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

Preamble

The Government of the Republic of Ecuador ("Ecuador") and The Government of the People's Republic of China ("China"), hereinafter referred to as "the Parties";

Committed to strengthening the ties of friendship and cooperation, as well as the comprehensive strategic partnership between their countries;

Sharing the belief that a free trade agreement will produce mutual benefits for each Party and contribute to the expansion and development of world trade under the multilateral trading system embodied in the Marrakesh Agreement Establishing the World Trade Organization ("the WTO Agreement");

Based on their respective rights and obligations under the WTO Agreement and other multilateral, regional and bilateral cooperation instruments;

Resolved to promote reciprocal trade by establishing clear and mutually advantageous trade rules, eliminating trade barriers and strengthening cooperation in the digital economy and e-commerce;

Sharing their consent to strengthen and improve global and regional supply chains, particularly in the Asia-Pacific area;

Recognizing that this Treaty should be implemented with a view to raising the standard of living, creating new employment opportunities and promoting sustainable development consistent with the protection and conservation of the environment; and

Committed to promoting public welfare in each of their countries;

They have agreed as follows:

Chapter 1. Initial Arrangements

Article 1.1. Establishment of a Free Trade Zone

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

Article 1.2. Objectives

1. The objectives of this Agreement, developed more specifically through its principles and rules, including national treatment, most favored nation treatment (hereinafter referred to as "MFN") and transparency, are:

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

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

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

(d) establish understandable rules to ensure a regulated and transparent environment for trade in goods between the Parties;

(e) create new employment opportunities;

(f) create effective procedures for the implementation and application of this Agreement, for its joint administration and for the settlement of disputes; and

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

2. The Parties shall interpret and apply the provisions of this Agreement in light of its objectives set forth in paragraph 1 and in accordance with customary rules of interpretation of public international law.

Article 1.3. Geographic Scope

For China, this Agreement shall apply to the entire customs territory of the People's Republic of China, including the land territory, territorial airspace, internal waters, the territorial sea, as well as its seabed and subsoil, and any area outside its territorial sea within which it may exercise sovereign rights and/or jurisdiction in accordance with international law and its domestic law.

For Ecuador, the continent and adjacent islands; the Galapagos Islands; the subsoil; the territorial sea and other maritime spaces; and the respective airspace, over which it exercises sovereignty and jurisdiction in accordance with international law and its internal legislation.

Article 1.4. Relationship with other Agreements

1. The Parties affirm their existing rights and obligations to each other under the WTO Agreement and other agreements to which a Party is a Party.

2. If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended and accepted by the Parties to the WTO, such amendment shall be deemed to be automatically incorporated into this Agreement.

Article 1.4. Scope of Obligations

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

Chapter 2. General Definitions

Article 2.1. Generally Applicable Definitions

For purposes of this Agreement, unless otherwise specified:

Commission means the Free Trade Commission established pursuant to Article 14.1 (The Free Trade Commission);

customs authorities means the competent authority responsible for the application of national customs legislation;

days means calendar days;

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, which is part of the WTO Agreement;

goods of a Party means domestic products as understood in the GATT 1994 or such products as the Parties may agree and includes products originating in that Party;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, adopted by the World Customs Organization;

heading means the first four digits of the Harmonized System tariff classification code;

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

Customs duty includes any duty or charge of any kind imposed in connection with the importation of a good, but does not include:

(a) any charge equivalent to an internal tax established in accordance with Article II, paragraph 2 of GATT 1994;

(b) any anti-dumping or countervailing duty applied in accordance with the provisions of Article VI of GATT 1994, the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 or the WIO Agreement on Subsidies and Countervailing Measures, any duty applied in accordance with Article XIX of GATT 1994 and the WTO Agreement on Safeguards, and

(c) any duties or other charges related to importation proportionate to the cost of services rendered;

base tariff means the MFN applied tariff rate on January 1, 2021 provided by each Party;

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

measure includes any law, regulation, procedure, requirement or practice;

originating means that it qualifies under the Rules of Origin set forth in Chapter 4 (Rules of Origin and Implementation Procedures),

person means a natural or legal person, or any other entity established in accordance with national law;

preferential tariff means the rate of import duty applicable under this Agreement to an originating good;

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

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

WTO means the World Trade Organization; and

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

Chapter 3. National Treatmentand Market Access of Goods

Article 3.1. Scope of Application

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

Article 3.2. Classification of the Goods

The classification of goods in trade between the Parties shall be carried out in accordance with the Harmonized System.

Article 3.3. 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.

To this end, Article II of GATT 1994 and its interpretative notes are incorporated into and form an integral part of this Agreement, mutatis mutandis.

2. Paragraph 1 shall not apply to the measures set out in Annex 1 (Exceptions to National Treatment and Import and Export Restrictions), including the extension, renewal or modification of the measure.

Article 3.4. Reduction or Elimination of Customs Duties

1. Except as otherwise provided in this Agreement, neither Party shall 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, cach Party shall reduce or eliminate its customs duties on originating goods of the other Party in accordance with its Schedule in Annex 2 (Schedule of Tariff Commitments).

3. For each product, the prime rate of customs duties, to which the successive elimination set forth in Annex 2 (Schedule of Undertakings) shall be applied, shall be as set forth in Annex 2 (Schedule of Tariffs Undertakings), will be the MFN tariff rate applied on January 1, 2021.

4. If at any time a Party reduces its applied MFN tariff rate after the entry into force of this Agreement, that tariff rate shall apply with respect to trade covered by this Agreement provided that it is less than the tariff rate calculated in accordance

with its Schedule to Annex 2 (Schedule of Tariff Commitments).

5. At the request of cither Party, the Parties shall consult to consider accelerating or improving the elimination and reduction of customs duties on originating goods as set out in their Schedules in Annex 2 (Schedule of Tariff Commitments).

6. Notwithstanding Article 14.1 (The Free Trade Commission), an agreement of the Parties to accelerate the elimination of customs duties on originating goods shall supersede any tariff rates determined in accordance with their Schedules in Annex 2 (Schedule of Tariff Commitments) for such goods and shall enter into force upon approval by each Party in accordance with their respective applicable legal procedures.

7. A Party may at any time unilaterally accelerate the elimination of customs duties on originating goods of the other Party set out in its Schedule to Annex 2 (Schedule of Tariff Commitments). A Party that considers doing so shall inform the other Party as soon as practicable before the new rate of customs duty becomes effective.

8. For greater certainty, a Party may:

(a) raise a customs duty to the level set forth in its Schedule in Annex 2 (Schedule of Tariff Commitments) after a unilateral reduction, for the respective year; or

(b) maintain or increase a customs tariff authorized by the WTO Dispute Settlement Body or under Chapter 13 (Dispute Settlement).

9. The Tariff Relief Program established in this Chapter shall not apply to used goods, even those identified as such in HS headings or subheadings. Used goods also include those reconstructed, repaired, remanufactured or any other similar name given to goods that after having been used have undergone some process to restore their original characteristics or specifications, or to return them to the functionality they had when they were new.

Article 3.5. Import and Export Restrictions

1. Except as otherwise provided in this Agreement, neither Party shall adopt or maintain non-tariff measures that prohibit or restrict 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 Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes. To this end, Article XI of the GATT 1994 and its interpretative notes are incorporated into and made 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 form of restriction is prohibited, a Party from adopting or maintaining:

(a) export and import price requirements, except as permitted in the application of countervailing duty and antidumping measures and undertakings; or

(b) voluntary export restraints inconsistent with Article VI of GATT 1994, as applied pursuant to Article 18 of the SCM Agreement and Article 8.1 of the Anti- Dumping Agreement.

3. Paragraphs 1 and 2 shall not apply to the measures set out in Annex 1 (Exceptions to National Treatment and Import and Export Restrictions).

Article 3.6. Import Licensing Procedures

1. Each Party shall ensure that all automatic and non-automatic import licensing procedures are applied in a transparent and predictable manner and are applied in accordance with the Agreement on Import Licensing. No Party shall adopt or maintain a measure that is inconsistent with the Agreement on Import Licensing.

2. Each Party shall notify the other Party of any new import licensing procedures and any modifications it makes to its existing import licensing procedures, to the extent possible 30 days before the new procedure or modification becomes effective. In no case shall a Party provide the notification later than 60 days after the date of its publication. The notification under this paragraph shall include the information specified in Article 5 of the Import Licensing Agreement. A Party shall be deemed to be in compliance with this paragraph if it notifies a new import licensing procedure or a new import licensing procedure or a modification of an existing procedure for the processing of import licenses to the WTO Committee on Import Licensing provided for in Article 4 of the Agreement on Import Licensing (hereinafter referred to as the "WTO Committee on Import Licensing" in this Chapter) in accordance with Article 5.1, 5.2 or 5.3 of the Agreement on Import Licensing.

3. Each Party shall, immediately after the date of entry into force of this Agreement for that Party, notify the other Party of

its existing import licensing procedures. The notification shall include the information specified in paragraph 2 of Article 5 of the Import Licensing Agreement. A Party shall be deemed to be in compliance with this paragraph if:

(a) has notified the procedures to the WIO Committee on Import Licensing, together with the information specified in Article 5.2 of the Import Licensing Agreement; and

(b) in the most recent annual submission prior to the date of entry into force of this Agreement for that Party to the WTO Committee on Import Licensing in response to the annual questionnaire on import licensing procedures described in Article 7.3 of the Agreement on Import Licensing, has provided, with respect to such existing import licensing procedures, the information requested in that questionnaire.

4. Before implementing any new or modified import licensing procedure, a Party shall publish the new procedure or modification on an official government website. To the extent possible, the Party shall do so at least 21 days before the new procedure or modification becomes effective.

5. Each Party shall, to the extent possible, respond within 60 days to all reasonable inquiries from another Party regarding the criteria used by their respective licensing authorities to grant or deny import licenses. The importing Party shall publish sufficient information for other Parties and traders to know the basis for granting or allocating import licenses.

Article 3.7. Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of the GATT 1994 and its interpretative notes, that all duties and charges of any nature (other than customs duties on imports, charges equivalent to an internal tax or other internal charge applied in accordance with Article III:2 of the GATT 1994, and anti-dumping and countervailing duties) imposed on or in connection with the importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic products or an indirect protection to domestic products or a tax on imports or exports for tax purposes.

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 or a comparable computer telecommunications network, an updated list of duties and charges it imposes in connection with importation or exportation.

Article 3.8. Temporary Admission or Import of Goods

1. Each Party shall grant temporary admission free of customs duty for the following goods, regardless of their origin:

(a) professional equipment, such as equipment used for scientific research, educational or medical activities, press or television and cinematographic purposes, necessary for a person who qualifies for temporary entry under the laws of the importing Party;

(b) products intended to be exhibited or demonstrated at exhibitions, fairs, meetings or similar events;

(c) commercial samples; and

(d) goods admitted for sporting purposes.

2. Each Party shall, at the request of the person concerned and for reasons deemed valid by its customs administration, extend the period for temporary admission beyond the period initially fixed in accordance with its domestic legislation.

3. No Party may condition the temporary admission free of customs duty of a good referred to in paragraph 1, except to require that the good:

(a) is used solely by or under the personal supervision of a national or resident of the other Party in the conduct of that person's business, trade, profession or sport;

(b) is not sold or leased while in its territory;

(c) is accompanied by the posting of a bond or guarantee in an amount not to exceed the charges that would otherwise be due upon entry or final importation, releasable upon exportation of the merchandise;

(d) is capable of being identified when exported;

(e) is exported upon the departure of the person referred to in subparagraph (a), or within any other period related to the purpose of the temporary admission that the Party may establish, or within 6 months, unless extended;

(f) His not admitted in greater quantity than is reasonable for its intended use; and

(g) is admissible in the territory of the Party in accordance with its domestic legislation.

4. If any condition that a Party imposes under paragraph 3 has not been complied with, 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 provided for in its law.

5. Each Party shall allow a good temporarily admitted under this Article to be re- exported through a customs port other than that through which it was admitted.

6. Each Party shall provide that its customs administration or other competent authority shall exempt the importer or other person responsible for a good admitted under this Article from any liability for failure to re-export the good upon presentation of evidence to the satisfaction of the customs administration of the importing Party that the good has been destroyed by force majeure.

Article 3.9. Duty-Free Entry of Samples of No Commercial Value

Each Party shall grant duty-free entry to samples of no commercial value imported from the territory of another Party, subject to its laws and regulations, irrespective of their origin.

Article 3.10. Scope and Coverage of Trade In Agricultural Products.

For the purposes of this Agreement, agricultural goods shall mean the goods referred to in Article 2 of the WTO Agreement on Agriculture.

Article 3.11. Export Subsidies for Agricultural Products.

1. The Parties reaffirm the commitments made in the 19 December 2015 Ministerial Decision on Export Competition (WT/MIN(15)/45, WT/L/980), adopted in Nairobi on 19 December 2015, including the elimination of scheduled export subsidy duties on agricultural products.

2. Neither Party shall maintain, introduce or reintroduce export subsidies on any agricultural commodity destined for the territory of the other Party.

3. If a Party considers that the other Party has not fulfilled its obligations under this Agreement by maintaining, introducing or reintroducing an export subsidy, that Party may request consultations with the other Party in accordance with Chapter 13 (Dispute Settlement) with the objective of reaching a mutually satisfactory solution.

Article 3.12. Domestic Support Measures for Agricultural Products

In order to establish a fair and market-oriented agricultural trading system, the Parties agree to cooperate in the WTO agricultural negotiations on domestic support measures to provide a substantial and progressive reduction in agricultural support and protection, resulting in the correction and prevention of restrictions and distortions in world agricultural markets.

Article 3.13. Andean Price Band System

Ecuador will continue to apply the Andean Price Band System established in Decision No. 371 of the Andean Community and its amendments, or successor systems for the agricultural products listed in Annex 3 (Andean Price Band System).

Article 3.14. Committee on Trade In Goods

1. The Parties establish a Committee on Trade in Goods composed of representatives of each Party.

2. The Committee on Merchandise Trade will be coordinated by:

(a) In the case of China, the Ministry of Commerce, or its successor, and

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

3. The resolutions of the Committee shall be adopted by consensus and shall be communicated to the competent bodies.

4. The Committee shall meet at least once a year. When special circumstances arise, the Parties shall meet at any time at the request of a Party after agreement.

5. The functions of the Committee shall include, but are not limited to:

(a) monitor compliance with, and the application and proper interpretation of, the provisions of this Chapter and its Annexes to ensure each Party's obligations under this Agreement;

(b) review future amendments to the HS to ensure that cach Party's obligations under this Agreement are not altered, and consult to resolve any conflicts between:

(i) subsequent amendments to the Harmonized System 2021 and Annex 2 (Schedule of Tariff Commitments); or

(ii) Annex 2 (Schedule of tariff commitments) and national nomenclatures;

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

(d) address barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures and, if appropriate, refer such matters to the Free Trade Commission for consideration;

(e) coordinate the exchange of information on trade in goods between the Parties;

(f) consult and attempt to resolve any differences that may arise between the Parties on matters relating to the classification of goods under the HS;

(g) establishing ad-hoc working groups with specific mandates; and

(h) The Committee shall establish an Ad-Hoc Working Group on trade in agricultural and fishery products. In order to resolve any obstacles to trade in agricultural and fishery products between the Parties, the Working Group shall meet within 30 days of its agreement between the Parties.

Article 3.15. Transposition of Tariff Commitment Schedules

Each Party shall ensure that the transposition of its Schedule in Annex 2 (Schedule of Tariff Commitments), made for the purpose of implementing Annex 2 (Schedule of Tariff Commitments) into the revised HS nomenclature following periodic HS amendments, is carried out without prejudice to the tariff commitments set out in Annex 2 (Schedule of Tariff Commitments).

Article 3.16. Definitions

For the purposes of this chapter, the following definitions shall apply:

Import Licensing Agreement means the WTO Agreement on Import Licensing Procedures;

SCM Agreement means the WTO Agreement on Subsidies and Countervailing Measures;

goods temporarily admitted for sporting purposes means sporting requirements for use in sporting competitions, demonstrations or training in the territory of the Party into whose territory such goods are admitted;

consular transactions means any requirement that goods of one Party destined for export to the territory of another Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations or any other customs documentation required on or in connection with importation;

export subsidies shall have the meaning assigned to that term in Article 1(e) of the WTO Agreement on Agriculture, including any modification of that Article;

import licensing procedure means an administrative procedure that requires the submission of an application or other documentation, other than that generally required for customs clearance purposes, to the relevant administrative agency of the importing Party as a precondition for importation into the territory of the importing Party;

duty-free means exempt from customs duties;

originating good means a good that qualifies as an originating good under Chapter 4 (Rules of Origin and Implementation Procedures).

Chapter 4. Rules of Origin and Application Procedures

Section A. Rules of Origin

Article 4.1. Definitions

For the purposes of this chapter, the following definitions shall apply:

Aquaculture means the rearing of aquatic organisms, including fish, mollusks, crustaceans, other aquatic invertebrates and aquatic plants, from seed such as eggs, minnows, fry and larvae, by intervening in the rearing or growth processes to improve production, such as regular seeding, feeding or protection from predators;

authorized body means any governmental authority or other entity authorized under the laws or regulations of a Party or recognized by a Party as competent to issue a Certificate of Origin;

Agreement on Customs Valuation means the Agreement on Implementation of Article VII of GATT 1994, which is part of the WTO Agreement;

CIF means the value of the imported merchandise, including the cost of insurance and freight to the port or place of entry in the country of importation;

competent authority means:

For China: General Administration of Customs;

For Ecuador: The Ministry of Production, Foreign Trade, Investment and Fisheries, or the authority designated by national legislation;

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

fungible materials means materials that are interchangeable for commercial purposes, whose properties are essentially identical and between which it is impractical to differentiate by mere visual examination;

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

commodity means a product or material;

materials means ingredients, parts, components, assemblies and/or goods that were physically incorporated into another product or underwent a process in the production of another product;

originating materials means materials that qualify as originating materials in accordance with this Chapter,

product means a product that is being produced, even if it is intended for later use in another production operation, and

production means any method of obtaining goods, including, but not limited to growing, raising, mining, harvesting, fishing, aquaculture, farming, trapping, hunting, trapping, gathering, gathering, raising, breeding, extracting, manufacturing, processing or assembling a good.

Article 4.2. Originating Goods

Except as otherwise provided in this Chapter and subject to the condition that a good meets all other applicable requirements of this Chapter, the following goods shall be considered as originating in a Party:

(a) goods wholly obtained or produced in a Party as defined in Article 4.3 (Goods Wholly Obtained);

(b) goods produced in a Party exclusively from materials originating in one or both Parties; or

(c) goods produced in a Party, using non-originating materials, that meet a regional value content of not less than 40%, except goods listed in Annex 4 (Product Specific Rules of Origin), which must meet the requirements specified therein.

Article 4.3. Wholly Obtained Goods

For purposes of Article 4.2(a), the following goods shall be considered to be wholly obtained or produced in a Party:

(a) live animals born and raised in a Party;

(b) goods obtained from live animals referred to in subparagraph (a) in a Party;

(c) plants and plant products grown, harvested, collected or gathered in a Party;

(d) goods obtained from hunting, trapping, fishing, aquaculture, gathering or capture carried out in a Party;

(e) minerals and other natural substances not included in subparagraphs (a) to (d), extracted or obtained from its soil, waters, seabed or subsoil beneath the seabed;

(f) goods extracted from the waters, seabed or subsoil beneath the seabed outside the territorial waters of a Party, provided that the Party has the right to exploit such waters, seabed or subsoil beneath the seabed in accordance with international law and its domestic law;

(g) maritime fishery goods and other marine products taken from the sea outside the territorial waters of a Party by a vessel registered in a Party and flying the flag of that Party;

(h) goods processed or manufactured on board factory ships registered in a Party and flying the flag of that Party, exclusively from goods referred to in subparagraph (g);

(i) scrap and waste derived from manufacturing operations in a Party that are suitable only for the recovery of raw materials;

(j) used goods consumed and collected there that are suitable only for the recovery of raw materials; or

(k) goods produced entirely in a Party exclusively from the goods referred to in subparagraphs (a) through (j).

Article 4.4. Regional Content Value

1. The Regional Content Value (RCV) criterion will be calculated as follows:

RCV = V - VNM/V x 100%

where:

RCV is the regional content value, expressed as a percentage;

V is the value of the product, as defined in the Customs Valuation Agreement, adjusted on an FOB basis; and

VMN is the value of non-originating materials, including materials of undetermined origin, as defined in paragraph 2.

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

(a) the value of the materials, as defined in the Customs Valuation Agreement, adjusted on a CIF basis; or

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

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

Article 4.5. De Minimis

A good that does not meet the requirements for a change in tariff classification, in accordance with Annex 4 (Product Specific Rules of Origin), shall be considered originating provided that:

(a) the value of all non-originating materials, determined in accordance with Article 4.4 (Regional Value Content), including materials of undetermined origin, which do not meet the change in tariff classification requirement, does not exceed 10% of the FOB value of the good; and

(b) the good meets all other applicable criteria of this Chapter.

Article 4.6. Accumulation

Materials originating in a Party that are used in the production of a good in the other Party shall be considered as originating in the latter Party.

Article 4.7. Minimum Operations or Processes

1. Notwithstanding the provisions of Article 4.2 (c), a good shall not be considered originating if it has undergone only one or more of the following operations or processes:

(a) conservation operations to ensure that goods remain in good condition during transport and storage;

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

(c) packing, unpacking or repacking operations for the purpose of sale or presentation;

(d) slaughter of animals;

(e) washing, cleaning, removal of dust, rust, oil, paint or other coatings;

(f) ironing or pressing of textiles;

(g) simple painting and polishing operations;

(h) dehulling, partial or total whitening, polishing and glazing of cereals and rice;

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

(j) peeling, stoning and shelling fruits, nuts and vegetables;

(k) sharpening, simple grinding or simple cutting;

(l) sifting, screening, sorting, classifying, grading, grading, matching (including the making up of sets of articles), cutting, slashing, folding, rolling or unrolling;

(m) simple placing in bottles, cans, jars, bags, cases, boxes, fixing on cardboard or boards and other similar packaging operations;

(n) placing or printing trademarks, labels, logos or other similar distinctive signs on the products or their packaging;

(o) the simple mixing of goods, even of different kinds;

(p) mere dilution with water or other substance that does not materially alter the characteristics of the goods; or

(q) operations whose sole purpose is to facilitate port handling.

2. All operations in the production of a particular good carried out in a Party shall be taken into account in determining whether the working or process undergone by that good is considered to be minimum operations or processes referred to in paragraph 1.

Article 4.8. Fungible Materials

When both originating and non-originating fungible materials are used in the production of a good, the following methods shall be adopted to determine whether the materials used are originating:

(a) physical separation of materials; or

(b) an inventory management method recognized in the generally accepted accounting principles of the exporting Party, provided that the selected inventory management method is used for at least 12 continuous months.

Article 4.9. Neutral Elements

1. In determining whether a good is originating, no account shall be taken of any neutral element as defined in paragraph 2.

2. Neutral items means a good used in the production, testing or inspection of another good, but not physically incorporated into that good itself, including:

(a) fuel, energy, catalysts and solvents;

(b) plant, equipment and machinery, including devices and supplies used to test or inspect the goods;

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

(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 production or used to operate equipment and buildings; and

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

Article 4.10. Packing , Packaging and Containers

1. Containers and packaging materials used for the transport of goods shall not be taken into account in determining the originating status of the goods.

2. The originating status of the packaging materials and containers in which the goods are put up for retail sale shall not be taken into account in determining the originating status of the goods, provided that the packaging materials and containers are classified with the goods.

3. Notwithstanding paragraph 2, where goods are subject to a regional value content requirement, the value of packaging materials and containers used for retail sale shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the goods.

Article 4.11. Accessories, Spare Parts and Tools

1. The accessories, spare parts or tools presented and classified with the goods shall be considered part of the goods, provided that:

(a) are invoiced together with the goods; and

(b) their quantities and values are commercially customary for the goods.

2. When a good is subject to a tariff classification change criterion set out in Annex 4 (Product Specific Rules of Origin), the accessories, spare parts or tools described in paragraph 1 shall not be taken into account in determining the origin of the good.

3. Where a good is subject to a regional value content requirement, the value of the accessories, spare parts or tools described in paragraph 1 shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating the regional value content of the good.

Article 4.12. Games

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. However, when a set is composed. of originating and non-originating products, the set as a whole shall be considered originating, provided that the value of the non-originating products does not exceed 15% of the total value of the set, determined in accordance with Article 4.4 (Regional Content Value).

Article 4.13. Direct Shipment

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

2. Notwithstanding the provisions of paragraph 1, goods whose transportation involves transit through one or more non-Parties, with or without transshipment or temporary storage of up to 6 months in such non-Parties, shall continue to be considered as transported directly between the Parties, provided that:

(a) the entry in transit of the goods is justified for geographical reasons or fora consideration related exclusively to transport requirements;

(b) the goods are not subjected to any operation other than unloading and reloading, or any operation necessary to keep them in good condition; and

(c) the goods remain under customs control during transit in those non-Parties.

3. Compliance with paragraph 2 shall be evidenced by presenting to the customs authority of the importing Party, cither customs documents from non-Parties, or any other document to the satisfaction of the customs authority of the importing Party.

Section B. Implementation Procedures

Article 4.14. Certificate of Origin

1. A Certificate of Origin, as set out in Annex 5 (Certificate of Origin), shall be issued by the authorized agencies of a Party upon application by the exporter or producer, provided that the goods may be considered as originating in that Party in accordance with this Chapter.

2. The Certificate of Origin shall:

(a) contain a unique certificate number;

(b) cover one or more goods in the same shipment;

(c) indicate the basis on which the goods are considered to qualify as originating for the purposes of this Chapter;

(d) contain security features, such as specimen signatures or seals, as advised to the importing Party by the exporting Party; and

(e) completed in English.

3. The Certificate of Origin shall be issued before or at the time of shipment. It shall be valid for 1 year from the date of issue in the exporting Party.

4. Each Party shall inform the customs authority of the other Party of the name of each authorized body, as well as the relevant contact details, and provide details of the security features for the relevant forms and documents used by cach authorized body, prior to the issuance of any Certificate of Origin by that body. Any changes to the information provided above shall be promptly notified to the customs authority of the other Party.

5. A Certificate of Origin may be issued retrospectively within 1 year from the date of shipment, with the words "ISSUED RETROSPECTIVELY" and remains valid for 1 year from the date of shipment, if not issued prior to or at the time of shipment due to force majeure, inadvertent errors, omissions or other valid causes.

6. In cases of theft, loss or accidental destruction of a Certificate of Origin, the exporter or producer may submit a written request to the authorized agencies of the exporting Party for the issuance of a certified copy. The certified copy shall bear the words "CERTIFIED AUTHENTIC COPY of the original dated Certificate of Origin number". The certified copy shall be valid for the period of validity of the original Certificate of Origin.

Article 4.15. Retention of Documents of Origin

1. Each Party shall require its producers, exporters and importers to keep documents in any medium that allows prompt retrieval, including in digital or written form, that demonstrate the originating status of the goods, as well as compliance with the other requirements of this Chapter, for at least 3 years or any longer time in accordance with that Party's domestic legislation.

2. Each Party shall require its authorized agencies to retain copies of Certificates of Origin and other related supporting documents in any medium that permits prompt retrieval, including in digital or written form, for at least 3 years or longer in accordance with that Party's domestic law.

Article 4.16. Obligations In Respect of Imports

Except as otherwise provided in this chapter, an importer claiming preferential tariff treatment shall:

(a) indicate in the customs declaration that the merchandise qualifies as originating;

(b) possess a valid Certificate of Origin at the time the customs import declaration referred to in subparagraph (a) is made; and

(c) present the valid Certificate of Origin and other documentary evidence related to the importation of the goods, at the request of the customs administration of the importing Party.

Article 4.17. Refund of Import or Bonded Customs Duties

1. Where a Certificate of Origin is not presented to the customs office of importation at the time of importation in accordance with Article 4.16 (Obligations with Respect to Imports), at the request of the importer, the customs authorities of the importing Party may impose the non-preferential customs duties applied, or require a security equivalent to the full amount of the customs duties on that good, provided that the importer formally declares to the customs authority at the time of importation that the good in question qualifies as originating.

2. The importer may request reimbursement of any excess customs duties imposed or security paid provided that he is able to present all necessary documentation required in Article 4.16 (Obligations in Respect of Imports) and within the time limit specified in the legislation of the importing Party.

Article 4.18. Verification of Origin

1. For purposes of determining the authenticity or accuracy of the Certificate of Origin, the originating status of the goods in question, or compliance with the other requirements of this Chapter, the customs authority of the importing Party may conduct a verification of origin based on a risk analysis and at random or when the customs authority of the importing Party has reasonable doubt, by:

(a) requests for additional information to the importer;

(b) requests to the customs authority of the exporting Party to verify the origin of a product;

(c) such other procedures as the customs authorities of the Parties may jointly decide; or

(d) conduct a verification visit to the exporting Party, when necessary, in a manner to be jointly determined by the customs authorities of the Parties.

2. The customs authority of the importing Party requesting the verification from the exporting Party shall specify the reasons and provide all documents and information justifying the verification.

3. The importer or the exporting Party referred to in paragraph 1 that receives a request for verification shall respond to the request promptly and shall respond within 3 months, starting from the date of submission of the request for verification. At the request of the exporting Party, the period referred to above may be extended for a further 3 months.

4. Ifthe customs authority of the importing Party decides to suspend the granting of preferential treatment to the goods in question while awaiting the results of the verification, the goods shall be released upon presentation of security, unless otherwise provided for in the domestic legislation of the importing Party.

5. Ifno reply is received within 6 months, or if the reply does not contain sufficient information to determine the authenticity of the documents or the originating status of the products concerned, the requesting customs authority may refuse preferential tariff treatment.

6. The exporter, producer or manufacturer, who requested the Certificate of Origin related to the goods in question, shall not deny any request for a verification visit agreed to by the Parties. Any failure to consent to a verification visit shall be liable for the denial of the preferential benefits requested pursuant to this Agreement.

Article 4.19. Denial of Preferential Tariff Treatment

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

(a) the goods do not meet the requirements of this Chapter,

(b) the importer, exporter or producer does not comply with the relevant requirements of this Chapter,

(c) the Certificate of Origin does not comply with the requirements of this Chapter, or

(d) in the case stipulated in Article 4.18 (Verification of Origin).

Article 4.20. Electronic Source Data Exchange System

For the purposes of the effective and efficient implementation of this Chapter, both Parties may establish an Electronic Origin Data Exchange System to ensure the real-time exchange of origin-related information between customs administrations within a mutually agreed time frame.

Article 4.21. Rules of Origin Committee

1. The Parties establish a Rules of Origin Committee under the Free Trade Commission, composed of government representatives of each Party.

2. The Committee shall meet as necessary to consider any matters arising under this Chapter, including but not limited to disputes regarding the verification procedures of Article 4.18 (Verification of Origin) between competent authorities or customs authorities and questions relating to the interpretation of this Chapter, and shall consult regularly to ensure that this Chapter is administered in an effective, uniform and consistent manner to achieve the objectives of this Agreement.

Article 4.22. Points of Contact

1. Each Party shall designate a point of contact to facilitate communications between the Parties on any matter covered by this Chapter.

2. Each Party shall notify the other Party in writing of its designated point of contact no later than 60 days after the date of entry into force of this Agreement.

3. A Party shall promptly notify the other Party of any change of its point of contact or of the details of the relevant officials.

Chapter 5. Customs Procedures and Trade Facilitation

Article 5.1. Definitions

For the purposes of this chapter:

customs administration means:

(a) for China, the General Administration of Customs of the People's Republic of China; and

(b) for Ecuador, the National Customs Service of Ecuador.

customs legislation means the legal and regulatory provisions relating to the import, export, movement or storage of goods, the administration and enforcement of which are the responsibility of the customs administration, and any regulations adopted by the customs administration by virtue of its legal powers;

Customs procedures means the treatment applied by cach Customs administration to goods and means of transport subject to Customs control;

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

means of transport means the various types of vessels, vehicles and aircraft entering or leaving the customs territory transporting persons and/or goods.

Article 5.2. Scope and Objectives

1. This Chapter shall apply, in accordance with international obligations and the domestic laws and regulations of the Parties, to customs procedures applied to goods traded between the Parties and to the movement of means of transport between the Parties.

2. For the purposes of this Chapter, the Parties:

(a) promote the simplification and harmonization of their customs procedures;

(b) ensure the efficient and expeditious clearance of goods and the movement of means of transport;

(c) ensure predictability, consistency and transparency in the application of customs legislation, including the administrative procedures of the Parties;

(d) facilitate trade between them; and

(e) promote cooperation between their customs administrations.

Article 5.3. Facilitation

1. Each Party shall ensure that its customs procedures and practices are predictable, consistent, transparent and facilitate trade.

2. Each Party shall, where possible and to the extent permitted by its respective customs legislation, conform its customs procedures to the standards and recommended practices of the World Customs Organization (WCO) to which that Party is a contracting party, in particular those of the International Convention on the Simplification and Harmonization of Customs Procedures (as amended), known as the Revised Kyoto Convention.

3. The customs administrations of the Parties shall facilitate clearance, including release of goods, in the administration of their procedures.

4. Each Party shall provide a focal point, electronic or otherwise, through which its traders may submit the regulatory information required to obtain clearance, including the release of goods.

Article 5.4. Customs Valuation

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of GATT 1994 and the Agreement on Customs Valuation.

Article 5.5. Tariff Classification

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

Article 5.6. Customs Cooperation

1. The customs administrations of the Parties shall provide cooperation and mutual assistance to ensure the correct application of customs legislation, the review of customs procedures, the prevention, investigation and combating of customs offenses to achieve a satisfactory balance between effective control and facilitation.

2. The customs administrations of the Parties shall assist each other in connection with:

(a) the implementation and operation of this Chapter;

(b) the application of the Customs Valuation Agreement,

(c) simplify and harmonize customs procedures;

(d) develop and implement the best customs practices and customs management techniques. risks; (c) the exchange of information, best practices, experiences, training skills and any related support appropriate to strengthen customs management;

(f) establish or maintain channels of communication to strengthen the effective exchange of information and improve coordination in customs matters;

(g) improving the use of technologies that lead to better enforcement of laws and regulations and regulations governing imports, exports and transit; and

(h) other matters as mutually determined by the Parties.

3. The Parties'customs administrations will promote cooperation based on "Smart Customs, Smart Borders and Smart Connectivity" in order to enhance mutual trust and promote trade facilitation to achieve high-level connectivity between the Parties.

4. The customs administrations of the Parties shall provide each other with cooperation and mutual assistance in customs matters in accordance with the provisions of this Chapter and shall consider the possibility of developing an agreement concerning cooperation and mutual administrative assistance covering relevant customs matters.

Article 5.7. Transparency

1. Each Party shall promptly publish, including on the Internet, its laws, regulations and, where appropriate, administrative rules or procedures of general application relevant to trade in goods between the Parties.

2. Each Party shall designate one or more enquiry points to handle inquiries from interested persons on customs matters and shall make available on the Internet information on the procedures for making such inquiries.

3. To the extent possible and consistent with its domestic laws and legal system, each Party shall publish, in advance on the Internet, draft laws and regulations of general application relevant to trade between the Parties, with a view to providing traders and other interested persons with an opportunity to comment.

4. To the extent possible and consistent with its domestic laws and legal system, each Party shall ensure that a reasonable interval is established between the publication and entry into force of new or amended laws and regulations of general application relevant to trade between the Parties.

Article 5.8. Advance Rulings

1. The customs administration of each Party shall issue an advance ruling, prior to the importation of a good into its customs territory, upon written request containing all necessary information, on the requirement of the exporter, importer or any person with a justifiable cause or a representative of them (1), with respect to:

(a) the origin of a good in accordance with Chapter 4 (Rules of Origin and Implementation Procedures);

(b) the tariff classification of a good; and (c) any other matter agreed upon by the Parties.

2. The customs administration of the importing Party shall issue an advance ruling within 90 days of receipt of all necessary information and compliance with the requirements.

3. Each Party shall provide that an advance ruling shall be valid as of the date on which it is issued, or such other date specified in the advance ruling, provided that the laws, regulations, administrative rulings, and the facts or circumstances on which the advance ruling is based, remain unchanged.

4. The customs administration of the importing Party may modify, revoke or invalidate an advance ruling:

(a) whether the advance ruling was based on a mistake of fact;

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

(c) if incorrect information was provided or relevant information was withheld; or

(d) to comply with a change in its domestic legislation, a judicial decision or an amendment to this Chapter.

Article 5.9. Review and Appeals

Each Party shall, in accordance with its laws and regulations, provide that the importer, exporter or any other person affected by such administrative determinations or decisions shall have access to:

(a) a level of administrative review of determinations by its customs administration, independent of the official or office responsible for the decision under review, and

(b) judicial review of administrative determinations subject to its laws and regulations.

Article 5.10. Application of Information Technology

1. The Parties' customs administrations shall use information technology to support customs operations, including the exchange of best practices among themselves in order to improve their customs procedures where economical and efficient, particularly in the context of paperless trade, taking into account WCO developments in this area.

2. Customs administrations of the Parties are encouraged to focus on the application of new technologies, including the development of hardware facilities and computer systems, to speed up customs operations and increase the accuracy and impartiality of customs control.

Article 5.11. Risk Management

1. The customs administration of each Party shall focus control measures on high- risk goods and facilitate the release of low-risk goods in the administration of customs procedures.

2. The customs administration of each Party shall design and implement risk management in a manner that avoids arbitrary or unjustifiable discrimination or disguised restrictions on international trade.

Article 5.12. Dispatch of Goods

1. Each Party shall adopt or maintain simplified customs procedures for the efficient clearance of goods in order to facilitate trade between the Parties. This paragraph shall not require a Party to release a good when its clearance requirements have not been met.

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

(a) arrange for clearance of goods as soon as possible after arrival, provided that all other regulatory requirements have been met; and

(b) as appropriate, provide for advance electronic submission and processing of information prior to the physical arrival of the goods with a view to expediting the clearance of goods.

3. Each Party shall adopt or maintain procedures that permit the release of goods prior to the final assessment of duties, taxes, fees and charges, if such assessment is not made prior to, or upon arrival or as soon as practicable after arrival and provided that all other regulatory requirements have been met. As a condition of such clearance, a Party may require security, in accordance with its laws and regulations, not exceeding the amount the Party requires to secure payment of the customs duties, taxes, fees and charges ultimately due on the goods covered by the security.

4. Nothing in this Article shall affect the right of a Party to examine, detain, seize, confiscate or otherwise deal with goods in accordance with its laws and regulations.

5. With a view to preventing avoidable loss or deterioration of perishable goods, and provided that all regulatory requirements have been met, each Party shall provide for prompt clearance of perishable goods, and under normal circumstances within the time as possible.

6. For the purposes of this provision, perishable goods shall mean goods that deteriorate rapidly due to their natural characteristics, particularly in the absence of adequate storage conditions.

Article 5.13. Authorized Economic Operator

1. The customs administrations of the Parties shall establish the Authorized Economic Operator (AEO) program to promote informed compliance and efficiency of customs control and share best practices among the Parties.

2. The customs administrations of the Parties shall work towards mutual recognition of AEOs.

Article 5.14. Penalties

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

Article 5.15. Confidentiality

The customs administration of cach Party shall maintain the confidentiality of the information and protect it from use or disclosure that could prejudice the competitive position of the person providing the information.

Article 5.16. Consultations

1. The customs administration of each Party may at any time request consultations with the customs administration of the other Party on any matter arising from the operation or implementation of this Chapter, where there are reasonable grounds provided by the requesting Party. Such consultations shall be conducted through the relevant points of contact and shall take place within 30 days of the request, unless the customs administrations of both Parties determine mutually the opposite.

2. In the event that such consultations do not resolve the matter, the requesting Party may refer the matter to the Committee on Customs Procedures and Trade Facilitation established under Article 5.17 (Committee on Customs Procedures and Trade Facilitation) of this Chapter for consideration.

3. Each customs administration shall designate one or more contact points for the purposes of this Chapter and shall provide details of such contact points to the other Party. The customs administrations of the Parties shall promptly notify cach other of any changes in the details of their contact points.

Article 5.17. Committeeon Customs Procedures and Trade Facilitation

1. The Parties, with a view to the effective implementation and operation of this Chapter, establish a Customs Procedures and Trade Facilitation Committee (CPTF Committee), under the Free Trade Commission.

2. The CBAP Committee shall be composed of representatives of the customs administrations and, upon mutual agreement, the relevant governmental authorities of the Parties.

3. The functions of the PAFC Committee shall be as follows:

(a) to ensure the correct operation of this Chapter and to resolve all questions arising from its application;

(b) review the operation and implementation of this Chapter, as well as revise this Chapter as appropriate;

(c) identify areas related to this Chapter that should be improved to facilitate trade between the Parties;

(d) make recommendations and report to the Free Trade Commission; and

(c) address any matter raised by cach customs administration in accordance with Article 5.16 (Consultations) of this Chapter, without prejudice to the rights and obligations set forth in Chapter 13 (Dispute Settlement) of this Agreement.

4. The PAFC Committee shall meet at places and times agreed upon by the Parties.

Chapter 6. Trade Defense

Section I. Global, Antidumping and Countervailing Safeguards

Article 6.1. Global Safeguards Measures

1. The Parties maintain their rights and obligations under Article XIX of GATT 1994 and the Agreement on Safeguards as defined in Article 6.9 (Definitions).

2. Measures adopted pursuant to Article XIX of GATT 1994 and the Agreement on Safeguards as defined in Article 6.9 (Definitions) shall not be subject to Chapter 13 (Dispute Settlement) of this Agreement.

Article 6.2. Antidumping and Countervailing Duties

1. The Parties maintain their rights and obligations under the Agreement on Implementation of Article VI of GATT 1994 and the Agreement on Subsidies and Countervailing Measures, which are part of the WTO Agreement.

2. Anti-dumping measures taken pursuant to Article VI of GATT 1994 and the Agreement on Implementation of Article VI of GATT 1994 or countervailing measures taken pursuant to Article VI of GATT 1994 and the Agreement on Subsidies and Countervailing Measures shall not be subject to Chapter 13 (Dispute Settlement) of this Agreement.

3. Both Parties confirm that there will be no practice between the two Parties to use a methodology based on the substitute value of a third country, including the use of a substitute price or a substitute cost to determine the normal value and the export price when determining the dumping margin during an anti-dumping proceeding. (2)

(2) This paragraph refers to the measure described in paragraph 15(a) on "Price Comparability in the Determination of Subsidies and Dumping" of the Protocol of Accession of the People's Republic of China to the WTO, which expired in 2016.

Section II. Bilateral Safeguards

Article 6.3. Imposition of a Bilateral Safeguard Measure

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

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

(a) suspend the future reduction of any customs duties on the product provided for in this Agreement; or

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

(i) the MFN customs tariff applied at the time the measure is adopted; or

(ii) the MFN customs tariff applied on the day immediately preceding the date of entry into force of this Agreement. (3)

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

Article 6.4. Standards for Definitive Bilateral Safeguarding

1. A Party may apply a definitive bilateral safeguard measure for an initial period of three years, with an extension of no more than one year. Regardless of its duration, such measure shall terminate at the end of the transition period determined in Article 6. 9 (Definitions).

2. No safeguard measure shall be applied to the importation of a product that has previously been subject to such a measure, unless a period equivalent to half of the total duration of the measure applied has elapsed.

3. No Party may impose a safeguard measure on a product that is subject to a measure that the Party has imposed pursuant to Article XIX of the GATT 1994 and the Agreement on Safeguards, and no Party may continue maintaining a safeguard measure on a product that becomes subject to a measure that the Party imposes pursuant to Article XIX of the GATT 1994 and the Agreement on Safeguards.

4. Upon termination of a safeguard measure, the rate of duty shall be as set forth in the Party's Schedule to Annex 2 (Schedule of Tariff Commitments) to this Agreement, as if the measure had never been applied.

Article 6.5. Investigation Procedures and Transparency Requirements

1. The importing Party may adopt a safeguard measure under this Section only after an investigation by its competent authorities and in accordance with Article 3 and Article 4.2 of the Agreement on Safeguards, and to this end, Article 3 and Article 4.2 of the Agreement on Safeguards are incorporated into and made part of this Agreement, mutatis mutandis.

2. Each Party shall ensure that its competent investigating authorities complete any bilateral safeguard investigation within 12 months from the date of its initiation.

Article 6.6. Interim Measures

1. In critical circumstances where any delay would cause damage difficult to repair, a Party may adopt a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The duration of the provisional measure shall not exceed 200 days. Such action shall take the form of a suspension of the future reduction of any customs duties provided for on the product in this Agreement or an increase in customs duties at a rate not to exceed the lesser of the rate provided for in paragraph 2(b) of Article 6.3 (Imposition of a Bilateral Safeguard Measure).

2. Any additional customs duties or guarantees collected shall be refunded promptly if the further investigation does not establish that the increased imports have caused or threatened to cause serious injury to a domestic industry. The duration of such provisional measure shall be counted as part of the initial period and any extension of a definitive measure.

Article 6.7. Notification and Consultation

1. A Party shall promptly notify the other Party, in writing, of the following:

(a) the initiation of an investigation;

(b) the adoption of a provisional safeguard measure;

(c) having found serious injury or threat of serious injury caused by increased imports;

(d) having decided to impose or extend a definitive measure; and

(e) having decided to modify a previously adopted measure.

2. In making the notifications referred to in subparagraphs (d) and (c) of paragraph 1, the Party applying the measure shall provide the other Party with all relevant information, such as an accurate description of the product involved, the proposed measure, the reasons for introducing such measure, the proposed date of introduction and its expected duration. The notifying Party shall provide an unofficial courtesy translation into English of the notification.

3. A Party applying a provisional or definitive measure or extending a safeguard measure shall provide adequate opportunity for prior consultations with the other Party, inter alia, to review the information provided pursuant to paragraph 2, to exchange views on the bilateral safeguard measure and to reach agreement on compensation pursuant to Article 6.8 (Compensation).

Article 6.8. Compensation

1. The Party applying a safeguard measure for a period longer than 3 years shall, at the request of the Party whose product is subject to a safeguard measure, enter into consultations with a view to providing the other Party with mutually agreed trade liberalization compensation in the form of concessions having trade effects substantially equivalent or equivalent to the value of the additional tariffs expected to result from the measure.

2. Ifthe Parties are unable to reach an agreement on compensation within 45 days of the request under paragraph 1, the exporting Party shall be free to suspend the application of substantially equivalent concessions to the trade of the Party applying the safeguard measure.

3. A Party shall notify the other Party in writing at least 30 days before suspending concessions pursuant to paragraph 2.

4. The obligation to grant compensation under paragraph 1 and the right to suspend substantially equivalent concessions under paragraph 2 shall terminate on the date of termination of the safeguard measure.

Article 6.9. Definitions

For purposes of this Section:

competent authority means:

(a) in the case of China, the Ministry of Commerce or its successor; and

(b) in the case of Ecuador, the Direccion de Defensa Comercial del Ministerio de la Producción, Comercio Exterior, Inversiones y Pesca, or its successor;

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

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

safeguard measure means a safeguard measure described in paragraph 2 of Article 6.3 (imposition of a Bilateral Safeguard Measure);

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

threat of serious harm means serious harm that, based on facts and not merely on allegation, conjecture or remote possibility, is clearly imminent; and

transition period: means the eight-year period beginning on the date of entry into force of this Agreement, except in the case of a product for which the liberalization process lasts five or more years, in which case the transition period shall be equal to the period in which such product achieves zero duty in accordance with the Schedule to Annex 2 (Schedule of Tariff Commitments) to this Agreement plus a period of five years.

Section III. Cooperation

Article 6.10. Cooperation

The Parties shall establish a mechanism for cooperation between the investigating authorities of each Party to ensure that each Party has a clear understanding of the practices adopted by the other Party in trade defense investigations.

Chapter 7. Sanitary and Phytosanitary Measures

Article 7.1. Objectives

The objectives of this chapter are:

(a) promote and facilitate trade in animals, animal products, plants and plant products between the Parties, while protecting public, animal and plant health;

(b) improve the implementation of the SPS Agreement between the Parties;

(c) provide a forum to address bilateral SPS measures, resolve trade issues arising from them and expand trade opportunities;

(d) provide communication and cooperation mechanisms to resolve sanitary and phytosanitary issues in an agile and timely manner; and

(e) ensure that the procedures for the establishment of sanitary and phytosanitary measures between the Parties are transparent and applied without undue delay.

Article 7.2. Scope and Definitions

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

2. For the purposes of this Chapter, the definitions in Annex A of the SPS Agreement shall apply.

Article 7.3. Affirmation

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

Article 7.4. Risk Analysis

1. The Parties recognize that risk analysis is an important tool to ensure that SPS measures are science-based. The Parties shall ensure that their SPS measures are based on an assessment of the risks to human, animal or plant life or health as set out in Article 5 of the SPS Agreement, taking into account the risk assessment techniques developed by the relevant international organizations.

2. The importing Party shall give priority consideration to requests for market access from the exporting Party, conducting the risk analysis as soon as possible in a manner consistent with the domestic legislation of the importing Party. To this end, the competent authorities of the Parties shall maintain close communication and good working relations at each stage of the risk analysis process in order to facilitate the process and avoid undue delay. The exporting Party shall provide the necessary information required by the importing Party for the risk assessment.

3. At the end of the risk analysis process, the evidence supporting the risk analysis, remaining uncertainties and risk management proposals shall be communicated to the exporting Party.

4. If the exporting Party submits multiple market access requests to the importing Party, the exporting Party shall identify its priority among these requests, and this shall be taken into account by the importing Party.

5. Ifa protocol of sanitary and/or phytosanitary requirements is necessary, based on risk analysis, the competent authorities of the Parties shall enter into negotiations as soon as possible, with the objective of adopting the protocol. The establishment, review and amendment of the protocol by the competent authorities shall be in accordance with the provisions of this Chapter and the SPS Agreement. In this regard, the protocol shall be scientifically justified and shall not constitute a disguised restriction on trade.

Article 7.5. Regionalization

1. The Parties shall accept the principle of regionalization provided for in the SPS Agreement.

2. The Parties take note of the Guidelines to Promote the Practical Implementation of Article 6 of the Agreement on the Application of Sanitary and Phytosanitary Measures (G/SPS/48) adopted by the WTO Committee on Sanitary and Phytosanitary Measures and the relevant standards developed by the World Organization for Animal Health (OIE) and the International Plant Protection Convention (IPPC).

Article 7.6. Harmonization

In accordance with Article 3 of the SPS Agreement and the Decisions for the implementation of that Article adopted by the WTO SPS Committee, the Parties shall work towards the harmonization of their respective sanitary and phytosanitary measures, taking into account the standards, guidelines and recommendations developed by relevant international organizations.

Article 7.7. Equivalence

1. A Party shall accept the sanitary or phytosanitary measures of the other Party as equivalent, if the other Party objectively demonstrates to the Party that its measures achieve the Party's appropriate level of sanitary and phytosanitary protection.

2. For the recognition of equivalence, the Parties should take into account the international standards, guidelines and recommendations developed by the competent international organizations and the decisions adopted by the SPS Committee of the WTO, when relevant to the particular case.

Article 7.8. Control, Inspection and Approval Procedures

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

Article 7.9. Transparency

1. The Parties agree to the full implementation of Article 7 of the SPS Agreement in accordance with the provisions of Annex B of the SPS Agreement.

2. Parties will endeavor to exchange information on, inter alia, sanitary and phytosanitary measures, pest status and cases of non-compliance. The English version of the full text of adopted SPS measures should be provided when available.

3. The Partiesâ sanitary and phytosanitary notification points established under the SPS Agreement will establish a bilateral mechanism for increased communication and transparency. The Parties will provide, upon request, a copy of the full text of the notified proposed regulation and allow at least 60 days for comments.

4. The Parties shall communicate, at the request of a Party, the status of the procedure for the authorization of the importation of specific products.

Article 7.10. Technical Cooperation

The Parties agree to strengthen bilateral technical cooperation on sanitary and phytosanitary issues, with a view to improving mutual understanding of the Parties' regulatory systems and facilitating access to each other's markets.

Article 7.11. Committee on Sanitary and Phytosanitary Measures

1. The Committee on Sanitary and Phytosanitary Measures (hereinafter referred to as the "SPS Committee") is hereby established within the framework of the Free Trade Commission.

2. The functions of the SPS Committee are:

(a) monitor the implementation of this Chapter;

(b) coordinate technical cooperation activities;

(c) facilitate technical consultations;

(d) identifying areas for further cooperation, including favorable consideration of any specific proposal made by any of the Parties;

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

(f) consult on any matter prior to meetings o f relevant international organizations, if appropriate; and

(g) perform other functions mutually agreed upon by the Parties.

3. The SPS Committee shall meet once a year, unless otherwise agreed by the Parties. Meetings of the SPS Committee may be held by any method agreed upon on a case-by-case basis.

4. The SPS Committee may establish ad-hoc working groups to carry out specific tasks.

Article 7.12. Technical Consultations

1. Where a Party considers that a sanitary or phytosanitary measure is affecting trade with the other Party, it may request that technical consultations be held within the framework of the SPS Committee, with a view to sharing information and increasing mutual understanding on the specific sanitary or phytosanitary measure under consultation and identifying a practical solution that facilitates trade. The other Party shall respond as soon as possible to any request for technical consultations.

2. Technical consultations shall be held within 30 working days after the date of receipt of the request, unless otherwise agreed by the Parties, and may be held by teleconference, videoconference or by any other means mutually agreed by the Parties.

Article 7.13. Points of Contact and Competent Authorities

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

(a) for China, the International Cooperation Department of the General Administration of Customs; and

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

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

For China: The General Customs Administration, or its successor. For Ecuador:

a) The Agency for Phytosanitary and Zoosanitary Regulation and Control (AGROCALIDAD), or its successor;

b) The National Agency for Regulation, Control and Sanitary Surveillance (ARCSA), or its successor; and

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

Chapter 8. Technical Barriers to Trade

Article 8.1. Objectives

The objectives of this Chapter are to increase and facilitate trade, and to fulfill the objectives of this Agreement, by improving the implementation of the TBT Agreement, climinating unnecessary technical barriers to trade, and improving bilateral cooperation.

Article 8.2. Scope and Coverage

1. This Chapter applies to all technical regulations, national standards and conformity assessment procedures that may, directly or indirectly, affect trade in goods, except as provided in paragraph 2.

2. This Chapter does not apply to sanitary and phytosanitary measures covered by Chapter 7 (Sanitary and Phytosanitary Measures) of this Agreement.

Article 8.3. Affirmation of the Agreement on Technical Barriers to Trade

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

Article 8.4. Rules

1. Each Party shall encourage the standardizing body or bodies in its territory to cooperate with the standardizing body or bodies of the other Party. Such cooperation shall include, but not be limited to, information and experience in standards.

2. Parties shall use international standards, or relevant parts of international standards, as a basis for their technical regulations and related conformity assessment procedures where relevant international standards exist or their final formulation is imminent, except where such international standards or relevant parts would be an ineffective or inappropriate means for the achievement of legitimate objectives.

3. In determining whether an international standard within the meaning of Article 2.4 of the TBT Agreement exists, the Parties shall apply the principles set out in the "Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations under Articles 2 and 5 and Annex 3 of the Agreement", adopted by the WTO Committee on Technical Barriers to Trade since 1 January 1995, G/TBT/1/Rev.14, 24 September 2019, Annex 2 to Part 1. Such international standards may include, among others, those developed by the International Organization for Standardization (ISO), the International [Electrotechnical Commission (IEC), the International Telecommunication Union (ITU) and the Codex Alimentarius Commission (CAC).

Article 8.5. Equivalence of Technical Regulations

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

2. A Party shall, at the request of the other Party, explain the reasons why it has not accepted a technical regulation of that Party as equivalent.

3. At the request of a Party that has an interest in developing a similar technical regulation, the Parties may establish relevant communications to provide, to the extent possible, information or other documents, except for confidential information, on which that Party has based the development of a technical regulation.

Article 8.6. Conformity Assessment

1. The Parties recognize that a wide range of mechanisms exist to facilitate the acceptance of conformity assessment procedures and the results thereof, including:

(a) voluntary agreements between conformity assessment bodies in the territory of each Party;

(b) agreements on the 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;

(c) recognition by a Party of the results of conformity assessments carried out in the territory of the other Party;

(d) accreditation procedures for qualifying conformity assessment bodies and promoting the recognition of accreditation and certification bodies under international mutual recognition agreements; and

(e) governmental designation of conformity assessment bodies.

2. The Parties shall intensify their exchange of information on the range of mechanisms that facilitate the acceptance of conformity assessment results.

3. Before accepting the results of a conformity assessment procedure, and to increase confidence in the continued mutual reliability of the conformity assessment results, the Parties may consult, as appropriate, on aspects such as the technical competence of the conformity assessment bodies involved.

4. A Party shall, at the request of the other Party, explain its reasons for not accepting the results of a conformity assessment procedure carried out in the territory of the other Party.

5. Where a Party refuses a request by the other Party to enter into or conclude negotiations to reach an agreement to facilitate the recognition in its territory of the results of conformity assessment procedures carried out by bodies in the territory of the other Party, it shall, upon request, explain its reasons.

Article 8.7. Border Measures

When a Party detains, at a port of entry, goods exported from the other Party because of a perceived failure to comply with a technical regulation or conformity assessment procedure, it shall promptly notify the importer or his representative of the reasons for the detention.

Article 8.8. Transparency

1. Each Party shall allow a period of at least 60 days from the notification of its proposed technical regulations and conformity assessment procedures to the WTO to request comments from the other Party, except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise.

2. Each Party shall, upon request of the other Party, provide information on the objectives and reasonableness of a technical regulation or conformity assessment procedure that the Party has adopted or proposes to adopt.

3. Each Party shall ensure that all adopted technical regulations and conformity assessment procedures are promptly published or otherwise made available.

4. Each Party shall provide and keep updated information on the competent authorities and communicate any significant changes in their structure, organization and division.

5. The period between publication and entry into force of technical regulations and conformity assessment procedures shall not be less than 6 months, unless it is not feasible to achieve the legitimate objectives of the technical regulations and conformity assessment procedures within that period.

Article 8.9. Technical Cooperation

1. Each Party, at the request of the other Party, shall:

(a) provide that Party with technical assistance, information and assistance on mutually agreed terms and conditions for the purpose of improving that Party's standards, technical regulations and conformity assessment procedures, and related activities, processes and systems;

(b) take measures to prevent and correct risk situations in bilateral trade of products, including encouraging their competent authorities to improve cooperation and sign cooperation agreements if necessary;

(c) exchange information and experiences on port inspection and market surveillance; and

(d) cooperate in capacity building activities aimed at strengthening the national quality infrastructure and other related topics.

2. The Parties shall, at the request of a Party, work to increase the exchange of information, particularly with respect to bilateral non-compliance with technical regulations and conformity assessment procedures.

3. The Parties agree to strengthen cooperation on information exchange, including sharing, where available, the English translated versions of the full texts of adopted technical regulations and conformity assessment procedures.

Article 8.10. Committee on Technical Barriers to Trade

1. The Parties establish the Committee on Technical Barriers to Trade, composed of representatives of each Party.

2. For the purposes of this Article, the Committee shall be coordinated by:

(a) in the case of China, the International Cooperation Department of the State Administration for Market Regulation of China (SAMR), or its successor; and

(b) in the case of Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries, through its Directorate of Negotiations on Sanitary and Phytosanitary Measures and Technical Barriers to Trade, or its successor.

3. In order to facilitate communication and ensure the proper functioning of the Committee, the Parties shall designate a contact person within 2 months after the date of entry into force of this Treaty.

4. The functions of the Committee shall include:

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

(b) address without delay any matter raised by a Party relating to the preparation, adoption, application or enforcement of technical regulations and conformity assessment procedures;

(c) increase cooperation for the development and improvement of technical regulations and conformity assessment procedures;

(d) facilitate, where appropriate, sectoral cooperation between governmental and non-governmental conformity assessment bodies in the territories of the Parties;

(e) exchange information on developments in non-governmental, regional and multilateral fora involved in activities related to standardization, technical regulations and conformity assessment procedures;

(f) take any other action that the Parties consider will assist them in the implementation of the TBT Agreement and the facilitation of trade in goods between them,

(g) consult, at the request of a Party, on any matter arising under this Chapter;

(h) review this Chapter in light of developments under the TBT Agreement, and develop recommendations for amendments to this Chapter in light of those developments; and

(i) report to the Free Trade Commission, as it deems appropriate, on the implementation of this Chapter.

5. Where the Parties have resorted to consultations pursuant to paragraph 4(g), such consultations shall, if the Parties so agree, constitute the consultations provided for in Article 13.4 (Consultations).

6. A Party shall endeavor, upon request, to give favorable consideration to any sector-specific proposal that the other Party makes to deepen cooperation under this Chapter.

7. The Committee shall meet for its first meeting no later than 1 year after the date of entry into force of this Agreement and shall meet once every 2 years or at any time agreed by the Parties. These meetings may be held by teleconference, videoconference or by any other means, as mutually determined by the Parties. If necessary, by mutual agreement, ad-hoc working groups may be established.

Article 8.11. Information Exchange

Any information or explanation that is provided upon request by a Party in accordance with the provisions of this Chapter shall be provided in printed or electronic form within 60 days.

Article 8.12. Definitions

For the purposes of this Chapter:

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

(b) the definitions in Annex I of the TBT Agreement shall apply.

Chapter 9. Investment Cooperation

Article 9.1. Investment Promotion

1. The Parties recognize the importance of promoting cross-border investment flows as a means to achieve economic growth and development. Subject to their laws and regulations, the Parties shall cooperate to promote investment between China and Ecuador by, inter alia:

(a) identify investment opportunities;

(b) intensify investment promotion campaigns;

(c) share information on measures to promote investment abroad;

(d) exchange information on laws, regulations and investment policies;

(e) help investors understand the investment regulations and investment environment of both Parties;

(f) improving the environment with a view to increasing investment flows; and

(g) promote links between Chinese and Ecuadorian agencies with a view to promoting bilateral investment.

2. Recognizing that facilitating the "Go Global" efforts of Chinese enterprises is a key pillar of bilateral cooperation, the Parties will intensify their collaboration in this area. To this end, the Parties will endeavor to identify and share information on potential outbound investment sectors and activities and encourage such enterprises to invest in the other Party.

Article 9.2. Investment Facilitation

1. Subject to its laws and regulations, each Party shall facilitate the investments of the other Party by, inter alia:

(a) improve the transparency and efficiency of their domestic investment environment, with the objective of facilitating quality investment between the Parties.

(b) create the necessary environment for all forms of investment, including but not limited to the creation of favorable conditions for the transfer of money for any investment project;

(c) simplify procedures for investment applications and approvals;

(d) promoting the dissemination of investment information, including but not limited to rules, regulations, policies, other bilateral and multilateral trade agreements and investment procedures; and

(e) improving the one-stop investment window in the respective host parties to provide assistance and advisory services to the business sectors, including the facilitation of operating licenses and permits.

2. Subject to its domestic laws and regulations, the Party shall make available to investors of the other Party and their investments the measures prescribing the formalities for the establishment of an investment. The Party shall protect any confidential business information from any disclosure that might prejudice the competitive position of the investor or the 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.

3. The Parties shall facilitate compliance by investors and their investments with the standards required for environmental and social impact assessment and evaluation processes applicable to their proposed investments prior to their establishment, as required by the laws of the host Party for such investment.

Article 9.3. Environmental Measures

Recognizing the importance of promoting investment for green growth, the Parties shall refrain from relaxing environmental measures to encourage investment by investors of the other Party. To this end, cach Party shall not waive or otherwise derogate from environmental measures as an inducement for the establishment, acquisition or expansion of investment in its territory.

Article 9.4. Corporate Social Responsibility

1. The Parties reaffirm that investors and their investments shall comply with the host State's domestic laws and regulations on corporate social responsibility or responsible business conduct.

2. Each Party confirms the importance of internationally recognized standards, guidelines and principles of corporate social responsibility or responsible business conduct that have been promoted by that Party.

3. Each Party agrees to encourage investors and enterprises operating within its territory or subject to its jurisdiction to incorporate the standards, guidelines and principles provided for in paragraph 2 into their business practices and internal policies on a voluntary basis.

4. The Parties shall cooperate and facilitate joint initiatives, through the Commission provided for in Article 14.1 (Free Trade Commission), to promote corporate social responsibility or responsible business conduct.

Article 9.5. Non-Application of Dispute Settlement

No Party may have recourse to Chapter 13 (Dispute Settlement) for any matter arising out of or relating to this Chapter.

Chapter 10. E-Commerce

Article 10.1. Definitions

For the purposes of this Chapter:

digital certificates are electronic documents or files issued or otherwise linked to a Party, in an electronic communication or transaction, for the purpose of establishing the identity of the Party;

electronic authentication means the process or act of providing verification of authenticity and reliability to the parties involved in an electronic signature; to ensure the integrity and security of an electronic communication or transaction;

electronic signature means data in electronic form that is contained in, attached to, or logically associated with a data message and that can be used to identify the signatory in relation to the data message and to indicate the signatory's approval of the information contained in the data message;

data message means information generated, sent, received or stored by electronic, optical or similar means;

electronic version of a document means a document in an electronic format prescribed by a Party, including a document sent by facsimile;

trade administration documents means forms issued or controlled by a Party to be completed by or for an importer or exporter in connection with the importation or exportation of goods;

unsolicited commercial electronic message means an electronic message that is sent for commercial or marketing purposes to an electronic address, without the recipient's consent or despite the recipient's explicit refusal, through an Internet access service provider;

electronic transmission or electronically transmitted means a transmission made using any electromagnetic means, including photonic means, and

personal information means any information, including data, about an identified or identifiable natural person.

Article 10.2. General Provisions

1. The Parties recognize the economic growth and opportunities offered by electronic commerce, as well as the importance

of avoiding unnecessary obstacles to its use and development in accordance with this Agreement.

2. The purposes of this Chapter are to promote electronic commerce between the Parties and the wider use of electronic commerce worldwide.

3. Considering the potential of electronic commerce as a tool 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) encourage self-regulation in the private sector to promote confidence in electronic commerce, taking into account the interests of users, through initiatives such as sectoral guidelines, model contracts, codes of conduct and trust seals;

(c) interoperability, to facilitate electronic commerce; @ 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 electronic commerce for Small and Medium-Sized Enterprises (hereinafter referred to as "SMEs") (4) , and

(g) guarantee the security of e-commerce users, as well as their right to personal data protection.

4. The Parties shall, in principle, endeavor to ensure that bilateral trade in electronic commerce is no more restricted than comparable bilateral non-electronic trade.

(4) For the purposes of this Chapter, for Ecuador, "small and medium-sized enterprises" includes microenterprises, as well as actors of the popular and solidarity economy as defined in Ecuadorian domestic legislation.

Article 10.3. Transparency

1. Each Party shall as soon as practicable, or where that is not practicable, make publicly available, including on the Internet where practicable, all relevant measures of general application relating to or affecting the operation of this Chapter.

2. Each Party shall respond as soon as possible to a relevant request from the other Party for specific information on any of its measures of general application relating to or affecting the operation of this Chapter.

Article 10.4. National Framework for Electronic Transactions

1. Each Party shall maintain a legal framework governing electronic transactions consistent with the principles of the 1996 UNCITRAL Model Law on Electronic Commerce.

2. Each Party shall adopt or maintain measures regulating electronic transactions based on the following principles:

(a) A transaction, including a contract, shall not be denied legal effect, validity or enforceability solely because it takes the form of an electronic communication; and

(b) Parties should not arbitrarily discriminate between different forms of electronic transactions.

3. Nothing in paragraphs 1 and 2 prevents a Party from making exceptions in its domestic law to the general principles set forth in paragraphs 1 and 2.

4. Each Party shall endeavor to:

(a) minimize the regulatory burden on e-commerce; and

(b) ensure that regulatory frameworks support the development of e-commerce.

Article 10.5. Electronic Authentication and Electronic Signatures

1. No Party may adopt or maintain legislation for electronic signatures that denies the legal validity of a signature solely on the basis that the signature is in electronic form.

2. Each Party shall maintain national legislation for electronic signatures that allows:

(a) the parties to an electronic transaction mutually determine the appropriate method of electronic signature and authentication, unless there is a national or international legal requirement to the contrary; and

(b) that electronic authentication agencies have the opportunity to demonstrate to judicial or administrative authorities that their electronic authentication of electronic transactions complies with the legal requirements with respect to electronic authentication.

3. Each Party shall work towards mutual recognition of digital certificates and electronic signatures.

4. Each Party shall encourage the use of digital certificates in the business sector.

Article 10.6. Online Consumer Protection

1. Each Party shall adopt or maintain, to the extent possible and in the manner it considers appropriate, measures that provide protection to consumers using electronic commerce that are at least equivalent to measures that provide protection to consumers of other forms of commerce.

2. The Parties recognize the importance of adopting and maintaining transparent and effective consumer protection measures for electronic commerce, as well as other measures conducive to the development of consumer confidence.

3. Each Party shall adopt or maintain laws or regulations to provide protection to consumers using electronic commerce against fraudulent and deceptive practices that cause harm or potential harm to such consumers.

4. The Parties recognize the importance of cooperation between their respective competent authorities responsible for consumer protection in activities related to electronic commerce in order to improve consumer protection.

Article 10.7. Protection of Online Personal Information

1. Recognizing the importance of protecting personal information in electronic commerce, cach Party shall adopt or maintain domestic laws and other measures to ensure the protection of personal information of users of electronic commerce.

2. The Parties shall encourage legal entities to publish, including on the Internet, their policies and procedures related to the protection of personal information.

3. The Parties shall cooperate, to the extent possible, for the protection of personal information transferred from a Party.

Article 10.8. Paperless Trading

1. Each Party shall make every effort to accept electronic versions of the trade administration documents used by the other Party as the legal equivalent of paper documents, except when:

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

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

2. Each Party shall endeavor to work toward the development of a single window for government that incorporates relevant international standards for the conduct of trade administration, recognizing that each Party will have its own unique requirements and conditions.

Article 10.9. Unsolicited Commercial Electronic Messages

The Parties shall adopt or maintain measures to protect users from unsolicited commercial electronic messages.

1. Each Party shall adopt or maintain measures with respect to unsolicited commercial electronic communications that:

(a) require providers of unsolicited commercial electronic communications to offer recipients the possibility of preventing the continued receipt of such messages; or

(b) require the consent of the recipients, as applicable in accordance with the legal system of each Party, to receive electronic commercial communications.

2. Each Party shall endeavor to establish mechanisms against providers of unsolicited commercial electronic communications that have not complied with the measures adopted or maintained in accordance with paragraph 1.

3. The Parties shall endeavor to cooperate in appropriate cases of mutual interest related to the regulation of unsolicited commercial electronic messages.

Article 10.10. Network Equipment

1. Both Parties recognize the importance of network equipment and e-commerce related products in safeguarding the healthy development of e-commerce.

2. Both Parties should strive to create a beneficial environment for public telecommunications networks, service providers or value-added service providers to independently choose network equipment, products and technologies.

Article 10.11. Cooperation

1. The Parties shall encourage cooperation in research and training activities that enhance the development of electronic commerce, including through the exchange of best practices on the development of electronic commerce.

2. The Parties shall encourage cooperative activities to promote electronic commerce, including those that improve the effectiveness and efficiency of electronic commerce.

3. The cooperative activities referred to in paragraphs 1 and 2 may include, but are not limited to:

(a) sharing best practices on regulatory frameworks;

(b) share best practices on online consumer protection, including unsolicited commercial e-mails;

(c) working together to help small and medium-sized enterprises overcome barriers to the use of e-commerce; and

(e) other areas agreed between the Parties.

4. The Parties shall endeavor to undertake forms of cooperation that build upon and do not duplicate existing cooperative initiatives in international fora.

5. The Parties shall endeavor to provide technical assistance, share information and experiences on laws, regulations and programs in the field of electronic commerce, including those related to:

(a) protection of personal data, particularly for the purpose of strengthening international cooperation mechanisms in compliance with the personal data protection legislation of each Party, to natural persons engaged in electronic commerce, for the exercise of the rights and remedies for the protection of personal data provided for in the legislation of each Party;

(b) online consumer protection;

(c) security in electronic communications;

(d) electronic authentication; and

(e) digital government.

6. The Parties shall endeavor to share and disseminate market alerts to prevent fraudulent commercial practices to the detriment of the consumer, in accordance with each Party's legislation.

Article 10.12. Cybersecurity Cooperation

1. The Parties recognize the importance of:

(a) develop the capabilities of their national entities responsible for cybersecurity incident response; and

(b) use existing collaborative mechanisms to cooperate in the identification and mitigation of malicious intrusions or dissemination of malicious code affecting the Parties' electronic networks.

2. The Parties shall endeavor to promote actions for the prevention of and protection against various types of cybersecurity incidents.

Article 10.13. Data Innovation

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 and supports, and is conducive to, experimentation and innovation.

2. The Parties shall endeavor to support data innovation by:

(a) collaboration in data exchange projects, including projects involving researchers, academics and industry;

(b) cooperation in the development of policies and standards for data portability; and

(c) the exchange of research and industry practices related to data innovation.

Article 10.14. SMEs and Start-ups

1. The Parties recognize the fundamental role of SMEs and Start-ups in maintaining dynamism and improving competitiveness in the digital economy.

2. With a view to enhancing trade and investment opportunities for SMEs in the digital economy, the Parties shall strive to:

(a) exchange information and best practices to leverage digital tools and technology to enhance the capabilities and market reach of SMEs and Start-ups;

(b) encourage the participation of SMEs and Start-ups in online platforms and other mechanisms that can help SMEs and Start-ups link with potential international suppliers, buyers and other business partners; and

(c) foster close cooperation in digital areas that can help SMEs and start-ups adapt and thrive in the digital economy.

Article 10.15. Non-application of Dispute Settlement

No Party may have recourse to Chapter 13 (Dispute Settlement) of this Agreement for any matter arising under this Chapter.

Chapter 11. Competition

Article 11.1. Objectives

Each Party understands that the prohibition of anticompetitive business conduct, the enforcement of competition policies and cooperation on competition matters help to avoid undermining the benefits of trade and investment liberalization and to promote economic efficiency and consumer welfare.

Article 11.2. Competition Laws and Authorities

1. Each Party shall maintain or adopt competition laws (5) to promote and protect the competitive process in its market by prohibiting at least the anticompetitive business practices listed in Article 11.13 (Definitions).

2. Each Party shall maintain an authority or authorities responsible for the enforcement of its national competition laws.

3. Each Party shall also take appropriate measures, in accordance with the relevant laws of cach Party with respect to anti-competitive business practices, which shall avoid undermining the benefits of trade liberalization.

(5) The Parties understand that the term "Law" includes all national regulations.

Article 11.3. Principles In the Application of the Law

1. Each Party shall be consistent with the principles of the rule of law, transparency, non-discrimination and procedural fairness in the application of competition law.

2. Each Party shall accord to persons of the other Party treatment no less favorable than to persons of the Party in like

circumstances in the application of competition law.

3. Each Party shall ensure that before imposing a sanction or remedy against a person for an alleged violation of its national competition laws, such person shall be provided with a reasonable opportunity to present an opinion or evidence in his or her defense.

4. Each Party shall provide a person who is subject to the imposition of a sanction or remedy for violation of its national competition laws the opportunity to seck review of the sanction or remedy through administrative reconsideration and/or before an independent judicial authority of that Party in accordance with its law.

Article 11.4. Transparency

1. Each Party shall make public its competition laws, including procedural rules for investigation.

2. Each Party shall ensure that a final administrative decision finding a violation of its national competition laws is made in writing and sets forth the relevant findings of fact and the legal basis on which the decision is based.

3. Each Party shall make a final decision and any order implementing the decision publicly available in accordance with its domestic competition laws. Each Party shall ensure that the version of the decision or order that is made publicly available does not include confidential business information (6) protected from public disclosure by its national laws.

(6) For each Party, the term confidential information includes proprietary or other confidential information. information defined as "confidential" under its laws.

Article 11.5. Cooperation In Law Enforcement

1. The Parties recognize the importance of cooperation and coordination in the field of competition between their respective national competition authorities to promote the effective application of competition law in the free trade area. Accordingly, each Party shall cooperate through notification, consultations, exchange of information and technical cooperation.

2. The Parties agree to cooperate in a manner consistent with their respective laws and important interests and within reasonably available resources.

Article 11.6. Notification

1. Each Party, through its competition authority or authorities, shall endeavor to notify the other Party of an enforcement activity if it considers that such enforcement activity may substantially affect the important interests of the other Party.

2. Provided that it is not contrary to the Parties' competition laws and does not affect any ongoing investigation, the Parties shall endeavor to notify at an carly stage and in a detailed manner sufficient to permit an assessment in light of the other Party's interests.

Article 11.7. Consultation

1. For the purpose of promoting understanding between the Parties, or to address specific matters arising under this Chapter, at the request of the other Party, a Party shall enter into consultations with the requesting Party, provided that it is not contrary to the laws of the Parties and does not affect any research being conducted.

2. Inits request, the requesting Party shall indicate, if appropriate, how the matter affects trade or investment between the Parties. The Party addressed shall give full and sympathetic consideration to the concerns of the requesting Party.

3. To facilitate discussion of the subject matter of the consultations, the national competition authorities of each Party shall endeavor to provide relevant, non-confidential and non-privileged information to the other Party.

Article 11.8. Exchange of Information

1. Each Party shall endeavor, upon request of the other Party, to provide information to facilitate the effective enforcement of its respective competition laws, provided that it does not affect any ongoing investigation and is consistent with the laws and regulations governing the competition authorities possessing the information.

2. Each Party shall maintain the confidentiality of any information provided as confidential by the competition authority of the other Party and shall not disclose such information to any entity that is not authorized by the Party providing the information.

Article 11.8. Technical Cooperation

1. The Parties may promote technical cooperation, including the exchange of experiences, capacity building through training programs, workshops and research collaborations, in order to enhance each Party's capacity related to competition policy and enforcement.

2. The Parties agree to cooperate in a manner consistent with their respective laws and within reasonably available resources.

Article 11.10. Consumer Protection

1. Each Party shall adopt or maintain national consumer protection or other laws, recognizing that enforcement of such laws is in the public interest. Laws adopted or maintained by a Party to prohibit such activities may be administrative, civil or criminal in nature.

2. The Parties may cooperate on matters of mutual interest relating to consumer protection. Such cooperation shall be carried out in a manner consistent with the Parties' respective laws and within their available resources.

3. Each Party also recognizes the importance of improving awareness of and access to consumer redress mechanisms.

Article 11.11. Independenceof Competition Law Enforcement

This Chapter should not interfere with the independence of cach Party in the application of their respective competition laws.

Article 11.12. Dispute Settlement

No Party may resort to dispute settlement under this Agreement for any matter arising under this Chapter.

Article 11.13. Definitions

For the purposes of this Chapter:

anti-competitive business conduct means business conduct or transactions that adversely affect competition in the territory of a Party, such as:

(a) agreements between undertakings, decisions by associations of undertakings and concerted practices that have as their object or effect the prevention, restriction or distortion of competition in the territory of any Party as a whole or in a substantial part thereof;

(b) any abuse by one or more enterprises of a dominant position in the territory of any of the Parties as a whole or in a substantial part thereof;

(b) concentrations between undertakings, which significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position in the territory of any Party as a whole or in a substantial part thereof; or

(d) acts of unfair competition.

competition laws means:

(a) for China, the Anti-Monopoly Law, the Law Against Unfair Competition and the implementing regulations and amendments; and

(b) for Ecuador, the Law of Regulation and Control of Market Power, the Regulations to the Organic Law of Regulation and Control of Market Power and the implementing regulations and amendments.

Chapter 12. Transparency

Article 12.1. Points of Contact

1. Each Party shall designate a point of contact to facilitate communication between Parties on any matter related to this Agreement.

2. At the request of the other Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

Article 12.2. Publication

1. Each Party shall ensure that measures relating to any matter covered by this Agreement are published in a timely manner or made available in such a manner as to enable interested persons of the other Party and the other Party to become acquainted with them.

2. To the extent possible, each Party shall allow a reasonable period of time for the other Party and interested persons of the other Party to provide comments to the competent authorities before the above-mentioned measures are applied.

Article 12.3. Notification and Provision of Information

1. To the extent possible, cach Party shall notify the other Party of any actual or proposed measure that the Party considers could materially affect the operation of this Agreement or substantially affect the other Party's legitimate interests under this Agreement.

2. Upon request of the other Party, to the extent possible, a Party shall, in a timely manner, provide information and respond to questions regarding any current or proposed measure that the other Party considers could materially affect the operation of this Agreement or substantially affect its legitimate interests under this Agreement, whether or not the other Party has previously been notified of that measure.

3. Any notification or information provided under this Article shall be without prejudice to whether the measure is consistent with this Treaty.

4. The information referred to in this Article shall be deemed to be provided when, by appropriate notification, it has been made available to the WTO or when it is available on the official, public and freely accessible website of the requested Party.

Article 12.4. Administrative Procedures

1. With a view to administering in a consistent, impartial and reasonable manner all measures of general application affecting matters covered by this Agreement, each Party shall ensure that, in its administrative proceedings in which measures referred to in Article 12.2 (Publication) are applied to particular persons or goods of the other Party on a case-by-case basis, that:

(a) whenever possible, persons of the other Party who are directly affected by a proceeding are given reasonable notice, in accordance with domestic procedures, when the proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any matter in dispute;

(b) such persons have a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding and the public interest permit; and

(c) its procedures are in accordance with national legislation.

Article 12.5. Review and Appeals

1. Each Party shall establish or maintain tribunals or procedures for the purpose of prompt review and, where warranted, correction of final administrative actions relating to the implementation of laws, regulations, procedures and administrative rulings of general application relating to any matter covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority charged with administrative enforcement and shall have no substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such court or proceeding, the parties to the proceeding have the right to:

(a) areasonable opportunity to support or defend their respective positions; and

(b) a decision based on evidence and submissions of record or, where required by national law, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided in its domestic law, that such decisions are implemented by and govern the practice of the office or authority with respect to the administrative action that is the subject of the decision.

Article 12.6. Relationship with other Chapters

1. This Chapter shall not apply to Chapter 16 (Economic Cooperation).

2. 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 12.7. 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 falling generally within its scope and that establishes a standard of conduct, but does not include:

(a) a ruling or determination made in an administrative or quasi-judicial proceeding, where applicable, that applies to a person, good or service of the other Party in a specific case; or

(b) aruling that fails with respect to a particular act or practice; and

measures means laws, regulations, procedures and administrative rulings of general application.

Chapter 13. Dispute Settlement

Article 13.1. Cooperation

The Parties shall at all times endeavor to agree on the interpretation and application of this Agreement and shall make every effort to reach a mutually satisfactory resolution of any matter that may affect their operation when a dispute occurs through cooperation and consultation.

Article 13.2. Scope of Application (7)

Except as otherwise provided in this Agreement, where a Party considers that a measure of the other Party is inconsistent with its obligations under this Agreement or the other Party has otherwise failed to comply with its obligations under this Agreement, and with respect to the prevention or settlement of all disputes between the Parties concerning the interpretation or application of this Agreement, the dispute settlement provisions of this Chapter shall apply.

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

Article 13.3. Election of Forum

1. Where a dispute arises under this Agreement and another trade agreement to which both Parties are party, including the WTO Agreements, the complaining Party may select the forum in which to resolve the dispute.

2. Once the complaining Party has requested the establishment of, or otherwise referred a matter to, a panel or tribunal under an agreement referred to in paragraph 1, the forum selected shall be used to the exclusion of other forums.

Article 13.4. Consultations

1. The Parties shall make every effort to reach a mutually satisfactory resolution of any dispute through consultations in accordance with this Article or other consultative provisions of this Treaty.

2. A Party may request consultations with the other Party with respect to any measure or other matter that it considers may affect the interpretation or application of this Agreement. The request for consultations shall be in writing and shall state the reasons for the request, including identification of the measure in dispute and an indication of the legal basis for the complaint. The complaining Party shall deliver the request to the Party consulted.

3. If a request for consultations is made, the consulted Party shall respond to the request within 10 days from the date of its receipt and shall enter into consultations in good faith, with a view to reaching a mutually satisfactory solution, within a period of:

(a) 15 days after the date of receipt of the request in urgent matters relating to perishable goods, or

(b) 30 days after the date of receipt of the application for all other matters.

4. In a consultation, each Party shall provide sufficient information to permit a full analysis of how the measure in force or other matter in question could affect the operation and implementation of this Agreement.

5. If the consulted Party fails to respond or to initiate consultations within the time limit specified in paragraph 3, then the complaining Party may proceed directly to request the establishment of an Arbitral Tribunal in accordance with Article 13.6 (Request for Establishment of an Arbitral Tribunal).

6. Consultations may be held in person or by any technological means available to the Parties. Unless otherwise agreed by the Parties, if the consultations are face-to-face, they shall be held alternately between the cities of each Party. The city for such meetings shall be identified by the host Party. Face-to-face meetings shall commence in a city of the Party consulted.

7. Consultations shall be confidential and shall be without prejudice to the rights of either Party in any other proceeding.

Article 13.5. Good Offices, Conciliation and Mediation

1. The Parties may voluntarily agree at any time to good offices, conciliation and mediation. These procedures may be commenced and terminated at any time.

2. Proceedings involving good offices, conciliation and mediation, and in particular the positions taken by the Parties during such proceedings, shall be confidential and without prejudice to the rights of cither Party in any other proceedings.

Article 13.6. Application for the Establishment of an Arbitral Tribunal

1. Ifthe consultation referred to in Article 13.4 (Consultations) fails to resolve the matter within 60 days, or 30 days in urgent matters involving perishable goods, after receipt of the request for consultations, the complaining Party may request in writing the establishment of an Arbitral Tribunal to consider the matter and shall appoint an arbitrator.

2. The complaining Party shall indicate in the request whether consultations were held, identify the specific measures in dispute and provide a brief summary of the legal basis of the complaint, sufficient to present the problem clearly, and deliver the request to the Party consulted. The Arbitral Tribunal is established upon receipt of a request.

3. Unless the disputing Parties agree otherwise, the tribunal shall be established, selected and perform its functions in a manner consistent with this Chapter.

Article 13.7. Composition of an Arbitral Tribunal

1. The Parties shall apply the following procedures in selecting the Tribunal:

(a) The Arbitral Tribunal shall be composed of three members;

(b) Within 15 days after the establishment of the arbitral tribunal, the Party complained against shall appoint an arbitrator;

(c) The Parties shall appoint by mutual agreement the third arbitrator, who shall act as presiding arbitrator, within 30 days after the establishment of the arbitral tribunal;

(d) If any arbitrator of the arbitral tribunal has not been designated or appointed within 30 days after the establishment of the arbitral tribunal, any Party may request that the Director-General of the WTO designate an arbitrator within 30 days of such request. If one or more arbitrators are appointed pursuant to this paragraph, the Director-General of the WTO shall be authorized to designate the Chairman of the Tribunal. The date of composition of the arbitral tribunal shall be the date of appointment of the chairman.

2. Unless otherwise agreed by the Parties, the presiding arbitrator shall be the chairman of the arbitral tribunal:

(a) shall not be a national of either Party;

(b) shall not have his or her habitual residence in the territory of either Party;

(c) shall not be employed by either Party; and

(d) will not have dealt with the matter in any way.

3. All arbitrators shall:

(a) have specialized knowledge or experience in law, international trade, other matters covered by this Agreement, or dispute resolution arising under international trade agreements relevant to the subject matter in dispute;

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

(c) be independent of both Parties, and not be affiliated with or receive instructions from either Party;

(d) comply with a code of conduct in accordance with the rules set forth in WTO document WT/DSB/RC/1.

4. If an arbitrator appointed pursuant to this Article resigns or becomes unable to act, an alternate arbitrator shall be appointed within 30 days in accordance with the selection procedure prescribed for the appointment of the original arbitrator. The alternate shall have all the powers and duties of the original arbitrator. The work of the arbitral tribunal shall be suspended during the replacement of the successor.

5. If a Party considers that an arbitrator is violating the code of conduct referred to in paragraph 3(d), both Parties shall consult and, if they agree, the arbitrator shall be removed, and a new arbitrator shall be appointed in accordance with this Article.

Article 13.8. Functions of the Arbitral Tribunal

1. The function of an arbitral tribunal is to make an objective assessment of the matter submitted to it, including an analysis of the facts of the case and the applicability of and compliance with this Treaty.

2. Unless otherwise agreed by the Parties within 20 days from the date of the establishment of the arbitral tribunal, the terms of reference shall be:

"To consider, in the light of the relevant provisions of this Treaty, the question referred to in the request for the establishment of a panel in accordance with Article 13.6 (Request for Establishment of an Arbitral Tribunal) and make findings of fact and conclusions of law, together with reasons and recommendations, if any, for the resolution of the dispute."

3. Where the Parties have agreed different terms of reference, they shall notify the tribunal within 2 days of their composition.

4. Where an arbitral tribunal finds that a measure is inconsistent with this Agreement, it shall recommend that the Party complained against bring the measure into conformity with this Agreement.

5. The arbitral tribunal shall consider this Agreement in accordance with customary tules of interpretation of public international law. The arbitral tribunal, in its rulings and recommendations, may not add to or diminish the rights and obligations provided for in this Agreement.

Article 13.9. Rules of Procedure of an Arbitral Tribunal

1. Unless the Parties agree otherwise, the arbitral tribunal shall follow the rules of procedure set forth in Annex 6 (Rules of Procedure of the Arbitral Tribunal) and may, after consultation with the Parties, adopt additional rules of procedure not inconsistent with Annex 6.

2. The remuneration of the arbitrators and other expenses of the arbitral tribunal shall be borne by the Parties in equal shares.

Article 13.10. Suspension or Termination of Proceedings

The Parties may agree that the arbitral tribunal shall suspend its work at any time for a period not exceeding 12 months from the date of such agreement. If the work of the arbitral tribunal has been suspended for more than 12 months, the authority for the establishment of the arbitral tribunal shall lapse unless the Parties agree otherwise, without prejudice to the right of the complaining Party to request consultations and subsequently request the establishment of a tribunal on the same matter at a later stage. This paragraph shall not apply where the suspension is the result of good faith attempts to reach a mutually satisfactory solution in accordance with Article 13.5 (Good Offices, Conciliation and Mediation).

The Parties may agree to terminate the arbitral tribunal proceedings by prior to the notification of the court's report.

Article 13.11. Report of the Arbitral Tribunal

1. The arbitral tribunal shall base its report on the relevant provisions of this Agreement, the submissions and arguments of the Parties and such other information, if any, as it has obtained in accordance with paragraph 14 of Annex 6 (Rules of Procedure of the Arbitral Tribunal).

2. Unless the Parties to the dispute agree otherwise, the arbitral tribunal shall submit an initial report to the Parties:

(a) within 120 days from the date of its composition; or

(b) in case of urgent matters relating to perishable goods, within 60 days from the date of the composition of the arbitral tribunal.

3. The initial report will include:

(a) factual and legal background; and

(b) its findings as to whether a Party has failed to comply with its obligations under this Treaty, or any other determination if so requested in the terms of reference.

4. In exceptional cases, if the arbitral tribunal considers that it cannot issue its initial report within 120 days, or within 60 days in the case of urgent matters involving perishable goods, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will issue its report. Any delay shall not exceed an additional 30 days, unless otherwise agreed by the Parties.

5. Unless otherwise agreed by the Parties, each Party may submit written comments to the arbitral tribunal within 15 days after the issuance of the initial report.

6. The arbitral tribunal shall make every effort to reach its decisions by consensus. If the arbitral tribunal is unable to reach a consensus, it may make its decision by majority vote. The arbitrators may cast saved votes on matters not unanimously agreed upon. All opinions expressed in the report of the arbitral tribunal by individual arbitrators shall be anonymous.

7. After considering any written comments on the initial report, the arbitral tribunal may reconsider its report and make any additional analysis it deems appropriate.

Article 13.12. Final Report

1. After considering the written comments submitted by the Parties, and conducting any additional analysis it deems appropriate, the arbitral tribunal shall submit its final report, including any saved votes on matters not unanimously agreed, to the Parties within 30 days of the issuance of the initial report, or 15 days in the case of urgent matters involving perishable goods.

2. Unless either Party disagrees, the final report shall be made available to the public no later than 15 days after its issuance to the Parties, subject to the protection of confidential information.

3. The final report of the arbitral tribunal is final and binding on the Parties.

Article 13.13. Request for Clarification of Report

1. Within 15 days after notification of the report, either Party may submit a written request to the tribunal to clarify any clement that the Party considers requires further explanation or definition. The panel shall send a copy of the request to the other Party.

2. The court shall respond to the request within 15 days of the filing of such request. The court's clarification shall only be a

more precise explanation of the contents of the report, and not an amendment of the report.

3. The filing of the request for clarification shall not postpone the effect of the tribunal's report or the enforcement of the decision made, unless the tribunal decides otherwise.

Article 13.14. Compliance with the Final Report of the Arbitral Tribunal

1. Where the arbitral tribunal concludes that a Party has not complied with its obligations under the obligations under this Agreement, the failure, whenever possible, shall be to eliminate the nonconformity.

2. Unless the Parties reach an agreement on compensation or other mutually satisfactory solution, the Party complained against shall implement the recommendations contained in the final report of the arbitral tribunal within a reasonable period of time if immediate compliance is not feasible.

Article 13.15. Reasonable Time

1. The reasonable period of time referred to in Article 13.14: (Compliance with the Final Report of the Arbitral Tribunal) shall be mutually determined by the Parties. Where the Parties fail to agree on the reasonable period of time within 45 days after the issuance of the final panel report, cither Party may, to the extent possible, refer the matter to the original arbitral tribunal, which shall determine the reasonable period of time.

2. The panel shall communicate its ruling to the Parties within 60 days from the date of the referral of the matter. Where the arbitral tribunal considers that it cannot submit its report within this period, it shall inform the Parties in writing of the reasons for the delay, together with an estimate of the time within which it will provide its determination. Any delay shall not exceed an additional 30 days, unless the Parties agree otherwise.

3. The reasonable period of time should normally not exceed 15 months from the date of publication of the final report of the arbitral tribunal. The reasonable period of time may be extended by mutual agreement of the Parties.

Article 13.16. Review of Compliance

1. Without prejudice to the procedures under Article 13.17 (Suspension of Concessions or Other Obligations), if the Party complained against considers that it has eliminated the non-conformity found by the arbitral tribunal, it may notify the complaining Party in writing with a description of how the non-conformity has been eliminated. If the complaining Party does not agree, it may refer the matter back to the original arbitral tribunal within 45 days after receipt of such written notice, and the matter shall be decided by recourse to the dispute settlement procedures provided for in this Chapter. Otherwise, the complaining Party shall promptly stop the suspension of concessions or other obligations referred to in Article 13.17 (Suspension of Concessions or Other Obligations).

2. The arbitral tribunal shall submit its report to the Parties within 60 days from the date of the referral of the case. Where the arbitral tribunal considers that it cannot submit its report within this period, it shall inform the Parties in writing of the reasons for the delay, together with an estimate of the time within which it will submit its report. Any delay shall not exceed an additional 30 days, unless the Parties agree otherwise.

3. The provisions of this Chapter relating to the procedure of the arbitral tribunal shall apply mutatis mutandis to the procedure provided for in this Article.

Article 13.17. Suspension of Concessions or other Obligations

1. If the arbitral tribunal, pursuant to Article 13.16 (Compliance Review), determines that the Party complained against fails to bring the measure found to be inconsistent with this Agreement into conformity with the recommendations and rulings of the arbitral tribunal within the reasonable period of time, or the Party complained against expresses in writing that it will not implement the recommendations and rulings, that Party shall, if so requested by the complaining Party, enter into negotiations with the complaining Party, with a view to agreeing on mutually acceptable compensation. If the Parties do not reach agreement on compensation within 20 days after the commencement of negotiations for compensation, or if no such request has been made, the complaining Party may suspend the application of concessions or other obligations to the Party complained against. The complaining Party shall notify the Party complained against 30 days before suspending concessions or other obligations. The notification shall indicate the level and scope of the suspension of concessions or other obligations.

2. The level of suspension of concessions or other obligations shall be equivalent to the level of nullification or impairment.

3. The suspension of concessions or other obligations shall be temporary measures and shall only apply until the measure found to be inconsistent with this Treaty has been eliminated or a mutually satisfactory solution has been reached.

4. When considering which concessions or other obligations to suspend:

(a) the complaining Party shall first seek to suspend concessions or other obligations in the same sector or sectors affected by the measure that the arbitral tribunal has found to be inconsistent with the obligations under this Agreement; and

(b) if the complaining Party considers that it is not practicable or effective to suspend concessions or other obligations in the same sector or sectors, it may suspend concessions or other obligations in other sectors. The communication announcing such a decision shall state the reasons on which it is based.

5. Upon written request by the Party complained against, the original arbitral tribunal shall determine whether the level of concessions or other obligations to be suspended by the complaining Party is excessive in accordance with paragraph 2 and/or whether paragraph 3 has not been followed. If the arbitral tribunal cannot be established with its original members, it shall be composed in accordance with the procedures set forth in Article 13.7 (Composition of an Arbitral Tribunal).

6. The arbitral tribunal shall make its determination within 60 days of the request made pursuant to paragraph 5, or from the date on which the last arbitrator is appointed if the arbitral tribunal cannot be established with its original members,

7. The complaining Party may not suspend the application of concessions or other obligations before the arbitral tribunal's determination is made in accordance with this Article.

Article 13.18. Post-Suspension

1. Without prejudice to the procedures provided for in Article 13.17 (Suspension of Concessions or Other Obligations), if the Party complained against considers that it has complied with the final report of the arbitral tribunal, it may notify the complaining Party in writing to request the termination of the suspension of concessions or other obligations.

2. If the complaining Party agrees, it shall reinstate any suspended concessions or other obligations pursuant to Article 13.17 (Suspension of Concessions or Other Obligations). If the complaining Party does not agree, it may refer the matter to the original arbitral tribunal within 60 days after receipt of such written notice. Otherwise, the complaining Party shall promptly stop the suspension of concessions or other obligations.

3. The arbitral tribunal shall issue its report within 60 days of the referral of the matter by the complaining Party pursuant to paragraph 1. If the arbitral tribunal finds that the Party complained against has eliminated the non-conformity, the complaining Party shall promptly cease the suspension of concessions or other obligations.

Article 13.19. Private Rights

Neither Party may provide for a right of action under its domestic law against the other Party on the ground that a measure of the other Party is inconsistent with this Treaty.

Article 13.20. Deadlines

Any time limit mentioned in this Chapter and in Annex 6 (Rules of Procedure of the Arbitral Tribunal) may be modified by mutual agreement of the Parties.

Chapter 14. Administration

Article 14.1. The Free Trade Commission

1. The Parties establish the Free Trade Commission (Commission), composed of representatives of the Parties as follows:

(a) in the case of China, the Ministry of Commerce (MOFCOM); and.

(b) in the case of Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP).

2. The Commission shall:

(a) supervise the implementation of this Treaty;

(b) the further development of this Treaty;

(c) to try to resolve any differences that may arise with respect to the interpretation or application of this Agreement;

(d) oversee the work of all committees and working groups established under this Treaty;

(e) establish the amounts of remuneration and expenses to be paid to the panelists; y

(f) consider any other matters that may affect the operation of this Treaty.

3. The Commission may:

(a) establish and delegate responsibilities to committees and working groups;

(b) promote the implementation of the objectives of the Treaty through consultation on any modification of:

(i) the Schedules attached to Annex 2 (Tariff Commitment Schedules), accelerating tariff elimination,

(ii) Chapter 4 (Rules of Origin and Application Procedures),

(c) adopt any other measures that the Parties may agree upon in the exercise of their functions.

4. The Commission shall establish its rules and procedures. All decisions of the Commission shall be taken by mutual agreement.

5. The Commission shall meet once a year in regular session, or as mutually determined by the Parties. The regular sessions of the Commission shall be organized and chaired alternately by each Party.

Article 14.2. Administration of the Dispute Resolution Procedure

1. Each Party shall designate an office to provide administrative assistance to arbitral tribunals established under Chapter 13 (Dispute Settlement) and to perform such other functions as the Commission may direct.

2. Each Party shall be responsible for the operation and costs of its designated office, and shall notify the Commission of the coordinates of its office.

Chapter 15. Exceptions

Article 15.1. General Exceptions

For the purposes of this Agreement, 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 and non-living exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in goods.

Article 15.2. Security Exceptions

For the purposes of this Treaty, Article XXI of GATT 1994 and its interpretative notes are incorporated into and form part of this Treaty, mutatis mutandis.

Article 15.3. Taxation

1. For the purposes of this Article:

tax treaty means a double taxation avoidance treaty or other international tax agreement or provision in force between the Parties; and

tax measures do not include a "customs duty" as defined in Article 2.1 (Definitions of General Application).

2. Except as provided in this Article, nothing in this Agreement shall apply to taxation measures.

3. This Agreement shall only grant rights or impose obligations with respect to taxation measures where corresponding rights or obligations are also granted or imposed under Article II of GATT 1994.

4. Nothing in this Agreement shall affect the rights and obligations of the Parties under any tax treaty in force between the Parties. In the event of any inconsistency relating to a taxation measure between this Agreement and such tax treaty, the latter shall prevail to the extent of the inconsistency. In the case of a tax treaty between the Parties, the competent authorities under such treaty shall be solely responsible for determining whether there is any inconsistency between this Agreement and such treaty.

Article 15.4. Balance of Payments Safeguard Measures

When the Party is in serious balance of payments and external financial difficulties or threat thereof, it may, in accordance with the WTO Agreement and in accordance with the Articles of Agreement of the International Monetary Fund, take such measures as it deems necessary.

Article 15.5. Disclosure of Information

Nothing in this Agreement shall be construed to require a Party to provide or permit access to confidential information, the disclosure of which shall not be subject to any obligation:

(a) hinders law enforcement; or

(b) is contrary to the public interest, to the Party's laws protecting personal privacy or to the financial affairs and accounts of individual customers of financial institutions; or

(c) harm the legitimate commercial interests of certain companies, whether public or private.

Chapter 16. Economic Cooperation

Article 16.1. General Objectives

1. The Parties shall establish close cooperation whose objectives, among others, are:

a) to promote economic and social development;

b) increase and deepen the level of cooperation, while taking into account the partnership relationship between the Parties;

c) increase and deepen the level of collaborative activities between the Parties and deepen them in areas of mutual interest;

d) strengthen the capacities and competitiveness of the Parties to maximize the opportunities and benefits derived from this Agreement;

e) stimulate productive synergies, create new opportunities for trade and investment, and promote competitiveness and innovation;

f) achieve a greater impact on the transfer of scientific and technological knowledge, research and development, innovation and entrepreneurship;

g) to increase the export capacity of small and medium-sized enterprises (hereinafter "SMEs")(8) ; and.

h) generate a higher and deeper level of supply chain linkages.

2. The Parties agree that economic and technical cooperation on this Agreement, taking into account the national capabilities of each Party, has will maximize the mutual benefits of the implementation and utilization of this Agreement.

(8) For the purposes of this Chapter, for Ecuador, "small and medium-sized enterprises" includes microenterprises, as well as actors of the social and solidarity economy as defined in Ecuador's domestic legislation.

Article 16.2. Scope

1. The Parties reaffirm the importance of all forms of cooperation as a means of contributing to the implementation of the objectives and principles derived from this Treaty.

2. The cooperation provided for in this Chapter shall complement the cooperation and the cooperation activities between the Parties established in other Chapters of this Agreement.

Article 16.3. Economic Cooperation

1. The objectives of the economic cooperation will be:

a) build on existing agreements or arrangements already in place for trade and economic cooperation; and

b) to advance and strengthen trade and economic relations between the Parties, taking into account all forms and levels of cooperation.

2. In pursuing the objectives of Article 16.1 (General Objectives), the Parties shall promote and facilitate, as appropriate, the following activities, including, but not limited to:

a) capacity building and technical assistance;

b) conferences, seminars, expert dialogues, training programs and workshops;

c) technology transfer in areas of mutual interest;

d) mutual access to academic, industrial and business networks;

e) the design of technological innovation models based on public and/or private cooperation;

f) political dialogue and regular exchanges of information and views on ways to promote and expand trade between the Parties;

g) keep each other informed about important economic and trade issues as well as obstacles to expanding economic cooperation;

h) support dialogue and the exchange of experiences between the Parties' respective business communities;

i) stimulate and facilitate public and/or private sector actions in areas of economic interest;

j) joint elaboration of technical studies and projects of economic interest in accordance with the economic development needs identified by the Parties;

k) provide assistance and facilities to businessmen and trade missions visiting the other Party with the knowledge and support of the relevant agencies; and

l) other forms of cooperation to be agreed upon by the Parties.

Article 16.4. Agricultural Cooperation

The Parties recognize that agriculture constitutes a basic activity for both Parties, and that the improvement of this economic field will improve the quality of life and social and economic development in their territories.

To achieve these objectives, and in accordance with their domestic laws, regulations and procedures, the Parties shall cooperate, inter alia, in activities to:

a) to promote sustainable rural development through the exchange of experiences, the generation of partnerships and the implementation of projects in areas of mutual interest such as: agricultural innovation and technology transfer for the development of small-scale agriculture, the conservation and management of water resources for agricultural use, the application of good agricultural and agro- industrial practices, including a gender approach in development policies and strategies, among others;

b) promote the exchange of information relevant to agricultural exports between the two markets;

c) to develop a training program aimed at leading producers, technicians and professionals for the application of innovative technologies to increase and improve the productivity and competitiveness of agriculture and livestock, particularly value-added products;

d) strengthen the institutional capacities of government agencies, research institutions, universities and companies in the areas of scientific research and technology transfer and validation, including, among others, soil management and nutrition, irrigation and drainage, animal nutrition, protected environment horticulture, traceability and safety, biofuels, and control of best manufacturing practices, food safety, diagnostic protocols (diseases) and control systems in the agricultural and livestock sectors;

e) develop and validate technologies for agricultural and livestock production with higher quality and lower environmental impact;

f) support, through market access, the production of non-traditional crops with a significant level of biodiversity components;

g) to support, through the improvement of laboratories and the construction of industrial and technological parks, the innovation of agroindustrial products, as well as traceability systems; and

h) strengthen cooperation in sanitary and phytosanitary areas between the relevant institutions of each Party with a view to facilitating access to the markets of the other Party.

Article 16.5. Cooperation In the Field of Fisheries and Aquaculture

The Parties, recognizing the social and economic importance of fisheries and fishery products, shall work to cooperate in the field of fisheries and aquaculture, by:

a) strengthening research and productive capacities for the development of new products to increase direct human consumption, as well as facilitating the exchange of information and the conservation of natural resources, with a focus on responsible fishing;

b) strengthening public and private institutions related to fisheries and aquaculture development;

c) combating illegal, unreported and unregulated fishing by implementing more efficient and effective surveillance systems;

d) the exchange of experiences and best practices to strengthen the responsible development of artisanal fisheries and small-scale aquaculture and the diversification of their products and activities; and

e) the exchange of knowledge and technical assistance in the field of epidemiological surveillance of specific aquatic animal diseases, animal health and the development of contingency plans.

Article 16.6. Small and Medium-Sized Companies

1. The Parties recognize that SMEs contribute significantly to economic growth, employment and innovation and, therefore, seck to promote information exchange and cooperation to enhance the capacity of small and medium-sized enterprises to take advantage of and benefit from the opportunities created by this Agreement.

2. Each Party shall promote the exchange of information related to this Agreement that is relevant to SMEs, including the establishment and maintenance of a publicly accessible information platform and the exchange of information to share knowledge, experiences and best practices among the Parties.

3. The cooperation will include, among others, activities for:

a) share information and experience in the development of policies and programs to support SMEs;

b) Improve SMEs' access to markets and their participation in global value chains, including the promotion and facilitation of business-to-business partnerships;

c) develop human resources and management skills to increase knowledge of the Chinese and Ecuadorian markets;

d) promoting the use of e-commerce by SMEs;

e) explore opportunities for the exchange of experiences between the Parties' business programs;

f) define technology transfer: programs aimed at transferring technological innovation to SMEs and improving their productivity;

g) design and implement mechanisms to promote alliances and the development of productive linkage processes;

h) encourage partnerships and information exchanges between financial players (credit, banks, guarantee organizations, angel networks and venture capital firms) to support SMEs;

i) supporting new exporting SMEs (sponsorship, exporters' club); and

j) support SME participation in trade fairs, trade missions, and other promotion mechanisms.

Article 16.7. Export Promotion

1. In order to obtain greater benefits from this Agreement, the Parties recognize the importance of supporting existing programs related to export and investment promotion and launching new ones.

2. The cooperation will include, among others, activities for:

a) strengthen export capabilities through training and technical assistance programs;

b) establish and develop mechanisms related to market research, including the exchange of information and access to international databases, among others;

c) create exchange programs for exporters with the objective of providing knowledge of the Chinese or Ecuadorian market,

d) linking national producers with international markets by promoting productive linkages with export activity; and

e) Promote the implementation of research, development, technology and innovation programs to increase the supply of exports and encourage investment.

Article 16.8. Tourist Cooperation

1. In this field, the objective of cooperation will be to strengthen the promotion of the Parties' tourism potential, as well as to facilitate the exchange of information and the conservation of natural and cultural attractions.

2. The Parties shall develop tourism through:

a) strengthening public and private institutions related to tourism development;

b) the promotion of the main tourist destinations of each Party; and

c) language exchange programs for tourism students and professionals.

Article 16.9. Cooperation In Science, Technology and Innovation

1. The Parties recognize the importance of pursuing cooperation in science, technology and innovation, in accordance with their national policies, as a means to develop and promote productivity and trade. Therefore, both Parties agree:

a) Work on the basis of their existing agreements for cooperation in research, science and technology;

b) Encourage, where appropriate, government agencies, research institutions, universities, private enterprises, and other research organizations of the Parties to establish direct agreements to support cooperative activities, programs or projects within the framework of this Agreement, especially those related to trade.

c) focus cooperation activities towards sectors where there are mutual and complementary interests, with special emphasis on information and communication technologies, software development to facilitate trade between the Parties; as well as big data technology, information security, cybersecurity and artificial intelligence.

2. The Parties shall encourage and facilitate, as appropriate, the following activities, including, but not limited to:

a) identify strategies, in consultation with universities and research centers, to promote joint graduate studies and research visits;

b) exchange of technical and scientific personnel for the purpose of training and education in scientific and technical institutes, universities, factories, government agencies and other institutions of each Party;

c) exchange of experts from each Party with a view to providing technical and scientific expertise and specialized services in certain fields of science and technology;

d) exchange and provision of non-confidential scientific and technical data, as well as exchange of scientific samples;

e) promotion of advanced studies and projects in science and technology that will contribute to the long-term sustainable development of the Parties;

f) promote public-private partnerships for the development of innovative products and services and explore joint efforts to enter new markets;

g) scientific and technical cooperation for the Parties! software industry and fostering cooperation in the development of software for populations with specific needs;

h) improving research, technology and innovation capabilities by providing technological equipment and infrastructure; and

i) organize workshops and seminars on topics of interest to both Parties related to innovation, science, technology and ICT.

Article 16.10. Education

1. In pursuing the objectives of Article 16.1 (General Objectives), the Parties shall endeavor to take advantage of existing agreements or arrangements for cooperation in education; and to promote networking, mutual understanding and close working relations in education between the Parties.

2. The Parties shall encourage and facilitate, as appropriate, exchanges between their respective education-related agencies, institutions and organizations such as:

a) quality assurance processes in education;

b) preschool, primary and secondary education systems;

c) higher education;

d) technical education; and

e) business and industry collaboration for technical training.

3. The Parties shall encourage cooperation in education focusing on:

a) exchange of information, teaching materials and demonstration materials;

b) joint planning and implementation of programs and projects, and joint coordination of specific activities in agreed areas;

c) development of collaborative training, exchange of experiences, joint research and development, through undergraduate and graduate studies;

d) cooperation between higher education institutions of the Parties through the exchange of teaching staff, researchers and students in connection with academic programs,

e) develop a better understanding of cach Party's educational systems and policies, including information on skills assessment;

f) development of innovative resources for quality assurance;

g) means and methods to support learning and assessment, as well as the professional development of teachers and trainers;

h) collaboration between higher education institutions and companies, to develop the level of specialized knowledge and skills in the labor market;

i) development of an information system on educational statistics; j) language training; and k) scholarships and internships.

Article 16.11. Cultural Cooperation

1. In pursuing the objectives of Article 16.1 (General Objectives), the Parties shall endeavor to take advantage of existing agreements or arrangements for cultural cooperation; as well as to promote the exchange of information and cultural exchanges between the Parties.

2. The Parties shall encourage and facilitate, as appropriate, the following activities, including, but not limited to:

a) dialogue on cultural policies and promotion of local culture;

b) exchange of cultural events and promote the knowledge of artistic works;

c) exchange of experiences in conservation and restoration of national heritage;

d) exchange of experiences on management for the arts;

e) protect archacological monuments and cultural heritage;

f) have a mechanism for consultation between the cultural authorities of the Parties; and

g) generate programs for the digitization of historical documents aimed at preserving the national heritage.

Article 16.12. Cooperation In Traditional Medicine

1. In pursuing the objectives of Article 16.1 (General Objectives), the Parties shall endeavor to take advantage of existing agreements or arrangements for cooperation in traditional medicine; as well as to promote the exchange of information on traditional medicine among the Parties.

2. The Parties shall encourage and facilitate, as appropriate, the following activities, including, but not limited to:

a) encourage dialogue on Traditional Medicine policies and the promotion of their respective Traditional Medicine;

b) to raise awareness of the active effects of Traditional Medicine;

c) to promote the exchange of experiences in the conservation and restoration of Traditional Medicine;

d) Encourage the exchange of experiences on management, research and development of Traditional Medicine;

e) foster cooperation in the field of Traditional Medicine education, through training programs and media;

f) to promote cooperation in therapeutic services and the manufacture of Traditional Medicine products; and

g) To promote cooperation in Traditional Medicine in the field of research in order to contribute to the evaluation of the efficacy and safety of natural resources and products used in health care.

Article 16.13. Environmental Cooperation

The Parties shall promote the establishment of joint actions to promote green development.

The Parties will take the energy transition as an opportunity to stimulate new growth impulses in green development, through knowledge sharing and cooperation in bioeconomy and clean energy, strengthening environmental control and monitoring, and comprehensive remediation.

The Parties shall encourage and facilitate, as appropriate, the following activities, including, but not limited to:

a) cooperation in green development and bioeconomy, including areas related to clean energy such as photovoltaic, wind, nuclear, hydrogen and biomass energy;

b) technology transfer and technical assistance for the automotive fuel industry, new energy sources such as, but not limited to, electric batteries, smart charging service and battery recycling and disposal service, as well as energy storage systems;

c) encourage green financing programs;

d) designing and implementing strategies and programs for single-use plastic manufacturing alternatives and circular economy; and

e) construction of low environmental impact infrastructure.

Article 16.14. Other Areas of Cooperation

The Parties may agree to cooperate in other areas of mutual interest other than those already established in this Treaty. Cooperation in these areas shall be carried out through the competent authorities of each Party and upon agreement.

Article 16.15. Mechanisms of Cooperation

1. For the purpose of administering this Chapter and facilitating the management of cooperative activities, the Parties establish a Cooperation Committee (hereinafter "the Committee").

2. The Committee will be composed of representatives of the Ministry of Commerce of China, and representatives of the Ministry of Production, Commerce, Investment and Fisheries of Ecuador (MPCEIP) of the Ministry of Commerce of China, or

their successors.

3. The Parties shall designate national contact points to facilitate communication on possible cooperative activities. The contact points shall work with government agencies, representatives of the business sector, and educational and research institutions for the operation of this Chapter.

4. This Committee shall meet at least once a year, unless otherwise agreed by the Parties. When special circumstances arise, the Committee shall meet at any time at the request of either Party or the Commission.

5. For the purposes of this Chapter, the Committee shall have the following functions:

a) supervise the implementation of the framework of cooperation agreed upon by the Parties;

b) encourage the Parties to undertake cooperative activities in accordance with the cooperation scheme agreed upon by the Parties;

c) make recommendations on cooperative activities under this Chapter, in accordance with the strategic priorities of the Parties; and

d) review through each Party's regular reports, the operation of this Chapter and the implementation and fulfillment of its objectives among the relevant institutions of the Parties to help foster closer cooperation in thematic areas.

Article 16.16. Dispute Resolution

No Party may have recourse to Chapter 13 (Dispute Settlement) for any matter arising out of or relating to this Chapter.

Chapter 17. Final Provisions

Article 17.1. Annexes and Footnotes

The annexes and footnotes to this Treaty form an integral part thereof.

Article 17.2. Amendments

1. The Parties may agree to any modification or addition to this Agreement.

2. When so agreed and entered into force pursuant to Article 17.4 (Entry into Force and Termination), an amendment or addition shall constitute an integral part of this Agreement.

3. Such amendment or addition shall enter into force 60 days after the date on which the Parties have exchanged written notifications confirming the completion of their respective applicable legal procedures for its entry into force (9).

(9) In the case of Ecuador, modifications to the agreement will be carried out through a Resolution of the Foreign Trade Committee (COMEX) or its successor.

Article 17.3. Modification of the WTO Agreement

If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended, the Parties shall consult on the advisability of amending this Agreement.

Article 17.4. Effectiveness and Termination

1. The entry into force of this Agreement is subject to the completion of the necessary domestic legal procedures for each Party.

2. This Agreement shall enter into force 60 days after the date on which the Parties exchange written notification that such procedures have been completed, or after such other period as the Parties may agree.

3. Either Party may terminate this Agreement by giving written notice to the other Party. This Agreement shall expire 180 days after the date of such notice.

4. Within 30 days of the notification provided for in paragraph 3, cither Party may request consultations on whether the termination of any provision of this Agreement should take effect on a date later than that provided for in paragraph 3. Such consultations shall commence within 30 days of the delivery of such request by a Party.

Article 17.5. Future Work Program

The Parties will consider and mutually agree on future negotiations to expand the scope of the Treaty by including areas of interest at an appropriate time agreed by both Parties.

Article 17.6. Authentic Texts

This Agreement shall be in English, Chinese and Spanish. All three texts of this Agreement are equally authentic. In case of divergence, the English text shall prevail.

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

DONE in duplicate in Quito on May 10, 2023 and in Beijing on May 11, 2023.

For the Government of the Republic of Ecuador

For the Government of the People's Republic of China

Annex 6. Rules of Procedure of the Arbitral Tribunal

First Written Communications

1. The complaining Party is proposed to deliver its first written submission no later than 20 days after the appointment of the last arbitrator. The Party complained against is proposed to deliver its first written submission no later than 30 days after the date of delivery of the first written submission of the complaining Party, unless the arbitral tribunal decides otherwise.

2. A Party shall provide a copy of its first written submission to each of the arbitrators and to the other Party. A copy of the documents shall also be provided in electronic format.

Hearings

3. The chairman of the arbitral tribunal shall fix the date and time of the hearing after consultation with the Parties and other members of the tribunal. The place of the hearings shall be agreed by the Parties in accordance with Article 13.9 (Rules of Procedure of the Arbitral Tribunal). If there is no agreement, the place shall alternate between the territories of the Parties, the first hearing being held in the territory of the Party responding to the proceeding. The presiding arbitrator shall notify the Parties in writing of the date, time and place of the hearing. Unless cither Party disagrees, the panel may decide not to convene a hearing.

4. The panel may convene additional hearings.

5. All arbitrators shall be present at the hearings.

6. The hearings of the arbitral tribunal shall be held in camera.

Supplementary Written Comments

7. Within 20 days of the date of the hearing, each Party may submit a supplementary written submission in response to any matter that has arisen during the hearing. Supplementary written submissions shall be submitted in accordance with paragraph 2 of these Rules.

Written Questions

8. The arbitral tribunal may, at any time during the proceedings, put questions in writing to the Parties.

9. A Party shall deliver the written Answer to the arbitral tribunal and to the other Party in accordance with the timetable

established by the arbitral tribunal. Each Party shall be given the opportunity to submit written comments on the other Party's reply.

Confidentiality

10. The hearings of the arbitral tribunal and the documents submitted to it shall be kept confidential. Nothing in Chapter 13 (Dispute Settlement) shall prevent a Party from disclosing statements of its own positions to the public. Information submitted by a Party to the arbitral tribunal that that Party has designated as confidential shall be treated as confidential.

Ex parte contacts

11. The arbitral tribunal shall not meet or contact a Party in the absence of the other Party.

12. No Party may contact any arbitrator in connection with the dispute in the absence of the other Party or other arbitrators.

13. No panelist may discuss any aspect of the subject matter of the proceeding with a Party or both Parties in the absence of other arbitrators.

Role of the Experts

14. At the request of a Party, or on its own initiative, the arbitral tribunal may seek information and technical advice from any person or body it considers appropriate. Any information so obtained shall be provided to the Parties so that they may comment.

15. When the tribunal takes such information or technical advice into consideration in preparing its report, it shall also take into account any comments or observations submitted by the Parties on the information or technical advice.

Working Language

16. Unless otherwise agreed by the Parties, the working language of the dispute settlement proceedings shall be English. Whenever a document is submitted in Chinese or Spanish, the Party submitting the document shall submit an English translation.