12.5. Competitive Safeguards

1. Each Party shall maintain appropriate measures to prevent suppliers of public telecommunications services that, alone or jointly, are a major supplier in its territory from engaging or continuing to engage in anti-competitive practices.

2. The anticompetitive practices referred to in paragraph 1 include in particular:

(a) to make anticompetitive cross-subsidies;

(b) using information obtained from competitors with anticompetitive results; and

(c) failure to make available, in a timely manner, to suppliers of public telecommunications services, technical information on essential facilities and commercially relevant information that they need supply public telecommunications services (5).

(5) This information may not be provided if it is an industrial, commercial or economic secret under applicable law.

Article 12.6. Submarine Cable Systems

Each Party shall ensure reasonable and non-discriminatory treatment for access to submarine cable systems (including platform facilities) in its territory to a supplier of public telecommunications services of the other Party, where such supplier of the other Party is authorized to operate a submarine cable system as a public telecommunications service

Article 12.7. Independent Regulatory Bodies

1. Each Party shall ensure that its telecommunications regulatory body is separate from, and not accountable to, any supplier of public telecommunications services.

2. In order to ensure the independence and impartiality of telecommunications regulatory bodies, each Party shall ensure that its telecommunications regulatory body does not have a financial interest or maintain an operational or management role in such provider.

3. Each Party shall ensure that the regulatory decisions and procedures of its telecommunications regulatory body are impartial with respect to all market participants.

Article 12.8. Universal Service

1. Each Party has the right to define the type of universal service obligations it wishes to adopt or maintain.

2. Such obligations shall not be considered anti-competitive per se, provided that they are administered in a transparent, non-discriminatory, and competitively neutral manner and cach Party shall ensure that its universal service obligation is no more burdensome than necessary for the type of universal service it has defined.

Article 12.9. Qualifying Titles

1. Where a Party requires a supplier of public telecommunications services to hold a qualification, that Party shall make such qualification publicly available:

(a) the criteria and procedures for the granting of enabling titles that it applies;

(b) the period normally required to make a decision on an application for a qualifying title; and

(c) the terms and conditions of all current licenses.

2. Each Party shall ensure that, upon request, an applicant is provided with the reasons for the denial of a qualifying title

Article 12.10. Allocation and Use of Scarce Resources

1. Each Party shall administer its procedures for the allocation and use of scarce telecommunications resources, including frequencies, numbers and rights-of-way, in an objective, timely, transparent and non-discriminatory manner.

2. Each Party shall make available to the public the current distribution status of allocated frequency bands, but retains the right not to provide detailed identification of frequencies allocated or assigned for specific governmental uses.

3. Each Party's measures allocating and assigning spectrum and managing frequencies are not measures that are per se inconsistent with Article 10.4 (Market Access) either as applied to cross-border trade in services or through the operation of Article 15.1 (Scope and Coverage) to an investor or covered investment of the other Party. Accordingly, each Party retains the right to establish and apply spectrum and frequency management measures, which may have the of limiting the number of suppliers of public telecommunications services. This includes the ability to allocate the frequency bands taking into account the needs of the and the availability of spectrum.

Article 12.11. Compliance

Each Party shall provide its competent authority with the authority to enforce the Parties! measures relating to the obligations set forth in Articles 12.3, 12.4, 12.5 and 12.7. Such authority shall include the ability to impose sanctions, or other measures that could include financial penalties, precautionary measures (temporary or definitive), corrective orders, or the modification, suspension, or revocation of licenses.

Article 12.12. Settlement of Internal Telecommunications Disputes between Suppliers

Disputes between suppliers of public telecommunication networks or services

In addition to Articles 22.4 (Administrative Procedures) and 22.5 (Review and Challenge), each Party shall ensure that:

Resource

(a) (i a supplier of public telecommunications networks or services of a Party established in the other Party may have recourse, in accordance with the procedures set forth in its law, to its telecommunications regulatory body to resolve disputes relating to measures of the other Party concerning the matters set forth in Articles 12.3, 12.4 and 12.5; and

(ji) a supplier of public telecommunications networks or services of a Party established in the other Party that has requested interconnection with a major supplier in the territory of the other Party may, within a reasonable and publicly specified period of time after the supplier requests interconnection, have recourse to its telecommunications regulatory body to resolve disputes regarding the terms, conditions, and rates for interconnection with that major supplier;

Judicial Review

(b) a supplier of public telecommunications networks or services of a Party established in the other Party whose legally protected interests are adversely affected by a determination or decision of the telecommunications regulatory body of the other Party may obtain a review of the determination or decision by an impartial judicial authority, and independent of the other Party (6).

(6) For greater certainty, it is understood that this review does not go beyond the obligations set forth in Article 22.5 (Review and Challenge).

Article 12.13. Transparency

1. In addition Article 22.2 (Publication), each Party shall ensure that its measures relating to public telecommunications networks and services are made publicly available, including:

(a) measures relating to:

(i) rates and other terms and conditions of service;

(ii) specifications of the technical interfaces;

(iii) conditions for the connection of terminal or other equipment to public telecommunication networks; and

(iv) notification or qualification requirements, if any; and

(b) proceedings related to judicial or other contentious proceedings.

2. In addition to Article 22.2 (Publication), each Party shall endeavor to:

(a) publish or make available to the public the regulations of its telecommunications regulatory body and the end-user tariffs filed with the telecommunications regulatory body; and

(b) give suppliers of public telecommunications networks or services of a Party established in the other Party advance public notice of, and an opportunity to comment on, any regulations proposed by its public telecommunications agency.

Article 12.14. Flexibility In Choice of Technologies

No Party shall prevent suppliers of public telecommunications services from having the flexibility to choose the technologies they use to supply their services, subject to requirements necessary to satisfy legitimate public policy interests.

Article 12.15. Relationship with other Chapters

In the event of any inconsistency between this Chapter and another Chapter, this Chapter shall prevail to the extent of the inconsistency.

Chapter 13. Electronic Commerce

Article 13.1. Definitions

For the purposes of this Chapter:

electronic authentication means the process or action of verifying the identity of a party to an electronic communication or transaction;

trade facilitation documents means forms that a Party dispatches or controls that are required to be completed by or for an importing or exporting Party in connection with the importation or exportation of goods;

personal information: means any information, including data, about an identified or identifiable natural person;

electronic means means the use of computerized processing;

carrier medium means any physical object capable of storing digital codes that will bear a digital product. by any method now known or later developed, and from which a digital product can be perceived, reproduced or communicated, directly or indirectly, and includes optical media, floppy disks and magnetic tapes;

unsolicited electronic commercial messages means an electronic message that is sent for commercial or advertising purposes without the consent of the recipients, or against the explicit will of the recipient, using an Internet access service or, in accordance with

the legal system of each Party, by other telecommunications services;

digital products means computer programs, text, video, images, sound recordings and. other products that are digitally encoded and can be transmitted electronically (1);

(1) For greater certainty, digital products do not include digitized representations of financial instruments.

electronic transmission or electronically transmitted means the transfer of digital products using any electromagnetic or photonic means.

Article 13.2. General Provisions

1. The Parties recognize the economic growth and opportunity that electronic commerce generates, the importance of avoiding obstacles to its use and development, and the applicability of WTO rules to measures affecting electronic commerce.

2. The Countries agree to promote the development of commerce among themselves, in particular by cooperating in matters relating to electronic commerce under this Chapter.

3. Considering the potential of electronic commerce as an incentive for social and economic development, the Parties recognize the importance of:

(a) the clarity, transparency and predictability of their national regulatory frameworks to facilitate, to the extent possible, the development of electronic commerce;

(b) interoperability, to facilitate e-commerce;

(c) innovation and digitalization in e-commerce;

(d) ensure that international and national e-commerce policies take into account the interests of its stakeholders;

(e) facilitating access to e-commerce for MSMEs; and

(f) guarantee the security of e-commerce users, as well as their right to the protection of personal data.

Article 13.3. Electronic Provision of Services

For greater certainty, the Parties affirm that measures affecting the supply of a service using electronic means are within the scope of the obligations contained in the relevant provisions of Chapters 10 (Cross-Border Trade), 11 (Financial Services) and 15 (Investment), subject to any exceptions or non-conforming measures set out in the Agreement, which are applicable to such obligations.

Article 13.4. Customs Duties

1. No Party shall impose customs duties, tariffs or other charges in connection with the import or export of digital products by electronic transmission.

2. For greater certainty, nothing in this Chapter shall be construed to prevent a Party from imposing internal taxes, directly or indirectly, on digital products, provided that such taxes are imposed in a manner consistent with this Agreement.

Article 13.5. Non-Discriminatory Treatment of Digital Products

1. No Party shall accord less favorable treatment to electronically traded digital products:

(a) that are created, produced, published, published, stored, transmitted, transmitted, contracted, co-branded or made available for the first on commercial terms, in the territory of the other Paige, than that which grants the same or similar digital products that created, produced, published, stored, transmitted, transmitted, contracted, co-branded or made available for the first time on commercial terms, in its territory; or

(b) the author, performer, producer or manager of which is a person of the other Party than that which it grants to the same or similar digital products transmitted. electronically the author, performer, producer or manager of which is a person of its territory. (2)

(2) For greater certainty, this paragraph does not confer any rights on a non-Party or on a person from non-Party.

2. No Party shall accord less favorable treatment to digital products transmitted electronically:

(a) that are created, produced, published, published, stored, transmitted, contracted, commissioned, or made available for the first time on commercial terms, in the territory of the other Party, than that granted to the same or similar digital products that created, produced, published, stored, transmitted, contracted, commissioned, or made available for the first time on commercial terms, in the territory of a non-Patel State; or

(b) whose author, performer, producer, manager, or is a person of the other Party than that which it grants to the same or similar digital products transmitted. electronically whose author, performer, producer, or manager is a person of a non-Party.

3. Paragraphs 1 and 2 do not apply to any nonconforming measure referred in articles 10.6 (Nonconforming Measures), 11.10 (Nonconforming Measures) and 15.8 (Nonconforming Measures).

Article 13.6. Electronic Signature (3)

(3) For greater certainty, the concept of "electronic signature" refers to "digital signature", in accordance with Costa Rican law.

1. A Party not deny the legal validity of an electronic signature solely on the ground that it is made by electronic means, unless expressly provided for in its own legal system.

2. No Party may adopt or maintain legislation on electronic authentication that prevents the parties to an transaction from having the opportunity to prove before the appropriate judicial or administrative authorities that the electronic transaction complies with the authentication requirements established by its legislation.

3. The Parties shall encourage the use of interoperable electronic signatures.

Article 13.7. Consumer Protection

1. The Parties recognize the importance of maintaining and adopting transpai-ent and effective measures to protect from deceptive and misleading commercial practices in electronic commerce.

2. To this end, the Parties shall endeavor to exchange information and experiences on national systems for the protection of consumers involved in electronic commerce.

3. Each Party shall adopt or maintain consumer protection legislation to prohibit fraudulent and deceptive business practices that cause harm or potential harm to consumers who engage in online commercial activities.

4. The Parties recognize the importance cooperation between their respective protection agencies or other competent bodies in activities related to cross-border electronic commerce in order to improve consumer welfare.

Article 13.8. Personal Data Protection

1. The Parties recognize the benefits of adopting or maintaining legislation for the protection of the personal data of users of electronic commerce in order to ensure their confidence in electronic commerce. In addition, the Parties shall take into consideration existing international standards in this area.

2. The Parties shall adopt or maintain laws, regulations or administrative measures for the protection of personal information of users participating in electronic commerce.

3. To this end, the Parties shall endeavor to share information and experiences on the protection of personal data in electronic commerce.

Article 13.9. Paperless Trading

1, Each Party shall endeavor to make trade administration documents available to the public in electronic form.

2. Each Party shall endeavor to accept trade administration documents submitted electronically in accordance with its legislation as the legal equivalent of a paper version of such documents.

Article 13.10. Transparency

Each Party shall, in accordance with its legislation, publish or otherwise make available to the public its laws, regulations, procedures, administrative decisions and other measures of general application relating to commerce.

Article 13.11. Open Government Data

1. The Parties recognize the benefits of facilitating digital and public access to government information whose disclosure not restricted and that this fosters economic and. social development, competitiveness and innovation.

2. To the extent a Party decides to make government information, including data, publicly available, it shall endeavor, to the extent practicable, to ensure that the information is in a machine-readable and open format and can be searched and retrieved.

3. The Parties shall seek to cooperate to identify ways in which each Party can expand access to and use of key government information, including data, that the Party has made public, in order to enhance and generate business opportunities, especially for small and medium-sized enterprises.

Article 13.12. Unsolicited Commercial Electronic Messages

1. Each Party shall adopt or maintain measures regarding unsolicited commercial electronic communications that:

(a) require providers of unsolicited commercial electronic communications to facilitate the ability of recipients to prevent the

continued receipt of such messages; or

(b) require the consent of the recipients, as specified in with the legal system of each Party, to receive electronic communications.

2. Each Patee shall mechanisms against providers of unsolicited commercial electronic communications that do not comply with the measures adopted or maintained in accordance with pail.

3. The Parties shall endeavor to cooperate in appropriate cases of mutual interest relating to the regulation of unsolicited commercial electronic messages.

Article 13.13. Cooperation

1. The Parties recognize the importance of cooperation mechanisms in matters arising from electronic commerce, inter alia, to address the following:

(a) protection personal data;

(b) the processing of unsolicited commercial e-mails;

(c) e-commerce security;

(d) consumer protection in the e-commerce environment; and

(e) other matters of mutual interest relevant to the development electronic commerce.

2. The Parties will seek to share information and experiences on laws and regulations related to electronic commerce and will seek to cooperate to MSMEs overcome the obstacles they face in the use of electronic commerce.

3. Recognizing the global nature of electronic commerce, will actively participate in regional and international fora to promote the development of electronic commerce and to exchange views, as necessary, in the context of such fora on matters related to electronic commerce.

Article 13.14. Cooperation In the Field of Cybersecurity

The Parties recognize the importance of:

(a) to develop the capabilities of their national entities responsible for cybersecurity and cyber security incident response;

(b) use collaborative mechanisms to cooperate in the identification and mitigation of malicious intrusions or dissemination of malicious code affecting the Parties! electronic networks; and

(c) inteicarnbiar good practices and ineclitlas to prevent cybersecurity incidents.

Article 13.15. MSMEs

1. The Parties recognize the fundamental role of MSMEs in maintaining dynamism and. improving competitiveness in electronic commerce.

2. With a view to improving trade and investment opportunities for MSMEs in electronic commerce, the Parties shall endeavor to:

(a) exchange information and best practices in leveraging digital tools and technology to improve the capabilities and market reach of MSMEs;

(b) encouraging the participation of MSMEs in online platforms and other mechanisms that help MSMEs link with international suppliers, buyers and other potential business partners; and.

(c) foster close cooperation in digital areas that could help MSMEs adapt and thrive in the digital economy.

Article 13.16. Data Innovation (4)

(4) For greater certainty, with respect to personal data, this measure shall be understood in accordance with the regulation national of each

Party.

1. The Parties recognize that digitization and the use of data in the digital economy promote economic growth. To support the cross-border transfer of information by electronic means and promote data-driven innovation in the digital economy, the Parties further recognize the need to create an environment that enables, supports, and is conducive to experimentation and innovation.

2. The Parties will strive to support data innovation through:

(a) collaborate on data exchange projects, including projects involving researchers, academics and industry;

(b) cooperate in the development of policies and standards for data portability; and.

(c) share research and industrial practices related data innovation.

Article 13.17. Review

The Parties recognize the importance of discussions relating to trade-related aspects of electronic commerce in which WTO Members participate. To the extent that agreements are reached on this issue, the Parties agree to jointly review the results, as appropriate, with a view to determining whether this Chapter could be modified, so that such results are incorporated into this Treaty.

Article 13.18. Relationship with other Chapters

In case of an incompatibility between this Chapter and another chapter, the other chapter shall be evaluated to the extent of the incompatibility.

Chapter 14. Temporary Entry of Business Persons

Article 14.1. General Principles

1. In addition to the provisions of Article 1.2 (Objectives), this Chapter reflects the preferential trade relationship that exists between the Parties, the mutual objective of facilitating the temporary entry of business persons in accordance with their national legislation and the provisions of Annex 14.3.1, and the need to establish transparent criteria and procedures for the temporary entry of business persons. It also reflects the need to ensure border security and protect the national labor force and permanent employment in their respective territories.

2. This Chapter does not apply to measures affecting natural persons of one Party seeking access to the labor market of the other Party, nor to measures related to citizenship, nationality, permanent residence, or permanent employment, in which case, the regulations of each country shall apply.

Article 14.2. General Obligations

1. Each Party shall apply its measures relating to the provisions of this Chapter in accordance with Article 14.1, and in particular shall apply them expeditiously to avoid undue delay or impairment in trade in goods or services or in the conduct of investment activities in accordance with this Agreement.

2. For greater certainty, nothing in this Chapter shall be construed to prevent a Party from applying measures to regulate the entry of natural persons into or their temporary stay in its territory, including those measures necessary to protect the integrity of its borders and to ensure the orderly movement of natural persons across its borders, in accordance with its domestic regulations provided that such measures are not applied in a manner that unduly delays or impairs the benefits accruing to the other Party under the terms of specific categories in Annex 14.3.1.

3. The mere fact of requiring a visa for natural persons shall not be deemed to nullify or impair the provisions of this Agreement.

Article 14.3. Temporary Entry Authorization

1. In accordance with the provisions of this Chapter, each Party shall authorize the temporary entry of business persons who comply with the immigration measures applicable to temporary entry and other related measures, in accordance with the

national regulations of each country, such as those relating to public health and safety and national security.

2. Each Party shall establish the value of fees for processing applications for temporary entry of business persons, where appropriate, in a manner that does not unduly delay or impair trade in goods or services or the conduct of investment activities in accordance with this Agreement, and does not exceed the approximate administrative costs.

3. The authorization of temporary entry under this Chapter does not replace the requirements for the exercise of a profession or activity in accordance with the specific regulations in force in the territory of the Party authorizing the temporary entry.

4. A Party may deny employment authorization to a business person in accordance with its legislation when the temporary entry of that person adversely affects the employment of that person:

(a) the settlement of any labor dispute in progress at the place where she is or will be employed; or

(b) employment of any person involved in such a conflict

5. When a Party refuses to issue a migration document authorizing employment in accordance with paragraph 4, the business person concemed shall be informed in accordance with the domestic regulations of each Party.

Article 14.4. Exchange of Information

1. In addition to Article 22.2 (Publication), and recognizing the importance to the Parties of transparency of information on the temporary entry of business persons, each Party shall:

(a) provide the other Party with relevant information materials to enable it to become acquainted with its measures relating to this Chapter,

(b) no later than one year after the date of entry into force of this Agreement, prepare, publish and make available materials explaining the requirements for the temporary entry of business persons pursuant to this Chapter, so that business persons of the other Party may become acquainted with them; and

(c) establish mechanisms for the exchange of migratory information on the temporary entry of business persons, in accordance with their national legislation.

2. Each Party shall collect, maintain and make available to the other Party, upon request and accordance with its respective national legislation, information regarding the granting of temporary entry authorizations for persons, in accordance with this Chapter to business persons of the other Party to whom it has issued migratory documentation, in order to include specific information regarding each category authorized in Annex 14.3.1.

Article 14.5. Working Group on Temporary Entry of Business Persons

1. The Parties establish the Working Group on Temporary Entry of Business Persons (hereinafter referred to as "the Working Group"), composed of representatives of each Party, including immigration officials and focal points in accordance with paragraph 4.

2. The functions of the Working Group shall include, among other matters of mutual interest:

(a) review the implementation and administration of this Chapter,

(b) report to the Commission on the implementation and administration of this Chapter, as appropriate,

(c) establish procedures for the exchange of information on measures affecting the temporary entry of business persons pursuant to this Chapter;

(d) consider developing measures to further facilitate the temporary entry of business people;

(e) compliance with the matters established in accordance with the provisions of Article 14.6; and

(f) to deal with any other matter related to this Chapter.

3. Unless otherwise agreed by the Parties, the Working Group shall meet, when necessary, at the request of a Party, to consider the matters referred to in the preceding paragraph.

4. The Working Group will be composed of:

(a) for Costa Rica, by representatives of the Ministry of Foreign Trade of Costa Rica, the Ministry of Labor and Social Security and the General Directorate of Immigration and Alien Affairs, or their successors;

(b) for Ecuador, by representatives of the Ministry of Foreign Affairs and Human Mobility, the Ministry of the Interior and the Ministry of Production, Foreign Trade, Investment and Fisheries, or their successors.

5. The meetings may be held in person or by any technological means. When they are held. in person, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless otherwise agreed by the Parties.

Article 14.6. Cooperation

Taking into consideration the principles set forth in Article 14.1, the Parties shall endeavor to the extent possible:

(a) cooperate to strengthen institutional capacity and promote technical assistance among migration authorities;

(b) exchange information and experiences on regulations and implementation of programs and technology in the framework of immigration matters, including those related to the use of biometric technology, advance passenger information systems, frequent flyer programs and travel document security; and

(c) strive to actively coordinate in multilateral fora to promote the facilitation of temporary entry of business people.

Article 14.7. Settlement of Disputes

1. A Party may not initiate dispute settlement proceedings under Chapter 24 (Dispute Settlement) of this Agreement with respect to a denial of temporary entry authorization under this Chapter unless:

(a) the matter concerns a recurring practice; and

(b) the business person concerned has exhausted, in accordance with applicable national law, the administrative remedies available to it in respect of that particular matter.

2. The remedies referred to in subparagraph 1 (b) shall be deemed exhausted when the competent authority has not issued a final decision within a period of up to one year from the initiation of an administrative proceeding, and the decision has been delayed for causes that are not attributable to the business person concerned.

Article 14.8. Relationship to other Chapters

1. Nothing in this Agreement shall be construed to impose any obligation on the Parties with respect to their migration measures, provided, however, that the provisions of this Chapter and Chapters 1 (Initial Provisions and General Definitions), 22 (Transparency), 23 (Administration of the Agreement), 24 (Dispute Settlement), 25 (Exceptions) and 26 (Final Provisions) shall apply.

2. Nothing in this Chapter shall be construed to impose any obligations or commitments with respect to other Chapters of this Agreement.

Article 14.9. Definitions

For the purposes of this Chapter, the following definitions shall :

business activities means those legitimate activities of a commercial nature created and operated for the purpose of making a profit in the marketplace. It does not include the possibility of obtaining employment, or wages or remuneration from a labor source in the territory of a Party;

executive means a business person in an organization who primarily directs the management of the organization, exercises broad decision-making, and receives only general supervision or direction from senior executives, the board. of directors and/or shareholders of the business;

temporary entry means entry into the territory of a Party by a business person of the other Party, without the intention of establishing permanent residence;

specialist means an employee who possesses specialized knowledge of the company's products or services, technical expertise or an advanced level of experience or knowledge of the company's processes and procedures;

Manager means a business person in an organization who primarily directs the organization or a department or subdivision 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 authorizing promotions or leaves), and exercises discretionary authority in day-to-day operations;

national means national as defined in Article 1.6 (Definitions of General Application), but does not include permanent residents; and

business person means a national of a Party engaged in trade in goods or the supply of services, or in investment activities.

Annex 14.3.1. Business Person Categories

Section A. Business Visitors

1. Each Party shall authorize temporary entry and issue supporting documentation, in accordance with the laws of each Party, to a business person who intends to carry out a business activity referred to in Appendix 14.3.1-A, provided that the business person complies with the immigration measures applicable to temporary entry, upon presentation of:

(a) proof of nationality of a Party;

(b) documentation evidencing that the business person will undertake any business activity set forth in Appendix 1 and stating the purpose entry; and

(c) proof of the international character of the business activity proposed to be undertaken and that the person does not intend to enter the local labor market.

2. Each Party shall stipulate that a business person meets the requirements set forth in subparagraph 1 (c) when it demonstrates that:

(a) the principal source of remuneration for the proposed business activity is outside the territory of the Party authorizing temporary entry; and

(b) the principal place of business and where profits are actually earned is outside the territory authorizing temporary entry.

For the purposes of this paragraph, the Party authorizing temporary entry shall normally accept a declaration as to the principal place of business and the place where profits are actually earned. Where the Party requires additional verification, it shall do so in accordance with its legislation.

3. No Party may:

(a) require, as a condition for authorizing temporary entry under paragraph 1, prior approval procedures, petitions, proof of labor certification or other procedures of similar effect; or

(b) impose or maintain numerical restrictions on temporary entry in accordance with paragraph 1.

4. Notwithstanding paragraph 3, a Party may require a business person requesting temporary entry under this Section to obtain a visa or equivalent requirement prior to entry.

Section B. Business Persons and Investors

1. Each Party shall authorize temporary entry and issue supporting documentation to the business person, in accordance with the laws of each Party, provided that the business person complies with the immigration measures in force applicable to the temporary entry sought:

(a) to engage in substantial trade in goods or services, principally between the territory of the Party of which the business person is a national and the territory of the other Party from which entry is sought;

(b) establish, develop, manage or provide key technical advice or services to manage an investment in which the business person or its enterprise has committed, or is in the process of committing, a significant amount of capital under its laws.

2. No Party may:

(a) require proof of labor certification or other procedures of similar effect, as a condition for authorizing temporary entry under paragraph 1; or

(b) impose or maintain numerical restrictions in connection with temporary entry pursuant to paragraph 1.

3. Notwithstanding paragraph 2, a Party may require a business person requesting temporary entry under this Section to obtain a visa or equivalent requirement prior to entry.

Section C. Transfers of Personnel Within an Enterprise

1. Each Party shall temporary entry and issue supporting documentation, in accordance with the laws of each Party, to a business person employed by an enterprise (1), who is transferred to serve as an executive, manager, or specialist in such enterprise! or in one of its subsidiaries or affiliates, provided that such person and such enterprise comply with existing immigration measures applicable to temporary entry. Each Party may require that the person must have been employed by the enterprise continuously for one year within the three years immediately preceding the date of filing the application for temporary entry. If necessary, a Party may require documentation from the enterprise supporting the corporate transfer and the function to be performed by the person to be transferred.

(1) For greater certainty, that enterprise of the Party authorizing temporary entry includes a branch that the enterprise of the other Party establishes in the Party only when the branch is duly registered in accordance with the law of the Party authorizing entry.

2. For greater certainty, nothing in this Section shall be construed in the sense that affects the labor or professional practice legislation of each Party.

3. For greater certainty, in accordance with its national legislation, a Party may require that the transferred business person render the services under a subordinate relationship in the receiving enterprise.

4. A Party may require a business person requesting temporary entry under this Section to obtain a visa or equivalent requirement prior to entry.

5. The business person who has entered the territory of the other Party with the authorization of temporary entry under this Chapter, may request the change of migratory category, in accordance with the national legislation of each Party.

Appendix 14.3.1. Business Visitors

Business activities covered under Section A of Exhibit 14.3.1 include:

1. Meetings and Consulting:

Business people attending meetings, seminars or conferences, or consulting engagements.

2. Research and Design:

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

3. Cultivation, Manufacturing and Production:

Procurement and production personnel, at management level, who conduct business operations for an enterprise established in the territory of the other Party.

4. Marketing:

(a) Market researchers and analysts who conduct research or analysis independently or for a company established in the territory of the other Party.

(b) Trade show and promotional staff attending trade conventions. 5. Sales: (a) Sales representatives and sales agents who take orders or negotiate contracts for goods or services for an enterprise established in the territory of the other Party, but do not deliver the goods or supply the services.

(b) Purchasers making purchases for an enterprise established in the territory of the other Party.

6. Distribution:

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

7. After Sales Services:

Installation, repair, maintenance, and supervisory personnel, who have the technical expertise essential to fulfill the seller's contractual obligation; and who provide services or train workers to provide those services pursuant to a warranty or other service contract in connection with the sale of commercial or industrial equipment or machinery, including the goods and services purchased from a company established outside the territory of the Party from which temporary entry is requested, during the term of the warranty or service contract.

8. General Services:

(a) Management and supervisory personnel engaged in business operations for an enterprise located in the territory of the other Party.

(b) Financial services personnel engaged in commercial operations for an enterprise established in the territory of the other Party. For greater certainty, this activity must be in conformity with the legislation on financial matters of the Party granting entry.

(c) Public relations and advertising personnel who advise clients or attend or participate in conventions.

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

(e) Specialized kitchen personnel who attend or participate in gastronomic events or exhibitions, train or provide advice to customers, related to gastronomy in the territory of the other Party.

(f) Translators or interpreters providing services as employees of an enterprise located in the territory of the other Party, except for those services which, in accordance with the legislation of the Party authorizing temporary entry, must be provided by authorized translators.

(g) Information and communications technology service providers who attend meetings, seminars or conferences or who carry out consultancies.

(h) Marketers and franchise development consultants wishing to offer their services in the territory of the other Party.

Annex 14.3.2. Migratory Measures in Force

The following immigration measures are listed below for transparency purposes:

For Costa Rica:

(a) General Law on Migration and Foreigners of August 19, 2009, Law No. 8764, and its regulations and amendments.

For Ecuador:

(a) Organic Law on Human Mobility of February 6, 2017, Official Gazette Supplement No. 938, and its Regulation of March 10, 2022, Third Official Gazette Supplement No. 18.

Chapter 15. Investment

Section A. Substantive Obligations

Article 15.1. Scope and Coverage (1)

(1) For greater certainty, this Chapter is subject to and shall be interpreted in accordance with Annexes 15.5 and 15.11.

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

(a) investors of the other Party;

(b) covered investments; and.

(c) with respect to Articles 15.7 and 15.9, to all investments in the territory of the Party.

2. The obligations of a Party under this Section shall apply to a state enterprise or other person only when it exercises

regulatory, administrative or other governmental authority delegated to it that Party, such as the authority to expropriate, grant licenses, approve commercial transactions or impose fees, dues or other charges.

3. For greater certainty, this Chapter does not bind a Party in relation to any act, fact or dispute that took place or any situation that ceased to exist prior to the date of entry into force of this Agreement regardless of the consequences of such acts, facts or situations.

4. For greater certainty, nothing in this Chapter shall be construed to impose an obligation on a Party to privatize any investment that it owns or controls, or to prevent a Party from designating a monopoly.

5. For greater certainty, nothing in this Chapter shall obligate a Party to protect investments made with capital or assets derived from illegal activities, and shall not be construed to prevent a Party from adopting or maintaining measures designed to preserve public order, the performance of its duties to maintain or restore international peace and security, or the protection of its own essential security interests.

6. In the event of any inconsistency between this Chapter and another Chapter of this Agreement, the other Chapter shall prevail to the extent of the inconsistency.

7. A Party's requirement that a service supplier of the other Party post a bond or other form financial security as a condition for supplying a cross-border service does not, of itself, make this Chapter applicable to measures adopted or maintained by the Party i-in respect of the cross-border supply of the service. This Chapter applies to measures adopted or iiimaintained by the Party with respect to the bond or financial guarantee, to the extent that such bond or financial guarantee constitutes a covered investment.

S. This Chapter does not apply to measures adopted or maintained by a Party relating to financial services.

Article 15.2. Right to Regulate

The Paties reaffirm their right to regulate in their ten itoiios to achieve legitimate public policy objectives, such as security and public order, protection public health, environment, human rights, social or consumer protection, promotion and protection of cultural diversity or gender equality.

Article 15.3. National Treatment

1, Each Party shall accord to investors of the other Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments in its territory.

2. Each Party shall accord to covered investments treatment no less favorable than that; it accords, in like circumstances, to investments of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments in its territory.

Article 15.4. Most-Favored-Nation Treatment

1. Each Party shall accord to investors of the other Party treatment no less favorable than that it accords, in like circumstances, to investors of non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments in its territory.

2. Each Party shall accord to covered investments a treatment no less favorable than that it accords, in like circumstances, to investments of investors of non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments in its tenitorium.

3. For greater certainty, dealings with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments, referred to in 1 and 2 above, does not dispute settlement procedures established in international treaties, including trade or investment agreements.

Article 15.5. Minimum Level of Treatment (2)

(2) For greater certainty, Article 15.5 shall be interpreted in accordance with Annex 15.5.

1. Each Party shall accord to covered investments treatment consistent with customary international law, including fair and equitable treatment, as well as full protection and within its territory.

2. For greater certainty, paragraph 1 prescribes that the minimum standard of treatment of aliens under customary international law is the minimum standard of treatment that may be afforded to covered investments. The concepts of "fair and equitable treatment"(3) and "full protection and security" (4) not require additional treatment or treatment beyond that required by that standard and do not create additional substantive rights. The obligation in paragraph 1 to provide.

(3) For greater certainty, "fair and equitable treatment" understood under the Minimum Standard of Treatment does not include legitimate expectations.

(4) For greater certainty, "full protection and security" is understood to mean a Party's obligations in relation to the physical security of investors and covered investments.

(a) "fair and equitable treatment" includes the obligation not to deny justice in criminal, civil or administrative proceedings, in accordance with the principle of due process embodied in the principal legal systems of the world; and.

(b) "Full protection and security" requires each Party to provide the level of police protection that is required customary international law.

3. A determination that another provision of this Agreement or of a separate international agreement has been violated does not establish that this Article has been violated.

4. For greater certainty, the fact that a measure violates domestic law does not, by itself, imply that there has been a violation of this Article. In determining whether the measure violates this Article, account shall be taken of whether a Party has acted inconsistently with the obligations set out in paragraph 1.

5. For greater certainty, the mere fact that a subsidy or grant is not provided, renewed or maintained, or has been modified or reduced by a Party, does not constitute a violation of this Article, even if as a result there is a loss or damage to the covered investment.

Article 15.6. Senior Management and Boards of Directors

1. No Party may require an enterprise of that Party, other than a covered investment, to appoint natural persons of a particular nationality to senior management positions.

2 A Party may require that a majority of the members of the board of directors, or any committee thereof, of an enterprise of that Party that is a covered investment be of a particular nationality or resident in the territory of the Patee, provided that the requirement does not significantly impair the ability of the Patee investor exercise control over its investment.

Article 15.7. Performance Requirements

1, No Party may, in connection with the establishment, acquisition, expansion, management, conduct, operation, sale or other disposition of an investment of an investor of a Party or of a non-Party to its territory, impose or enforce any requirement or enforce any obligation or commitment to (5):

(5) For greater certainty, a condition for the receipt or continued receipt of an advantage referred to in paragraph 5 does not constitute an "obligation or commitment" for purposes of paragraph 1.

(a) export a certain level or percentage of goods or services;

(b) to a certain degree or percentage of domestic content;

(c) to purchase, use or give preference to goods produced in its territory, or to purchase goods from persons in its territory;

(d) relate in any way the volume or value of imports to the volume or value exports, or to the amount of foreign exchange inflows associated with such investment;

(e) restrict sales in its territory of the goods or services that such investment produces or provides, by relating such sales in any way to the volume or value of its exports or to foreign exchange earnings it generates;

(f) transferring a particular technology, production process or other proprietary knowledge to a person in its , except where the requirement is imposed or the obligation or undertaking is enforced by a judicial or administrative tribunal or a competition authority, to remedy a practice that has been determined after judicial or administrative proceedings, or to remedy a practice that has been determined after judicial or administrative proceedings as anti-competitive according to the Party's competition laws (6); or

(6) The Parties recognize that a patent does not necessarily confer market power.

(g) The Party shall provide exclusively to the territory of a Party the goods that the investment produces or the services that it provides for a specific regional or world market.

2. A measure that requires an investment to use a technology to comply with general regulations applicable to health, safety, or the environment, shall not be considered inconsistent with subparagraph 1 (f).

3. Subparagraph 1(f) does not apply where a Party authorizes the use of an intellectual property right in accordance with Article 31 of the WTO TRIPS Agreement (7) or to measures requiring the disclosure of proprietary information that fall within the scope of, and are consistent with, Article 39 of the WTO TRIPS Agreement (8).

(7) The reference to Article 31 of the WTO TRIPS Agreement includes footnote 7 of that Article.

(8) For greater certainty, the reference to the WTO TRIPS Agreement in this paragraph includes the provisions of the Protocol Amending the TRIPS Agreement, done at Geneva on December 6, 2005, and any waiver in force between the Parties of any provision of that Agreement granted WTO Members in accordance with the WTO Agreement.

4. For greater certainty, nothing in paragraph 1 shall be construed to prevent a Party, in connection with the establishment, acquisition, expansion, management, conduct, operation or sale or other disposition of a covered investment or an investment of an investor of non-Party in its territory, from imposing or enforcing a requirement or enforcing an obligation or commitment to train workers in its territory.

5. No Party may condition the receipt of an advantage, or the continued receipt of an advantage, in connection with the establishment, acquisition, expansion, management, conduct, operation, sale or disposal of an investment in its territory by an investor of a Party or of a non- Party, on compliance with any of the following requirements:

(a) to reach a certain degree or percentage of domestic content;

(b) to purchase, use or grant preferences to goods produced in its territory or to purchase goods from persons in its territory;

(c) relate, in any way, the volume or value of imports to the volume or value of exports, or to the amount of foreign exchange inflows associated with such investment; or

(d) restrict sales in its territory of the goods or services that such investment produces or renders, by relating such sales in any manner whatsoever to the volume or value of its exports or to earnings it generates in foreign exchange.

6. Nothing in 5 shall preclude a Party from conditioning the receipt of an advantage or the continued receipt of an advantage, in connection with an investment in its territory by an investor of a Party or of a non-Party, on compliance with a requirement that it locate production, provide services, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.

7. Paragraphs 1 and 5 shall not apply to any requirement other than the commitment, obligation or requirements set forth in those paragraphs.

8. The provisions of the:

(a) subparagraphs | (a), (b) and (c), and 5 (a) and (b) shall not apply to requirements for qualification of goods or services with respect to export promotion programs and. foreign aid programs; and.

(b) subparagraphs S(a) and (b) shall not apply to requirements imposed by an importing Party with respect to the content of goods necessary to qualify for preferential duties or quotas.

9. Provided that such measures are not applied in an arbitrary or unjustified manner and provided that such measures do

not constitute a disguised restriction on international trade or investment, nothing in subparagraphs 1(b), (c) and (fl and 5(a) and (b) shall be construed to prevent a Party from adopting or maintaining measures, including measures of an environmental nature:

(a) necessary to ensure compliance with laws and regulations that are not inconsistent with the provisions of this Agreement;

(b) necessary to protect human, animal or plant life or health; or (c) related to the preservation of living or non-living non-renewable natural resources. 10. Subparagraphs 1 (b), (c), (D and (g), and 5 (a) and (b) do not apply to public procurement.

11. This Article does not preclude the application of any commitment, obligation or requirement between private parties, where a Party did not impose or require the commitment, obligation or requirement.

Article 15.8. Nonconforming Measures

1. Articles 15.3, 15.4, 15.6 and 15.7 do not apply to:

(a) any non-conforming measure existing or maintained by a Party in:

(i) the central level of government, as stipulated by that Party in its Schedule to Annex I; or

(ii) a local level of government;(9)

(9) For greater certainty, Parties are not required to list existing non-conforming measures maintained by a local level government.

(b) the continuation or prompt renewal of any disproportionate measure referred to in subparagraph (a); or

(c) the modification of any non-conforming measure referred to in subparagraph (a) above.

(a) provided that such modification does not diminish the degree of confidence of the measure, in effect immediately prior to the modification, with articles 15.3, 15.4, 15.6 and 15.7.

2. Articles 15.3, 15.4, 15.6 and 15.7 shall not apply to any measure that a Party adopts or maintains, in relation to sectors, subsectors or activities, as indicated in its Schedule to Annex II.

3. Articles 15.3 and 15.4 do not apply to any measure adopted under the exceptions under Articles 3, 4 and 5 of the WTO TRIPS Agreement.

4. Neither Party may require, pursuant to any measure adopted after the date of entry into force of this Agreement and included in its Schedule to Annex II, an investor of the other Party, by reason of its nationality, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.

5. The provisions of Articles 15.3, 15.4 and 15.6 shall not apply to:

(a) subsidies or grants provided by a Party, including government-backed loans, guarantees and insurance; or

(b) public procurement.

Article 15.9. Measures Relating to the Environment, Health, Human Rights and Fundamental Freedoms Labor and other Regulatory Objectives

Nothing in this Chapter shall be to prevent a Party from adopting, maintaining or enforcing any measure, consistent with this Chapter, that is appropriate ensure that investments in its territory are made taking into account public policies and legislation relating environmental, health, labor or other regulatory objectives.

Article 15.10. Treatment In Case of Dispute

1. Without prejudice to subparagraph 5(a) of Article 15.8, each Pass shall accord investors of the other Party and Cuban investments non-discriminatory treatment with respect to any measures it adopts or maintains with respect to losses suffered by investments in its territory as a result of armed conflict or civil strife.

2. Paragraph 1 shall not apply to existing measures related to subsidies or grants that may be inconsistent with the provisions of Article 15.3, with the exception of subparagraph S(a) of Article 15.8.

Article 15.11. Expropriation and Compensation (10)

(10) For greater certainty, article 15.11 shall be interpreted in accordance with the provisions of Annex 15.11.

1. Neither Party shall nationalize or expropriate a covered investment, either directly or indirectly, through measures tantamount to expropriation or nationalization (hereinafter "expropriation"), unless it is:

(a) for reasons public utility or public interest, in the case of Costa Rica; and

(b) for reasons of public utility or social and national interest, in the case of Ecuador,

in accordance with due process, in a non-discriminatory manner and through the payment of prompt, adequate and effective compensation.

2. The compensation shall be paid promptly and shall be fully liquidable and freely transferable. Such compensation shall be equal to the fair market value of the expropriated investment immediately before the expropriation took place (hereinafter "date of expropriation"), and shall not reflect any change in value because the intention to expropriate was known in advance the date of expropriation.

3. If the fair market value is denominated in a freely usable currency, the compensation referred to in paragraph 1 shall not be less than the fair value at the date of expropriation plus interest at a reasonable rate for that currency, accrued from the date of expropriation until the date of payment.

4. If the fair market value is denominated in a currency that is not freely usable, the compensation to in paragraph 1 (converted at the of payment, at the exchange rate prevailing on the date of payment) shall not be less than the fair market value:

(a) the fair value on the date of expropriation, converted into a freely usable currency at the market exchange rate prevailing on that date, irias;

(b) interest at a commercially reasonable rate on such freely usable currency, accrued from the date of expropriation to the date of payment.

5. The affected investor shall be entitled, under the national law of the Party executing the expropriation, to a review of his case by a judicial or other independent authority of that Party, and to the valuation of his investment in accordance with the principles set forth in this Article.

6. The provisions of this Article shall not apply to the issuance of compulsory licenses granted in connection with intellectual property rights, or to the revocation, limitation or creation of intellectual property rights to extent that such issuance, revocation, limitation or creation is consistent with Chapter 8 (Intellectual Property).

7. For greater certainty, a Party's not to issue, renew or maintain a subsidy or grant, or a decision to modify or reduce a subsidy or grant,

(a) in the absence of any specific commitment under law or contract to issue, renew or maintain such grant or donation; or

(b) in accordance with any terms or conditions attached to the issuance, renewal, modification, reduction and maintenance of such grant or donation,

by itself, does not constitute an expropriation.

Article 15.12. Transfers

1. Each Party shall permit all transfers related to a covered investment to be made freely and. without delay, into and out of its . Such transfers include:

(a) capital contributions;

(b) earnings, dividends, interest, capital gains, royalty payments, management fees, technical assistance and other charges, returns in kind and other amounts derived from the investment;

(c) proceeds from the total or sale or liquidation of the covered investment;

(d) payments made in reliance on a contract entered into by the investor, or the covered investment, including a loan agreement; and

(e) payments made pursuant to paragraph 1 of articles 15.1 and 15.11. 2. Each Party shall permit transfers of profits in kind related to a covered investment to be executed as authorized or specified in a written agreement between the Party and a covered investment or an investor of another Party, where required under domestic law.

3. Each Party shall permit transfers related to a covered investment to be made in freely usable currency at the market rate of exchange prevailing on the date of the transfer.

4. No Party may require its investors to make transfers of their income, earnings, profits or other amounts derived from or attributable to investments made in the territory of another Party, nor shall it penalize them for failure to make such transfers.

5. Notwithstanding paragraphs 1, 2 and 3, a Party may prevent or delay a transfer in cash or in kind through the equitable, non-discriminatory and good faith application of its laws relating to:

(a) bankruptcy, insolvency or protection of creditors' rights (11);

(11) For greater certainty, creditors' rights include, among others, rights derived from social security, public pensions or mandatory savings programs.

(b) issuance, trading or operations of securities, futures, options or derivatives;

(c) criminal offenses;

(d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; and

(e) guarantee compliance with awards or judgments issued in judicial or administrative proceedings.

Article 15.13. Denial of Benefits

A Party may deny the benefits of this Agreement to:

(a) an investor of the other Party that is an enterprise of that other Party and the investments of such investor if a person of a non-Party owns or is contiguous to the enterprise and the latter does not carry on substantial business activities in the territory of the other Party; or

(b) an investor of the other Party that is an enterprise of that other Party and to the investments of such an investor if an investor of denying Party owns or controls the enterprise and the enterprise does not carry on substantial business activities in the other Party's territory.

Article 15.14. Special Formalities and Information Requirements

1. Nothing in Article 15.3 shall be construed to prevent a Party from adopting or maintaining a measure prescribing special formalities in connection with a covered investment, such as a requirement that investors be residents of the Party or that covered investments be constituted in accordance with the Party's laws or regulations, provided that such formalities do not significantly impair the protection afforded by a Party to investors of the other Party and to covered investments in accordance this Agreement.

2. Notwithstanding Articles 15.3 and 15.4, a Party may require an investor of the other Party or its covered investment to provide information concerning that investment solely for informational or statistical purposes. A Party may request information of a confidential nature only if its domestic law so permits. In such a case, that Party shall protect the information that is confidential from any disclosure that could adversely affect the competitive position of the investor or the covered investment. Nothing in this paragraph shall be construed to prevent a Party from obtaining or disclosing information relating to the equitable and good faith application of its domestic law.

Article 15.15. Subrogation

1. If a Party or a designated agency of the Party makes a payment to any of its investors under a guarantee, insurance contract or any other form of compensation provided in of an investment of an investor of that Party, the other Party shall

recognize the subrogation or tt-transfer of any right or claim of such investment. The subrogated or transferred right or claim shall not be greater than the original right or claim of the investor.

2. Where a Party or a designated agency of the Party has made a payment to an investor of that Party and has assumed the investor's rights and claims, such investor may not, unless it has been authorized to act on behalf of the Party or the designated agency of the Party that made the payment, assert those rights and claims against the other Party.

Article 15.16. Responsible Business Conduct

1, The Parties recognize the importance of promoting that companies operating in their territory or subject to their jurisdiction strive to adopt a high degree of sustainable and socially responsible policies and practices, and thereby contribute to the sustainable development, investment and. gender equity of the host country.

2. The Parties recognize the importance that companies operating in their territory or subject to their jurisdiction strive to apply due diligence in identifying and managing adverse impacts in areas such as the environment, human rights and labor conditions; in their operations, supply chains and other business relationships.

3. Each Party shall endeavor to encourage enterprises operating within its territory or subject to its jurisdiction to voluntarily incorporate internationally recognized standards of responsible business conduct into their internal policies, as well as other international instruments that may be adopted by the Parties on this matter in the future.

4. The Parties agree to exchange information, as well as best practices, on the issues addressed in this article.

Article 15.17. Investment Promotion

The Parties reaffirm the importance of promoting investment promotion activities carried out through the investment promotion agencies of each Party.

Section B. Definitions

Article 15.18. Definitions

For the Purposes of this Chapter:

company means a company as defined in Article 1.6 (Definitions of General Application) and a branch of a company;

enterprise of a Party means an enterprise incorporated or organized under the domestic law of a Party, and a branch office located in the territory of a Party and carrying on substantial business activities in that territory;

investment means every asset that is owned or controlled, directly or indirectly, by an investor that has the characteristics of an investment, including a certain duration and other characteristics such as the commitment of capital or other resources, the expectation of obtaining gains or profits, or the assumption of risk.

The forms that an investment may take include:

(a) a company;

(b) shares, capital and other forms of participation in the equity of a company. company;

(c) debt instruments of a company (12) (13) when the company is a subsidiary of the investor; or

(12) Some forms of debt, such as bonds, and long-term notes, are more likely to have the characteristics of an investment, while other forms of debt are less likely to have these characteristics.

(13) For purposes of this Agreement, claims for payment that are immediately due and result from the sale of goods or services not investments.

(i) when the original maturity date of the debt instrument is at least three years,

(ii) but does not include an obligation of a Party or a State enterprise, regardless of the original maturity date;

(d) a loan to a company (14) (15):

(14) Some forms of debt, such as bonds, debentures and notes, are more likely to have the characteristics of an investment, while other forms of debt are less likely to have these characteristics.

(15) For purposes of this Agreement, claims for payment that are immediately due and result from the sale of goods or services not investments.

(i) when the company is a subsidiary of the investor; or

(ii) when the original maturity date of the loan is at least three years,

but does not include a loan to a Party or a State enterprise, regardless of the original expiration date;

(e) futures, options and derivative instruments;

(f) turnkey, management, construction, concession, revenue sharing and other similar contracts;

(g) intellectual property rights;

(h) licenses, authorizations, petwisos and similar rights granted in accordance national legislation (16); and

(16) A type license, authorization, permit or similar instrument (including a concession, to the extent that it has the nature of such an instrument) has the characteristics of an investment depending on factors such as the nature and extent of the holder's rights under the Party's law. Among the licenses, authorizations, permits or similar instruments that do not have the characteristics of an investment are those that do not generate rights protected by domestic law. For greater certainty, the foregoing is without prejudice to whether an asset associated with such a license, authorization, permit or similar instrument has the characteristics of an investment.

(i) other tangible or intangible, movable or immovable property rights and rights related to property, such as leases, mortgages, liens and pledges,

but investment does not include:

(j) an order or judgment entered in a judicial or administrative action;

(k) loans granted by one Party to the other Party;

(l) public debt operations and debt of public institutions;

(m) pecuniary claims arising exclusively from:

(i) commercial contracts for the sale of goods or services by a national or company in the territory of a Party to a national or company in the territory of the other Party; or

(ii) the extension of credit in connection with a commercial transaction, such as financing, other than a loan covered by the provisions of subparagraph (d); or

(n) any other pecuniary claim, which does not carry the interest rates set forth in subparagraphs (a) through (i),

a modification in the manner in which the assets have been invested or reinvested does not affect its status as an investment under this Agreement, provided that such modification falls within the definitions of this Article and is made in accordance with the domestic law of the Party in whose the investment has been admitted;

covered investment means, with respect to a Party, an investment in its territory of an investor of other Party existing on the date of entry into force of this Agreement, as well as investments made, acquired or expanded thereafter (17);

(17) In the absence of greater certainty, covered investment shall be construed with respect to a Party as an investment made in accordance with the law at the time the investment is made.

investor of a non-Party means, with respect to a Party, an investor that intends to make, through specific actions, (18) that is making or has made an investment in the territory of that Party that is not an investor of a Party;

(18) It is understood that an investor intends to make an investment when it has carried out the essential and necessary actions to make the referred investment, such as the provision of funds to constitute the capital of the company, the obtaining of permits and licenses, among others.

investor of a Party means a Party or an enterprise of the State of the Party, or a national or enterprise of the Party, that intends to make, through specific actions (19), is making or has made an investment in the territory of the other Party; provided that a natural person who has dual nationality shall be deemed to be exclusively a national of the State of his dominant and effective nationality;

(19) It is understood that an investor intends to make an investment when it has carried out the essential and necessary actions to make the referred investment, such as the provision of funds to constitute the capital of the company, the obtaining of permits and licenses, among others.

freely usable currency means "freely usable currency" as determined by the International Fund under the Articles of Agreement of the International Monetary Fund; and.

national means a natural person who has the nationality of a Party in accordance with Annex 1.1 (Country-Specific Definitions).

Annex 15.5. Customary International Law

The Parties confirm their common understanding that customary international law, generally and as specifically referred to in Article 15.5, results from a general and consistent practice of States, followed by them in the sense of a legal obligation. With respect to Article 15.5, the minimum standard accorded to aliens by customary international law refers to all principles of customary international law that protect the economic rights and interests of aliens.

Annex 15.1. Expropriation

The Parties confirm their common understanding that:

(a) a measure or series of measures by a Party cannot constitute an expropriation unless it interferes with a tangible or intangible property right or with the essential attributes or powers of ownership of an investment;

(b) Article 15.11 addresses two situations. The first is direct expropriation, where an investment is nationalized or otherwise directly expropriated through the formal transfer of title or right of ownership;

(c) the second situation addressed by Article 15.11 is indirect expropriation, where a measure or series of measures of a Party has an effect equivalent to that of an outright expropriation, in that it interferes with the essential attributes or powers of ownership of an investment, without the formal transfer of title or right of ownership;

(d) the determination of whether a moe measure or series of measures, in a specific factual situation, constitutes an indirect expropriation requires a factual, case-by- case investigation that considers, among other factors:

(i) the economic impact of a Party's measure or series of measures, although the mere fact that a measure or series of measures of a Party has an adverse effect on the economic value of an investment, standing alone, does not establish that an indirect expropriation has occurred;

(ii) the extent to a Party's measure or series of measures interferes with unambiguous and reasonable expectations of the investment (20); and

(20) For greater certainty, whether investor's expectations supported by an investment are reasonable depends, to the extent relevant, on factors such as whether the government provided the investor with binding written assurances and the nature and extent of government regulation or the potential for government regulation in the relevant sector.

(iii) the nature of a Party's measure or series of measures, including its purpose, context and intent;

(e) except in exceptional circumstances, such as where a measure or series of measures are disproportionate in light of their objective such that they cannot reasonably be considered to have been adopted and applied in good faith, non-discriminatory regulatory actions by a Party that are designed and applied to protect legitimate public welfare objectives,

such as public health, safety and the environment, do not constitute an indirect expropriation (21).

(21) For greater certainty, the list of legitimate public welfare objectives in this subparagraph is not exhaustive.

Chapter 16. Intellectual Property

Article 16.1. Basic Principles

1. The Parties recognize that the protection and enforcement of intellectual property rights shall contribute to the generation of knowledge, the promotion of innovation, transfer and dissemination of technology and cultural progress, to the mutual benefit of producers and users of technological and cultural knowledge, favoring the development of social and economic welfare and the balance of rights and obligations.

2. The Parties recognize the need to maintain a balance between the rights of right holders and the interests of the general public, in particular in education, research, public health and access to information within the framework of the exceptions and limitations established in the national legislation of each Party.

3. The Parties, in formulating or amending their laws and regulations, may adopt measures necessary to protect public health and nutrition of the population, or to promote the public interest in sectors of vital importance to their socioeconomic and technological development, provided that such measures are consistent with the provisions of this Chapter.

4. The Parties recognize that technology transfer contributes to the strengthening of national capacities to establish a solid and viable technological base.

5. The Parties, in interpreting and implementing the provisions of this Chapter, shall observe the principles set forth in the Declaration on the TRIPS Agreement and Public Health, adopted on November 14, 2001 at the Fourth WTO Ministerial Conference.

6. The Parties shall contribute to the implementation and enforcement of Article 31 bis of the WTO TRIPS Agreement. They also recognize the importance of promoting the gradual implementation of Resolution WHA61.21, Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, adopted by the Sixty-first World Health Assembly on May 24, 2008.

7. The Parties shall ensure that the interpretation and implementation of the rights and obligations assumed under this Chapter shall be consistent with paragraphs 1 through 6.

Article 16.2. General Provisions

1. Each Party shall apply the provisions of this Chapter and may, but shall not be obliged to, provide in its national legislation for more extensive protection than that required by this Chapter, provided that such protection does not contravene its provisions.

2. The Parties reaffirm their rights and obligations under the WTO TRIPS Agreement, the Convention on Biological Diversity, and any other multilateral intellectual property agreements or treaties administered by the World Intellectual Property Organization (hereinafter "WIPO") to which the Parties are party. In this regard, nothing in this Chapter shall be to the detriment of the provisions of such multilateral treaties.

3. Each Party, in formulating or amending its national laws and regulations, may make use of the exceptions and flexibilities allowed by multilateral treaties related to the protection of intellectual property to which the Parties are party.

4. A Party shall accord to nationals of the other Party treatment no less favorable than that it accords to its own nationals. Exceptions to this obligation shall be in accordance with the relevant provisions referred to in Articles 3 and 5 of the WTO TRIPS Agreement.

5. With respect to the protection and enforcement of intellectual property rights referred to in this Chapter, any advantage, favor, privilege or immunity granted by a Party to nationals of any other country shall be accorded immediately and unconditionally to nationals of the other Party. Exceptions to this obligation shall be in accordance with the relevant provisions referred to in Articles 4 and 5 of the WTO TRIPS Agreement.

6. Nothing in this Chapter shall prevent a Party from taking measures necessary to prevent the abuse of intellectual

property rights by right holders, or the resort to practices that unreasonably restrain trade, or are detrimental to the international transfer of technology. Likewise, nothing in this Chapter shall be interpreted as diminishing the protections that the Parties agree or have agreed to benefit the conservation and sustainable use of biodiversity, nor shall it prevent the Parties from adopting measures to this end.

Article 16.3. Exhaustion of Rights

Each Party shall be free to establish its own regime for the exhaustion of intellectual property rights, in accordance with the provisions of the TRIPS Agreement.

Article 16.4. Marks

1. The Parties shall protect trademarks in accordance with the WTO TRIPS Agreement.

2. Article 6 bis of the Paris Convention for the Protection of Industrial Property shall apply, mutatis mutandis, to goods or services that are not identical or similar to those identified by a mark, whether registered or not, provided that the use of such mark in connection with those goods or services indicates a connection between those goods or services and the owner of the mark, and provided that the interests of the owner of the mark could be injured by such use.

3. In determining whether a trademark is well known (1), no Party shall require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services. For greater certainty, the sector of the public that normally deals with the relevant goods or services is determined in accordance with each Party's legislation.

(1) Notoriety shall be demonstrated within the territorial scope determined by the national legislation of each Party.

4. Each Party shall provide a system for the registration of trademarks, which shall provide for:

(a) written notification to the applicant indicating the reasons for the refusal to register the trademark. If the national legislation so permits, notifications may be made by electronic means;

(b) an opportunity for interested parties to oppose an application for trademark registration or to request the nullity of the trademark after it has been registered;

(c) that decisions in registration and nullity proceedings be reasoned and in writing; and.

(d) the opportunity for interested parties to challenge administratively or judicially, as established by the national legislation of each Party, the decisions issued in trademark registration and nullity proceedings.

5. Each Party shall provide that applications for registration, publications of such applications and registrations shall indicate the goods and services by their names, grouped in accordance with the classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended (hereinafter referred to as the "Nice Classification").

6. Goods or services may not be considered similar if, solely by reason of the fact that, in any registration or publication, they appear in the same class of the Nice Classification. Likewise, each Party shall provide that goods or services may not be considered different from each other solely on the ground that, in any registration or publication, they appear in different classes of the Nice Classification.

Article 16.5. Country Brand

The Parties recognize the value of the country brand to promote their image, nationally and internationally, and to promote their tourism, culture, gastronomy, production, exports and investments. For the purposes of this Chapter, a country brand is any sign designated or employed by a Party to fulfill the purposes indicated above.

Article 16.6. Exceptions to the Rights Conferred by a Trademark

The Parties may provide limited exceptions to the rights conferred by a trademark, for example, fair use of descriptive terms, provided that they take into account the legitimate interests of the trademark owner and third parties.

Article 16.7. Geographical Indications

1. Geographical indications are those that identify a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin, which may include natural or human factors. For the purposes of this Article, the reference to geographical indications includes appellations of origin.

2. Each Party shall establish in its national legislation mechanisms for the registration and protection of geographical indications. In particular, each Party shall establish the legal means for the holders of a geographical indication for agricultural products to prevent:

(a) the use of any means which, in the designation or presentation of an identical or similar product, indicates or suggests that the identical or similar product in question comes from a territory, region or locality other than the true place of origin, in such a way as to mislead the public as to the geographical origin of the product; even when the geographical indication is translated or accompanied by terms such as "kind", "type", "style", "mode", "imitation", "method", "genre", "manner" or other similar expressions that include graphic symbols that may cause confusion;

(b) any other false or misleading indication as to the provenance, origin, nature or essential characteristics of the product, on the container, packaging or advertising material relating to the products concerned, likely to create a false impression as to their origin;

(c) any other practice that may mislead the consumer as to the true origin of the product; and

(d) any other use that constitutes an act of unfair competition, in the sense of Article 10 bis of the Paris Convention.

3. The Parties shall, ex officio, if their national legislation so permits, or at the request of an interested party, refuse the registration of a trademark containing or consisting of a geographical indication of Annex 16.7, in respect of identical or similar goods not originating in the territory indicated, if the use of such indication in the trademark for those goods in that Party is of such a nature as to mislead the public as to the true place of origin.

4. Nothing in this Article shall oblige a Party to protect a geographical indication that is not protected, or whose protection has ceased in the country of origin.

5. Nothing in this Article shall prevent a Party from maintaining or adopting in its national legislation measures relating to homonymous geographical indications.

6. The geographical indications listed in Sections A (Geographical Indications of Costa Rica) and B (Geographical Indications of Ecuador) of Annex 16.7 are geographical indications protected in the Parties. In order for these geographical indications to enjoy the protection provided for in this Chapter, the holders of the geographical indications shall:

(a) submit an application for registration to the competent authority of the Party, subject to the procedures provided for in the laws and regulations applicable by that Party; and

(b) provide with the application for registration of geographical indications listed in Annex 16.7, and for transparency purposes, a summary including:

(i) name of the geographical indication or designation of origin;

(ii) country of origin;

(iii) name of the owner of the sign;

(iv) name of the applicant (in case he/she is not the owner);

(v) date of protection in the country of origin and product description; and

(vi) summary description of the geographical area and link of the product to this area and the name of the inspection body.

In addition, proof of protection in their country of origin must be provided.

The competent authority of the Party shall review that the application complies with the requirements of the national legislation.

For clarity, the examination carried out by the competent authority of a Party does not include an assessment of the nature of the geographical indication granted by competent authority of the country of origin.

7. Once the procedure for the protection of geographical indications of one Party is concluded in the other Party, this shall be notified to the Coordinators established in Article 23.2 (Coordinators of the Agreement). The Commission shall adopt

decisions listing the geographical indications protected by the Parties.

8. The Parties shall protect the geographical indications of the other Party registered or protected in their respective territories in accordance with the provisions of this Chapter. Without prejudice to the provisions of paragraph 5, the Parties shall not allow the importation, manufacture or sale of products under such geographical indications, unless such products have been processed and certified in the country of origin, in accordance with the national legislation applicable to such products.

9. The use of geographical indications recognized and protected in the territory of a Party, in relation to any other type of product originating in the territory of said Party, is reserved exclusively for authorized producers, manufacturers and craftsmen who have their production or manufacturing establishments in the locality or region of the Party designated or evoked by said geographical indication.

10. The Parties may grant the agreed protection to other geographical indications that may be protected in the future in the Parties. To this end, the Party concerned shall notify the other Party with respect to new protected geographical indications, after which it shall proceed as provided in paragraphs 6 and 7.

Article 16.8. Grounds for Opposition and Termination of Protection

No Party shall prevent the possibility that the protection or recognition of a geographical indication may be cancelled on the grounds that the protected or recognized term no longer meets the conditions that originally gave rise to the protection or recognition granted in that Party. The geographical indications listed in Sections A and B of Annex 16.7 shall not become generic in the territories of the Parties as long as such protection subsists in the country of origin.

Article 16.9. Measures Related to the Protection of Biodiversity and Traditional Knowledge

1. The Parties recognize the importance and value of their biological diversity and its components. Each Party exercises sovereignty over its biological and genetic resources and their derived products, and consequently determine the conditions for their access, in accordance with the principles and provisions contained in its national legislation.

2. The Parties recognize the importance and value of the knowledge, innovations and practices of indigenous and local communities (2), as well as their past, present and future contribution to the conservation and sustainable use of biological and genetic resources and their derived products, and in general, the contribution of the knowledge of such communities to the culture and economic and social development of nations. Each Party, in accordance with its national legislation, reiterates its commitment to respect, preserve and maintain the traditional knowledge, innovations and practices of indigenous and local communities in the territories of the Parties.

(2) If the national legislation of each Party so provides, "indigenous and local communities" shall include the following African-American or Afro-descendant communities.

3. Access to biological and genetic resources and their derived products shall be conditioned to the prior informed consent of the Party that is the country of origin, in mutually agreed terms. Likewise, access to the traditional knowledge of the indigenous and local communities associated to such resource shall be conditioned to the prior informed consent of the holders or legitimate possessors, as the case may be, of such knowledge, in mutually agreed terms. Both cases shall be subject to the provisions of the national legislation of each Party.

4. The Parties shall promote measures to ensure fair and equitable sharing of benefits arising from utilization biological and genetic resources and derived products and traditional knowledge of indigenous and local communities.

5. Each Party shall promote policy, legal and administrative measures to ensure compliance with the conditions for access to biological and genetic resources of biodiversity.

6. Any intellectual property rights arising from the use of biological and genetic resources, their derivative products, as well as the associated traditional knowledge (3) of indigenous and local communities, of which a Party is the country of origin, shall comply with the specific national and international standards on the matter.

(3) In accordance with its national legislation, Ecuador prohibits the granting of rights, including intellectual property rights, over derived or synthesized products obtained from the collective knowledge associated with national biodiversity.

7. The Parties shall require that, in patent applications developed from biological or genetic resources or associated traditional knowledge, of which they are the country of origin, the legal access to such resources or knowledge be demonstrated, as well as the disclosure of the origin of the accessed resource or traditional knowledge, in case the national legislation of the Party so permits.

8. The Parties may, through their competent national authorities, exchange information related to biodiversity or traditional knowledge and documented information related to biological and genetic resources and their derivatives, or, as the case may be, of traditional knowledge of their indigenous and local communities to support the evaluation of patents.

9. The Parties shall collaborate in the provision of public information available to them for the investigation and monitoring of illegal access to genetic resources or traditional knowledge, innovations and practices in their territories.

Article 16.10. Copyright and Related Rights

1. The Parties shall recognize existing rights and obligations under the Berne Convention for the Protection of Literary and Artistic Works; the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations; the WIPO Copyright Treaty; and the WIPO Performances and Phonograms Treaty (4).

(4) It shall be understood that this article does not affect reservations made by any of the Parties with respect to any of the international treaties referred to in this paragraph.

2. In accordance with the international treaties referred to in paragraph 1 and with its national legislation, each Party shall provide adequate and effective protection to authors of literary and artistic works and to performers, producers of phonograms and. broadcasting organizations, in their artistic performances, phonograms and broadcasts, respectively.

3. Independently of the author's economic rights, and even after the transfer of these tights, the author shall retain his moral rights, in particular the right to claim authorship of the work and to object to any distortion, mutilation or other modification or any attack on it that would be prejudicial to his honor or reputation.

4. The rights recognized to the author in accordance with paragraph 3, shall be maintained after his death, independently of the extinction of his economic rights, and exercised by the persons or institutions to which the national legislation of the Party in which protection is claimed recognizes rights.

5. The rights granted under paragraphs 3 and 4 shall be granted, mutatis mutandis, to performers in respect of their live performances or fixed performances.

6. Each Party shall ensure that a broadcasting organization in its territory shall have at least the exclusive right to authorize the following acts: the fixation, reproduction and retransmission of its broadcasts.

7. The Parties may provide in their national legislation limitations and exceptions to rights set forth in this Article, only in certain cases that do not infringe the normal exploitation of the work, nor cause unjustified prejudice to the legitimate interests of the owner of the rights.

Article 16.11. Collective Management

The Parties recognize the role of collective management for the collection and distribution of royalties related to copyright and related rights, in accordance with their national legislation.

Article 16.12. Enforcement

1. Without prejudice to the rights and obligations established under the WTO TRIPS , in particular Part III, the Parties may develop in their national legislation, measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights.

2. The Parties shall adopt procedures that allow the right holder, who has valid reasons to suspect that the importation, exportation or transit of counterfeit or pirated goods infringing copyright (5) is being prepared, to submit to the competent authorities a request or complaint, according to the national legislation of each Party, in order for the customs authorities to suspend the release of such goods.

(5) For the purposes of this provision, "goods that infringe a copyright or trademark right" means:

3. Each Party shall provide that any right holder initiating the procedure provided for in paragraph 2 shall be required to present adequate evidence demonstrating to the satisfaction of the competent authorities that, under the law of importing Party, there is a presumption of infringement of the right holder's intellectual property right; and to provide sufficient information on the goods that is reasonably known to the right holder so that the goods can be readily recognized by its competent authorities. The requirement to provide sufficient information shall not unreasonably deter recourse to such procedures.

(a) counterfeit goods means any goods, including their packaging, bearing, without authorization, a mark which is identical to the mark validly registered for such goods, or which cannot be distinguished in its essential aspects from such a mark, and which thereby infringes the rights conferred by the laws of the country of importation on the owner of the mark in question; and

(b) pirated goods means any goods that infringe copyright through copies made without the consent of the right holder or a person duly authorized by the right holder in the country of production and that are made directly or indirectly from an article where the making of such a copy would have constituted an infringement of copyright or a related right under the law of the country of importation.

4. Each Party shall provide that the competent authorities shall have the authority to require the right holder, who initiates the proceedings referred to in paragraph 2, to provide a bond or equivalent security sufficient to protect the defendant and the competent authorities and to prevent abuse. The bond or equivalent security shall not unduly deter access to such proceedings.

5. When its competent authorities determine that the goods are counterfeit or pirated, the Party shall grant its competent authorities the authority to inform the right holder, the name and address of the consignor, the importer and the consignee, as well as the quantity of the goods in question.

6. Each Party shall provide that the competent authorities shall be empowered to initiate border measures ex officio, without the need for a formal request from the right holder or a third party, when there are reasons to believe or suspect that the goods being imported, exported or in transit are counterfeit or pirated.

Article 16.13. Cooperation and Science and Technology

1. The Parties shall exchange information and material in training and dissemination projects regarding the use of intellectual property rights, in accordance with their national laws, regulations and policies, with a view to:

(a) improve and strengthen intellectual property administrative systems to promote the efficient registration of intellectual property rights;

(b) stimulate the creation and development of intellectual property within the territory of the Parties, particularly for small inventors and creators, as well as micro, small and medium-sized enterprises;

(c) promoting dialogue and cooperation in relation science, technology, entrepreneurship and innovation; and

(d) other matters of mutual interest regarding intellectual property rights.

2. The Parties recognize the importance of promoting research, technological development, entrepreneurship and innovation, as well as the importance of disseminating technological information and of creating and strengthening their technological capabilities; to this end, they shall cooperate in these areas taking into consideration their resources.

3. The Parties shall encourage the establishment of incentives for research, innovation, entrepreneurship, transfer and dissemination of technologies between the Parties, aimed, among others, at companies, universities, research centers and technology centers.

4. Cooperative activities in science and technology may take, among others, the following forms:

(a) participation in joint training, research, technological development and innovation projects;

(b) visits and exchanges of scientists and technical experts, as well as public, academic or private specialists;

(c) joint organization of seminars, congresses, workshops and scientific symposia, as well as participation of experts in these activities;

(d) promotion of scientific networks and training of researchers;

(e) concerted actions for the dissemination of results and the exchange of experiences on joint science and technology projects and for their coordination;

(f) exchange and loan of equipment and materials, including sharing of advanced equipment;

(g) exchange of information on procedures, laws, regulations and programs related to cooperative activities carried out pursuant to this Agreement, including information on science and technology policy; and

(h) any other modality agreed upon by the Parties.

5. Likewise, the Parties may carry out cooperative activities regarding the exchange of:

(a) information and expertise on the legislative processes and legal frameworks related to intellectual property rights and the relevant regulations for protection and enforcement;

(b) experiences on the enforcement of intellectual property rights;

(c) personnel and training of the same in the offices related to intellectual property rights;

(d) information and institutional cooperation on intellectual property policies and developments;

(e) information and experience on policies and practices to promote the development of the handicrafts and rural products sector; and

(f) experience in intellectual property management and knowledge management in higher education institutions and research centers.

6. Each Party designates the following as contact entities responsible for the fulfillment of the objectives of this article, and for facilitating the development of collaboration and cooperation projects in research, innovation and technological development:

(a) for Costa Rica, the Ministry of Foreign Trade, in coordination with the Ministry of Justice and Peace and the Ministry of Science and Technology, or their successors; and

(b) for Ecuador, the Ministry of Production, Foreign Trade, Investment and Fishing, in coordination with the National Service of Intellectual Rights, and the Secretariat of Higher Education, Science, Technology and Innovation, or their successors.

Chapter 17. Public Procurement

Article 17.1. Scope of Application

1. This Chapter applies to any measure adopted by a Party relating to covered procurement.

2. For the purposes of this Chapter, covered procurement means the procurement of goods, services or a combination of both for governmental purposes:

(a) not contracted for domestic sale or resale, or for use in the production or supply of goods or services for commercial sale or resale;

(b) The Company's financial statements are presented on the basis of the information contained in the accompanying notes to the consolidated financial statements, which are presented in the accompanying consolidated financial statements;

(c) for which the value of the covered procurement, as estimated in accordance with paragraph 4, equals or exceeds the value of the corresponding threshold stipulated in Annex 17.1;

(d) carried out by a contracting entity, and

(e) not expressly excluded from the scope of this Chapter; and subject to the conditions specified in Annex 17.1.

3. This Chapter shall not apply to:

(a) non-contractual arrangements or any form of assistance that a Party, including its contracting entities, provides, including cooperation agreements, grants, loans, subsidies, capital transfers, guarantees and tax incentives;

(b) the contracting or procurement of fiscal agency services or depository services, settlement and administration services for regulated financial institutions, or services related to the sale, redemption, and distribution of public debt, including

government loans and bonds and other securities. For greater certainty, this Chapter does not apply to the procurement of banking, financial or specialized services relating to the following activities:

(i) public debt; or

(ii) public debt management.

(c) procurement financed by grants, loans or other forms of international assistance, including development aid;

(d) hiring of public employees and employment-related measures;

(e) procurement by a governmental entity or enterprise from another governmental entity or enterprise of that Party;

(f) the acquisition or lease of land, existing real estate or other real property or tights thereon;

(g) purchases made under exceptionally favorable conditions that only occur for a very short period of time, such as extraordinary disposals made by companies that are not normally suppliers or the disposal of assets of companies in liquidation or under judicial administration. For the purposes of this subparagraph, the provisions of paragraph 3 of article 17.12 shall apply; and

(h) contracts entered into for the specific purpose of providing assistance to foreign countries.

4. When calculating the value of a procurement for the purpose of determining whether it is a covered procurement, the procuring entity:

(a) shall not divide a procurement into separate procurements, or use a particular method for estimating the value of the procurement for the purpose of evading the application of this Chapter;

(b) shall take into account all forms of remuneration, including premiums, fees, dues, fees, commissions, interest, other revenue streams that may be stipulated in the procurement, and where the procurement provides for the possibility of option clauses, the total maximum value of the procurement, including optional purchases; and

(c) shall, where the procurement is to be conducted in multiple parts, and results in the award of contracts at the same time or over a given period to one or more suppliers, base its calculation on an estimate of the total maximum value of the procurement over the entire period of the procurement.

5. No procuring entity may prepare, design, structure or divide a public procurement for the purpose of evading the obligations of this Chapter.

6. Nothing in this Chapter shall prevent a Party from developing new procurement policies, procedures or contractual means, provided that they are consistent with this Chapter.

Article 17.2. Safety and General Exceptions

1. Nothing in this Chapter shall be construed to prevent a Party from taking any action or refraining from disclosing any information deemed necessary for the protection of its essential national security interests or for national defense.

2. Nothing in this Chapter shall be construed to prevent a Party from adopting or maintaining the measures:

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

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

(c) necessary to protect intellectual property; or

(d) related to the goods or services of disabled persons, charitable institutions or prison labor, provided that such measures are not applied in a discriminatory manner or constitute a disguised restriction on trade.

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

Article 17.3. General Principles

National Treatment and Non-Discrimination

1. With respect to any measure covered by this Chapter, each Party shall accord immediately and unconditionally to goods

and services of the other Party, and to suppliers of the other Party offering such goods or services, treatment no less favorable than the most favorable treatment accorded by that Party to its own goods, services, and suppliers, subject to the limitations and reservations set out in this Chapter and in Annex 17.1.

2. With respect to any measure covered by this Chapter, a Party may not:

(a) treat a locally established supplier less favorably than another locally established supplier because of its degree of foreign affiliation or ownership; or

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

Use of Electronic Media

3. When covered procurement is conducted through electronic means, a procuring entity shall:

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

(b) maintain mechanisms to ensure the integrity of requests for participation and bids, including determining the time receipt and preventing inappropriate access.

Execution of Public Procurement

4. A procuring entity shall conduct covered procurement in a transparent and impartial manner, such that:

(a) is consistent with this Chapter,

(b) avoid conflicts of interest; and

(c) prevent cormpt practices. Rules of Origin 5. Each Party shall apply to covered procurement of goods or services imported from or supplied by the other Party, the rules of origin that it applies in the normal course of trade in such goods or services.

Special Compensatory Conditions

6. A procuring entity shall not seck, consider, impose or use special countervailing terms and conditions at any stage of a covered procurement.

Non-Specific Measures for Public Procurement

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

Article 17.4. Use of Electronic Means In Public Contracting

1. The Parties recognize the need and importance of the use of electronic means for the dissemination of information relating to covered procurement.

2. In order to facilitate business opportunities for suppliers of the other under this Chapter, each Party shall maintain or make best efforts to adopt an electronic single point of entry for the purpose of allowing access to complete information on procurement opportunities in its territory, as well as on procurement-related measures, especially those set out in Article 17.5 and Articles 17.6(1) and (3), 17.8(7), and. 17.13(2).

Article 17.5. Publication of Procurement Information

Each Part:

(a) publish in a timely manner all regulations of general application with respect to covered procurement, and any amendments to such regulations, in a publicly accessible electronic medium listed in Annex 17.1; and

(b) at the request of the other Party, provide an explanation concerning such information.

Article 17.6. Publication of Notices

Notice of Future Hire

1. For each covered procurement, a procuring entity shall publish in a timely manner a notice inviting suppliers to submit tenders, or where appropriate, an application to participate in the procurement, except in the circumstances described paragraph 2 of Article 17.2. Such notice shall be published in an electronic medium that is readily accessible to the public, and each such notice shall be publicly accessible for the full tendering period for the respective procurement.

2. Future recruitment will include:

(a) the description of future public procurement;

(b) the procurement procedure to be used;

(c) any conditions that suppliers must satisfy in order to participate in public procurement;

(d) the name of the contracting entity publishing the notice;

(e) the address and point of contact where suppliers can obtain all relevant procurement documentation;

(f) where applicable, the address and final date for the submission of requests for participation in the procurement;

(g) the address and final date for submission of bids; and

(h) the delivery dates of the goods or services to be contracted or the duration of the contract.

Notice of Hiring Plans

3. Each Party shall encourage its procuring entities to publish in an electronic medium, as early as practicable in each fiscal year, a notice regarding its future procurement plans. Such notices shall include the subject matter or category of goods and services to be procured and the estimated period in which the procurement will be conducted.

Article 17.7. Conditions for Participation

1. Where a Party requires suppliers to comply with registration, qualification or any other requirement or condition of participation in a procurement, the procuring entity shall publish the notice sufficiently in advance to allow interested suppliers sufficient time to prepare and submit their applications and for the procuring entity to evaluate and make its determinations on the basis of such applications.

2. At the time of establishing the conditions of participation, a procuring entity:

(a) shall limit these conditions to those that are essential to ensure that the supplier possesses the legal and financial capabilities, and the commercial and technical skills, to meet the requirements and technical specifications of the procurement on the basis of the supplier's business activities conducted both within and outside the territory the Party of the procuring entity;

(b) base its decision solely on the terms and conditions that the procuring entity has specified in advance in the procurement documents or notices;

(c) shall not make it a condition of participation in a procurement or the award of a procurement contract that the supplier has previously been awarded one or more procurement contracts by a procuring entity of the Party concerned;

(d) may require prior relevant experience when essential to meet the requirements of the procurement; and

(e) shall allow all domestic suppliers and suppliers of the other Party that have satisfied the conditions for participation to be recognized as qualified and to participate in the procurement.

3. Where there is evidence to justify it, a Party, including its procuring entities, may exclude a supplier from a procurement on grounds such as:

(a) bankruptcy; (b) false statements;

(c) significant or persistent deficiencies in the fulfillment of any substantive requirement or obligation arising from one or more previous contracts;

(d) final sentences for felonies or other serious offenses;

(e) professional misconduct or acts or omissions that call into question the business integrity of the supplier; or

(f) non-payment of taxes.

4. Procuring entities shall not adopt or apply a risk system or qualification procedure for the purpose of creating unnecessary obstacles to the participation of suppliers of the other Party in their respective procurement.

5. The process of, and the time required for, registration and qualification of suppliers shall not be used to exclude suppliers of the other Party from being considered for a particular procurement.

6. A procuring entity shall promptly inform any supplier that has applied for qualification of its decision with respect to that application. Where a procuring entity rejects an application for qualification or ceases to recognize a supplier as one that meets the conditions for participation, the procuring entity shall promptly inform the supplier, and upon request, provide the supplier with a timely written explanation of the reasons for the entity's decision.

Article 17.8. Procurement Documents

A procuring entity shall provide in a timely manner to suppliers interested in participating in a procurement, procurement documents that include all information necessary to enable them to prepare and submit responsive tenders, in accordance with Section J of Annex 17.1. Where a procuring entity does not publish the procurement documents by electronic means accessible to all interested suppliers, it shall, upon request of any supplier, make the documents promptly available in written form.

Article 17.9. Technical Specifications

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

2. In establishing any technical specifications for the goods or services to be procured, a procuring entity shall, where appropriate:

(a) state the technical specification in terms of performance and functional requirements, rather than descriptive or design characteristics; and

(b) base the technical specification on international standards, where applicable, or otherwise on national technical regulations, recognized national standards or building codes.

3. A procuring entity shall not prescribe technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer or supplier, unless there is no other sufficiently precise or intelligible way of describing the procurement requirements, and provided that, in such cases, expressions such as "or equivalent" shall also be included in the procurement documents.

4. A procuring entity shall not solicit or accept, in a manner that may have the of precluding competition, advice that could be used in preparing or adopting any technical specification for a specific procurement from any person that may have a commercial interest in that procurement.

5. For greater certainty, this article is not intended to prevent a contracting entity from preparing, adopting or applying technical specifications to promote the conservation of natural resources or protect the environment.

Article 17.10. Modifications

When, in the course of a covered procurement, a procuring entity modifies the criteria or technical requirements set forth in a notice or procurement document provided to participating suppliers, or modifies a notice or procurement document, it shall transmit such modifications in writing:

(a) to all suppliers that are participating at the time of the modification of the information, if the identification of such suppliers is known, and in all other cases, in the same manner as the original information was transmitted; and

(b) with sufficient time to allow suppliers to modify and resubmit their corrected bids, as appropriate.

Article 17.11. Deadlines

1. A procuring entity shall, in a manner consistent with its own needs, provide suppliers with sufficient time to submit applications to participate in a procurement and to prepare and submit suitable tenders, taking into account the nature and complexity of the procurement. A procuring entity shall allow a period of not less than 30 days from the date on which the notice of intended procurement is published and the final date for submission of tenders.

2. Notwithstanding the provisions of paragraph 1, a procuring entity may establish a period of less than 30 days, but in no case less than 10 days, in the following circumstances:

(a) where the procuring entity has published a notice containing a description of the procurement, the approximate time limits for submission of tenders, or where appropriate, conditions for participation in a procurement and the address where documentation relating to the procurement may be obtained, at least 30 days and not more than 12 months in advance;

(b) in the case of a new, second or subsequent publication of notices for a public procurement of a recurring nature;

(c) when an emergency situation duly justified by a procuring entity makes it impracticable to meet the deadline stipulated in paragraph 1; or

(d) when the procuring entity purchases commercial goods or services (1).

(1) In the case of Ecuador, this provision shall apply only when the sole award criterion is price.

3. A Party may provide that a procuring entity may reduce the deadline for submission of tenders set forth in paragraph 1 by 5 days for each of the following circumstances:

(a) when the notice of intended procurement is published by electronic means;

(b) when all documents that are made available to the public by electronic means are published as of the date of publication of the notice of intended procurement; and/or

(c) when the bids can be received by electronic means by the contracting entity.

The use of this paragraph, in conjunction with paragraph 2, may not result reducing bidding deadlines set forth in paragraph 1 to less than 10 days from the date of publication of the notice of intended procurement.

Article 17.12. Contracting Procedures

Open Bidding

1. A procuring entity shall award its contracts through open tendering procedures, except as provided in paragraph 2 of this Article.

Restricted Bidding

2. Provided that this provision is not used to prevent competition among suppliers or in a manner that discriminates against suppliers of the other, or protects domestic suppliers, a procuring entity may use other procurement procedures only in the following circumstances:

(a) provided that the requirements of the procurement documents are not substantially modified, when:

(i) no bid was submitted or no supplier has requested to participate;

(ii) no bid meeting the essential requirements of the bidding documents was submitted;

(iii) no supplier complied with the conditions of participation; or

(iv) there has been collusion in the submission of bids.

(b) when the goods or services can be supplied only by a particular supplier and there is no reasonable alternative or substitute goods or service due to any of the following reasons:

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

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

(iii) due to the absence of competition for technical reasons, as in case of intuitu personae service contracting;

(c) for additional deliveries or services from the initial supplier of goods or services that were not included in the initial procurement, when the change of supplier of such additional goods or services (2):

(2) In the case of construction services, the total value of contracts awarded for such additional services shall not exceed 50 percent of the initial contract amount, provided that such services have been contemplated in the objectives contained in the procurement documents and have become necessary to complete the work due to unforeseen reasons.

(i) it is unable to do so for economic or technical reasons such as interchangeability or compatibility requirements with existing equipment, software, services or facilities that were the subject of the initial procurement; and

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

(d) to the extent strictly necessary, when, for reasons of extreme urgency (3) occasioned by events unforeseen by the procuring entity as provided for in the domestic law of each Party, the goods or services cannot be obtained in a timely manner through open or selective competitive bidding, and the use of such procedures would result in serious prejudice to the procuring entity;

(3) For the purposes of Ecuador, the term extreme urgency shall be understood as emergency and catastrophe.

(e) for the award of goods made in a commodities market;

(f) when a procuring entity procures a prototype or first commodity in limited quantity or contracts for a service that is developed upon request in the course of, and. for, a particular contract for research, experiment, study or original development; or

(g) when a contract is awarded to the winner of a design competition, provided that:

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

(ii) the participants are rated or evaluated by an independent jury or body with a view to the conclusion of a design contract that is awarded to a winner.

3. A procuring entity shall maintain records or prepare a written report for each procurement contract awarded under paragraph 2, in a manner consistent with paragraph 3 of Article 17.13. Where a Party prepares written reports in accordance with this paragraph, they shall include the name of the procuring entity, the value and nature of the goods or services procured, and a justification indicating the circumstances and conditions described in paragraph 2 that justify the use of other procurement procedures. Where a Party maintains records, the records shall indicate the circumstances and conditions described in paragraph 2 that justify the use of alternative procurement procedures.

Article 17.13. Electronic Auctions

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

(a) the automatic evaluation method, including the mathematical formula, that is based on the evaluation criteria set forth in the procurement documents and that will be used in the automatic ranking or reclassification during the auction;

(b) the results of any initial evaluation of the elements of its bid when the contract is awarded on basis of most advantageous bid; and

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

Article 17.14. Treatment of Bids and Award of Contracts Treatment of Offers

1. A procuring entity shall receive and process all bids under procedures that ensure the equality and fairness of the procurement process, and the confidentiality of bids.

2. Where a procuring entity provides suppliers with the opportunity to correct any unintentional pre-award errors, as provided for in national law and without any change to the substantive content of the tender documents, the procuring entity shall provide suppliers with the opportunity to correct any unintentional pre-award errors as provided for in national

law and without any change to the substantive content of the tender documents.

3. The procuring entity shall provide equal opportunity to all participating suppliers. Awarding of Contracts 3. A procuring entity shall require that, in order to be considered for an award, the bid:

(a) is submitted in writing by a supplier that meets all the conditions for participation; and

(b) at the time of opening, shall be in accordance with the essential requirements specified in the notices and procurement documents.

4. Unless a procuring entity determines that the award of a procurement contract would be contrary to the public interest, the procuring entity shall award the contract to the supplier that the procuring entity has determined meets the conditions of participation and is fully capable of performing the contract and, whose tender is considered the most advantageous based solely on the requirements and evaluation criteria specified in the procurement notices and documents, or where price is the sole evaluation criterion, the lowest price.

5. When a procuring entity receives a tender whose price is abnormally lower than the prices of the other tenders submitted, the entity may verify with the supplier whether the supplier complies with the conditions for participation and has the capacity to perform the contract.

6. A procuring entity may not cancel a procurement or terminate or modify a procurement contract that has been awarded for the purpose of evading this Chapter.

Article 17.15. Transparency of Procurement Information Information to Be Provided to Suppliers

1. A procuring entity shall promptly inform participating suppliers of its decision on the award of a procurement contract and, upon request, shall do so in writing. Subject to Article 17.16, a procuring entity shall, upon request, inform a supplier whose tender was not successful of the reasons for its decision and the relative advantages of the successful tender.

Publication of Award Information

2. As soon as practicable after an award, a procuring entity shall publish in an electronic medium readily accessible to the public, a notice that includes, at a minimum, the following information about the contract award:

(a) the name of contracting entity;

(b) a description of goods or services contracted;

(c) the date of the award;

(d) the name of the supplier to whom the contract was awarded; (e) the value of the contract; and

(f) where the procuring entity has not used open tendering, an indication of the circumstances that justified the use of such procedures in accordance with paragraph 2 of Article 17.12.

Record Keeping

3. A procuring entity shall maintain reports or records of procurement proceedings relating to covered procurement, including reports relating to covered procurement, including the reports referred to in paragraph 3 of Article 17.12, and shall maintain such reports or records for a period of at least three years after the date of award of a contract.

Article 17.16. Disclosure of Information Delivery of Information to the other Party

1. On request of a Party, the other Party shall provide in a timely manner information necessary to determine whether a procurement has been conducted fairly, impartially and accordance with this Chapter. Such information shall include information on the characteristics and relative advantages of the successful tender.

Non-Disclosure of Information

2. No Party, including its contracting entities, authorities or review bodies, may disclose information that the person who provided it has designated as confidential, in accordance with its national legislation, except with the authorization of that person.

3. Without prejudice to any other provision of this Chapter, no Party, including its procuring entities, shall provide any

particular supplier with information that may prejudice fair competition between suppliers.

4. Nothing in this Chapter shall be construed to require Party, including its contracting entities, authorities and review bodies, to disclose confidential information under this Chapter, if such disclosure would:

(a) prevent compliance with the law;

(b) harm fair competition among suppliers;

(c) prejudice the legitimate commercial interests of private parties, including the protection of intellectual property; or

(d) otherwise be contrary to the public interest.

Article 17.17. National Review Procedures

1. Each Party shall ensure that its procuring entities give fair and timely consideration to any complaint by its suppliers regarding an allegation of non-compliance with this Chapter arising in the context of a covered procurement in which they have or have had an interest.

2. Each Party shall provide a timely, effective, transparent and non-discriminatory administrative or judicial review procedure, in accordance with the principle of due process, through which a supplier may file a complaint alleging a breach of this Chapter arising in the context of covered procurement in which the supplier has or has had an interest.

3. Each Party shall establish or designate at least one impartial administrative or judicial authority, independent of its procuring entities, to receive and review a challenge filed by a supplier in a covered procurement, and to issue appropriate determinations and recommendations.

4. Where a body other than the authority referred to in paragraph 3 initially reviews a challenge, the Party shall ensure that the supplier may appeal the initial decision to an administrative or judicial authority, which is independent of the procuring entity whose procurement is the subject of the challenge.

5. Each Party shall adopt or maintain procedures that it establishes:

(a) interim measures to preserve the supplier's ability to participate in the procurement, which are applied by the procuring entity or by the impartial authority referred to in paragraph 3. The procedures may provide that the prevailing adverse consequences for the interests concerned, including the public interest, may be taken into account in deciding whether such measures should be applied. The reason for not taking such measures shall be stated in writing; and

(b) where a review body has determined the existence of a non-compliance referred to in paragraph 2, corrective measures or a compensation for loss or damage suffered, accordance with the national legislation of each Party.

Article 17.18. Modification and Amendments to Coverage

1. When a Party modifies its procurement coverage under this Chapter, the Party:

(a) notify the other Party in writing; and

(b) shall include in the notification a proposal for appropriate compensatory adjustments to the other Party to maintain a level of coverage comparable to that existing prior to the modification.

2. Notwithstanding subparagraph 1b), a Party need not grant compensatory adjustments where:

(a) the modification in question is a minor amendment or a rectification of a purely formal nature; or

(b) the proposed modification covers an entity over which the Party has effectively eliminated control or influence.

3. If the other Party does not agree that:

(a) an adjustment under the scope of subparagraph 1 (b) is adequate to maintain a comparable level of mutually agreed coverage;

(b) the proposed modification is a minor amendment or rectification within the scope of subparagraph 2 (a); or

(c) the proposed modification covers a contracting entity over which the Party has effectively eliminated its control or influence under the scope of subparagraph 2(b).

must object in writing within 30 days of receipt of the notice referred to paragraph 1 or agreement on the proposed change or modification shall be deemed to have been reached even for the purposes of Chapter 24 (Dispute Settlement).

4. When the Parties agree on the proposed modification, rectification or amendment, including when a Party has not objected within 30 days under the scope of paragraph 3, the Parties shall give effect to the agreement by immediately modifying Annex 17.1 through the Commission.

Article 17.19. Integrity In Procurement Practices

Each Party shall establish or maintain procedures for declaring the ineligibility to participate in the Party's procurement, either indefinitely or for a prescribed period, of suppliers that the Party determines to have engaged in illegal or fraudulent activities relating to government procurement. Upon request of the other Party, the Party receiving the request shall identify the suppliers determined to be ineligible under these procedures and, where appropriate, exchange information with respect to these suppliers or the fraudulent or illegal activity.

Article 17.20. Additional Negotiations

At the request of a Party, the other Party may consider conducting additional negotiations for the purpose of expanding the scope and coverage of this Chapter. If as a result of these negotiations the Parties agree to modify the Annexes to this Chapter, the result shall be submitted to the Committee for implementation.

Article 17.21. Strategic Procurement

1. The Parties recognize the instrumental nature of public procurement for economic and social progress and general welfare. They also recognize the importance of consolidating public policies aimed at equitable social development and the economic promotion of vulnerable sectors, environmental protection and the promotion of innovation, among others.

2. The Parties recognize the importance of the participation of micro, small and medium- sized enterprises in government procurement and the importance of business alliances between suppliers of each Party, and in particular micro, small and medium-sized enterprises, including joint participation in bidding procedures.

3. In such a way that the commitments of this Chapter are not violated, the Parties may incorporate strategies to include preferential rules for MSMEs, as well as to promote the

participation of social groups in vulnerable conditions, environmental protection and the encouragement of innovation, among others.

Article 17.22. Cooperation

1. The Parties recognize the importance of cooperation as a way to achieve a better understanding of their respective government procurement systems, as well as better access to their respective markets, particularly for micro, small and medium-sized enterprises.

2. The Parties shall make their best efforts to cooperate on issues such as:

(a) exchange of experiences and information, including regulatory framework, best practices and statistics;

(b) development and use of electronic means of information in public procurement systems;

(c) training and technical assistance to suppliers on access to the public procurement market; and

(d) institutional strengthening for compliance with this Chapter, including the training of public officials.

Article 17.23. Public Procurement Committee

1. The Parties hereby establish a Procurement Committee (hereinafter referred to as "the Committee"), composed of:

(a) for Costa Rica by the Ministry of Foreign Trade and the Public Procurement Directorate, or their successors;

(b) for Ecuador by the Ministry of Production, Foreign Trade, Investment and Fishing and the National Public Procurement Service, or their successors.

2. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter, including its use, and recommend appropriate activities to the Commission,

(b) report to the Commission on the implementation and administration of this Chapter, as appropriate,

(c) evaluate and follow up on cooperation activities;

(d) consider conducting additional negotiations with the objective of expanding the coverage of this Chapter; and

(e) to deal with any other matter related to this Chapter.

3. Unless otherwise agreed by the Parties, the Committee shall meet every two years in ordinary session, on a date mutually agreed by the Parties. The Parties shall determine those cases in which extraordinary meetings may be held.

4. The meetings may be held in person or by any technological means. When they are face-to-face, they shall be held alternately in the territory of each Party, and the host Party shall be responsible for organizing and chairing the meeting, unless the Parties agree otherwise. The first meeting of the Committee shall be held no later than one year after the date of entry into force of this Agreement.

5. Unless otherwise agreed by the Parties, the Committee shall be of a permanent nature and shall develop its working rules.

Article 17.24. Definitions

For the purposes of this Chapter:

notice of intended procurement means a notice published by the procuring entity inviting interested suppliers to submit a request for participation, a bid, or both;

conditions for participation means any registration, qualification or other prerequisites for participation in a public procurement;

contracting entity means an entity listed in Annex 17.1;

written or in writing means any expression in words, numbers or other symbols, which can be read, reproduced and subsequently communicated. It may include information transmitted and stored electronically;

technical specification means a procurement requirement that:

(a) establishes the characteristics of the goods or services to be contracted, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or

(b) establish terminology, symbols, packaging, marking or labeling requirements as they apply to a good or services;

open bidding means a method of procurement in which all interested suppliers may submit a bid;

restricted tendering means a method of procurement by which a procuring entity contacts a supplier or suppliers of its choice;

commercial goods or services means goods or services of a type generally sold or offered for sale in the commercial market to, and normally purchased by, nongovernmental purchasers for nongovernmental purposes;

standard means a document approved by a recognized body, which provides, for common and repeated use, rules, guidelines or characteristics for goods, or services or related processes and methods of production, compliance with which is not mandatory. It may also include or refer exclusively to terminology, symbols, packaging, markings or labeling requirements as they apply to a product, service, process or production method;

supplier means a person who provides or could provide goods or services to a contracting entity;

services include construction services, unless otherwise specified;

construction service means a service the object of which is the performance by whatever means of civil or construction work, based on Division 51 of the provisional version of United Nations Central Product Classification (CPC); and.

electronic auction means an iterative process in which suppliers use electronic means to submit new prices or new values for quantifiable non-price bid elements, or both, that are linked to the evaluation criteria, and which results in a ranking or reclassification of bids.

Chapter 18. Micro, Small and Medium Enterprises

Article 18.1. General Principles

1. The Parties recognize that MSMEs contribute significantly to trade, economic and financial growth, employment, innovation and social stability.

2. The Parties shall endeavor to support the growth and development of MSMEs, increasing their capacity to participate in and benefit from the opportunities created by this Agreement.

3. The Parties recognize that, in addition to the provisions of this Chapter, there are other provisions in this Agreement that seek to enhance cooperation between the Parties on matters related to MSMEs or that may be particularly beneficial to MSMEs.

Article 18.2. Exchange of Information

1. Each Party shall establish or maintain its own publicly accessible website containing information with respect to this Agreement, including:

(a) the text of this Agreement;

(b) a summary of this Agreement; and

(c) information for MSMEs, containing:

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

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

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

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

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

3. Subject to the legislation of each Party, the information described in paragraph 2 (b) may include:

(a) customs regulations and procedures;

(b) regulations and procedures on intellectual property rights;

(c) technical regulations, standards, and sanitary and phytosanitary measures related to import and export;

(d) foreign investment regulations;

(e) business registration procedures;

(f) information on networking and innovation ecosystems in the sector;

(g) labor regulations; and

(h) tax information.

4. Each Party shall regularly review the information and links on the websites referred to in paragraphs 1 and 2 to ensure that such information and links are correct and up to date.

5. Each Party shall ensure that the information contained in this Article is presented in a clear and practical manner, with emphasis on facilitating access and use by MSMEs.

Article 18.3. Focal Points

1. The Parties establish the following focal points:

(a) in the case of Costa , the Ministry of Economy, Industry and Commerce, through the General Directorate for the Support of Small and Medium Enterprises (DIGEPYME), and the Ministry of Foreign Trade, through the General Directorate of Foreign Trade, for communications with the Commission and any other matter within its competence or its successors; and

(b) in the case of Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries through the Undersecretariat of MSMEs and Handicrafts, or its successor.

2. The focal points shall:

(a) identify ways to assist MSMEs of the Parties to take advantage of the commercial opportunities under this Agreement;

(b) exchange and discuss the experiences and best practices of each Party supporting and assisting MSMEs;

(c) coordinate, if necessary, with other institutions when specific information, which does not fall within the functions of the focal points, is required regarding, among others:

(i) training programs;

(ii) trade, finance, market and innovation education;

(iii) trade financing;

(iv) fair trade and responsible consumption;

(v) identification of other commercial, technological and service partners;

(vi) market studies; and

(vii) the establishment of good trade practices;

(d) recommend additional information that a Party may include on the website referred to in Article 18.2;

(e) review and coordinate the work program with other focal points, committees, working groups or any other subsidiary bodies established under this Agreement, as well as those of other relevant international organizations, in order not to duplicate those work programs and to identify appropriate opportunities for cooperation to enhance the capacity of MSMEs to engage in the trade and investment provided by this Agreement;

(f) facilitate the development of programs to assist MSMEs to participate and integrate effectively in global value chains;

(g) exchange information to assist in monitoring the implementation of this Agreement;

(h) report findings and make recommendations to the Commission that may be included in future assistance programs and MSME programs, as appropriate; and

(i) consider any other matters related to MSMEs that the focal points may decide, including any issues raised by MSMEs regarding their ability to benefit from this Agreement.

3. The focal points shall meet as agreed by the Parties, in person or by any technological means, to consider any matter related to this Chapter.

Article 18.4. Dialogue on MSMEs

The Parties shall make every effort, through dialogue, consultation and cooperation, to reach consensus on any matter that may arise regarding the interpretation and application of this Chapter.

Article 18.5. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 24 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 19. Trade and Gender

Article 19.1. General Provisions

1. The Parties recognize the importance of incorporating a gender perspective in the promotion of inclusive economic growth, and the fundamental role that public policies for gender equality can play in achieving sustainable economic development, which aims, among other things, to distribute the benefits among the entire population, offering equal opportunities between men and women in access to and permanence in the labor market, business, trade and industry.

2. The Parties recognize their commitment to the United Nations 2030 Agenda for Sustainable Development, especially Goal 5 on achieving gender equality and empowering all women and girls.

3. The Parties undertake to promote policies and good practices for gender equality and to strengthen the capacity of the Parties in this area, including in non-governmental sectors, in order to promote equality of rights, treatment and opportunities between men and women and the elimination of all forms of discrimination and all types of violence against women.

4. The Parties recognize that international trade and investment are engines of economic growth, and that improving women's access to opportunities and removing barriers in their countries enhances their participation in both the national and international economy and contributes to sustainable economic development.

5. The Parties recognize that the increased participation of women in the labor market and their economic autonomy, as well as the facilitation of their access, use and control of economic resources, contribute to sustainable and inclusive economic growth, prosperity, competitiveness and the well-being of society as a whole.

6. The Parties reaffirm the commitments made within the WTO framework on gender, including the Joint Declaration on Trade and Women's Economic Empowerment on the occasion of the WTO Ministerial Conference in Buenos Aires in December 2017, as well as the Informal Working Group on Trade and Gender established in 2020, and the Joint Ministerial Declaration on Promoting Gender Equality and Women's Economic Empowerment in Trade in the framework of the Twelfth WTO Ministerial Conference in December 2021.

Article 19.2. Shared Commitments

1. The Parties affirm their commitment to adopt, maintain and implement laws, regulations, policies and best practices on gender equality.

2. Each Party shall promote public awareness of its gender equality laws, regulations, policies and practices, as well as of the activities carried out under this Chapter.

3. Each Party, in accordance with its priorities and interests, reserves the right to establish, modify and monitor compliance with its laws, regulations and policies on gender equality.

Article 19.3. International Agreements

1. Each Party reaffirms its commitment to implement its obligations under the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), adopted by the United Nations General Assembly on December 18, 1979.

2. Each Party reaffirms its commitment to the Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women (Belem do Para Convention), adopted by the General Assembly of the Organization of American States on September 18, 1994.

3. Each Party reaffirms its commitment to implement the 1995 Beijing Declaration and Platform for Action on the Rights of Women and Girls and their Empowerment, in particular in the area of women and the economy.

4. Each Party reaffirms its commitment to implement the obligations contained in other international agreements to which it is a party, which refer to gender equality or women's tights, in particular those related to equal remuneration between men and women, maternity protection, reconciliation of work and family life, among others.

Article 19.4. Cooperative Activities

1. The Parties recognize the benefit of sharing their respective experiences in designing, implementing, monitoring and strengthening policies and programs to encourage the participation of women in the national and international economy

and equal treatment and opportunities between men and women.

2. The Parties shall by mutual agreement carry out cooperative activities designed to improve the capabilities and conditions for women in their diversity to fully access and benefit from the opportunities created by this Agreement.

3. Cooperation activities shall be carried out on issues and topics agreed upon by the Parties, through interaction with their respective governmental institutions, private sector entities, educational or research institutions, solidarity economy organizations, local governments or other non-governmental bodies and their representatives, as appropriate.

4. Areas of cooperation may include:

(a) programs and initiatives to maximize the positive impacts of increased participation of women in international trade;

(b) activities to promote, disseminate and raise awareness of the importance of gender equality for sustainable economic growth and its relevance to trade policy;

(c) joint programs and activities developed or funded the framework of the WTO and other international organizations, where appropriate, to promote the export of women-led enterprises and entrepreneurship, as well as to maximize the positive impacts of increasing women's participation in international trade;

(d) programs to promote the full participation, advancement and empowerment of women in society by building capacity and enhancing the skills of women in the workplace, in business and at senior levels in all sectors of , including on corporate boards;

(e) activities aimed at promoting the full participation of women in the economy, mainly by encouraging their participation, leadership and education in fields in which they are underrepresented, such as science, , and mathematics (STEM), as well as innovation and business;

(f) programs to promote women's financial education and inclusion, as well as access to financing and financial assistance;

(g) programs to promote women's leadership, as well as the development of women's networks and associativity;

(h) development of best practices and standards to promote gender equality within companies and the inclusion women in the workforce and in commerce, including those aimed at promoting the reconciliation of family, personal, academic and working life;

(i) promoting women's participation in decision-making positions in the public and private sectors;

(j) promotion of women's entrepreneurship, including support for programs that help formalize women's entrepreneurship and promote women-led exports;

(k) promote business development services for women and programs to improve their digital skills and access to online business tools;

(l) programs aimed at greater inclusion in trade of women in vulnerable situations;

(m) exchange of information on the experiences of each Party with respect to the establishment and implementation of policies and programs that address gender issues, in order to achieve the greatest possible benefit under this Agreement;

(n) exchange of information on the experiences and lessons learned by the Parties through cooperative activities carried out under this article;

(o) sharing methods and procedures for the collection and analysis of trade-related sex-disaggregated data; and

(p) other matters agreed by the Parties.

5. The Parties may out activities in the areas of cooperation set forth in paragraph 4 through:

(a) workshops, seminars, dialogues and forums to exchange knowledge, experiences and best practices, in person or through virtual means;

(b) internships, visits and research studies to document and study policies and best practices;

(c) collaborative research and development of projects and best practices on issues of mutual interest;

(d) specific exchanges of technical expertise and technical assistance, where appropriate; and

(e) other activities agreed upon by the Parties.

6. The Parties may invite and involve international donor institutions, private sector entities, non-governmental organizations, other relevant institutions, or other countries with an interest in the development of gender programs or activities, as appropriate, to assist in the development and implementation of specific activities.

7. Priorities in cooperative activities shall be decided by the Parties based on their interests and available resources, taking into consideration women in their diversity.

Article 19.5. Focal Points

1. The Parties establish the following focal points:

(a) for Costa Rica, the National Women's Institute (INAMU), and the Ministry of Foreign Trade for communications with the Commission and any other matter within their competence, or their successors, and

(b) for Ecuador, the National Council for Gender Equality and the Vice-Ministry of Foreign Trade of the Ministry of Production, Foreign Trade, Investment and Fisheries, or their successors.

2. The focal points shall:

(a) identify, organize and facilitate cooperative activities under Article 19.4;

(b) report and make recommendations to the Commission on any matter related to this Chapter;

(c) discuss joint proposals to support public policies on trade and gender;

(d) consider matters related to the implementation and operation of this Chapter;

(e) work together, including with other relevant agencies of their governments, to develop and implement activities and areas of cooperation;

(f) at the request of a Party, consider and discuss any matter that may arise relating to the interpretation and application of this Chapter;

(g) establish a work plan integrating the cooperative activities set forth in Article 19.4; and

(h) carry out such other work as may be determined by the Parties.

3. The focal points shall meet every two years or as agreed by the Parties, in person or by any available technological means, to consider any matter related to this Chapter.

4. The focal points may work with other committees, working groups and subsidiary bodies established under this Agreement. In the context of this work, focal points shall encourage the efforts of these committees, working groups or subsidiary bodies to integrate gender equality commitments, considerations and activities into their work. However, this Chapter shall not be used to impose obligations or commitments with respect to other chapters of this Agreement.

5. The focal points may request the Commission to refer the work carried out pursuant to this article to any other committee, working group and other subsidiary bodies established under this Agreement.

6. The focal points should report results and make recommendations to the Commission that can be included in future assistance programs or other cooperative programs for women, as appropriate.

7. Each Party shall develop mechanisms to publicly report on activities carried out under this Chapter.

Article 19.6. Trade and Gender Consultations

1. Any issues arising in connection with the implementation of this Chapter shall be resolved amicably and in good faith by the Parties through direct dialogue, consultation and cooperation.

2. A Party may request consultations with the other Party by delivering a written request to the contact point designated in Article 19.5, explaining the reasons for the consultations.

3. If the Parties, through their focal points, are able to resolve the matter, they shall document the outcome including, if appropriate, the specific steps and timelines agreed. The Parties, through their focal points, shall prepare a consensus

report summarizing the outcome of the consultations held and make it publicly available, unless they agree otherwise.

Article 19.7. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 24 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 20. Environment

Article 20.1. Context and Objectives

1. The Parties reaffirm their commitment to promote the development of international trade in such a way that it contributes to the objective of sustainable development and shall endeavor to ensure that this objective is integrated and reflected at all levels of their trading relationship.

2. The Parties recognize that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development. They note that enhanced cooperation to protect and conserve the environment and sustainably manage its natural resources brings benefits and makes it possible to promote trade conducive to sustainable development, strengthen their environmental governance and complement the objectives of this Agreement.

3. The Parties recognize that it is not their intention in this Chapter to harmonize their environmental legislation, but to strengthen their trade relations and cooperation in a manner that promotes sustainable development in the context of paragraphs 1 and 2.

4. In this , the Parties:

(a) recognize their commitments to promote compliance with and effective implementation of each Party's environmental legislation;

(b) strive to promote the conservation and sustainable use of biodiversity, and the preservation of traditional knowledge relevant to the conservation of biological diversity and the sustainable use of its components; and

(c) reaffirm their intention to strengthen cooperation on environmental issues.

Article 20.2. Scope

This Chapter shall apply to measures adopted or maintained by the Parties on environmental matters affecting trade-related aspects.

Article 20.3. General Principles

1. The Parties shall strive to make trade and environmental policies mutually supportive and promote the appropriate use of their resources, including biodiversity, in accordance with the objective of sustainable development.

2. The Parties reaffirm their sovereign right over their natural resources, reiterate their sovereign rights to establish their own levels of environmental protection and their own environmental development, policies and priorities, and to adopt or modify their environmental legislation and policies accordingly.

Article 20.4. Specific Commitments

1. Each Party shall strive to ensure that its legislation and policies provide high levels of environmental protection and sustainable use and conservation of its natural resources. Each Party shall also endeavor to continue to improve its levels of protection in these matters.

2. The Parties recognize that it is inappropriate to promote trade or investment by weakening or reducing the protections afforded in their environmental laws. Accordingly, no Party shall repeal, or offer to repeal, such laws in a manner that weakens or reduces the protections afforded in those laws, as an inducement to promote trade or investment between the Parties.

3. The Parties recognize that it is inappropriate to use their environmental measures in a manner that constitutes a means

of arbitrary or unjustifiable discrimination between the Parties or a disguised restriction on trade or investment. The Parties shall ensure that their environmental legislation and policies shall not be established or applied for protectionist trade purposes.

4. Each Party shall strive to keep its laws and policies consistent and in compliance with the multilateral environmental agreements (hereinafter "MEAs") to which it is a party, as well as with international efforts to achieve sustainable development.

5. The Parties shall seek to cooperate on matters of mutual interest in the WTO Committee on Trade and Environment.

Article 20.5. Application of Legislation

1. A Party shall not fail to effectively enforce its environmental law, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties, after the date of entry into force of this Agreement.

2. Nothing in this Chapter shall be construed to empower the competent authorities of a Party to conduct enforcement activities in the territory of the other Party.

Article 20.6. Multilateral Environmental Agreements

1. The Parties recognize that MEAs play an important role, at the global, regional and national levels, in protecting the , and that their respective implementation is critical to achieving the environmental objectives of these agreements, as well as to achieving sustainable development. Accordingly, each Party affirms its commitment to implement the MEAs to which it is a party.

2. The Parties emphasize the need to foster mutual supportiveness between trade and environmental legislation and policies, through dialogue between the Parties on trade and

environmental matters of mutual interest, particularly with respect to the negotiation and implementation of relevant multilateral environmental and trade agreements.

Article 20.7. Procedural Guarantee

1. Each Party shall ensure that persons with a recognized interest in a particular matter under its law have adequate access to the courts for the enforcement of the Party's environmental law. Such tribunals may be administrative, judicial or other relevant tribunals.

2. Each Party shall ensure that proceedings before such tribunals for the enforcement of its environmental laws are fair, equitable and transparent.

3. Each Party shall provide that parties to such proceedings may bring actions to secure the enforcement of their rights under its law.

4. Each Party shall promote public awareness of its environmental laws, policies and practices in its country and may develop mechanisms, as appropriate, to its public of activities undertaken under this Chapter in accordance with its environmental laws, policies and practices.

Article 20.8. Environmental Committee

1. The Parties establish an Environmental Committee (hereinafter referred to as "the Committee") composed of senior officials of the relevant administrations.

2. The functions of the Committee shall include:

(a) define their actions through an agreed work program of cooperative activities;

(b) monitor and evaluate the agreed cooperation activities;

(c) serve as forum for dialogue on environmental issues of mutual interest;

(d) review the operation and results of this Chapter; and

(e) to take any other action by virtue of its functions when the Parties so agree.

3. The Committee may consider any other matter within the scope of this Chapter, and may identify possible new areas of cooperation.

4. The Committee shall meet as necessary to discuss matters of common interest and oversee the implementation of this Chapter, including cooperative activities. Meetings may be held in person or by any technological means.

Article 20.9. Focal Points

Each Party shall designate an environmental focal point for the implementation of this Chapter. After the date of entry into force of this Agreement, the Parties shall provide their contact information and notify each other in a timely manner.

Article 20.10. Indigenous Peoples and Local Communities

1. The Parties recognize the contribution of indigenous peoples and local communities, as defined in accordance with their respective national legislation, as well as traditional knowledge, to the promotion of sustainable development, including in the environmental sphere, and the importance of promoting trade that is inclusive and that can strengthen this contribution.

2. The Parties shall seek to exchange information and experiences and cooperate in areas of mutual interest, such as the participation of indigenous peoples and local communities and the consideration of their traditional knowledge in environmental management and trade, and the promotion of the contributions that these communities make to sustainable development.

Article 20.11. Public Participation

1. The Parties recognize the importance of promoting public participation of all interested sectors including the business sector, organizations, local communities and indigenous peoples as appropriate, to address trade-related environmental issues.

2. Each Party shall endeavor to respond to requests for information from persons regarding trade-related environmental issues, within the framework of the provisions of this Chapter.

3. Each Party shall make use of the dialogue established within the Committee to seek views on matters related to the implementation of this Chapter and requests for information received from time to time.

Article 20.12. Trade and Biodiversity

1. The Parties recognize the importance of the conservation of biological diversity, sustainable use of its components, in accordance with their respective national legislation or domestic policies, and the key role of biological diversity in achieving sustainable development.

2. The Parties recognize the importance of respecting, preserving and maintaining the knowledge and practices of indigenous and local communities that involve traditional lifestyles that contribute to the conservation and sustainable use of biological diversity.

3. Each Party shall endeavor to promote and encourage actions for the conservation and sustainable use of biological diversity, as well as the participation of indigenous and local communities in the dialogues to be established in relation to these trade-related issues.

Article 20.13. Trade and Climate Change

1. The Parties recognize that climate change poses significant risks to communities, infrastructure, the economy, the environment and human health, with potential implications for international trade, and that efforts are required to build resilience. Furthermore, the Parties reaffirm their respective commitments under the 1992 United Nations Framework Convention on Climate Change, the 1997 Kyoto Protocol, and the 2016 Paris Agreement.

2. In accordance with the above, each Party shall endeavor to promote the contribution of trade to sustainable development and the transition to a sustainable low-emission economy and climate-resilient development, as well as actions on climate change mitigation and adaptation.

Article 20.14. Environmental Consultations

1. Any question arising in connection with the interpretation or implementation of this Chapter shall be resolved amicably and in good faith by the Parties through direct dialogue, consultation and cooperation.

2. A Party may request consultations with the other Party by delivering a written request to the focal point designated in Article 20.9, explaining the reasons for the consultations.

3. If the Parties, through their focal points, are able to resolve the matter, they shall document the outcome including, if appropriate, the specific steps and timelines agreed upon. The Parties, through their focal points, shall prepare a consensus report summarizing the outcome of the consultations held and make it publicly available, unless they agree otherwise.

4. If the Parties fail to resolve the matter through the focal points, the matter may be discussed by the Committee.

Article 20.15. Cooperation

1. The Parties recognize the importance of cooperation as a mechanism to implement this Chapter, to enhance its benefits and to strengthen the Parties' joint and individual capacities to protect the environment and to promote sustainable development, while strengthening their trade and investment relations.

2. The Parties agree to promote cooperative activities of mutual interest related to the implementation of this Chapter and may include international bodies and organizations or non- governmental organizations in this cooperation.

3. The Parties shall endeavor to ensure that cooperative activities:

(a) are consistent with national development programs and strategies and priorities of each Party;

(b) create opportunities for the public to participate in the development and implementation of such activities; and

(c) take into consideration the economy and legal system of each Party.

4. Areas of cooperation between the Parties in relation to this Chapter may include, but shall not be limited to:

(a) institutional capacity for the enforcement of environmental legislation, including MEAs;

(b) cleaner production technologies; (c) forestry;

(d) biodiversity;

(e) protected areas;

(f) water quality and water resources;

(g) air quality;

(h) energy efficiency and renewable energy;

(i) innovative environmental technologies, including carbon dioxide capture technologies;

(j) measures to assess vulnerability and adaptation to climate change; and

(k) other environmental matters as the Parties may agree in accordance with their priorities.

5. Cooperation may be carried out through various means, including dialogues, workshops, seminars, conferences, collaborative programs and projects, technical assistance to promote and cooperation and training, the exchange of best practices in policies and procedures, and the exchange of experts.

Article 20.16. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 24 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 21. Labor

Article 21.1. Context and Objectives

1. The Parties recognize that this Chapter enshrines a cooperative approach based on common values and interests.

2. The Parties recognize that it is not their intention in this Chapter to harmonize their labor standards, but to strengthen their trade relations and cooperation in a manner that promotes sustainable development.

3. The objectives of this Chapter are:

(a) promote the common aspiration that free trade and investment should lead to job creation and decent work, on terms and conditions of employment that adhere to the principles of the 1998 International Labour Organization Declaration on Fundamental Principles and Rights at Work and its Follow-up (hereinafter "ILO Declaration");

(b) foster and achieve a better understanding of each Party's labor systems, good labor policies and practices, and enhanced capacity of each Party, including its relevant stakeholders, through increased cooperation and dialogue;

(c) to promote the improvement of labor conditions in the respective territories of the Parties and to protect, improve and enforce the fundamental rights of workers;

(d) allow for discussion and exchange of views on labor matters of mutual interest, without prejudice to the labor legislation of each Party;

(e) strengthen the commitment of the Parties to the effective dissemination and implementation of their national legislation;

(f) to seek the participation of social actors in the development of public agendas through social dialogue.

Article 21.2. General Principles and Commitments

1. The Parties reaffirm their obligations as members of the International Labor Organization (hereinafter "ILO") and their commitments under the ILO Declaration. Each Party shall endeavor to adopt and maintain, both in its national legislation and in its practices, the following rights set forth in the ILO Declaration:

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

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

(c) the effective abolition of child labor; and

(d) elimination of discrimination in respect employment and occupation.

2. Each Party shall respect the sovereign right of the other Party to establish its own national policies and priorities, as well as to establish, administer and enforce its own labor laws and practices in accordance with its policies and priorities.

3. No Party shall encourage trade or investment by reducing the levels of protection afforded by its labor laws. Accordingly, no Party shall cease to apply, or otherwise render ineffective, its labor legislation in a manner that reduces the protection afforded under such legislation in order to encourage trade or investment.

4. Each Party shall ensure that its labor legislation, policies and practices shall not be used for protectionist trade purposes.

5. The Parties recognize that each Party retains the right to exercise its discretion with respect to the distribution of resources allocated to the enforcement of its labor laws, and to make decisions with respect to the allocation of resources allocated to the enforcement of its labor laws.

6. Nothing in this Chapter shall be construed to empower the authorities of a Party to carry out labor law enforcement activities in the territory of the other Party.

Article 21.3. Procedural Safeguards and Public Awareness

1. Each Party shall ensure that persons with a recognized interest in a particular matter under its labor laws have adequate access to tribunals for the enforcement of its labor laws. Such tribunals may be administrative, judicial or labor tribunals.

2. Each Party shall ensure that the procedures before such tribunals for the enforcement of its labor laws are fair, equitable and transparent.

3. Each Party shall promote public awareness of its labor laws, policies and practices in its country and may develop mechanisms, as appropriate, to inform the public of its labor laws, policies and practices.

The Company shall inform the public about the activities undertaken under this Chapter in accordance with its laws, policies and labor practices.

4. The Parties recognize the desirability of clear, well understood and widely consulted labor legislation, policies and practices.

Article 21.4. Focal Points

Each Party shall designate a focal point for labor issues for the implementation of this Chapter. After the date of entry into force of this Agreement, the Parties shall provide their contact information and notify in a timely manner.

Article 21.5. Labor Committee

1. The Parties establish a Labor Committee (hereinafter referred to as "the Committee"). The Committee shall be composed of senior officials from the Ministry of Labor and other relevant ministries of each Party.

2. The functions of the Committee shall include:

(a) establish an agreed work program of cooperative activities;

(b) monitor and evaluate the agreed cooperation activities;

(c) serve as forum for dialogue on labor issues of mutual interest;

(d) evaluate the operation and results of this Chapter; and

(e) take any other action it deems appropriate for the implementation of this Chapter.

3. Unless otherwise agreed by the Parties, the Committee shall meet within two years after the date of entry into force of this Agreement, and thereafter as necessary, to discuss matters of common interest and oversee the implementation of this Chapter, including the cooperative activities set forth in Article 21.6. The meetings may be held in person or by any technological means.

Article 21.6. Public Participation

1. The Parties recognize the importance of tripartite participation by business, labor and government during dialogue processes to address trade-related labor issues.

2. Each Party shall endeavor to respond to requests for information from persons regarding trade-related labor issues within the framework of the provisions of this Chapter.

3. Each Party shall make use of the dialogue established within the Committee to seek views on matters related to the implementation of this Chapter and requests for information received.

Article 21.7. Forced or Compulsory Labor

Each Party recognizes the importance of establishing actions to eliminate all forms of forced or compulsory labor, including forced or compulsory child labor. Accordingly, the Parties agree to identify opportunities for cooperation to exchange information, experiences and good practices in this area.

Article 21.8. Consultations

1. Any issues arising in connection with the implementation of this Chapter shall be resolved amicably and in good faith by the Parties through direct dialogue, consultation and cooperation.

2. A Party may request consultations by delivering a written request to the other Party's focal point designated in Article 21.4, explaining the reasons for the consultations.

3. If the Parties, through their focal points, are able to resolve the matter, they shall document the outcome including, if appropriate, the specific steps and timelines agreed. The Parties, through their focal points, shall prepare a consensus report summarizing the outcome of the consultations held and make it publicly available, unless they agree otherwise.

4. If the Parties do not reach consensus on the matter in consultation through the focal points, the matter may be discussed

by the Committee.

Article 21.9. Cooperation

1. The Parties recognize the importance of cooperation as a mechanism to effectively implement this Chapter, increase opportunities to improve labor standards, and further advance common commitments on labor issues, including the welfare and quality of life of workers and the principles and rights set forth in the ILO Declaration.

2. The Parties undertake to establish a close relationship by means of cooperative activities in areas of mutual interest, in accordance with the provisions of paragraphs 3 and 4, for the purpose of furthering the objectives of this Chapter and improving understanding of the labor system of the other Party.

3. Areas of cooperation between the Parties under this Chapter may include, but shall not be limited to:

(a) labor policies of mutual interest;

(b) labor-management relations;

(c) working conditions;

(d) occupational health and safety;

(e) vocational training and human resource development;

(f) labor statistics; and

(g) other labor matters that the Parties may agree upon in accordance with their labor laws.

4. Cooperative activities may be implemented through a variety of means, which may include, but are not limited to:

(a) organize study visits and other exchanges between government delegations, professionals, students and specialists;

(b) exchange information on legislation and good labor practices;

(c) jointly organize conferences, seminars, workshops, meetings, training sessions and outreach and education programs;

(d) develop joint projects or presentations;

(e) engage in joint research projects, studies, and reports, including through the participation of independent experts with recognized experience; and

(f) other forms of exchange or technical cooperation that the Parties may agree upon.

5. Any cooperative activity agreed under paragraph 3 shall consider the priorities and labor needs of each Party, as well as available resources.

6. Each Party may, as appropriate, invite the participation of stakeholders, including representatives of workers and employers, other persons and organizations in its country to identify potential areas of cooperation, and to carry out cooperative activities.

7. In addition to the cooperative activities outlined in this Article, the Parties shall, as appropriate, join and take advantage of their respective memberships in regional and multilateral fora to promote their common interests in addressing labor issues.

Article 21.10. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 24 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 22. Transparency

Article 22.1. Points of Contact

1. Each Party establishes a contact point in Annex 22.1 to facilitate communications between the Parties on any matter covered by this Agreement.

2. At the request of the other Party, the contact point shall indicate the office or official responsible for the matter and provide such support as may be necessary to facilitate communication with the requesting Party.

Article 22.2. Publication

1. Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application that relate to any matter covered by this Agreement are promptly published or otherwise made available for the information of interested persons and of the other Party.

2. To the extent possible, each Party:

(a) publish any measure referred to in paragraph 1 which it proposes to adopt relating to matters covered by this Agreement; and

(b) provide interested persons and the other Party with a reasonable opportunity to comment on such measures.

Article 22.3. Notification and Provision of Information

1. To the fullest extent possible, each Party shall notify the other Party of any proposed or existing measures that it believes may materially affect the operation of this Agreement or otherwise substantially affect the interests of the other Party under this Agreement.

2. Upon request of the other Party, a Party shall provide information and respond promptly to questions regarding any measure in force or planned, whether or not that other Party has been previously notified of that measure.

3. Any notification or provision of information provided under this Article shall be without prejudice to whether or not the measure is consistent with this Agreement.

4. Any notification, request or information under this Article shall be provided to the other Party through the relevant contact points, unless otherwise agreed by the Parties.

Article 22.4. Administrative Procedures

In order to administer in a consistent, impartial and reasonable manner all administrative rulings of general application matters covered by this Agreement, each Party shall ensure that, in its administrative proceedings in which the measures referred to in Article X are applied with respect to particular persons, goods or services of the other Party in specific cases:

(a) whenever possible, persons of the other Party who are directly affected by a proceeding shall, in accordance with domestic law, be given reasonable notice of the commencement of the proceeding, including a description of its nature, a statement of the legal basis under which the proceeding is initiated, and a general description of all matters in dispute;

(b) where time, the nature of the proceeding and the public interest permit, such persons are given a reasonable opportunity to present facts and arguments in support of their claims prior to any final administrative action; and

(c) its procedures are in accordance with national legislation.

Article 22.5. Review and Challenge

1. Each Party shall establish or maintain courts or tribunals or procedures of a judicial or administrative nature for the purpose of the prompt review and, where warranted, correction of final administrative actions relating to matters covered by this Agreement. Such tribunals shall be impartial and not connected with the administrative agency or authority, and shall have no substantial interest in the outcome of the matter.

2. Each Party shall ensure that, before such courts or proceedings, the parties to proceedings have the right to:

(a) a reasonable opportunity to support or defend their respective positions; and

(b) a ruling or decision based on the evidence and arguments or, in cases where required by the national legislation of the Party, on the record compiled by the administrative or judicial authority.

3. Each Party shall ensure that, subject to the means of challenge or further review available under its domestic law, such rulings or decisions are implemented by its agencies or authorities and govern the practice of those agencies or authorities with respect to the administrative action in question.

Article 22.6. Specific Standards

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

Article 22.7. Definitions

For the purposes of this Chapter:

administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and factual situations that generally fall within its scope, and that establishes a standard of conduct, but does not include:

(a) tulings or decisions in an administrative proceeding that applies to a particular person, good or service of the other Party in a specific case; or

(b) a resolution that resolves with respect to a particular act or practice.

Annex 22.1. Points of Contact

For the purposes of Article 22.1, the points of contact shall be:

(a) for Costa Rica, the Director General of Foreign Trade of the Ministry of Foreign Trade, his delegate or successor; and

(b) for Ecuador, the Undersecretariat of Trade Negotiations of the Ministry of Production, Foreign Trade, Investments and Fisheries, its delegate or successor.

Chapter 23. Administration of the Agreement

Article 23.1. The Administrative Commission

1, The Parties establish the Administrative Commission, composed of representatives at the Ministerial level of each Party, in accordance with Annex 23.1, or by the persons designated by them.

2. The Commission shall:

(a) to ensure compliance with and the correct application of the provisions of this Agreement;

(b) monitor the implementation of this Agreement and evaluate the results achieved in its application;

(c) supervise the work of all bodies established under this , including committees and working groups;

(d) approve at its first meeting, unless the Parties agree otherwise, Rules of Procedure and Code of Conduct referred to Chapter 24 (Dispute Settlement);

(e) fix the amount of remuneration and expenses to be paid to the members of the panels referred to in Chapter 24 (Dispute Settlement);

(f) to hear any other matter that could affect the operation of the Agreement; and

(g) approve its rules of procedure at its first meeting, unless the Parties agree otherwise.

3. The Commission may:

(a) establish and delegate responsibilities to the bodies established under this Agreement;

(b) adopt, in compliance with the objectives of this Agreement, decisions to:

(i) modify the Schedules established in Annex 2.3 (Tariff Elimination Program) by improving the tariff conditions for market access, which includes the possibility to accelerate tariff elimination and include one or more excluded goods in the Tariff Elimination Program;

(ii) modify the rules of origin set forth in Annex 3.1 (Specific Rules of Origin), Annex 3.16 (Certificate of Origin) and Annex 3.16 (Certificate of Origin). 3.17 (Statement of Origin); and

(iii) Amend Exhibit 17.1 (Coverage Exhibit - public procurement);

(iv) modify its rules of procedure;

(v) modify the Rules of Procedure and Code of Conduct referred to in Chapter 24 (Dispute Resolution); and

(vi) issue interpretations of the provisions of this Agreement;

(c) recommend to the Parties the revision, for further deepening, of the lists of Annexes I, II and III referred to in Chapters 10 (Cross-Border Trade in Services), 11 (Financial Services) and 15 (Investment);

(d) analyze any amendments to this Agreement in order to make a Recommendation to the Parties;

(e) review the impacts of the Agreement on the micro, small and medium-sized enterprises of the Parties;

(f) seck the advice of non-governmental individuals or groups; and

(g) take any other action for the exercise of its functions as agreed by the Parties.

4. Each Party shall implement, in accordance with its national law, any decision to in subparagraph 3(b), within the period agreed by the Parties and in accordance with the procedure set out in Annex 23.1.4.

5. All decisions of the Commission and the bodies established pursuant to this Agreement shall be adopted by mutual agreement.

6. The Commission shall hold its first regular meeting within the first year of effectiveness of this Agreement.

7. The Commission shall meet every two years in ordinary session, on a date mutually agreed upon by the Parties, unless they decide otherwise.

8. The meetings of the Commission may be held in person or by any technological means and shall be chaired successively by each Party.

9. Regular meetings held in person shall be held at least in the territory of each Party, unless otherwise agreed by the Parties.

10. Any of the Parties may request in writing that an extraordinary meeting of the Commission be convened. When such meetings are held in person, the Parties shall agree on the place and date on which the Commission shall meet.

Article 23.2. Agreement Coordinators

1. Each Party shall designate an agreement coordinator, in accordance with Annex 23.3.

2. The Coordinators shall work jointly on the development of agendas, as well as on other preparations for the meetings of the Commission and shall give appropriate follow-up to the decisions or recommendations of the Commission, as the case may be.

Article 23.3. Administration of Dispute Settlement Procedures

1. Each Party shall:

(a) designate an office to provide administrative support to the panels contemplated in Chapter 24 (Dispute Resolution) and perform other functions at the direction of the Commission; and.

(b) notify the other Party of the address of its designated office.

2. Each Party shall be responsible for the operation and costs of its designated office.

Annex 23.1. The Administrative Commission

The Administrative Commission shall be composed of:

(a) for Costa Rica, by the Minister of Foreign Trade, his delegate or successor; and

(b) for Ecuador, by the Minister of Production, Foreign Trade and Investment, by the Minister of Production, Foreign Trade and Investment, for Ecuador, by the

Minister of Production, Foreign Trade and Investment and Fisheries, his delegate or successor.

Article Annex 23.1.4. Implementation of the Decisions Approved by the Administrative Commission

The Parties shall implement the decisions of the Administrative Commission referred to in article 23. 1.4, according to the following procedure:

(a) Costa Rica, the decisions of the Administrative Commission shall be equivalent to the instrument referred to in Article 121.4, third paragraph, (protocol of lower rank), of the Political Constitution of the Republic; and.

(b) for Ecuador, depending on the type of decisions of the Commission, by Executive Decree, Ministerial Agreement, Resolution of the Foreign Trade Committee, or its successor, or any other administrative act provided by its national legislation.

Annex 23.3. Agreement Coordinators

The Coordinators of the Agreement will be:

(a) for Costa Rica, the Director General of Foreign Trade of the Ministry Foreign Trade, his or her designee or successor; and

(b) for Ecuador, the unit designated by the Vice Ministry of Foreign Trade of the Ministry of Production, Foreign Trade, Investment and Fisheries, or its successor.

Chapter 24. Dispute Settlement

Article 24.1. General Provisions

1. This Chapter seeks to provide an effective, efficient and transparent dispute resolution process between the Parties with respect to the rights and obligations provided for in this Agreement.

2. The Parties shall at all times endeavor to reach agreement on the interpretation and application of this Agreement and shall make every effort, through cooperation, consultation or other means, to reach a mutually satisfactory resolution of any matter that might affect its operation.

3. All solutions of matters arising under the provisions of this Chapter shall be consistent with this Agreement and shall not nullify or impair the benefits resulting therefrom, nor shall they impede the attainment of its objectives.

Article 24.2. Scope of Application

Except as otherwise provided in this Agreement, the dispute settlement provisions of this Chapter shall apply to the prevention or settlement of all disputes between the Parties relating to the application or interpretation of this Agreement, or where a Party considers that:

(a) an existing or proposed measure of the other Party is or may be inconsistent with the obligations of this Agreement;

(b) the other Party has failed in any way to comply with the obligations of this Agreement; or

(c) an existing or proposed measure of the other Party causes or may cause nullification or impairment within the meaning of Annex 24.2.

Article 24.3. Election of the Forum

1. Disputes arising in respect of the same subject matter that is covered by this Agreement, the WTO Agreement and any other trade agreement to which the Parties are parties may be resolved in any of those fora, at the option of the complaining Party.

2. It shall be understood that two proceedings deal with the same matter when they refer to the same measure or to the same allegation of non-conformity or annulment or impairment.

3. Once the complaining Party has requested the establishment of a panel under this Chapter or under one of the treaties referred to paragraph 1, or has requested the establishment of a panel under the Understanding on Rules and Procedures

Governing the Settlement of Disputes, which is part of the WTO Agreement, the forum selected shall be exclusive of the others.

4. Where there is more than one dispute concerning the same matter under this Agreement, they shall, to the extent possible, be heard by the same panel, if the Parties so agree.

5. Nothing in this Agreement shall be construed to prevent a Party from taking a measure consistent with the WTO Agreement, including a suspension of concessions and other obligations authorized by the WTO Dispute Settlement Body, or a measure authorized under a dispute settlement procedure of another trade agreement to which both Parties are parties.

Article 24.4. Consultations

1. A Party may request in writing to the other Party consultations with respect to any matter referred to in Article 24.2.

2. Pursuant to Article 24.2, the requesting Party shall deliver the written request to the other , in which it shall state the reasons for request, including identification of measure and an indication of the legal basis of the complaint.

3. The Party to which the request for consultations was addressed shall respond in writing within 10 days from the date of receipt of the request, unless the Parties agree otherwise.

4. The Parties shall hold the consultations within a maximum period of 30 days from the date of receipt of the request, unless the Parties agree on another period.

5. In cases of urgency, including those involving perishable goods or goods or services that rapidly lose their commercial value, such as certain seasonal goods or services, consultations shall begin within 15 days from the date of receipt of the request by the other Party.

6. The consulting Party may request the other Party to make available the personnel of its governmental institutions or other regulatory agencies having technical knowledge of the subject matter of the consultations. The Parties shall make every effort to provide cach other with the information requested during the consultations.

7. The Parties shall make every effort to arrive at a mutually satisfactory solution of any matter through consultations, in accordance with the provisions of this Article. For these purposes, each Party:

(a) provide sufficient information to permit a full review of the measure that could affect the operation and implementation of this Agreement, in accordance with Article 24.2; and

(b) shall treat confidential or proprietary information received during consultations in the same manner as that accorded to it by the Party that provided it.

8. Consultations shall be confidential and without prejudice to the rights of the Parties in proceedings under this Chapter.

9. Consultations may be held in person or by any technological means, unless the Parties agree otherwise. When the Parties decide that the consultations shall be face-to-face, they shall be held in the capital of the consulted Party.

10. Unless otherwise agreed by the Parties, the consultation period shall at 60 days from the date of receipt of the request for consultations.

Article 24.5. Good Offices, Conciliation and Mediation

1. The Parties may agree at any time to use methods such as good offices, conciliation or mediation. Such procedures may be commenced at any time and may be suspended or terminated at any time by either Party.

2. The procedures established pursuant to this Article shall be conducted in accordance with the procedures agreed upon by the Parties.

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

Article 24.6. Establishment of a Panel

1. Unless the Parties agree otherwise and without prejudice to paragraph 5, the Party that requested consultations under Article 24.4. may request the establishment of a panel:

(a) if the Party consulted does not respond to the request within the time limit established in paragraph 3 of Article 24.4;

(b) if the Parties fail to consult within the time limits set forth in paragraphs 4 and 5 of Article 24.4, respectively;

(c) if the Parties have not resolved the matter that is the subject of the consultations within the time limit set forth in paragraph 10 of Article 24.4; or

(d) in any other term agreed upon by the Parties.

2. The complaining Party shall deliver to the other Party a written request for the establishment of a panel, in which it shall state the reason for the request and indicate:

(a) the specific measures or other matter complained of, in accordance with Article 24.2;

(b) the legal basis of the complaint, including the provisions of this Agreement that are possibly being violated and any other relevant provisions; and

(c) the factual basis of the claim and with sufficient information to present the problem clearly.

3. With the submission of the application, the panel will be deemed to have been established.

4. Unless otherwise agreed by the Parties, the panel shall be composed and perform its functions in accordance with the provisions of this Chapter.

5. A panel may not be established to review a draft measure.

Article 24.7. Qualifications of Panelists

1. All panelists shall:

(a) have at least 10 years of specialized knowledge and demonstrable experience in law, international trade, and other matters related to this Agreement in the resolution of disputes arising from international trade agreements;

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

(c) be independent, not be related to, and not receive instructions from, any of the Parties; and

(d) comply with the Code of Conduct established by the Commission, in accordance with Article 23.1 (The Administrative Commission).

2. The chairman of the panel, in addition to meeting the requirements set forth in paragraph 1, shall be a jurist.

3. Persons who have been involved in any of the proceedings referred to in Article 24.5 may not serve as panel members in the same dispute.

4. Panel members, upon accepting their appointment, shall undertake in writing to act in accordance with the provisions of this Chapter, the Rules of Procedure, the Code of Conduct and this Agreement.

Article 24.8. Selection of the Panel

The Parties shall apply the following procedures in the selection of panel members:

(a) the panel will be composed of three members;

(b) each Party shall, within 15 days after the date of receipt of the request for the establishment of the panel, propose up to four candidates who are not nationals of the Parties for the position of chairperson of the panel and notify other Party in writing;

(c) the Parties shall make every effort to appoint by mutual agreement the chairperson of the panel, from among the candidates proposed by the Parties, within 20 days after the expiration of the period provided for in subparagraph (b). If within that time the Parties are unable to agree on the appointment of the chairman, the chairman shall be selected by lot from among the candidates that have been proposed. The drawing of lots shall be carried out in accordance with the provisions of the Rules of Procedure, and take place within seven days after the expiration of the 20-day period;

(d) within 15 days after the election of the chairperson, each Party shall select a panelist;

(e) if a Party fails to appoint a panelist within the stipulated time limit, the panelist shall be selected by the other Party within five days thereafter from among the candidates who have been proposed for the chairmanship;

(f) In the event of the death, disqualification, incapacity or resignation of a panellist appointed by a Party, that Party shall appoint a new panellist within 15 days; otherwise, the appointment of the new panellist shall be made in accordance with subparagraph (e). In the event of the death, disqualification, inability or resignation of the chairperson of the panel, the parties shall agree on the appointment of a replacement within 15 days, failing which the replacement shall be appointed in accordance with subparagraph (c). If there are no further candidates, each Party shall propose up to three additional candidates within a further 20 days and the panellist or chair shall be selected by lot drawn up in accordance with the Rules of Procedure within the following seven days from among the proposed candidates;

(g) in either case, any term shall be suspended from the date on which the panelist or chairperson is unable to serve, and the suspension shall terminate on the date of selection of the replacement. The successor shall assume the duties and responsibilities of the original panelist;

(h) any Party may challenge a panelist or a candidate in accordance with the provisions of the Rules of Procedure and the Code of Conduct,

(i) the members of the panel, upon accepting their appointment, shall undertake in writing to act in accordance with the Rules of Procedure, the Code of Conduct and the provisions of this Chapter, and

(j) the date of formation of the panel shall be the date on which the last panelist has accepted his or her appointment.

Article 24.9. Role of the Panel

1. The function of the panel is to make an objective evaluation of the dispute submitted to it, including a review of the facts of the case, the applicability and compliance with this Agreement. It shall also make findings, determinations and recommendations for the resolution of the dispute submitted to it.

2. The panel shall consult regularly with the Parties and give them adequate opportunity to reach a mutually satisfactory solution.

3. The panel shall make its findings, determinations and recommendations based on the provisions of this Agreement, its analysis of the facts of the case, the arguments and evidence presented by the Parties, the provisions of international law applicable to the matter, and in accordance with the rules of treaty interpretation as reflected Articles 31 and 32 of the Vienna Convention on the Law of Treaties 1969. With respect to any provision of the WTO Agreement that has been incorporated into this Agreement, the panel may also consider the relevant interpretations contained in the WTO panel and Appellate Body reports adopted by the WTO Dispute Settlement Body.

Article 24.10. Rules of Procedure

1. The Commission shall establish the Rules of Procedure, in accordance with Article 23.1 (The Administrative Commission).

2. Any panel established under this Chapter shall follow the Rules of Procedure. A panel may establish, in consultation with the Parties, supplementary rules of procedure that do not conflict with the provisions of this Agreement and the Rules of Procedure.

3. Unless otherwise agreed by the Parties, the Rules of Procedure shall ensure:

(a) that the procedures shall guarantee the right to at least one hearing before the panel, as well as the opportunity to present pleadings and rebuttals;

(b) that the hearings before the panel, the deliberations, as well as all written submissions and communications made in the proceeding, shall be confidential;

(c) that all submissions and comments made by a Party to the panel shall be made available to the other Party;

(d) that the panel shall consider requests from non-governmental entities from the territories of the disputing Parties to provide written opinions related to the dispute that may assist the panel in evaluating the submissions and arguments of the disputing Parties;

(e) the protection of information that cither Party designates as confidential information; and

(f) the possibility of using technological means to carry out the procedures, provided that the means used does not diminish

the right of a Party to participate in the procedures and that its authenticity can be guaranteed.

4. Unless otherwise agreed by the Parties within 15 days of the establishment of the panel, the terms of reference of the panel shall be:

"To examine, in an objective manner and in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of the panel and to make findings, determinations and recommendations as provided in Article 24.11."

5. If the complaining Party alleges in the request for the establishment of the panel that a matter has caused nullification or impairment of benefits within the meaning of subparagraph (c) of Article 24.2, the terms of reference shall so state.

6. If a Party wishes the panel to make findings on the level of adverse trade effects on a Party as a result of any measure found to be inconsistent with the obligations of this Agreement, the terms of reference should so state.

7. At the request of a Party or on its own initiative, the panel may seck information and technical advice from such experts as it deems necessary, provided that the Parties so agree, and upon such terms and conditions as the Parties may agree, in accordance with the Rules of Procedure.

8. The panel shall delegate to the chairperson the authority to make administrative and procedural decisions.

9. The panel may, in consultation with the Parties, modify any time limit for its proceedings and make such other administrative or procedural adjustments as may be required for the transparency and efficiency of the proceeding.

10. The panel shall seek to adopt its report by consensus. If this is not possible, it may adopt them by majority vote, in accordance with the provisions of article 24.12.

11. Panelists may submit separate opinions on matters on which a unanimous decision was not reached. The panel may not disclose the identity of the panelists who have expressed a majority or minority opinion.

12. Unless otherwise agreed by the Parties, the expenses of the panel, including the remuneration of its members, shall be borne equally, in accordance with the Rules of Procedure.

Article 24.11. Preliminary Report

1. The panel shall base its preliminary report on the relevant provisions of this Agreement, the written submissions and arguments of the Parties, or any information received by the panel pursuant to Article 24.10.

2. Unless otherwise agreed by the Parties, the panel shall submit the preliminary report to the Parties within 90 days, or 60 days in urgent cases, of the acceptance of the last panelist.

3. Only in exceptional cases, if the panel considers that it cannot issue its preliminary report within the time limits referred to in paragraph 2, it shall inform the Parties in writing of the reasons justifying the delay, together with an estimate of the time within which it will issue its preliminary report. Any delay shall not exceed an additional 30 days, unless the Parties agree otherwise.

4. The preliminary report will contain:

(a) a summary of the Parties! briefs and oral arguments;

(b) conclusions, with factual and legal grounds;

(c) determinations as to whether or not a Party has complied with its obligations under this Agreement and any other determinations requested in the mandate; and

(d) its recommendations for the implementation of the decision, when requested by any of the Parties.

5. The panel shall not disclose confidential information in any of its preliminary reports, but may state conclusions derived from such information.

Article 24.12. Final Report

1. A Party to the dispute may submit written comments or requests for clarification in writing on the preliminary report to the panel within 15 days of the submission of the preliminary report, or within any other period of time established by the panel. After considering such comments and requests, the panel shall endeavor to respond to such comments and requests

and, to the extent it deems appropriate, shall develop additional analysis. For this purpose, the panel may, on its own motion or at the request of a Party:

(a) request comments from any Party;

(b) conduct any due diligence it deems appropriate; or (c) reconsider the preliminary report.

2. The panel shall submit the final report to the Parties within 30 days of the submission of the preliminary report, unless the Parties agree on a different deadline.

3. The final report of the panel shall be final, unappealable and binding on the Parties upon receipt of the respective notification. It shall be adopted in accordance with paragraph 10 of Article 24.10, shall be reasoned, and shall be signed by the chair of the panel and by the other panelists.

Article 24.13. Emergency Cases

In cases of urgency, the time limits established in this Chapter shall be reduced by half, unless otherwise provided herein.

Article 24.14. Compliance with the Report

1. The final report shall be binding on the disputing Parties under the terms and within the time limits ordered by it, which shall not exceed six months from its notification, unless the Parties agree otherwise.

2. Where the final report of the panel finds that the measure is inconsistent with this Agreement, the Party complained against shall refrain from implementing the measure or shall repeal it.

3. Where the final report of the panel finds that the measure causes nullification or impairment within the meaning of Article 24.2, it shall determine the level nullification or impairment and may suggest, if the Parties so request, such adjustments as it considers mutually satisfactory to the Parties.

4. The Parties may agree on a mutually satisfactory Action Plan for compliance with the final report, which shall conform to the findings and recommendations of the panel, if any.

5. If the Parties have agreed on an Action Plan and this has not been complied with, the complaining Party may have recourse to Article 24.15 or Article 24.16, as the case may be.

Article 24.15. Non-compliance - Suspension of Benefits

1. The complaining Party may, upon notification to the Party complained against, suspend benefits of equivalent effect to such Party complained against in the following cases:

(a) when, in the absence of an action plan, six months have elapsed since the notification of the final report, in which the measure has been declared incompatible and the Party complained against has not yet refrained from implementing the measure or has not repealed it;

(b) where a plan of action for the settlement of the dispute has been agreed upon in accordance with Article 2414.4 and the Party complained against has not complied with it;

(c) when, after the time limit established in paragraph 1 of Article 24.14, the Party complained against has not complied with the adjustments recommended by the panel in the final report, if the panel determined that the measure is a cause of nullification or impairment.

2. In the notification, the complaining Party shall specify:

(a) the date on which the suspension will begin;

(b) the level of benefits or other obligations it proposes to suspend; and

(c) the limits within which the suspension shall apply, including which benefits and obligations provided for in this Agreement shall be suspended.

3. In considering the benefits to be suspended pursuant to paragraph 1:

(a) the complaining Party shall first seck to suspend benefits within the same sector or sectors that are affected by the

measure or other matter that the panel has found to be inconsistent with the obligations under this Agreement or to have caused nullification or impairment within the meaning of paragraph (c) of article 24.2; and

(b) a complaining Party that considers it impracticable or ineffective to suspend benefits within the same sector or sectors may suspend benefits in other sectors.

4. The suspension of benefits shall be of a temporary nature and shall only be applied by the complaining Party until:

(a) the measure found to be inconsistent with the obligations of this Agreement is brought into conformity with this Agreement or the required adjustments are made the case of nullification or impairment of benefits within the meaning of paragraph (c) of Article 24.2;

(b) the time at which the Parties reach an agreement on the settlement of the dispute; or

(c) that the panel described in Article 24.8 concludes in its report that the Party complained against has complied.

5. The suspension of benefits will take effect no sooner than five days after such notification.

Article 24.16. Compliance Review and Suspension of Benefits

1. A Party may, by written notice to the other Party, request that the panel constituted under Article 24.8 be reconvened to make a determination:

(a) whether the level of suspension of benefits applied by the complaining Party in accordance with paragraph 1 of Article 24.15 is manifestly excessive;

(b) on any disagreement as to the existence of measures taken to comply with the report of the originally formed panel or as to the compatibility of such measures with this Agreement.

2. In the written communication, the Party shall indicate the specific measures or issues in dispute and provide a brief summary of the legal basis of the complaint sufficient to present the problem clearly.

3. If the original panel or any of its members cannot be reconvened, the provisions of Article 24.8 shall apply mutatis mutandis.

4. The provisions of Articles 24.9, 24.10, 24.11 and 24.12 apply mutatis mutandis to procedures adopted and reports issued by a panel that is reconstituted under the terms of this Article.

5. A panel reconvened under subparagraph 1(b) shall determine whether it is appropriate to terminate any suspension of benefits. If the panel is under subparagraph 1(a) and determines that the level of suspended benefits is manifestly excessive, it shall set the level of benefits it considers to be of equivalent effect.

Article 24.17. Suspension and 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 work of the panel remains suspended for more than 12 months, the authority of the panel shall lapse unless the Parties agree otherwise. If the authority of the panel lapses and the Parties have not reached an agreement on the settlement of the dispute, nothing in this Article shall preclude a Party from requesting a new proceeding on the same matter.

2. The Parties may agree to terminate the panel proceedings by joint notification to the chairperson of the panel at any time prior to the notification of the report.

Annex 24.2. Nullification and Impairment

1. A Party may have recourse to the dispute settlement mechanism under this Chapter when, by virtue of the application of a measure not inconsistent with this , it considers that the benefits it could reasonably have expected to receive from the application of any of the following provisions are nullified or impaired:

(a) Chapter 2 (National Treatment and Market Access),

(b) Chapter 3 (Rules of Origin);

(c) Chapter 4 (Trade Facilitation and Customs Procedures);

(d) Chapter 7 (Technical Barriers to Trade),

(e) Chapter 10 (Cross-Border Trade in Services); or,

(f) Chapter 17 (Public Procurement);

2. No Party may invoke paragraph (c) of Article 24.2 with respect to any measure subject to an exception under Chapter 25 (General Exceptions).

3. In determining elements of nullification or impairment, the Parties may take into consideration the principles set forth in the jurisprudence of paragraph 1(b) of Article XXIII of GATT 1994.

Chapter 25. Exceptions

Article 25.1. General Exceptions

1. For the purposes of Chapters 2 (National Treatment and Market Access for Goods), 3 (Rules of Origin and Origin Procedures), 4 (Trade Facilitation and Customs Procedures), 6 (Sanitary and Phytosanitary Measures), 7 (Technical Barriers to Trade) and 13 (Electronic Commerce), Article XX of the GATT 1994 and its interpretative notes are incorporated into and form an integral 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 or non-living exhaustible natural resources.

2. For the purposes of Chapters 10 (Cross-Border Trade in Services), 11 (Financial Services), 12 (Telecommunications Services), 13 (Electronic Commerce), 14 (Temporary Entry of Business Persons) and 15 (Investment), Article XIV of the WTO GATS (including the) are incorporated into and form an integral part of Agreement, mutatis mutandis. The Parties understand that the measures referred to in Article XIV(b) of the WTO GATS include environmental measures to protect human, animal or plant life or health.

Article 25.2. Essential Safety

Nothing in this Agreement shall be construed as to:

(a) oblige a Party to provide or give access to information the disclosure of which it considers contrary to its essential security interests; or

(b) prevent a Party from applying measures to carry out its obligations under the Charter of the United Nations with respect to the maintenance or restoration of international peace or security, or which it considers necessary to protect its essential security interests.

Article 25.3. Taxation

1. Except as provided 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 agreement. In the event of any inconsistency between this Agreement and any such agreement, such agreement shall prevail to the extent of the inconsistency. In the case of a tax treaty between the Parties, the competent authorities under that treaty shall have sole responsibility for determining whether there is any inconsistency between this Agreement and that treaty.

3. Notwithstanding the provisions of paragraph 2, Article 2.2 (National Treatment) and such other provisions in this Agreement as are necessary to give effect to that Article shall apply to taxation measures to the same extent as Article III of GATT 1994 applies to taxation measures.

4. Subject to the provisions of paragraph 2:

(a) Articles 10.2 (National Treatment) and 11.3 (National Treatment) shall apply to taxation measures on income, capital gains, or on the taxable capital of enterprises relating to the acquisition or consumption of specific services, except that nothing in this subparagraph shall prevent a Party from conditioning the receipt or continued receipt of an advantage related to the acquisition or consumption of specific services on the requirement to supply the service in its territory; and

(b) Articles 10.2 (National Treatment), 10.3 (Most Favored Nation), 11.3 (National Treatment), 11.4 (Most Favored Nation),

15.3 (National Treatment) and 15.3 (Most Favored Nation) shall apply to all tax measures, except those on income, capital gains, or corporate taxable capital, or taxes on estates, inheritances, gifts and generation-skipping transfers;

except that nothing in the provisions of the articles referred to in subparagraphs (a) and (b) above shall apply:

(c) to any MFN obligation with respect to the benefit granted by a Party pursuant a tax treaty;

(d) to non-conforming provision of any existing tax measure;

(e) The continuation or prompt renewal of a non-conforming provision of existing tax measure;

(f) to an amendment to a non-conforming provision of any existing tax measure, as as such amendment does not, at the time it is made, reduce its degree of conformity with any of those articles;

(g) the adoption or enforcement of any taxation measure aimed at ensuring the equitable or effective application and collection of taxes (as permitted by GATS Article XIV(d)); or

(h) to provision that conditions the receipt, or continued receipt, of an advantage with respect to contributions to, or income from, pension trust funds or pension plans on the requirement the Party maintain continuing jurisdiction over the pension trust fund or pension plan.

5. Subject to paragraph 2 and without prejudice to the rights and obligations of the Parties under paragraph 3, paragraphs 5, 6 and 7 of Article 15.7 (Performance Requirements) shall apply to taxation measures.

6. Kick the effects of this article:

tax treaty means a convention for the avoidance double taxation or an international tax treaty or arrangement;

taxes and tax measures do not include:

(a) acustoms tariff as defined in Article 1.6 (Definitions); or

(b) the measures listed in exceptions (b) and (c) of that definition.

Article 25.4. Disclosure of Information

1, Nothing in this Agreement shall be construed to require a Party to furnish or give access to confidential information, the disclosure of which would impede the enforcement of its domestic laws, including those protecting personal privacy, or which would be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, whether public or private.

2. Where a Party provides information of a confidential nature to the other Party, the other Party shall maintain in accordance with its domestic law the confidentiality of such information.

Article 25.5. Balance of Payments Safeguard Measures

In accordance with the WTO Agreement and consistent with the International Monetary Fund's Articles of Agreement, a country may adopt or maintain temporary and non-discriminatory safeguard measures with respect to payments and capital movements that it deems necessary:

(a) in the event of the existence or threat of serious external financial or balance of payments difficulties; or

(b) in cases where, under exceptional circumstances, payments and capital movements cause or threaten to cause serious difficulties for macroeconomic management, particularly in monetary and exchange rate policy.

Chapter 26. Final Provisions

Article 26.1. Annexes, Appendices and Footnotes

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

Article 26.2. Amendments

1. The Parties may agree to any amendment to this Agreement.

2. When the amendment is agreed and approved in accordance with the necessary domestic legal procedures of each Party, the amendment shall constitute an integral part of this Agreement and shall enter into force in accordance with the provisions of Article 26.5.

Article 26.3. Amendments to the WTO Agreement

If any provision of the WTO Agreement that has been incorporated into this is amended, the Parties shall consult with a view to amending the corresponding provision of this Agreement, as appropriate, in accordance with Article 26.2.

Article 26.4. Reservations and Interpretative Statements

This Agreement shall not be subject to reservations or unilateral interpretative declarations.

Article 26.5. Entry Into Force

1. This Agreement shall have indefinite duration.

2. The entry into force of this Agreement shall be subject to the fulfillment of the necessary domestic legal procedures of each Party.

3. This Agreement, as well as any subsequent amendments, shall enter into force 60 days the date on which the Parties exchange written notices confirming that they have complied with their respective internal legal procedures or on the date on which the Parties so agree.

Article 26.6. Denunciation

Any Party may withdraw from the Agreement. The denunciation shall take effect 180 days after its notification by written notice to the other Parties, without prejudice to the fact that the Parties may agree on a different period for the denunciation to take effect.

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

DONE at San José, in two equally authentic and valid copies on this first day of March, 2023.

FOR THE GOVERNMENT OF THE REPUBLIC OF ECUADOR:

GUILLERMO LASSO-MENDOZA

JULIO PRADO LUCIO-PAREDES

FOR THE GOVERNMENT OF THE REPUBLIC OF COSTA RICA:

RODRIGO CHAVES ROBLES

MANUEL TOVAR RIVERA