

# **FREE TRADE AGREEMENT BETWEEN THE COOPERATION COUNCIL FOR THE ARAB STATES OF THE GULF AND THE REPUBLIC OF SINGAPORE**

The Governments of the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait (hereinafter referred to jointly as the "GCC" or severally as the "GCC Member States") and the Government of the Republic of Singapore (hereinafter referred to as "Singapore";

hereinafter the Governments of each of the GCC Member States and the Government of the Republic of Singapore being referred to individually as a "Party" and collectively as "the Parties";

RECOGNISING the long-standing friendship and strong economic and political ties between the GCC Member States and Singapore, and wishing to strengthen these links through the creation of a free trade area, thus establishing close and lasting relations;

DETERMINED to promote and strengthen the multilateral trading system, as set up through the World Trade Organization, in a manner conducive to the development of regional and international cooperation, thereby contributing to the harmonious development and expansion of world trade;

CONSCIOUS of the dynamic and rapidly changing global environment brought about by globalisation and technological progress which presents various economic and strategic challenges and opportunities to the Parties;

DETERMINED to develop and strengthen their economic and trade relations through the liberalisation and expansion of trade in goods and services in their common interest and for their mutual benefit;

AIMING to promote transfer of technology and expand trade;

CONVINCED that the establishment of a free trade area will provide a more favourable climate for the promotion and development of economic and trade relations between the Parties;

HAVE AGREED, in pursuit of the above, to conclude the following Agreement (hereinafter referred to as "this Agreement"):

## **Chapter 1. GENERAL PROVISIONS**

### **Article 1.1. Objectives****The Objectives of this Agreement Are:**

- (a) to achieve the liberalisation of trade in goods, in conformity with Article XXIV of the GATT 1994, pursuant to Chapter 2;
- (b) to achieve the liberalisation of trade in services, in conformity with Article V of the GATS, pursuant to Chapter 5; and
- (c) to achieve further liberalisation on a mutual basis of the government procurement markets of the Parties, pursuant to Chapter 6.

### **Article 1.2. General Definitions**

For the purposes of this Agreement:

(a) GCC Member States means the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait that are parties to the Charter of the Cooperation Council for the Arab States of the Gulf, and any State which becomes a party to the Charter of the Cooperation Council for the Arab States of the Gulf and accedes to this Agreement pursuant to Article 10.3;

(b) GATS means the General Agreement on Trade in Services in Annex 1B to the WTO Agreement;

(c) GATT 1994 means the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement. For the purposes of this Agreement, references to articles in the GATT 1994 include its Notes and Supplementary Provisions;

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

(e) WTO means the World Trade Organization;

(f) WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh, 15 April 1994; and

(g) Joint Committee means the Joint Committee established pursuant to Article 1.11 of this Agreement.

### **Article 1.3. Geographical Scope**

Without prejudice to Annex 3 to Chapter 3, this Agreement shall apply:

(a) to the land territory, internal waters, and the territorial sea of a Party, and the air-space above the territory in accordance with international law; as well as

(b) beyond the territorial sea, with respect to measures taken by a Party in the exercise of its sovereign rights or jurisdiction in accordance with international law.

### **Article 1.4. Taxation**

1. Unless otherwise provided for in this Agreement, the provisions of this Agreement shall not apply to any taxation measures.

2. Nothing in this Agreement shall affect the rights and obligations of any Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.

### **Article 1.5. Relation to other Agreements**

1. Each Party reaffirms its rights and obligations under the WTO Agreement vis-a-vis another Party and/or other agreements to which any one or more of the GCC Member States and Singapore are party thereto.

2. This Agreement shall not apply or affect the trade relations among the GCC Member States nor, unless expressly provided in this Agreement, shall it grant to Singapore rights and privileges that a GCC Member State grants exclusively to other GCC Member States.

### **Article 1.6. Regional and Local Government**

1. Each Party shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Agreement by the regional and local governments and authorities and by non-governmental bodies in the exercise of governmental powers delegated by central, regional and local governments and authorities within its territories.

2. This provision is to be interpreted and applied in accordance with the principles set out in paragraph 3 of Article I of the GATS and paragraph 12 of Article XXIV of the GATT 1994.

### **Article 1.7. Transparency**

1. Subject to Article 1.8, each Party shall, in accordance with its domestic laws and regulations, publish its laws, or otherwise make publicly available its laws, regulations, administrative rulings and judicial decisions of general application as well as international agreements to which the Party is a party, that may affect the operation of this Agreement.

2. Each Party shall promptly respond to specific questions by another Party and provide, upon request, information to that Party on matters referred to in paragraph 1 of this Article.

### **Article 1.8. Confidential Information**

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of information designated as confidential by another Party.

2. Nothing in this Agreement shall require a Party to disclose confidential information, the disclosure of which would impede law enforcement of the Party, or otherwise be contrary to the public interest, or which would prejudice the legitimate

commercial interests of any economic operator.

## **Article 1.9. General Exceptions**

1. For the purposes of Chapters 2 and 3, Article XX of the GATT 1994 is incorporated into and forms part of this Agreement, mutatis mutandis.

2. For the purposes of Chapter 5, Article XIV of the GATS, including its footnotes, is incorporated into and forms part of this Agreement, mutatis mutandis.

## **Article 1.10. Security Exceptions**

1. Nothing In this Agreement shall be construed:

(a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests; or

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

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

(ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;

(iii) in relation to Chapter 5, relating to the supply of services as carried out directly or indirectly for the purpose of provisioning a military establishment;

(iv) relating to the protection of critical public infrastructure, including, but not limited to, critical communications infrastructures, power infrastructures and water infrastructures, from deliberate attempts intended to disable or degrade such infrastructures;

(v) taken in time of domestic emergency, or war or other emergency in international relations; or

(c) to prevent any Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

2. The Joint Committee shall be informed, to the fullest extent possible, of measures taken under subparagraphs (b)(ii) and (c) of paragraph 1 of this Article.

## **Article 1.11. Joint Committee**

1. A Joint Committee shall be established under this Agreement.

2. The Joint Committee:

(a) shall be composed of representatives of the GCC Member States and Singapore; and

(b) may establish standing or ad hoc sub-committees or working groups and assign any of its powers thereto.

3. Unless otherwise mutually agreed by the Parties, the Joint Committee shall be convened in regular session at least once every two (2) years to review and assess the overall operation of this Agreement. The regular sessions of the Joint Committee shall be held alternately in the territories of the Parties.

4. The Joint Committee shall also hold special sessions within thirty (30) days from the date of a request thereof from any Party. 5. The functions of the Joint Committee shall be as follows:

(a) to review and assess the results and overall operation of this Agreement in the light of the experience gained during its application and its objectives;

(b) to consider any amendments to this Agreement that may be proposed by any Party, including the modification of concessions made under this Agreement;

(c) to endeavour to amicably resolve disputes between the Parties arising from the interpretation or application of this

Agreement, or any other Agreement relating to market liberalisation to which they are both parties;

(d) to supervise and coordinate the work of all sub-committees and working groups established under this Agreement; and

(e) to carry out any other functions as may be agreed by the Parties.

6. The Joint Committee shall establish its own rules of working procedures.

## **Article 1.12. Communications**

1. Each Party shall designate a contact point to receive and facilitate official communications among the Parties on any matter relating to this Agreement, except as otherwise provided for in paragraph 4 of Article 2.10 and paragraph 2 of Article 2.11.

2. All official communications in relation to this Agreement shall be either in the Arabic language or in the English language. The Parties agree that the choice of language of any communication shall be determined by considerations of efficiency and convenience.

# **Chapter 2. TRADE IN GOODS**

## **Article 2.1. Scope and Coverage**

This Chapter applies to trade in goods between the Parties.

## **Article 2.2. Definitions**

For the purposes of this Chapter:

customs duty (1) refers to any duty or charge of any kind imposed in connection with the importation of a product, including any form of surtax or surcharge in connection with such importation, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with a Party's WTO obligations, including excise duty as well as goods and services tax;

(b) anti-dumping or countervailing duty that is applied consistently with the provisions of Article VI of the GATT 1994, the Agreement on the Implementation of Article VI of the GATT 1994, and the Agreement on Subsidies and Countervailing Measures in Annex 1A to the WTO Agreement; or

(c) fee or other charge in connection with importation commensurate with the cost of services rendered and which does not represent a direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes.

(1) This definition of customs duty shall apply to all references to "customs duty" appearing in this Agreement.

## **Article 2.3. National Treatment**

1. The Parties shall accord national treatment in accordance with Article III of the GATT 1994, including its interpretative notes.

2. To this end, Article III of the GATT 1994 and its interpretative notes are incorporated into and form part of this Agreement, *mutatis mutandis*.

## **Article 2.4. Customs Duties**

1. Upon the entry into force of this Agreement, Singapore shall eliminate its customs duties applied on goods originating from GCC Member States in accordance with Annex 2 and GCC Member States shall eliminate its customs duties applied on goods originating from Singapore in accordance with Annex 1.

2. GCC Member States shall not increase an existing customs duty or introduce a new customs duty on the importation of goods originating in the territory of Singapore, or vice versa.

3. The Parties agree that this Agreement will not result in restricting existing trade flows.

## **Article 2.5. Temporary Admission**

1. Each Party shall, in accordance with its respective domestic laws, grant temporary admission free of customs duties for the following goods:

- (a) professional and scientific equipment, including their spare parts, owned and accompanied by a resident of a Party; and
- (b) goods intended for display or use at exhibitions, fairs or other similar events, including commercial samples for the solicitation of orders.

2. A Party shall not impose any condition on the temporary admission of a good referred to in paragraph 1 of this Article, other than to require that such good:

- (a) be accompanied by a security deposit in an amount no greater than the charges that would otherwise be owed on importation, releasable on exportation of the good;
- (b) be exported within three (3) months from the date it was temporarily admitted or such other period of time as is reasonably related to the purpose of temporary admission; and
- (c) be capable of identification when exported.

3. If any condition that a Party imposes under paragraph 2 of this Article has not been fulfilled, that Party may apply the customs duty and any other charges that would normally be owed on importation of the good.

4. Each Party shall, at the request of the importer and for reasons deemed valid by its Customs Administration, extend the time limit for temporary admission beyond the period initially fixed.

5. Each Party shall relieve the importer of liability for failure to export a temporarily admitted good upon presentation of satisfactory proof to the Party's Customs Administration that the good has been destroyed within the original time limit for temporary admission or any lawful extension. Prior approval will have to be sought from the Customs Administration of the importing Party before the good can be so destroyed.

## **Article 2.6. Non-tariff Measures**

1. No Party shall adopt or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation of any good destined for the territory of another Party, except in accordance with its WTO rights and obligations or the provisions of this Agreement.

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

## **Article 2.7. Customs Valuation**

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the Agreement on Implementation of Article VII of the GATT 1994 in Annex 1A to the WTO Agreement.

## **Article 2.8. Anti-dumping and Countervailing Duties, Subsidies and Safeguard Measures**

The rights and obligations of each of the GCC Member States and Singapore on anti-dumping and countervailing duties, subsidies and safeguard measures shall be governed by Articles VI, XVI and XIX of the GATT 1994 respectively, and the Agreement on Subsidies and Countervailing Measures, the Agreement on Safeguards and the Agreement on Agriculture in Annex 1A to the WTO Agreement.

## **Article 2.9. Transparency**

Article X of the GATT 1994 is incorporated into and form part of this Agreement.

## **Article 2.10. Technical Regulations, Standards and Conformity Assessment Procedures**

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment procedures shall be governed by the Agreement on Technical Barriers to Trade in Annex 1A of the WTO Agreement (hereinafter referred to as "the TBT Agreement").
2. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment procedures, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.
3. Without prejudice to paragraph 1 of this Article, where a Party considers that another Party has taken measures which are likely to create, or have created, an obstacle to trade, the Parties agree to hold consultations within the framework of the Joint Committee in order to find an appropriate solution, which is in conformity with the TBT Agreement.
4. For the purposes of this Chapter, the Parties shall exchange names and addresses of their official contact points with expertise in technical regulations, standards and conformity assessment procedures in order to facilitate technical consultations and the exchange of information.

## **Article 2.11. Sanitary and Phytosanitary Measures**

1. The rights and obligations of the Parties in respect of sanitary and phytosanitary measures shall be governed by the Agreement on the Application of Sanitary and Phytosanitary Measures in Annex 1A to the WTO Agreement (hereinafter referred to as "the SPS Agreement").
2. For the purposes of this Chapter, the Parties shall exchange names and addresses of their official contact points with expertise in sanitary and phytosanitary matters in order to facilitate technical consultations and the exchange of information.
3. Without prejudice to paragraph 1 of this Article, where a Party considers that another Party has taken measures which are likely to create, or have created, an obstacle to trade, the Parties agree to hold consultations within the framework of the Joint Committee in order to find an appropriate solution in conformity with the SPS Agreement.

## **Article 2.12. Restrictions to Safeguard the Balance-of-Payments**

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance-of-payments purposes.
2. Any such measures taken for trade in goods shall be in accordance with Article XII of the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994, the provisions of which are incorporated into and form part of this Agreement.

## **Article 2.13. State Trading Enterprises**

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

## **Article 2.14. Revision Clause**

Upon request by a Party, the Parties shall consult to consider accelerating the elimination of customs duties as set out in Annex 1 or incorporating into one Party's schedule, goods that are not subject to the elimination schedule. Further commitments between the Parties to accelerate the elimination of a customs duty on a good or to include a good in Annex 1 shall supersede any duty rate or staging category determined pursuant to their respective Schedules. These commitments shall enter into force after the Parties have exchanged notification certifying that they have completed the necessary internal legal procedures and on such dates as may be agreed between the Parties.

# **Chapter 3. RULES OF ORIGIN**

## **Section A. ORIGIN DETERMINATION**

### **Article 3.1. Definitions**

For the purposes of this Chapter:

- (a) aquaculture refers to the farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates

and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as, inter alia, regular stocking, feeding, protection from predators;

(b) consignment means goods which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;

(c) generally accepted accounting principles means the recognised consensus or substantial authoritative support in the territory of a Party, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices and procedures;

(d) good refers to a material or an article that has been produced or obtained, even if it is intended for later use in another production operation etc.;

(e) Harmonized System ("HS") means the Harmonized Commodity Description and Coding System, including its general rules and legal notes set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System;

(f) manufacture refers to any kind of working or processing, including assembly or specific operations;

(g) material refers to any ingredient, raw material, compound or part, etc., used in the production of a good;

(h) non-originating material means a material that does not qualify as originating under this Chapter; and

(i) production refers to growing, raising, mining, harvesting, fishing, aquaculture, trapping, hunting, manufacturing, processing, assembling or disassembling a good etc.

### **Article 3.2. Originating Goods**

For the purposes of this Agreement, goods shall be deemed as originating goods of a Party and shall be eligible for preferential treatment provided they are consigned according to Article 3.14 and:

(a) are wholly obtained or produced in the territory of the exporting Party according to Article 3.3; or

(b) have undergone sufficient working or production according to Article 3.4.

### **Article 3.3. Wholly Obtained or Produced Goods**

For the purposes of this Agreement, goods wholly obtained or produced in the territory of a Party shall be treated as originating goods of that Party. The following goods shall be considered as being wholly obtained or produced in the territory of a Party:

(a) mineral goods and natural resources extracted or taken from that Party's soil, waters, seabed or beneath the seabed;

(b) vegetable goods harvested or produced in the territory of that Party;

(c) live animals born and raised in the territory of that Party;

(d) goods obtained from animals referred to in subparagraph (c) of this Article or raised in the territory of that Party;

(e) goods obtained from hunting, trapping, fishing or aquaculture conducted in the territory of that Party;

(f) goods of sea fishing and other marine goods taken from outside its territorial waters by a vessel registered, recorded or licensed with a Party and flying its flag;

(g) goods produced and/or made on board a factory ship from goods referred to in subparagraph (f) of this Article, provided such factory ship is registered, recorded or licensed with a Party and flying its flag;

(h) goods, other than goods of sea fishing and other marine goods, taken or extracted from the seabed or the subsoil of the continental shelf or the exclusive economic zone of any of the Parties;

(i) goods, other than goods of sea fishing and other marine goods, taken or extracted from the seabed or the subsoil, in the Area outside the continental shelf and the exclusive economic zone of any of the Parties or of any other State as defined in the United Nations Convention on the Law of the Sea, by a vessel registered, recorded or licensed with a Party, or a person

of a Party;

(j) used articles collected in the territory of that Party which can no longer perform their original purpose there nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;

(k) waste or scrap resulting from consumption or manufacturing operations conducted in the territory of that Party, fit only for disposal or recovery of raw materials; and

(l) goods produced in the territory of that Party exclusively from goods referred to in subparagraphs (a) through (k) of this Article, or from their derivatives, at any stage of production.

### **Article 3.4. Sufficient Working or Production**

1. For the purpose of subparagraph (b) of Article 3.2, a good which has undergone sufficient working or production in the territory of a Party, as provided under this Article, shall be treated as an originating good of that Party.

2. A good is considered to have undergone sufficient working or production in the territory of a Party if the good:

(a) satisfies the product-specific rules of origin for the products specified in Annex 3; or

(b) attains a qualifying value added of not less than thirty five percent (35%) based on the ex-works price as determined in paragraph 3 of this Article.

3. For the purpose of subparagraph 2(b) of this Article, the following formula for qualifying value added shall apply:

$$\text{Ex-Works Price} - \text{N.O.M.} / \text{Ex-Works Price} \times 100 \geq 35\%$$

where:

(a) Ex-Works Price means the price paid for the good ex-works to the manufacturer in the Parties in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the good obtained is exported;

(b) N.O.M. is the value of the non-originating materials, as defined in subparagraph (h) of Article 3.1.

4. For the purpose of calculating the N.O.M. under subparagraph 3(b) of this Article, the value of the N.O.M. used in the production of a good in the territory of a Party shall be the cost, insurance and freight (CIF) value and shall be determined in accordance with the provisions of Part I of the Agreement on Implementation of Article VII of the GATT 1994 in Annex 1A to the WTO Agreement (hereinafter referred to as "Agreement on Customs Valuation"), or if the CIF value is not known and cannot be ascertained, the first ascertainable price paid for the material in the Party.

### **Article 3.5. Materials Used In Production**

For a non-originating material that undergoes sufficient production in the territory of one or both the Parties as provided for in Article 3.4, the total value of the resulting good shall be the originating value when that good is used in the subsequent production of another good.

### **Article 3.6. De Minimis**

Notwithstanding subparagraph 2(a) of Article 3.4, a good shall be considered as originating where the value of all non-originating materials used in the production of the good, which do not undergo the applicable change in tariff classification or fulfill any other condition set out in Annex 3, does not exceed ten percent (10%) of the ex-works price of the good.

### **Article 3.7. Accumulation**

Originating materials from the GCC, used in the production of a good in Singapore, shall be considered to originate in Singapore, or vice versa.

### **Article 3.8. Insufficient Operations**

1. The following operations or processes shall not be considered as sufficient production provided for in Article 3.4:

(a) operations to ensure the preservation of goods in good condition during transport and storage (such as drying, freezing,



keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);

(b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including assembly of sets of articles), washing, painting, cutting;

(c) changes in packing and breaking up and assembly of consignments;

(d) simple cutting, placing in bottles, slicing and re-packing in flasks, bags, boxes, fixing on cards or boards, and all other simple packing operations;

(e) affixing of marks, labels or other like distinguishing signs on goods or their packaging;

(f) slaughter of animals;

(g) any combination of two or more operations referred to in subparagraphs (a) to (f) above.

2. All operations carried out in a Party on a given good shall be considered together when determining whether the working or processing undergone by that good is to be regarded as insufficient within the meaning of paragraph 1 of this Article.

### **Article 3.9. Accessories, Spare Parts, Tools**

Each Party shall provide that the accessories, spare parts and tools dispatched with a piece of good, which are part of the normal good and included in the price thereof or which are not separately invoiced, shall be:

(a) regarded as one with the piece of good in question, and

(b) disregarded in determining whether all the non-originating materials used in the production of the good in Annex 3 undergo the applicable change in tariff classification.

### **Article 3.10. Packaging Materials and Containers for Retail Sale**

Each Party shall provide that packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 3 and, if the good is subject to qualifying value content requirement, the value of such packaging materials and containers shall be taken into account as originating or non-originating materials, as the case may be, in calculating the qualifying value content of the good.

### **Article 3.11. Packing Materials and Containers for Shipment**

Each Party shall provide that packing materials and containers in which a good is packed for shipment shall be disregarded in determining whether the good satisfies the qualifying value content requirement.

### **Article 3.12. Neutral Elements**

In order to determine whether a good originates, the value of the following neutral elements which might be used in its manufacture shall be excluded from the non- originating materials:

(a) plant and equipment;

(b) machines and tools; or

(c) goods which do not enter and which are not intended to enter into the final composition of the good.

### **Article 3.13. Accounting Segregation of Materials**

1. Each Party shall provide that the determination of whether fungible goods or materials are originating goods shall be made either by physical segregation of each good or material or through the use of any inventory management method, such as averaging, last-in, first-out, or first-in, first out, recognised in the generally accepted accounting principles of the Party in which the production is performed, or otherwise accepted by the Party in which the production is performed.

2. Each Party shall provide that an inventory management method selected under paragraph 1 of this Article for particular fungible goods or materials shall continue to be used for those fungible goods or materials throughout the fiscal year of the

Party that selected the inventory management method.

## **Section B. CONSIGNMENT CRITERIA**

### **Article 3.14. Direct Consignment**

1. The originating goods of a Party shall be deemed to meet the consignment criteria under this Agreement when they are:

(a) transported directly from the territory of that Party to the territory of another Party; or

(b) transported through the territory or territories of one or more non- Parties for the purpose of transit or temporary storing in warehouses in such territory or territories, and the goods have not entered into trade or consumption there, provided that:

(i) they do not undergo operations other than unloading, reloading or operations to preserve them in good condition; or

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

2. Evidence that the conditions set out in paragraph 1 of this Article have been fulfilled shall be supplied to the customs authorities of the importing Party by the production of:

(a) a single transport document covering the passage from the exporting Party through the country of transit; or

(b) a certificate issued by the customs authorities of the country of transit:

(i) giving an exact description of the goods;

(ii) stating the dates of unloading and reloading of the goods and, where applicable, the names of the ships, or the other means of the transport used; and

(iii) certifying the conditions under which the goods remained in the transit country; or

(c) where the documents referred to under subparagraphs (a) or (b) above cannot be produced, any substantiating documents acceptable to the customs authorities.

## **Section C. CONSULTATION AND MODIFICATIONS**

### **Article 3.15. Consultation and Modifications**

The Parties shall consult and cooperate as appropriate to:

(a) ensure that this Chapter is applied in an effective and uniform manner; and

(b) discuss necessary amendments to this Chapter, taking into account developments in technology, production processes, and other related matters.

## **Section D. APPLICATION AND INTERPRETATION**

### **Article 3.16. Application and Interpretation**

For the Purposes of this Chapter:

(a) the basis for tariff classification is the Harmonized System; and

(b) any cost and value referred to in this Chapter shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the Party in which the good is produced.

## **Chapter 4. CUSTOMS PROCEDURES**

### **Article 4.1. Scope**

This Chapter shall apply, in accordance with the Parties' respective national laws, rules and regulations, to customs procedures required for clearance of goods traded between the Parties.

## **Article 4.2. General Provisions**

1. The Parties recognise that the objectives of this Agreement may be promoted by the simplification of customs procedures for their bilateral trade.
2. Customs procedures of the Parties shall conform where possible, to the standards and recommended practices of the World Customs Organization.
3. The customs administration of each Party shall periodically review its customs procedures with a view to their further simplification and development to facilitate bilateral trade.

## **Article 4.3. Transparency**

1. Each Party shall ensure that its laws, regulations, guidelines, procedures, and administrative rulings governing customs matters are promptly published, either on the Internet or in print form.
2. Each Party shall designate, establish, and maintain one or more inquiry points to address inquiries from interested persons pertaining to customs matters, and shall endeavour to make available publically through electronic means, information concerning procedures for making such inquiries.
3. Nothing in this Article or in any part of this Agreement shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodologies.

## **Article 4.4. Risk Management**

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

## **Article 4.5. Paperless Communications**

1. For the purposes of trade facilitation, the Parties shall endeavour to provide an electronic environment that supports business transactions between their respective customs administration and their trading entities.
2. The Parties shall exchange views and information on realising and promoting paperless communications between their respective customs administration and their trading entities.
3. The respective customs administration of the Parties, in implementing initiatives which provide for the use of paperless communications, shall take into account the methodologies agreed at the World Customs Organization.

## **Article 4.6. Certification of Origin**

1. The certification of origin will be issued by the competent authority of each Party for the first two (2) years after the date of entry into force of this Agreement.
2. The Parties shall exchange specimen signatures of the authorised signatories issuing the certification of origin and shall provide specimen impressions of official seals at least six (6) months before the date of entry into force of this Agreement.
3. For the purposes of paragraph 1 of this Article, the Parties agreed to include the origin criterion text which would appear in the corresponding description of goods column of the Certification of Origin as "QUALIFYING VALUE CONTENT: %" or "CTC", as the case may be.
4. Notwithstanding paragraph 1 of this Article, at the first regular review session of this Agreement by the Joint Committee pursuant to paragraph 3 of Article 1.11, the Parties shall evaluate and decide on whether to continue with the issue of the certification of origin by the competent authority of each Party, or to switch to the self-certification procedures as set out in paragraphs 5 to 9 of this Article. If either Party is not ready to switch to self-certification during the first regular review session, the issue shall be deferred to subsequent reviews until such time where both Parties can agree to adopt the self-certification procedures.
5. In the case of self-certification, for the purpose of obtaining preferential tariff treatment in the other Party, a proof of

origin in the form of a certification of origin shall be completed in accordance with Annex 4 and signed by an exporter or producer of the exporting Party, certifying that a good qualifies as an originating good for which an importer may claim preferential treatment upon the importation of the good into the territory of the other Party.

6. The details in the certification of origin have been agreed between the Parties to consist of the HS Code, description and quantity of the goods, name of consignee, name of exporter or producer or manufacturer, and the country of origin.

7. Each Party shall:

(a) require an exporter in its territory to complete and declare a certification of origin for any exportation of goods for which an importer may claim preferential tariff treatment upon importation of the goods into the territory of the other Party; and

(b) provide that where an exporter in its territory is not the producer of the good, the exporter may complete and declare a certification of origin on the basis of:

(i) his knowledge of whether the good qualifies as an originating good; or

(ii) his reasonable reliance on the producer's written representation that the good qualifies as an originating good; or

(iii) a completed and signed certification for the good voluntarily provided to the exporter by the producer.

8. Nothing in paragraph 7 of this Article shall be construed to require a producer to provide a certification of origin to an exporter.

9. Each Party shall provide that a certification of origin that has been completed and signed by an exporter or producer in the territory of the other Party that is applicable to a single importation of a good into the Party's territory shall be accepted by its Customs Administration within six (6) months from the date on which the certification of origin was signed.

## **Article 4.7. Claims for Preferential Treatment**

1. Except as otherwise provided in this Chapter, each Party shall require an importer who makes a claim for preferential tariff treatment under this Agreement to:

(a) request preferential tariff treatment at the time of importation of an originating product, whether or not the importer has a certification of origin;

(b) make a written declaration that the good qualifies as an originating good;

(c) have the certification of origin in its possession at the time the declaration is made, if required by the importing Party's customs administration;

(d) provide an original or a copy of the certification of origin as may be requested by the importing Party's customs administration and, if required by that customs administration, such other documentation relating to the importation of the product; or

(e) promptly make a corrected declaration and pay any duties owing where the importer has reason to believe that a certification of origin on which a declaration was based contains information that is not correct.

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

3. Each Party shall, in accordance with its laws, provide that where a good would have qualified as an originating good when it was imported into the territory of that Party, the importer of the good may, within a period specified by the laws of the importing Party, apply for a refund of any excess duties paid as a result of the good not having been accorded preferential treatment.

## **Article 4.8. Waiver of Certification of Origin**

Each Party shall provide that a certification of origin shall not be required for the importation of a good whose value does not exceed US\$1,000 or its equivalent amount in the Party's currency, except that it may require that the invoice accompanying the importation shall include a statement certifying that the good qualifies as an originating good.

## **Article 4.9. Record Keeping Requirement**

1. Each Party shall provide that the exporter or producer in its territory that declares a certification of origin shall maintain in its territory, for thirty (30) months after the date on which the certification of origin was signed, all records relating to the origin of a good for which preferential tariff treatment was claimed in the territory of another Party, including records associated with:

(a) the purchase of, cost of, value of, shipping of, and payment for, the good that is exported from its territory;

(b) the sourcing of, purchase of, cost of, value of, and payment for, all materials, including indirect materials, used in the production of the good that is exported from its territory; and

(c) the production of the good in the form in which the good is exported from its territory.

2. Each Party shall provide that an importer claiming preferential tariff treatment for a good imported into the Party's territory shall maintain in that territory, for thirty (30) months after the date of importation of the good, such documentation, including a copy of the certification of origin, as the Party may require relating to the importation of the good.

3. The records to be maintained in accordance with paragraphs 1 and 2 of this Article may include electronic records and shall be maintained in accordance with the domestic laws and practices of each Party.

#### **Article 4.10. Cooperation In Origin Verification**

1. For the purpose of determining the authenticity and the correctness of the information given in the certification of origin, the importing Party may conduct verification by means of:

(a) requests for information from the importer;

(b) requests for assistance from the customs administration of the exporting Party as provided for in paragraph 2 of this Article;

(c) written questionnaires to an exporter or a producer in the territory of another Party through the competent authority of the exporting Party;

(d) visits to the premises of an exporter or a producer in the territory of another Party, subject to the consent of the exporter or the producer and the competent authority of the exporting Party; or

(e) such other procedures as the Parties may agree.

2. For the purposes of subparagraph 1(b) of this Article, the customs administration of the importing Party:

(a) may request the customs administration of the exporting Party to assist it in verifying:

(i) the authenticity of a certification of origin; and/or

(ii) the accuracy of any information contained in the certification of origin; and

(b) shall provide the customs administration of another Party with:

(i) the reasons why such assistance is sought;

(ii) the certification of origin, or a copy thereof; and

(iii) any information and documents as may be necessary for the purpose of providing such assistance.

3. To the extent allowed by its domestic law and practices, the customs administration of the exporting Party shall fully cooperate in any action to verify eligibility.

4. The Party conducting a verification shall, through its customs administration, provide the exporter or producer whose good is the subject of the verification with a written determination of whether the good qualifies as an originating good, including findings of fact and the legal basis for the determination.

#### **Article 4.11. Advance Rulings**

1. Each Party shall provide for the issuance of written advance rulings, prior to the importation of a good into its territory, to an importer of the good in its territory or to an exporter or producer of the good in another Party, as to whether the good

qualifies as an originating good. The importing Party shall issue its determination regarding the origin of the good within sixty (60) days from the date of receipt of an application for an advance ruling.

2. The importing Party shall apply an advance ruling issued by it under paragraph 1 of this Article. The customs administration of each Party shall establish a validity period for an advance ruling of not less than two (2) years from the date of its issuance.

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

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

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

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

(d) to conform with a judicial decision or a change in its domestic law.

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

5. Notwithstanding paragraph 4 of this Article, the issuing Party shall postpone the effective date of the modification or revocation of an advance ruling not exceeding ninety (90) days where the person to whom the advance ruling was issued demonstrates that he has relied in good faith to his detriment on that ruling.

## **Article 4.12. Penalties**

Each Party shall maintain measures imposing criminal, civil or administrative penalties, whether solely or in combination, for violations of its laws and regulations relating to this Chapter.

## **Article 4.13. Review and Appeal**

With respect to determinations relating to eligibility for preferential treatment under this Agreement or advance rulings, each Party shall provide that importers in its territory in accordance to its domestic laws or practices have access to:

(a) at least one level of administrative review of determinations by its customs administration independent (2) of either the official or office responsible for the decision under review; and

(b) judicial review of decisions taken at the final level of administrative review.

(2) For GCC Member States and Singapore the level of administrative review may include the competent authority supervising the customs administration.

## **Article 4.14. Sharing of Best Practices**

The Parties shall facilitate initiatives for the exchange of information on best practices in relation to customs procedures.

## **Article 4.15. Confidentiality**

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

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

# **Chapter 5. TRADE IN SERVICES**

## **Article 5.1. Definitions**

For the purposes of this Chapter:

- (a) a service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers;
  - (b) aircraft repair and maintenance services means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;
  - (c) commercial presence means any type of business or professional establishment, including through
    - (i) the constitution, acquisition or maintenance of a juridical person, or
    - (ii) the creation or maintenance of a branch or a representative office,within the territory of a Party for the purpose of supplying a service;
  - (d) computer reservation system services means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;
  - (e) direct taxes comprise all taxes on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of property, taxes on estates, inheritances and gifts, and taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation;
  - (f) juridical person means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship, branch or association, and in the case of the GCC Member States, a fund or authority constituted to manage a pool of monies and/or other assets for a defined objective;
  - (g) juridical person of a Party means a juridical person which is either:
    - (i) constituted or otherwise organised under the law of that Party; or
    - (ii) in the case of the supply of a service through commercial presence, owned or controlled by:
      - (A) natural persons of that Party; or
      - (B) juridical persons of that Party identified under subparagraph g(1) of this Article;
  - (h) measure means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;
  - (i) measures by a Party means measures taken by:
    - (i) central, regional or local governments and authorities; and
    - (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;
- In fulfilling its obligations and commitments under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory;
- (j) measures by a Party affecting trade in services includes measures in respect of:
    - (i) the purchase, payment or use of a service;
    - (ii) the access to and use of, in connection with the supply of a service, services which are required by the Parties to be offered to the public generally;
    - (iii) the presence, including commercial presence, of persons of that Party for the supply of a service in the territory of another Party;
  - (k) monopoly supplier of a service means any person, public or private, which in the relevant market of the territory of a Party is authorised or established formally or in effect by that Party as the sole supplier of that service;
  - (l) natural person of a Party means a natural person who is a national or permanent resident of a GCC Member State or Singapore, according to their respective legislation.

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

(n) sector of a service means,

(i) with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party's Schedule,

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

(o) selling and marketing of air transport services means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution. These activities do not include the pricing of air transport services nor the application conditions;

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

(q) service consumer means any person that receives or uses a service;

(r) service of a Party means a service which is supplied:

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

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

(s) service supplier means any person that supplies or seeks to supply a service; (3)

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

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

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

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

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

(iv) by a service supplier of a Party, through presence of natural persons of a Party in the territory of another Party ("presence of natural persons");

(v) traffic rights means the right for scheduled and non-scheduled services to operate and/or to carry passengers, cargo and mail for remuneration or hire from, to, within, or over the territory of a Party, including points to be served, routes to be operated, types of traffic to be carried, capacity to be provided, tariffs to be charged and their conditions, and criteria for designation of airlines, including such criteria as number, ownership, and control.

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

## **Article 5.2. Scope and Coverage**

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

This Chapter shall not apply to:

(a) subsidies or grants provided by a Party or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies are offered exclusively to domestic services, service consumers or service suppliers, including government-supported loans, guarantees and insurance;

(b) a service supplied in the exercise of governmental authority within the territory of each respective Party;

(c) government procurement; or

(d) measures affecting air traffic rights, however granted; or to measures affecting services directly related to the exercise of



air traffic rights, other than measures affecting:

- (i) aircraft repair and maintenance services;
- (ii) the selling and marketing of air transport services;
- (iii) computer reservation system services;
- (iv) rental services of aircraft with crew;
- (v) air transport management services.

3. New services, including new financial services, shall be considered for possible incorporation into this Chapter either by the Joint Committee at future reviews held pursuant to Article 1.11, or, at the request of any Party, by all the Parties through the most convenient available means for consultations. The supply of services which are not technically or technologically feasible when this Agreement comes into force shall, when they become feasible, also be considered for possible incorporation into this Chapter either by the Joint Committee at future reviews held pursuant to Article 1.11, or, at the request of any Party, by all the Parties through the most convenient available means for consultations.

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

5. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons of another Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits (4) accruing to another Party under the terms of this Chapter.

6. For the purposes of this Chapter, the Annex on Telecommunications of the GATS in Annex 1A to the WTO Agreement is incorporated into and form an integral part of this Chapter.

(4) The sole fact of requiring a visa for natural persons of a certain nationality and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

### **Article 5.3. Market Access**

1. With respect to market access through the modes of supply defined in subparagraph (u) of Article 5.1, each Party shall accord services and service suppliers of another Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule of specific commitments. (5)

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule of specific commitments, are:

- (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
- (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test (6);
- (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
- (e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
- (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

(5) If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in Article

5.1(u)(i) and if the cross-border movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in Article 5.1(u)(iii), it is thereby committed to allow related transfers of capital into its territory.

(6) Subparagraph 2(c) of Article 5.3 does not cover measures of a Party which limit inputs for the supply of services.

## **Article 5.4. National Treatment**

1. In the sectors inscribed in its Schedule of specific commitments, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of another Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers. (7)

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

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

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

## **Article 5.5. Additional Commitments**

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 5.3 or 5.4, including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule of specific commitments.

## **Article 5.6. Schedule of Specific Commitments**

1. Each Party shall set out in a Schedule the specific commitments it undertakes under Articles 5.3, 5.4 and 5.5. With respect to sectors where such commitments are undertaken, each Schedule of specific commitments shall specify:

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

(b) conditions and qualifications on national treatment;

(c) undertakings relating to additional commitments;

(d) where appropriate, the time-frame for implementation of such commitments; and

(e) the date of entry into force of such commitments. 2. Measures inconsistent with both Articles 5.3 and 5.4 shall be inscribed in the column relating to Article 5.3. In this case, the inscription will be considered to provide a condition or qualification to Article 5.4 as well.

3. The Schedules of specific commitments shall be annexed to this Chapter as Annexes 5 (GCC) and 6 (Singapore).

## **Article 5.7. Modification of Schedules**

1. A Party may modify or withdraw any commitment in its Schedule (referred to in this Article as the "modifying Party"), at any time after three (3) years have elapsed from the date on which that commitment entered into force, in accordance with the provisions of this Article. If one or more of the GCC Member States or Singapore modifies or withdraws any commitment in its Schedule, the GCC or Singapore, as the case may be, shall notify each other of the modifying Party's intent to modify or withdraw a commitment pursuant to this Article no later than three months before the intended date of implementation of the modification or withdrawal.

2. At the request of the affected Party, the modifying Party shall enter into negotiations with a view to reaching agreement on any necessary compensatory adjustment within six (6) months. In such negotiations and agreement, the any affected

Party and the modifying Party shall endeavour to maintain a general level of mutually advantageous commitments not less favourable to trade than that provided for in the Schedules of specific commitments prior to such negotiations. The Joint Committee shall be kept informed of the outcome of the negotiations.

3. If agreement is not reached between any affected Party and the modifying Party before the end of the period provided for negotiations, the affected Party may invoke the process in Chapter 9 (Settlement of Disputes).

4. If an affected Party does not refer the matter to dispute settlement sixty (60) days from the expiration of the period referred to in paragraph 3 of this Article, the modifying Party shall be free to implement the proposed modification or withdrawal.

5. The modifying Party may not modify or withdraw its commitment until it has made compensatory adjustments in conformity with the findings of the arbitration panel established pursuant to Article 9.4.

6. If the modifying Party implements its proposed modification or withdrawal and does not comply with the findings of the arbitration panel established pursuant to Article 9.4, the affected Party may modify or withdraw substantially equivalent benefits in conformity with those findings.

## **Article 5.8. Domestic Regulation**

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

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

3. The provisions of paragraph 2 of this Article shall not be construed to require a Party to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.

4. Where authorization is required for the supply of a service on which a specific commitment has been made, the competent authorities of a Party shall, within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.

5. With the objective of ensuring that domestic regulation, including measures relating to qualification requirements and procedures, technical standards and licensing requirements, does not constitute an unnecessary barrier to trade in services, the Parties shall jointly review the results of the negotiations on disciplines on these measures, pursuant to paragraph 4 of Article VI of the GATS, with a view to their incorporation into this Chapter. The Parties note that such disciplines aim to ensure that such requirements are, inter alia:

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

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

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

6. Pending the incorporation of disciplines pursuant to paragraph 5 of this Article, for sectors where a Party has undertaken specific commitments and subject to any terms, limitations, conditions or qualifications set out therein, a Party shall not apply licensing and qualification requirements and technical standards that nullify or impair such specific commitments in a manner which:

(a) does not comply with the criteria outlined in subparagraphs (a), (b) or (c) of paragraph 5 of this Article; and

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

7. In determining whether a Party is in conformity with the obligation under paragraph 6 of this Article, account shall be taken of international standards of relevant international organisations (8) applied by that Party.

(8) The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of the

## **Article 5.9. Recognition**

1. For the purposes of the fulfillment of its standards or criteria for the authorisation, licensing or certification of services suppliers, a Party may recognise the education or experience obtained, requirements met, or licenses or certifications granted in another Party.
2. The Parties shall encourage their relevant competent bodies to enter into negotiations on recognition of professional qualifications, licenses, or registration procedures with a view to the achievement of early outcomes.
3. Any arrangement reached pursuant to paragraph 2 of this Article shall be consistent with this Agreement.

## **Article 5.10. Monopolies and Exclusive Service Suppliers**

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's Schedule of specific commitments.
2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's Schedule of specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.
3. If a Party has reason to believe that a monopoly supplier of a service of another Party is acting in a manner inconsistent with paragraphs 1 or 2 of this Article, it may request the Party establishing, maintaining or authorizing such supplier to provide specific information concerning the relevant operations.
4. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:
  - (a) authorizes or establishes a small number of service suppliers; and
  - (b) substantially prevents competition among those suppliers in its territory.

## **Article 5. Business Practices**

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 5.10, may restrain competition and thereby restrict trade in services.
2. A Party shall, at the request of another Party, enter into consultations with a view to eliminating practices referred to in paragraph 1 of this Article. The Party addressed shall accord full and sympathetic consideration to such a request and shall cooperate through the supply of publicly available non-confidential information of relevance to the matter in question. The Party addressed shall also provide other information available to the requesting Party, subject to its domestic laws and to the conclusion of satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party.

## **Article 5.12. Payments and Transfers**

1. Except under the circumstances envisaged in Article 5.13, a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.
2. Nothing in this Chapter shall affect the rights and obligations of the Parties as members of the International Monetary Fund under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 5.13 or at the request of the International Monetary Fund.

## **Article 5.13. Restrictions to Safeguard the Balance-of-Payments**

1. In the event of serious balance-of-payments and external financial difficulties or threat thereof, a Party may adopt or maintain restrictions on trade in services in respect of which it has obligations under Articles 5.3 and 5.4, including on payments or transfers for transactions relating to such obligations. It is recognised that particular pressures on the balance-of-payments of a Party in the process of economic development may necessitate the use of restrictions to ensure, inter alia,

the maintenance of a level of financial reserves adequate for the implementation of its programme of economic development.

2. The restrictions referred to in paragraph 1 of this Article:

(a) shall not discriminate among WTO Members;

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

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

(d) shall not exceed those necessary to deal with the circumstances described in paragraph 1 of this Article;

(e) shall be temporary and be phased out progressively as the situation specified in paragraph 1 of this Article improves.

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

4. Any restrictions adopted or maintained under paragraph 1 of this Article, or any changes therein, shall be promptly notified to the affected Parties.

5. The Party adopting any restrictions under paragraph 1 of this Article shall commence consultations with all affected Parties in order to review the restrictions adopted by it.

## **Article 5.14. Transparency**

1. Each Party shall publish promptly and, except in emergency situations, at the latest by the time of their entry into force, all relevant measures of general application which pertain to or affect the operation of this Chapter. International agreements pertaining to or affecting trade in services to which a Party is a signatory shall also be published.

2. Where publication as referred to in paragraph 1 of this Article is not practicable, such information shall be made otherwise publicly available.

3. Each Party shall respond promptly to all requests by another Party for specific information on any of its measures of general application or international agreements within the meaning of paragraph 1 of this Article. Each Party shall also use the existing enquiry points or, when they do not exist, establish one or more enquiry points to provide specific information to another Party, upon request, on all such matters.

## **Article 5.15. Disclosure of Confidential Information**

Nothing in this Chapter shall require any Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

## **Article 5.16. Denial of Benefits**

1. Subject to prior notification and consultation, a Party may deny the benefits of this Chapter to a service supplier of another Party if the service supplier is a juridical person owned or controlled by persons of a non-Party, and the denying Party:

(a) does not maintain diplomatic relations with the non-Party; or

(b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibit transactions with the juridical person or that would be violated or circumvented if the benefits of this Chapter were accorded to the juridical person.

2. Subject to prior notification and consultation, a Party may deny the benefits of this Chapter:

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

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

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

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

(c) to a service supplier of another Party where the Party establishes that the service supplier is owned or controlled by persons of a non-Party and that it has no substantive business operations in the territory of a Party.

## **Article 5.17. Review of Commitments**

If after this Agreement enters into force, a Party enters into any agreement on trade in services with a non-Party, it shall give sympathetic consideration to a request by another Party for the incorporation herein of treatment no less favourable than that provided under the aforesaid agreement. Any such incorporation should maintain the overall balance of commitments undertaken by a Party under this Agreement.

## **Article 5.18. Telecommunications Services**

1. Negotiations on mutual liberalisation of telecommunications services shall be considered at future reviews held by the Joint Committee in accordance with Article 1.11.

2. The results of the negotiations referred to in paragraph 1 of this Article, if any, shall be incorporated into this Chapter in accordance with Article 10.2.

# **Chapter 6. GOVERNMENT PROCUREMENT**

## **Article 6.1. General**

The Parties recognise the importance of government procurement in trade relations and set as their objective the effective, reciprocal and gradual opening of their government procurement markets, in order to maximize, inter alia, competitive opportunities for the suppliers of the Parties.

## **Article 6.2. Definitions**

For the purpose of this Chapter, the following definitions shall apply:

(a) e-procurement means government procurement undertaken through electronic means;

(b) entities means the entities of a Party covered in Annexes 8A, 8B and 8C;

(c) government procurement means the process by which a covered entity obtains the use of or acquires goods or services, or any combination thereof, by contractual means for governmental purposes and not with a view to commercial sale or resale, or use in the production or supply of goods or services for commercial sale or resale. Government procurement includes procurement by such methods as purchase, lease or rental, with or without the option to buy;

(d) in writing or written means any worded or numbered expression that can be read, reproduced and later communicated. It may include electronically transmitted and stored information;

(e) national technical regulation means a document which lays down characteristics of a good or a service or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a good, service, process or production method;

(f) person means a natural person or a juridical person of a Party;

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

(h) services includes construction services, unless otherwise specified;

(i) suppliers means a person or a group of persons that provides or could provide goods or services;

(j) technical specifications means a tendering requirement prescribed by a covered entity that:

(i) lays down the characteristics of goods or services to be procured, including quality, performance, safety, and dimensions,

or the processes and methods for their production or provision; or

(ii) addresses terminology, symbols, packaging, marking or labelling requirements, as they apply to a good or service.

### **Article 6.3. Scope and Coverage**

1. This Chapter applies to any law, regulation, procedure or practice regarding any procurement by entities covered by this Chapter subject to the conditions specified by each Party in its respective Annexes.
2. This Chapter applies to procurement by any contractual means, including through such methods as purchase or as lease, rental or hire purchase, with or without an option to buy, of goods or services (including construction services), or any combination of goods and services.
3. This Chapter applies to any procurement contract of a value of not less than the relevant threshold specified in Annex 8A.
4. All entities, goods and services not listed in Annex 8A are not covered under this Chapter.
5. No entity may prepare, design, assign or otherwise structure or divide, at any stage of the procurement, any procurement in order to avoid the obligations of this Chapter.
6. Except where provided otherwise in a Party's Annex 8A, this Chapter does not apply to:
  - (a) the acquisition or rental of land, existing buildings, or other immovable property or the rights thereon;
  - (b) non-contractual agreements or any form of assistance that a Party provides, including cooperative agreements, grants, loans, equity infusions, guarantees, and fiscal incentives;
  - (c) the procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions, or services related to the sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;
  - (d) public employment contracts;
  - (e) procurement conducted:
    - (i) for the specific purpose of providing international assistance, including development aid;
    - (ii) under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or
    - (iii) under the particular procedure or condition of an international organisation, or funded by international grants, loans, or other assistance where the applicable procedure or condition would be inconsistent with this Agreement; and
  - (f) contracts awarded pursuant to all government procurement in goods, services and construction that will be executed in or for the benefits of the two Holy Cities of Makkah and Medina in the Kingdom of Saudi Arabia.
7. The provisions of this Chapter do not affect the rights and obligations provided for in Chapter 2 (Trade in Goods), and Chapter 5 (Trade in Services).

### **Article 6.4. National Treatment and Non-Discrimination**

1. With respect to all laws, regulations, procedures and practices regarding government procurement covered by this Chapter, each Party shall provide immediately and unconditionally to the goods, services and suppliers of another Party offering such goods and services, treatment no less favourable than that accorded to domestic goods, services and suppliers.
2. With respect to all laws, regulations, procedures and practices regarding government procurement covered by this Chapter, each Party shall ensure that:
  - (a) its entities shall not treat a locally established supplier less favourably than another locally established supplier on the basis of degree of foreign affiliation to, or ownership by, a person of the other Party; and
  - (b) its entities shall not discriminate against a locally established supplier on the basis that it is a supplier of a goods or services of the other Party.

3. The provisions of paragraphs 1 and 2 of this Article shall not apply to customs duties and charges of any kind imposed on or in connection with importation, the method of levying such duties and charges, other import regulations and formalities, and measures affecting trade in services other than laws, regulations, procedures and practices regarding government procurement covered by this Chapter.

## **Article 6.5. Valuation of Intended Procurements**

1. The following provisions shall apply in determining the value of intended procurements for the purposes of implementing this Chapter:

(a) Valuation shall take into account all forms of remuneration, including any premiums, fees, commissions and interest receivable;

(b) The selection of a valuation method by a covered entity shall not be made, nor shall any procurement requirement be divided, with the intention of avoiding the application of this Chapter; and

(c) In cases where an intended procurement specifies the need for option clauses, the basis for valuation shall be the total value of the maximum permissible procurement, inclusive of any additional purchases which are optional.

## **Article 6.6. Rules of Origin**

A Party shall not apply rules of origin to goods or services imported or supplied for purposes of government procurement covered by this Chapter from another Party, which are different from the rules of origin applied in the normal course of trade and at the time of the transaction in question to imports or supplies of the same goods or services from that Party.

## **Article 6.7. Transitional Period for Price Preference**

During a transitional period of ten (10) years, a GCC Member State may grant a price preference of ten percent (10%) for the use of any goods and services produced domestically for the procurement of goods and services listed in Annex 8A. A GCC Member State adopting this transitional period price preference shall extend such preference treatment to suppliers of Singapore for the use of the goods and services produced domestically at any GCC Member state.

## **Article 6.8. Small and Medium Sized Enterprises**

The Parties reserve the right to apply a ten percent (10%) price preference for the Small and Medium Sized Enterprises (SMEs) in their respective countries.

## **Article 6.9. Transparency**

Each Party shall promptly publish any law, regulation, and administrative procedures of general application, and any procedure (including standard contract clauses) regarding government procurement covered by this Chapter, in the appropriate publications listed in that Party's Annex 8B, and to enable the other Party and suppliers to become acquainted with them. Each Party shall be prepared, upon request, to explain to another Party its government procurement procedures.

## **Article 6.10. Tendering Procedures**

1. Entities shall normally procure by open or selective tendering and may also procure by limited tendering or by negotiation for the selection of the successful supplier as set out in Articles 6.11, 6.12 and 6.13 respectively.

2. For the purposes of this Chapter:

(a) open tendering procedures means a procurement method where all interested suppliers may submit a tender;

(b) selective tendering procedures means a procurement method where only suppliers satisfying the conditions for participation are invited by the procuring entity to submit a tender;

(c) limited tendering means a procurement method where the procuring entity contacts a supplier or suppliers of its choice;

## **Article 6.11. Selective Tendering**



1. Entities that intended to use selective tendering shall:

(a) invite suppliers to submit a request for participation by means of a notice of intended procurement inviting suppliers to submit a request for participation;

(b) indicate the time-limit for submitting requests for participation; and

(c) before the commencement of the time period for tendering invite qualified suppliers to submit a tender.

2. When using selective tendering procedures, a procuring entity shall recognise as qualified suppliers any domestic suppliers and any suppliers of the other Party that meet the conditions for participation in a particular procurement, unless the procuring entity states in the notice of intended procurement or, where publicly available, in the tender documentation any limitation on the number of suppliers that will be permitted to tender and the criteria for selecting the limited number of suppliers. Procuring entities shall select the suppliers to participate in the selective tendering procedure in a fair and non-discriminatory manner.

3. Where the tender documentation is not made publicly available from the date of publication of the notice of intended procurement, procuring entities shall ensure that those documents are made available at the same time to all the qualified suppliers selected in accordance with paragraph 2 of this Article.

## **Article 6.12. Limited Tendering**

1. Subject to the conditions established in paragraph 2 of this Article, when using the limited tendering procedure, a procuring entity may choose not to apply Articles 6.10 to 6.11 and 6.13.

2. Provided that limited tendering is not used to avoid competition or in a manner that discriminates against suppliers of another Party, entities may apply limited tendering procedure in the following cases:

(a) where no suitable tenders have been submitted in response to an open or selective tender, provided that the requirements of the initial tender are not substantially modified;

(b) where, for works of art, or, for technical or artistic reasons connected with protection of exclusive rights, the contract may be performed only by a particular supplier and no reasonable alternative or substitute exists;

(c) for reasons of extreme urgency brought by events unforeseeable by the entity, the products or services could not be obtained in time by using open or selective tendering procedures;

(d) for additional deliveries of goods or services by the original supplier that were not included in the initial procurement where a change of supplier for such additional goods or services cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement;

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

(f) where additional services which were not included in the initial contract but which were within the objectives of the original tender documentation have, through unforeseeable circumstances, become necessary to complete the services described therein. However, the total value of contracts awarded for the additional services may not exceed fifty percent (50%) of the amount of the main contract;

(g) for new services consisting of the repetition of similar services which conform to a basic project for which an initial contract was awarded and for which the entity has indicated in the notice of intended procurement concerning the initial service, that limited tendering procedures might be used in awarding contracts for such new services;

(h) for goods purchased on a commodity market;

(i) in the case of contracts awarded to the winner of a design contest; where there are several successful candidates, the participants are evaluated by an independent panel or experts with a view to a design contract being awarded to a winner; and

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

## **Article 6.13. Negotiations**

1. A Party may provide for its entities to conduct negotiations:

(a) in the context of procurements in which they have indicated such intent in the notice of intended procurement; or

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

2. An entity shall:

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

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

## **Article 6.14. Publication of Notice of Intended Procurement**

1. An entity shall, for each procurement covered by this Chapter, publish in advance a notice inviting all interested suppliers to submit tenders for that procurement ("notice of intended procurement"), except as otherwise provided for in Article 6.12. This notice shall be published in the appropriate publication listed in Annex 8B. Each such notice shall be valid during the entire period established for tendering for the relevant procurement.

2. Each notice of intended procurement shall include a description of the intended procurement, any conditions that suppliers must fulfil to participate in the procurement, the name of the entity issuing the notice, the address and contact where suppliers may obtain all documents relating to the procurement, the time limits for submission of tenders and the dates for delivery of the goods or services to be procured.

## **Article 6.15. Time Limits for the Tendering Process**

1. All time limits established by the entities for the receipt of tenders and requests to participate shall be adequate to allow suppliers of another Party, as well as domestic suppliers, to prepare and to submit tenders, and where appropriate, requests for participation or applications for qualifying. In determining any such time limit, entities shall, consistent with their own reasonable needs, take into account such factors as the complexity of the intended procurement, extent of subcontracting anticipated and the normal time for transmitting tenders from foreign as well as domestic points.

2. Each Party shall ensure that its entities shall take due account of publication delays when setting the final date for receipt of tenders or of requests for participation or for qualifying for the suppliers' list.

3. The minimum time limits for the receipt of tenders is not less than thirty (30) days and the actual time limit of each Party may be stated in Annex 8C.

## **Article 6.16. Tender Documentation**

1. An entity shall provide interested suppliers with tender documentation that includes all the information necessary to permit suppliers to prepare and submit responsive tenders. The documentation shall include the criteria that the entity will consider in awarding the contract, including all cost factors, and the weights or, where appropriate, the relative values that the entity will assign to these criteria in evaluating tenders.

2. To the extent possible and subject to any applicable fees, an entity should make relevant tender documentation publicly available through electronic means or a computer-based telecommunications network openly accessible to all suppliers. Where an entity does not publish all the tender documentation by electronic means, the entity shall, on request of any supplier and subject to any applicable fees, promptly make the documentation available in written form to the supplier.

3. Where an entity, during the course of a procurement, modifies any part of the tender documentation referred to in paragraph 1 of this Article, it shall:

(a) publish all such modifications electronically; or

(b) transmit all such modifications in writing to all suppliers that are participating in the procurement at the time the criteria were modified, and in all cases, allow adequate time to suppliers to submit fresh tenders, or modify and re-submit their

tenders as appropriate.

## **Article 6.17. Technical Specifications**

1. Each Party shall ensure that its entities shall not prepare, adopt or apply any technical specifications with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.
2. Technical specifications prescribed by a procuring entity shall, where appropriate:
  - (a) be in terms of performance requirements rather than design or descriptive characteristics; and
  - (b) be based on international standards, where applicable; otherwise, on national technical regulations, recognised national standards or building codes.
3. There shall be no requirement or reference to a particular trademark or trade name, patent, design or type, specific origin or producer or supplier unless there is no sufficiently precise or intelligible way of otherwise describing the procurement requirements and provided that, in such cases, words such as "or equivalent" are included in the tender documentation.
4. Entities shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation or adoption of any technical specification for a specific procurement from a person that may have a commercial interest in that procurement.

## **Article 6.18. Registration and Qualification of Suppliers**

1. In the process of registering and/or qualifying suppliers, the entities of a Party shall not discriminate between domestic suppliers and suppliers of another Party.
2. Any condition for participation in open tendering procedures shall be no less favourable to suppliers of another Party than to domestic suppliers.
3. The process of, and the time required for, registering and/or qualifying suppliers shall not be used in order to keep suppliers of another Party off a list of suppliers or from being considered for a particular procurement.
4. Entities maintaining permanent lists of registered and/or qualified suppliers shall ensure that suppliers may apply for registration or qualification at any time, and that all registered and qualified suppliers are included in the lists within a reasonable time.
5. Nothing in this Article shall preclude an entity from excluding a supplier from a procurement on grounds such as bankruptcy or false declaration, provided that such an action is consistent with Article 6.4.

## **Article 6.19. Evaluation of Contracts**

The tender evaluation process shall be fair and non-discriminatory to avoid any potential conflict of interest between persons administering the process and suppliers participating in the process.

## **Article 6.20. Information on Awards**

1. Subject to Article 6.26, an entity shall promptly publish a notice on contract award decision in the appropriate publications listed in Annex 8B. The award notice should include at least the following information:
  - (a) the name of the entity;
  - (b) a description of the goods or services procured;
  - (c) the name of the winning supplier; and
  - (d) the value of the contract award.
2. Entities shall, on request from an unsuccessful supplier of another Party which participated in the relevant tender, promptly provide pertinent information concerning reasons for the rejection of its tender, unless the release of such information would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interest of particular enterprises, public or private, or might prejudice fair competition between suppliers.

## **Article 6.21. Modifications and Rectifications to Coverage**

1. A Party shall notify the Parties of any proposed rectification, transfer of an entity from one Appendix to another, in Annex 8A, withdrawal of an entity, or other modification (hereinafter referred to generally in this Article as "modification") of Annex 8A. The Party proposing the modification ("modifying Party") shall state in the notification:

(a) the evidence on whether government control or influence over the covered procurements of the entity to be withdrawn has been effectively eliminated; and

(b) for any other proposed modification, information as to the likely consequences of the change for the mutually agreed coverage provided in this Agreement.

2. A Party may withdraw or replace a covered entity by making the appropriate compensatory adjustment to its coverage to maintain a level of coverage comparable to that existing prior to the modification. No compensatory adjustment shall be provided to an affected Party in respect of the following modifications made by a Party to its coverage under this Chapter:

(a) rectifications of a purely formal nature and minor amendments to the Appendices; and

(b) where Government control or influence over the entity's covered procurements has been effectively eliminated upon its corporatisation or privatisation.

## **Article 6.22. Electronic Procurement**

1. The Parties shall endeavour, within the context of their commitment to promote electronic commerce, to seek to provide opportunities for e-procurement.

2. Each Party shall endeavour to work toward a single entry point for the purpose of enabling suppliers to access information on procurement opportunities in its territory.

3. Each Party shall, to the extent possible, make procurement opportunities that are available to the public accessible to suppliers via publically available electronic mediums or means. To the extent possible, each Party shall make available relevant documentation by the same medium or means.

4. For each case of intended procurement, the procuring entity shall publish a summary notice in English. The notice shall contain at least the following information:

(a) the subject matter of the contract;

(b) the time-limits set for the submission of tenders or an application to be invited to tender; and

(c) the addresses and contact from which documents relating to the contracts may be requested.

5. Each Party shall encourage its entities to publish, as early as possible in the fiscal year, information regarding the entity's indicative procurement plans in the e-procurement portal.

## **Article 6.23. Challenge Procedures**

1. In the event of a complaint by a supplier of a Party that there has been a breach of this Chapter in the context of procurement by another Party, that Party shall encourage the supplier to seek resolution of its complaint in consultation with the procuring entity of that other Party. In such instances the procuring entity of that other Party shall accord timely and impartial consideration to any such complaint, in such a manner that is not prejudicial to obtaining corrective measures under the challenge system.

2. Each Party shall provide suppliers of the Parties with non-discriminatory, timely, transparent and effective procedures to challenge alleged breaches of this Chapter arising in the context of procurements in which they have an interest.

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

4. Unless the tender document specifies otherwise, a Party's total liability for any breach of this Chapter or compensation for loss or damages suffered shall be limited to the costs for tender preparation reasonably incurred by the supplier for the purpose of the procurement.

5. The issues arising under paragraphs 1 to 4 of this Article are to be determined by each Party according to its domestic laws and regulations.

## **Article 6.24. Exceptions**

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

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

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

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

(c) necessary to protect intellectual property; or

(d) relating to the products or services of handicapped persons, of philanthropic institutions or of prison labour.

## **Article 6.25. Progressive Liberalisation**

In line with the goal of further market liberalisation, the Parties shall, at meetings of the Joint Committee, review their commitments under this Chapter with the view to progressively improving them, taking into account their current respective levels of commitments.

## **Article 6.26. Non-disclosure of Information**

1. The Parties, their covered entities, and their review authorities shall not disclose confidential information the disclosure of which would prejudice legitimate commercial interests of a particular person or might prejudice fair competition between suppliers, without the formal authorization of the person that provided the information to the Party.

2. Nothing in this Chapter shall be construed as requiring a Party or its covered entities to disclose confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest.

## **Article 6.27. Language**

To improve market access to each others procurement markets, each Party shall where possible, use English in its publication of materials or information pertaining to procurement, including in the publications listed in Annex 8B and in the context of any electronic procurement pursuant to Article 6.22.

# **Chapter 7. ELECTRONIC COMMERCE**

## **Article 7.1. General**

The Parties recognise the economic growth and opportunity provided by electronic commerce and the importance of avoiding barriers to its use and development.

## **Article 7.2. Definitions**

For the purposes of this Chapter:

(a) Carrier medium means any physical object capable of storing a digital product by any method now known or later developed, and from which a digital product can be perceived, reproduced, or communicated, directly or indirectly, and includes, but is not limited to, an optical medium, a floppy disk, or a magnetic tape;

(b) digital products means computer programmes, text, video, images, sound recordings and other products that are digitally encoded, regardless of whether they are fixed on a carrier medium or transmitted electronically; (9)

(c) electronic transmission or transmitted electronically means the transfer of digital products using any electromagnetic or

phonic means; and

(d) using electronic means, means employing computer processing.

(9) For greater clarity, digital products do not include digitized representations of financial instruments.

### **Article 7.3. Electronic Supply of Services**

The Parties agree that delivery by electronic means is to be considered as the supply of services using electronic means, within the meaning of the Chapter 5 (Trade in Services).

### **Article 7.4. Digital Products**

1. A Party shall not apply customs duties or other duties, fees, or charges on or in connection with the importation or exportation of digital products by electronic transmission. (10)

2. Each Party shall determine the customs value of an imported carrier medium bearing a digital product according to the cost or value of the carrier medium alone, without regard to the cost or value of the digital product stored on the carrier medium.

3. A Party shall not accord less favourable treatment to some digital products than it accords to other like digital products:

(a) on the basis that

(i) the digital products receiving less favorable treatment are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, outside its territory; or

(ii) the author, performer, producer, developer, or distributor of such digital products is a person of the other Party or a non-Party; or

(b) so as otherwise to afford protection to the other like digital products that are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, in its territory.

4. A Party shall not accord less favourable treatment to digital products:

(a) created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms in the territory of the other Party than it accords to like digital products created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, in the territory of a non-Party.

(b) whose author, performer, producer, developer, or distributor is a person of the other Party than it accords to like digital products whose author, performer, producer, developer, or distributor is a person of a non-Party.

5. Paragraphs 3 and 4 of this Article are subject to relevant exceptions or reservations set out in this Agreement or its Annexes, if any.

6. This Chapter does not apply to measures affecting the electronic transmission of a series of text, video, images, sound recordings, and other products scheduled by a content provider for aural and/or visual reception, and for which the content consumer has no choice over the scheduling of the series.

(10) Paragraph 1 of this Article does not preclude a Party from imposing internal taxes or other internal charges provided that these are imposed in a manner consistent with this Agreement.

## **Chapter 8. COOPERATION**

### **Article 8.1. Objectives and Scope**

1. The Parties agree to establish a framework for cooperation between one or more of the GCC Member States and Singapore as a means to expand and enhance the benefits of this Agreement.

2. The Parties affirm the importance of all forms of cooperation, with particular attention given to

- (i) Information and Communications Technology (ICT);
  - (ii) Media;
  - (iii) Energy;
  - (iv) Electronic Commerce;
  - (v) Halal Certification Standards and Halal Mark;
  - (vi) Air Services; and
  - (vii) Business visits in contributing towards implementation of the objectives and principles of this Agreement.
3. Chapter 9 (Settlement of Disputes) shall not apply to any matter or dispute arising from this Chapter.

## **Article 8.2. Cooperation In the Field of Information and Communications Technology (ICT)**

The Parties, recognising the rapid development, led by the private sector, of ICT and of business practices concerning ICT-related services both in the domestic and the international contexts, shall co-operate to promote the development of ICT and ICT-related services with a view to obtaining the maximum benefit of the use of ICT for the Parties.

## **Article 8.3. Areas and Forms of Cooperation**

1. The areas of co-operation pursuant to paragraph 2 of Article 8.1 may include the following:

- (a) promotion of electronic commerce;
- (b) promotion of the use by consumers, the public sector and the private sector, of ICT-related services, including newly emerging services; and
- (c) human resource development relating to ICT.

2. The Parties may set out specific areas of co-operation which they deem important.

3. The forms of co-operation pursuant to paragraph 2 of Article 8.1 may include the following:

- (a) promoting dialogue on policy issues;
- (b) promoting co-operation between the respective private sectors of the Parties;
- (c) enhancing co-operation in international fora relating to ICT; and
- (d) undertaking other appropriate co-operative activities.

## **Article 8.4. Electronic Commerce**

Recognizing the global nature of electronic commerce, the Parties shall encourage co-operative activities to promote electronic commerce. The areas of co-operation may include the following:

- (a) promoting and facilitating the use of electronic commerce by small and medium sized enterprises; and
- (b) sharing information and experiences as mutually agreed on laws, regulations and programmes in the sphere of electronic commerce.

## **Article 8.5. Halal Certification Standards and Halal Mark**

Within one year of the entry into force of this Agreement, the Parties will negotiate and make arrangements to provide for recognition by the GCC Member States of Singapore's Halal Certification Standards and Halal Mark.

## **Article 8.6. Air Services Cooperation**

The Parties, recognising the importance of air transport services in their respective economies, endeavour to cooperate in

the air services sector. Such cooperation may include, inter alia, concluding or enhancing in a mutually beneficial manner air services agreements between one or more of the GCC Member States and Singapore.

## **Article 8.7. Business Visits Cooperation**

The Parties, recognising the importance of the exchange of business visits in their respective economies, shall promote such visits and exchanges, including pre-establishment visits, between the Parties.

# **Chapter 9. SETTLEMENT OF DISPUTES**

## **Article 9.1. Objective, Scope and Definitions**

1. The objective of this Chapter is to provide the Parties with a dispute settlement mechanism that aims at achieving, where possible, mutually agreed solutions.
2. The provisions of this Chapter shall apply with respect to any dispute where the GCC Member States or Singapore considers that the other Party is in breach of a provision of this Agreement, except where otherwise expressly provided in this Agreement.
3. The dispute settlement procedures of this Chapter are without prejudice to a disputing Party's right to seek recourse in dispute settlement procedures in the WTO, provided that the Joint Committee has been informed at least thirty (30) days before invoking such procedures.
4. Where a disputing Party has instituted a dispute settlement proceeding under either this Chapter or the WTO Agreement, it shall decide on one forum to the exclusion of the other. For the purposes of this paragraph, dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for a panel under Article 6 of Annex 2 to the Understanding on Rules and Procedures Governing the Settlement of Disputes of the WTO Agreement.
5. For the purposes of this Chapter, unless the context otherwise expressly indicates:
  - (a) advisor means any person retained by any disputing Party to advise or assist that Party in connection with the arbitration panel proceeding;
  - (b) arbitration panel means an arbitration panel established pursuant to Article 9.4;
  - (c) complaining party means any Party that requests the establishment of an arbitration panel under Article 9.4;
  - (d) representative of a disputing party means an employee, or a natural or juridical person appointed by a government department or agency or of any other government entity of a Party; and
  - (e) responding party means any Party alleged to be in breach of this Agreement.

## **Article 9.2. Consultations**

1. The Parties shall endeavour to resolve any dispute arising from this Agreement through good faith consultations, with the aim of reaching a mutually agreed solution.
2. Any one or more of the GCC Member States may request in writing, consultations with Singapore and vice versa (hereinafter referred to as "disputing Parties"), stating the reasons for the request, including identification of the measures at issue and the indication of the legal basis for the complaint. The Joint Committee shall be informed of such requests.

## **Article 9.3. Good Offices, Conciliation or Mediation**

1. Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the disputing Parties so agree.
2. Good offices, conciliation and mediation may be requested at any time by any disputing Party. They may commence at any time and be terminated at any time.
3. Proceedings involving good offices, conciliation or mediation, and in particular, positions taken by the disputing parties during these proceedings, shall be confidential, and without prejudice to the rights of any Party in any proceedings under this Chapter or in other proceedings.
4. If the disputing Parties agree, good offices, conciliation or mediation may continue while the proceedings of the



arbitration panel provided for in this Chapter are in progress.

5. Any disputing Party may inform the Joint Committee of the dispute and request the Joint Committee to act under this Article to amicably resolve the dispute. On receipt of such request, the Joint Committee shall act under this Article.

6. Where the dispute is resolved through good offices or conciliation by another person or body, the disputing Parties shall notify the Joint Committee of the outcome.

#### **Article 9.4. Establishment of Arbitration Panel**

1. A complaining Party may request in writing, to the Party complained against, for the establishment of an arbitration panel if:

(a) consultations under Article 9.2 are not held within thirty (30) days from the date of receipt of the request for such consultations;

(b) the disputing Parties fail to resolve the dispute through consultations under Article 9.2 within sixty (60) days after the date of commencement of the consultations, unless the disputing Parties agree to continue the consultations; or

(c) a disputing Party fails to comply with the mutually agreed solution within the agreed timeframe.

2. Any request for the establishment of an arbitration panel shall indicate whether consultations under Article 9.2 were held, identify the specific measures at issue and provide a brief summary of the legal basis of the complaint, including the provisions of this Agreement alleged to have been breached and any other relevant provisions, sufficient to present the problem clearly.

#### **Article 9.5. Composition of Arbitration Panel**

1. Unless the disputing Parties agree otherwise, an arbitration panel shall consist of three (3) members.

2. Each of the disputing Parties shall, within thirty (30) days after the date of receipt of the request for the establishment of an arbitration panel, separately appoint one arbitrator who may be a national of the disputing Parties.

3. Where the disputing Parties have appointed their respective arbitrators, the arbitrators shall, within fifteen (15) days of the appointment of the second of them, designate by common agreement, the third arbitrator. If any disputing Party disapproves the designated third arbitrator, it shall, within seven (7) days from the date of designation, notify its disapproval of the third arbitrator to the other disputing Party and to the two arbitrators.

4. Where no third arbitrator has been appointed within the periods specified in this Article, or where any Party has disapproved the designation of a third arbitrator under paragraph 3 of this Article, any disputing Party may, within forty-five (45) days of the period within which the appointment should be made, request the Director-General of the WTO to appoint the third arbitrator. This appointment shall be final.

5. The third arbitrator shall be appointed as the Chairperson of the arbitration panel. He or she shall not be a national of, nor have his or her usual place of residence in, nor be employed by, any of the disputing Parties. He or she shall also not have dealt with the dispute in any capacity.

6. If any of the arbitrators resigns or becomes unable to act, a successor arbitrator shall be appointed in the same manner as prescribed for the appointment of the original arbitrator, and the successor arbitrator shall have all the powers and duties of the original arbitrator. The arbitration panel proceedings shall be suspended until a successor arbitrator is appointed.

7. Any person appointed as an arbitrator shall have specialised knowledge or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements. The arbitrators shall be independent, serve in their individual capacities, not be affiliated with, or take instructions from, any organisation or government or have any conflict of interest. The arbitrators shall comply with the Code of Conduct for Members of Arbitration Panels set out in Annex 9.

8. The date of establishment of the arbitration panel shall be the date on which the Chairperson is appointed.

#### **Article 9.6. Suspension and Termination of Proceedings**

1. The arbitration panel may, at the written request of the disputing Parties, suspend its work at any time for a period not

exceeding twelve (12) months. Once the period of twelve (12) months has been exceeded, the authority for the establishment of the arbitration panel will lapse.

2. The disputing Parties may agree to terminate the proceedings of an arbitration panel at any time before the issuance of the award by jointly notifying the Chairperson of the arbitration panel.

### **Article 9.7. Amicable Resolution**

1. Before the arbitration panel issues its draft award, it may, at any stage of the proceedings, propose to the disputing Parties that the dispute be settled amicably.

2. The disputing Parties shall notify the Joint Committee when a dispute which has been referred to an arbitration panel is resolved amicably.

### **Article 9.8. Compliance with Award**

1. The arbitration panel award is final and binding from the date of its notification to the disputing parties.

2. The arbitration panel shall make its award based on the provision of this Agreement, applied and interpreted in accordance with the rules of interpretation of public international law. The award cannot add to or diminish the rights and obligations provided in this Agreement.

3. The arbitration panel's decision on the length of time required to implement the award will be final. The award must be complied with within this time. Where no time is prescribed for implementing the award, the award must be complied with within ninety (90) days of the date of the notification of the award.

4. The disputing Parties may agree on a different period of time for the award to be complied with. In the absence of such agreement, where an award has not been complied with, either of the disputing Parties may request the arbitration panel to prescribe another period of time within which the award must be complied with.

5. Before the expiry of the deadline for implementation determined under paragraph 3 of this Article, the responding Party will notify the complaining Party and the Joint Committee of the action it has taken in order to comply with the arbitration award.

6. Where there is disagreement between the disputing Parties as to the conformity with the award of the action taken by the responding Party as notified in paragraph 5 of this Article with the award, the matter will be referred to the original arbitration panel.

### **Article 9.9. Non-compliance, Compensation and Suspension of Benefits**

1. If the responding Party does not notify any action in order to comply with the arbitration panel award before the expiry of the implementation deadline as required under paragraph 3 of Article 9.8, or otherwise fails to comply with the award in accordance with this Agreement, it shall, if so requested by the complaining party, and no later than after the expiry of a reasonable period of time, enter into negotiations with the complaining Party to develop mutually acceptable compensation.

2. If no agreement is reached between the disputing Parties within twenty (20) days after the expiry of the reasonable period of time, the complaining party may refer the matter to the original arbitration panel to determine whether the responding Party has failed to comply with the arbitration panel award and, if so, to determine the appropriate level of any suspension of the application to the responding Party of benefits or other obligations under this Agreement.

3. The suspension of benefits may commence thirty (30) days following the end of the period awarded under paragraph 3 of Article 9.8 or after an arbitration panel has found that the measure taken to comply is not in conformity with the Agreement. The complaining party shall notify the responding Party of the benefits it intends to suspend fifteen (15) days before the date on which the suspension is due to enter into force.

4. The complaining Party will first seek to suspend benefits or other equivalent obligations in the same sector or sectors affected. If the complaining party considers that it is not practical or effective to suspend benefits or obligations in the same sector or sectors affected, it may suspend them in other sectors under this Agreement, indicating the reasons to justify its decision.

5. The responding Party may request the original arbitration panel to rule on whether the level of suspension of benefits

notified by the complaining party is equivalent to the nullification and impairment suffered as a result of the breach and/or whether the proposed suspension is in accordance with paragraph 2 of this Article. The original arbitration panel will issue its ruling within thirty (30) days from the arbitration panel's re-establishment. If a member of the original arbitration panel is unavailable, the procedures laid down under Article 9.5 will apply for the selection of a replacement arbitrator. The period for issuing the arbitration ruling in this instance remains thirty (30) days from the date of the re-establishment of the arbitration panel.

6. Where the original arbitration panel is requested to rule on the conformity with the Agreement of an implementing measure adopted after the suspension of benefits under paragraph 4 of this Article, the procedures and deadlines established under Annex 10 shall apply.

7. The suspension of benefits will be a temporary measure and is not intended to replace the agreed objective of full compliance. Benefits will only be suspended until the measure found to be in breach of the Agreement has been withdrawn or amended so as to bring it into conformity with the Agreement, or when the disputing parties have reached an agreement on the resolution of the dispute. The responding Party shall notify the complaining party and the Joint Committee of the measures it has taken to comply.

8. Where the disputing Parties disagree on the conformity with this Agreement of any implementing measure adopted after the suspension of benefits, the responding party may request the original arbitration panel to rule on this issue. If the arbitration panel rules that the implementing measure is not in conformity with this Agreement, the arbitration panel will determine whether the complaining Party may resume the suspension of benefits at the same or a different level.

### **Article 9.10. Temporary Remedies for Non-compliance**

1. If, prior to the deadline for implementation determined under Paragraph 2 of Article 9.9, the responding Party considers that it will require further time to comply with the arbitration panel ruling, it will inform the complaining Party of the extra period of time it requires, whilst presenting an offer of market-opening compensation for this additional period of time until it comes into compliance with the ruling.

2. If there is no agreement to the responding Party's request for an extension to the time required for implementation, or on market-opening compensation, the complaining Party may suspend benefits under this Agreement. Article 9.9 shall apply in this case *mutatis mutandis*.

### **Article 9.11. Rules of Procedure**

1. The Rules of Procedure set out at Annex 10 shall apply to the procedures established in this Chapter. These Rules and any timeframes specified in this Chapter may be amended by the Joint Committee

2. The disputing Parties may agree to vary these Rules to facilitate the resolution of their dispute.

## **Chapter 10. FINAL PROVISIONS**

### **Article 10.1. Annexes and Side Letters**

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

### **Article 10.2. Amendments**

1. Any Party may submit proposals for amendments to this Agreement to the Joint Committee for consideration and approval.

2. Amendments to this Agreement shall, after approval by the Joint Committee, be submitted to the Parties for ratification, acceptance or approval in accordance with the constitutional requirements or legal procedures of the respective Parties.

3. Amendments to this Agreement shall enter into force in the same manner as provided for in Article 10.5, unless otherwise agreed by the Parties.

### **Article 10.3. Accession**

1. Any State which becomes one of the GCC Member States may accede to this Agreement, provided that the Joint Committee decides to approve its accession, on terms and conditions to be agreed upon by the Parties.

2. This Agreement shall apply to that State upon the conclusion of and entry into force of amendments to this Agreement to provide for the accession of that State to this Agreement.

3. The entry into force of the amendments referred to in paragraph 2 of this Article shall be in accordance with Article 10.2.

#### **Article 10.4. Withdrawal and Termination**

1. The GCC may terminate this Agreement by means of a written notification to Singapore, or Singapore may terminate this Agreement by means of a written notification to the GCC. The termination shall take effect six (6) months after the date of notification.

2. Any State which withdraws from the Charter of the Co-operation Council for the Arab States of the Gulf shall ipso facto cease to be a Party to this Agreement six (6) months after the date the withdrawal takes effect. That State and the GCC Secretariat shall immediately inform Singapore of that State's withdrawal.

3. Any Party may terminate its participation in this Agreement by means of a written notification to the other Parties. The termination shall take effect, in case of Singapore six (6) months after all the GCC Member States have received its notification of termination, and in the case of a GCC Member State six (6) months after its notification of termination is received by Singapore.

4. Unless otherwise agreed by the Parties, the termination by any Party of its participation in this Agreement pursuant to paragraph 3 of this Article shall not affect the validity or duration of any contract, project or activity within the purview of this Agreement until such time these contracts, projects or activities are completed.

#### **Article 10.5. Entry Into Force**

This Agreement shall enter into force on the first day of the second month following the date of the receipt of the last written notification through the diplomatic channels by which the Parties inform each other that all necessary requirements have been fulfilled.

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

DONE at Doha, Qatar in duplicate, in the English and Arabic languages, this 15th day of December 2008, which corresponds to this 17th day of Dhu Al-Hijjah, 1429 Hijri. In the event of any inconsistency, the English text shall prevail to the extent of the inconsistency.

For the Governments of the Cooperation Council for the Arab States of the Gulf

HAMAD BIN JASSIM BIN JABR AL-THANI

Prime Minister and Minister of Foreign Affairs State of Qatar President-in-Office of the Ministerial Council Cooperation Council for the Arab States of the Gulf

ABDULRAHMAN BIN HAMAD AL-ATTYAH

Secretary-General Cooperation Council for the Arab States of the Gulf

For the Government of the Republic of Singapore

LEE HSIEN LOONG

Prime Minister Republic of Singapore