COMPREHENSIVE ECONOMIC COOPERATION AND PARTNERSHIP AGREEMENT (CECPA)

BETWEEN

THE REPUBLIC OF MAURITIUS

AND

THE REPUBLIC OF INDIA

PREAMBLE

The Republic of Mauritius (hereinafter referred to as “Mauritius”) and the Republic of India (hereinafter referred to as “India”), and hereinafter referred to jointly as “Parties” and individually as “Party”,

RECOGNISING the friendly ties that exist between the Government and Peoples of the Republic of Mauritius and the Republic of India;

FURTHER RECOGNISING their long-standing relationship in the economic and commercial fields and their close cultural links;

SEEKING to achieve the objectives of a Comprehensive Economic Cooperation and Partnership Agreement in a manner consistent with the protection of health, safety and the environment;

REAFFIRMING their willingness to reinforce and enhance their special relationship through the implementation of a comprehensive and integrated partnership based on development cooperation and economic and trade relations;

DETERMINED to minimise and, where ever possible, eliminate barriers to trade and deepen economic linkages between them;

AWARE that regional trade arrangements can contribute towards accelerating regional and global liberalisation and as building blocks in the framework of the multilateral trading system;

CONSCIOUS of their rights, obligations and undertakings under multilateral, regional and bilateral agreements and arrangements;

DESIRING to promote mutually beneficial economic relations, taking into account the asymmetry in their economies;

RECOGNISING that each Party has, in accordance with the general principles of international law, the right to pursue economic philosophies suited to their development goals and the right to regulate activities to realise their national policy objectives;

ASSERTING their resolve to make through their cooperation, a significant contribution to their economic and social development and to the greater well-being of their population, helping them to face the challenges of globalisation; and

DESIRING to consolidate and further enhance their partnership,

HAVE AGREED AS FOLLOWS:

CHAPTER 1 – PRELIMINARY

ARTICLE 1.1: ESTABLISHMENT OF THE COMPREHENSIVE ECONOMIC COOPERATION AND PARTNERSHIP AGREEMENT

The Parties hereby establish between themselves a Comprehensive Economic Cooperation and Partnership Agreement ("CECPA").

ARTICLE 1.2: OBJECTIVES

The objectives of the CEPCA are to:

(a) strengthen and enhance the trade and economic cooperation between the Parties;

(b) liberalise and promote trade in goods in accordance with Article XXIV of the General Agreement on Trade and Tariffs;

(c) liberalise and promote trade in services in accordance with Article V of the General Agreement on Trade in Services, including promotion of mutual recognition of professions;

(d) improve the efficiency and competitiveness of the Parties' manufacturing and services sectors and expand trade and investment between them, including joint exploitation of commercial and economic opportunities in non-Parties;

(e) explore new areas of economic cooperation and develop appropriate measures for closer economic cooperation between the Parties;

(f) revitalise, enhance and reinforce the economic and social cooperation between the parties;

(g) build upon the Parties' commitments at the World Trade Organization.

ARTICLE 1.3: SCOPE

1. (a) The CECPA shall cover –

(i) Trade in goods;

(ii) Trade in services;

(iii) Sanitary and Phytosanitary (SPS) measures; and

(iv) Technical Barriers to Trade (TBT) and Trade Remedies

(b) Nothing in this Agreement shall apply to any direct taxation measure. Nothing in this Agreement shall affect the rights and obligations of either Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, the convention shall prevail over this agreement.

(c) The Chapter on General Economic Cooperation, which is currently under negotiation, shall also be completed within two years of signing the CECPA, in consultation with the line Ministries/Departments.

(d) The Parties may mutually agree to extend this Agreement with the aim of broadening and supplementing its scope in accordance with their respective legislation, by concluding agreements on specific sectors or activities in the light of the experience gained during its implementation.

2. The Parties recognize the importance of the movement of skilled labour and qualified professionals between their territories to attain the objectives of the CECPA. To this end, the Parties shall agree on the modalities to facilitate this movement. The modalities shall, subject to the national laws of the Parties, include, but not be limited to, identifying the following:

(a) scarcity areas where skilled labour and qualified professionals are required;

(b) the type and quantity of skilled labour and qualified professionals required;

(c) the entry and stay requirements for the skilled labour and qualified professionals required; and

(d) such other matters as the Parties may deem necessary for attaining the objectives of the CECPA.

3. In developing and giving effect to the modalities under paragraph 3, the Parties shall ensure that –

(a) based on market needs, scarcity areas are reviewed regularly;

(b) skilled labour and qualified professionals identified possess the requisite knowledge, ability and training to meet the labour demand in scarcity areas; and

(c) entry into the territory of the Parties is allowed immediately and fairly upon labour or professional shortages arising in scarcity areas.

ARTICLE 1.4: DEFINITIONS

In this Agreement, unless the context otherwise requires:

"**CECPA**" means Comprehensive Economic Cooperation and Partnership Agreement;

"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;

"**High-Powered Joint Trade Committee**" means the High-Powered Joint Trade Committee established under Article 8.4;

"**manufacture**" means working or processing;

"**material**" means any ingredient, raw material, component, part, or goods that are used in the production of another good and physically incorporated into another good;

"**preferential treatment**" means any concession or privilege granted under this Agreement by one Party to the other Party through the reduction and/or elimination of tariffs on the movement of goods;

"**products" or "goods**" means products originating in the territory of Parties as per Chapter 3 of the Agreement including manufactures and commodities in their raw, semi-processed or processed forms;

"**tariffs**" means any customs duty, import duty or a charge of any kind imposed in connection with the importation of a good, but does not include any:

(a) internal tax or other internal charge imposed consistent with Article III:2 of the General Agreement on Tariffs and Trade (GATT) 1994, in respect of like, directly competitive, or substitutable goods of a Party, or in respect of goods

from which the imported good has been manufactured or produced in whole or in part;

(b) anti-dumping or countervailing duty in accordance with Articles VI and XVI of GATT 1994, the WTO Agreement on Implementation of Article VI of GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures; and

(c) other duty or charge imposed consistent with Article VIII of GATT 1994 and the Understanding on the Interpretation of Article II:1 (b) of the GATT 1994;

"**territory**" means

(a) in the case of the Republic of Mauritius -

(i) all the territories and islands which, in accordance with the laws of Mauritius, constitute the State of Mauritius;

(ii) the territorial sea of Mauritius; and

(iii) any area outside the territorial sea of Mauritius which in accordance with international law has been or may hereafter be designated, under the laws of Mauritius, as an area, including the Continental Shelf, within which the rights of Mauritius with respect to the sea, the sea-bed and sub-soil and their natural resources may be exercised;

(b) in the case of India, the territory of the Republic of India including its territorial waters and the airspace above it and other maritime zones including the Exclusive Economic Zone and continental shelf over which the Republic of India has sovereignty, sovereign rights or exclusive jurisdiction in accordance with its laws in force, the 1982 United Nations Convention on the Law of the Sea and International Law.

CHAPTER 2 - TRADE IN GOODS

ARTICLE 2.1: SCOPE

1. This Chapter applies to trade between the Parties relating to products classified in Annex 1 and Annex 2, respectively, at the time of the signature of the CECPA.

2. The Parties recognise that, at the time of the signature of the CECPA, negotiations on additional market access are still ongoing in respect of products set out at Annex 1A (for Mauritius) and Annex 2A (for India).

3. After the Parties have completed the negotiations referred at paragraph 2, the outcome of these negotiations shall be incorporated in Annexes 1 and 2, and any such incorporation shall form an integral part of the CECPA after the Parties have completed their necessary internal procedures for the coming into force of the modified Annexes 1 and 2.

4. The negotiations referred at paragraph 2 shall be completed within 2 years of signing of CECPA.

ARTICLE 2.2: CLASSIFICATION OF GOODS

The classification of goods in trade between the Parties shall be that set out in each Party's respective tariff nomenclature in conformity with the Harmonised Commodity Description and Coding System (“HS”) and amendments thereof.

ARTICLE 2.3: TARIFF LIBERALISATION

Except as otherwise provided for in this Agreement, each Party shall eliminate or reduce its customs duties on originating goods of the other Party designated for such purposes in its Schedule in Annexes 1 and 2, in accordance with the terms and conditions set out in such Schedule.

ARTICLE 2.4: MARGIN OF PREFERENCE ON MFN DUTY

Where a Party reduces MFN duty on a product on which a margin of preference has been provided to the other Party, it shall adjust the margin of preference and review the tariff schedule accordingly.

ARTICLE 2.5: NON-TARIFF MEASURES

1. Except as otherwise provided in this Agreement or the covered Agreements of the WTO, the Parties shall not apply non-tariff barriers to the products included in the Annexes 1 and 2 to this Agreement.

2. Non-tariff barriers shall refer to any administrative, financial, exchange-related or other measure whereby a Party prevents or hinders mutual trade by a unilateral decision.

ARTICLE 2.6: GENERAL AND SECURITY EXCEPTIONS

Nothing in this Agreement shall prevent a Party from taking action and adopting measures, which it considers necessary for the protection of its national security, the protection of public morals, the protection of human, animal or plant life and health, those relating to importation or exportation of gold and silver, the conservation of exhaustible natural resources and the protection of national treasures of artistic, historic and archaeological value in conformity with Articles XX and XXI of GATT 1994 which are incorporated into and/or as provided in this Agreement mutatis mutandis.

ARTICLE 2.7: NATIONAL TREATMENT

The Parties agree to accord to each other's products imported into their territory, treatment no less favourable than that accorded to like domestic products in respect of internal taxation and in respect of all other domestic laws and regulations affecting their sale, purchase, transportation, distribution or use.

ARTICLE 2.8: STATE TRADING ENTERPRISES

1. Nothing in this Agreement shall prevent a Party from maintaining or establishing a state trading enterprise as provided in Article XVII of GATT 1994 and the Understanding on the Interpretation of Article XVII of GATT 1994.

2. Each Party shall ensure that its state trading enterprise acts in a manner consistent with its obligations under this Agreement and accords non-discriminatory treatment in the import from and export to the other Party.

ARTICLE 2.9: IMPORT AND EXPORT RESTRICTIONS

Except as otherwise provided in this Agreement and in accordance with provisions of Article XI of GATT 1994, which is incorporated into and made part of this Agreement, mutatis mutandis; neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party.

ARTICLE 2.10: RULES OF ORIGIN

The products included in Annexes 1 and 2 to this Agreement shall meet the Rules of Origin as set out in Chapter 3 to this Agreement in order to qualify for tariff preferences.

ARTICLE 2.11: CUSTOMS VALUATION

On matters relating to customs valuation, the Parties shall be governed by Article VII of GATT 1994 and the WTO Agreement on the Implementation of Article VII of GATT 1994.

ARTICLE 2.12: SAFEGUARD MEASURES

1. The Parties shall retain their rights and obligations to apply safeguard measures consistent with Article XIX of GATT 1994, the WTO Agreement on Safeguards and Article V of the Agreement on Agriculture.

2. Notwithstanding paragraph 1, the application of preferential bilateral safeguard measures shall be in accordance with Annex 3 to this Agreement.

ARTICLE 2.13: ANTI-DUMPING AND COUNTERVAILING MEASURES

In applying anti-dumping and countervailing measures, the Parties shall be governed by their respective legislation, which shall be consistent with Articles VI and XVI of GATT 1994, the Agreement on Implementation of Article VI of GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.

ARTICLE 2.14: BALANCE-OF-PAYMENTS DIFFICULTIES

1. The Parties shall endeavour to avoid the imposition of restrictions to safeguard the balance-of-payments.

2. The rights and obligations of the Parties with regard to restrictions to safeguard the balance-of-payments shall be governed by Article XII of the GATT 1994.

ARTICLE 2.15: TECHNICAL BARRIERS TO TRADE

1. The Parties shall act in accordance with their rights and obligations set out in the WTO Agreement on Technical Barriers to Trade.

2. The Parties shall co-operate in the area of standards, technical regulations and conformity assessment procedures with the objective of facilitating trade in accordance with the Chapter on Technical Barriers to Trade.

3. The Parties shall endeavour to conclude mutual equivalence agreements.

ARTICLE 2.16: SANITARY AND PHYTOSANITARY MEASURES

1. The Parties shall act in accordance with their rights and obligations set out in the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

2. The Parties agree to co-operate in the areas of animal health and plant protection, food safety and mutual recognition of sanitary and phytosanitary

measures, through their respective competent authorities, including, inter-alia, by entering into equivalence agreements and/or mutual recognition agreements taking into account relevant international criteria in accordance with Chapter 4 of this Agreement.

ARTICLE 2.17: CUSTOMS COOPERATION AND TRADE FACILITATION

To facilitate trade between Mauritius and India, the Parties shall:

(a) simplify, to the greatest extent possible, procedures for trade in goods;

(b) promote multilateral cooperation of the Parties in order to enhance their participation in the development and implementation of international conventions and recommendations on trade facilitation; and

(c) cooperate on trade facilitation within the framework of the High-Powered Joint Trade Committee, including on the implementation of the WTO Trade Facilitation Agreement.

ARTICLE 2.18: INTELLECTUAL PROPERTY

The Parties agree to cooperate with each other with a view to ensuring adequate protection of intellectual property rights.

ARTICLE 2.19: SUB-COMMITTEE ON TRADE IN GOODS

1. A Sub-Committee of the High-Powered Joint Trade Committee (hereinafter referred to as "Sub-Committee") is hereby established, consisting of representatives of the Parties.

2. The functions of the Sub-Committee shall include:

   (a) the monitoring and review of measures taken and implementation of commitments;

   (b) the exchange of information and review of developments;

   (c) the preparation of technical amendments, including HS updating, and assisting the High-Powered Joint Trade Committee;

   (d) any other matter referred to it by the High-Powered Joint Trade Committee; and

   (e) the preparation of recommendations and report to the High-Powered Joint Trade Committee as necessary.

The Sub-Committee shall establish such subsidiary bodies as may be necessary under this Agreement, inter alia on Customs Procedures, Trade Facilitation and

Technical Barriers to Trade, and Sanitary. All the subsidiary bodies shall report to the Sub-Committee.

3. Each Party has the right to be represented in the Sub-Committee. The Sub-Committee shall act by consensus.

4. The Sub-Committee shall meet at least every two years or more frequently if so agreed by the Parties. The meetings of the Sub-Committee shall be chaired jointly by Mauritius and India.

5. The Parties shall examine any difficulties that might arise in their trade and shall endeavour to seek appropriate solutions through dialogue and consultations.

CHAPTER 3 - RULES OF ORIGIN

ARTICLE 3.1: DEFINITIONS

For the purpose of this Chapter:

(a) "**competent authority**" means:

(i) for India, the Department of Commerce or the Central Board of Indirect Taxes and Customs (CBIC) or any other agency notified from time to time;

(ii) for Mauritius, the Mauritius Revenue Authority, Customs Department;

(b) **"customs value"** means the value as determined in accordance with Article VII of the General Agreement on Tariffs and Trade 1994, (also known as GATT) including its notes and supplementary provision thereof; and the Agreement on the Implementation of Article VII of GATT (also known as WTO Agreement on Customs Valuation);

(c) **"carrier"** means any vehicle for air, sea, and land transport;

(d) **"Change in Tariff Classification"** or **"CTC"** refers to the change in the relevant tariff classification of the non-originating materials used in the manufacture of the export product. CTC would cover the following cases**:**

(i) Change in Chapter or CC which implies the change in chapter at the two-digit level of the Harmonized System for all non-originating materials used in the manufacture of the export product;
(ii) Change in Tariff Heading or CTH which implies the change in tariff heading at the four-digit level of the Harmonized System for all non-originating materials used in the manufacture of the export product;
(iii) Change in Tariff Sub-Heading or CTSH which implies the change in tariff sub-heading at the six-digit level of the Harmonized System for all non-originating materials used in the manufacture of the export product;

(e) **"CIF value"** means the price actually paid or payable to the exporter for a good when the good is loaded out of the carrier, at the port of importation, including the cost of the good, insurance, and freight necessary to deliver the good to the named port of destination. The valuation shall be made in accordance with the Customs Valuation Agreement;

(f) **"FOB value"** or free-on-board value means the price actually paid or payable to the exporter for a product when loaded onto the carrier at the named port of exportation, including the cost of the product and all costs necessary to bring the product onto the carrier;

(g) **“Harmonized System” or “HS”** means the Harmonized System or HS set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System, including any amendments adopted and implemented by the parties in their respective laws;

(h) **“manufacture”** means working or processing;

(i) **“material”** means any ingredient, raw material, component or part and goods that are used in the production of another good and physically incorporated into another good;

(j) **“non-originating materials used in production”** means any materials whose country of origin is a country other than the Parties (imported non-originating) and any materials whose origin cannot be determined (undetermined origin);

(k) **“originating materials”** means materials that qualify as originating under this Chapter;

(l) **“product”** means the product being manufactured, even if it is intended for later use in another manufacturing operation;

(m) **“tariff classification”** means the classification of goods according to the Harmonized System including its General Interpretative Rules and Explanatory Notes;

(n) **“territorial waters”** means waters extending up to 12 nautical miles from the baseline as defined by the Parties in line with the United Nations Convention on the Law of the Sea (UNCLOS);

(o) **“territory”** means the territory of the Party including its territorial waters and the air space above its territorial waters and the other maritime zones including the Exclusive Economic Zone and Continental Shelf over which the Party has sovereignty, sovereign rights or exclusive jurisdiction in accordance with its laws in force, the 1982 United Nations Convention on the Law of the Sea and international law;

(p) **“value of non-originating materials”** means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the territory of a Party.

ARTICLE 3.2: ORIGIN CRITERIA

1. For the purposes of this Agreement, a product shall be considered as originating in a Party and eligible for preferential tariff treatment, if:

(a) it has been wholly obtained in a Party, in accordance with Article 3.3; or

(b) it meets the product specific rules (PSRs) listed in Annex 5.

The value addition criteria for PSRs listed in Annex 5 is defined as

Value addition = [FOB value of export – (CIF value of non-originating material + value of material of undetermined origin)]/ [FOB value of export]

or

Value addition = [cost of originating material + direct labour cost + direct overhead cost + profits]/ [FOB value of export]

2. Notwithstanding paragraph 2 above, the final manufacture before export must have occurred in the Party of export.

ARTICLE 3.3: WHOLLY PRODUCED OR OBTAINED PRODUCTS

Within the meaning of Article 3.2.1(a), the following products shall be considered as being wholly obtained or produced in the territory of a Party:

(a) Plants and plant products grown and harvested in a Party;

(Note: For the purposes of this subparagraph, the term "plant" refers to all plant life, including fruit, flowers, vegetables, trees, seaweed, fungi and live plants.)

(b) Live animals born and raised there and products from such animals;

(c) Products obtained by hunting, trapping, fishing or aquaculture conducted in the party;

(d) Fish and fish products taken from the sea outside the territorial waters of that party by a vessel registered in that Party and flying its flag;

(e) Mineral goods and other naturally occurring substances extracted from or beneath its soil, waters or seabed;

(f) Waste and scrap resulting from utilisation, consuming or manufacturing operations conducted in the territory of any of the Parties, provided they are fit only for the recovery of raw materials;

(g) products manufactured there exclusively from those specified in subparagraphs (a) to (f) above.

ARTICLE 3.4: DE MINIMIS

Notwithstanding Article 3.2.1 on the origin criteria, non-originating materials that do not meet either the Wholly Obtained criteria listed in Articles 3.3 or CTC, if

applicable in the product specific rule (PSR) shall be deemed as originating if:

(a) their total value does not exceed 12.5% of the FOB price of the export product.

(b) and in case of textiles and clothing under HS chapters 50-63, the weight of the non-originating material is less than 7% of the total weight of the materials used in the export product.

ARTICLE 3.5: MINIMAL OPERATIONS AND PROCESSES

1. Notwithstanding any provisions in this text, a product shall not be considered as originating in a Party if any of the following operations are undertaken exclusively by itself or in combination in the territory of that Party:

(a) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing or thawing, keeping in brine, removal of damaged parts) and other similar operations;

(b) changes of packaging and breaking up and assembly of packages;

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

(d) for textiles:

(i) attaching accessory articles such as straps, bands, beads, cords, rings and eyelets;
(ii) ironing or pressing of textiles;

(e) simple painting and polishing;

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

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

(h) peeling and removal of stones and shells from fruits, nuts and vegetables;

(i) sharpening, simple grinding or simple cutting;

(j) simple operations such as removal of dust, sifting, screening, sorting, classifying, grading, matching;

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

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

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

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

(o) slaughter of animals; or

(p) simple testing, calibration, inspection or certification.

For the purposes of paragraph 1 above, “simple” describes an activity which need neither special skills nor machines, apparatus or equipment especially produced or installed to carry out the activity.

ARTICLE 3.6: BILATERAL CUMULATION

For the purposes of determining whether a product qualifies as an originating product of a Party, an originating material of the other Party which is used as a material in the production of the product in the former Party may be considered as an originating material of the former Party, provided that such material has undergone its last production process in the former Party which goes beyond the operations provided for in Article 3.5.

ARTICLE 3.7: PACKAGES AND PACKING MATERIALS AND CONTAINERS

1. The packages and packing materials for retail sale, when classified together with the packaged product, shall not be taken into account for considering whether all non-originating materials used in the manufacture of a product fulfil the criterion corresponding to a change of tariff classification of the said product.

2. Where a product is subject to an ad-valorem percentage criterion, the value of the packages and packing materials for retail sale shall be taken into account in its origin assessment, in case the packing is considered as forming a whole with products.

3. The containers and packing materials exclusively used for the transport of a product shall not be taken into account for determining the origin of any product.

ARTICLE 3.8: ACCESSORIES, SPARE PARTS AND TOOLS AND SETS

1. Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment as per standard trade practice and which value is included in its FOB price, or which are not separately invoiced, shall be considered as part of the product in question.

2. Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating provided that the value of the non-originating

products does not exceed 10 per cent of the FOB value of the set. A Party applying this rule shall not use the de-minimis criteria in Article 3.4 for originating products of the Set.

ARTICLE 3.9: INDIRECT MATERIALS

Neutral elements, which have not entered into the final composition of the product, such as energy and fuel, plant and equipment, or machines and tools, shall not be taken into account when the origin of that product is determined.

ARTICLE 3.10: ACCOUNTING SEGREGATION

1. Where identical and interchangeable originating and non-originating materials including materials of undetermined origin are used in the manufacture of a product, those materials shall be physically segregated, according to their origin, during storage.

2. Notwithstanding paragraph 1 of this Article, a producer facing considerable costs or material difficulties in keeping separate stocks of identical and interchangeable originating and non-originating materials including materials of undetermined origin used in the manufacture of a product, may use the so-called "accounting segregation" method for managing stocks.

3. The accounting method shall be recorded, applied and maintained in accordance with Generally Accepted Accounting Principles (GAAP)[1] applicable in the Party in which the product is manufactured. The method chosen must:

(a) permit a clear distinction to be made between originating and non-originating materials including materials of undetermined origin acquired and/or kept in stock; and

(b) guarantee over the relevant accounting period of twelve months that no more products receive originating status than would be the case if the materials had been physically segregated.

A producer using an inventory management system shall keep records of the operation of the system that are necessary for the customs administration of the Party concerned to verify compliance with the provisions of this Chapter.

[1] The term "Generally Accepted Accounting Principles" means the recognised consensus or substantial authoritative support within a Party at a particular time as to which economic resources and obligations should be recoded as assets and liabilities, which changes in assets and liabilities should be recorded, how the assets and liabilities and changes in them should be measured, what information should be disclosed and how it should be disclosed, and which financial statements should be prepared. These standards may be broad guidelines of general application as well as detailed practices and procedures

4. The competent authority may require from its exporters that the application of the method for managing stocks as provided for in this Article will be subject to prior authorisation.

ARTICLE 3.11: TRANSPORT

1. Preferential treatment in accordance with this Agreement shall only be granted to originating products that are transported directly between the Parties.

2. Notwithstanding paragraph 1 above, an originating product may be transported through territories of non-parties for the purpose of transit or temporary storage in warehouses in such non-Parties, provided that it:

(a) does not undergo operations other than unloading, reloading, or any operation designed to preserve it in good condition; and

(b) remain under customs control and has not entered into trade or consumption in those non-Parties.

If an originating product of the other Party does not meet the consignment criteria referred to in paragraph 2 above, the product shall not be considered as an originating product of the other Party.

3. An importer shall upon request supply appropriate evidence to the customs authorities of the Party of import that the conditions set out in paragraph 2 have been fulfilled.

ARTICLE 3.12: PROOF OF ORIGIN

1. For products originating in a Party and otherwise fulfilling the requirements of the text on Rules of Origin, the Proof of Origin of an export product will be provided either through:

(a) an origin declaration on a commercial document completed by an approved exporter established in the Party, in accordance with the provisions of Annex 6; or

(b) a certificate of origin, whether in a printed form or such other medium, including electronic format, issued by the competent authorities of either Party, listed in Annexes 7 and 8. The format of the Certificate of Origin is at Annex 9. Issuance and acceptance of electronic certificate of origin would be in accordance with each Party's national legislation.

A Certificate/Statement of Origin or Origin declaration shall be valid for twelve months from the date of issue in the exporting Party.

2. Notwithstanding paragraph 1, importing parties shall not require a Proof of Origin if the importing party has waived the requirement or does not require the importer to present a Proof of Origin as per their national laws.

3. Proof of Origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that Party.

ARTICLE 3.13: CERTIFICATION AND DECLARATION OF ORIGIN

1. The Proof of Origin shall be in English.

2. The Certificate of Origin shall be in the form specified in this Chapter and in light pink.

3. The Certificates of Origin shall bear a unique sequential serial number affixed by the Issuing Authority in the exporting party.

4. The Certificate of Origin shall be valid for only one import and shall include one or more goods.

5. The number and date of the commercial invoice or any other relevant documents shall be indicated in the box reserved for this purpose in the Certificate of Origin.

6. The Proof of Origin shall be submitted within its validity period.

7. In exceptional circumstances, the Proof of Origin may be accepted by the customs authority in importing Party for the purpose of granting preferential tariff treatment even after the expiry of its validity provided the failure to observe the time limit results from force majeure or other valid reasons beyond the control of the exporter and the goods have been imported before the expiry of the validity period of the said Proof of Origin.

8. The Certificate of Origin or the origin declaration shall be forwarded by the exporter to the importer. The Customs authorities may require the original copy.

9. No erasures and superimpositions shall be allowed on the Proof of Origin. The alterations if any, shall be made by striking out the errors and making any addition required and such alterations shall be approved and certified by an official authorised to sign the Certificate of Origin, or the approved exporter and unused spaces shall be crossed out to prevent any subsequent addition.

10. The Certificate of Origin shall be issued at the time of exportation, but under exceptional cases, where a Certificate of Origin has not been issued at the time of exportation or within five(5) working days from the date of shipment due to involuntary errors or omissions, or any other valid reasons, the Certificate of Origin may be issued retrospectively, bearing the words “ISSUED RETROSPECTIVELY”

in box 8 of the Certificate of Origin or the origin declaration, as the case may be, with the issuing authority or the approved exporter, also recording the reasons in writing on the exceptional circumstances due to which the certificate was issued retrospectively. The Certificate of Origin or the origin declaration can be issued/made retrospectively within twelve months from the date of shipment.

11. In the event of theft, loss or destruction of a Certificate of Origin, the exporter may apply in writing to the issuing authority for a certified true copy of the original made on the basis of the export documents in their possession bearing the endorsement of the words “CERTIFIED TRUE COPY” (in lieu of the original certificate). This copy shall bear the date of the original Certificate of Origin. The certified true copy of a Certificate of Origin shall be issued not later than one year from the date of issuance of the original Certificate of Origin. Similarly, an approved exporter may also issue a certified true copy of the Origin Declaration which shall be issued not later than one year from the date of issuance of the original origin declaration. The exporter shall immediately notify the loss and undertake not to use the original Certificate of Origin for exports under this Agreement to the competent authority.

12. Minor discrepancies between the Proof of Origin and the documents submitted to the customs authority at the port of importation for the purpose of carrying out the formalities for importing the products shall not ipso facto invalidate the Proof of Origin, if such Proof of Origin corresponds to the products under importation. Minor discrepancies include typing errors or formatting errors, subject to the condition that these minor errors do not affect the authenticity of the Proof of Origin or the accuracy of the information included in the Proof of Origin. Discrepancies in the specimen signatures or seals of the issuing authority shall not be regarded as minor discrepancies.

ARTICLE 3.14: THIRD PARTY INVOICING

When a good to be traded is invoiced by a non-Party trader, the producer, manufacturer or exporter of the originating Party shall inform, in the field titled "*Remarks*" of the Certificate of Origin, that the goods shall be invoiced from that non-Party trader, reproducing the following data from the commercial invoice issued by the non-party trader: name, and address of the non-party trader, invoice number and date.

ARTICLE 3.15: AUTHORITIES

1. The Certificate of Origin shall be issued by authorities designated by the Parties (hereinafter referred to as Issuing Authority).

2. Each party shall inform the Competent Authorities and the Customs Administration of other Party of the names and addresses of the officials of the

issuing authority/authorised exporters designated to issue Certificates/Statements of Origin under this agreement. They shall also provide the specimen signatures and specimen official seals of the officials of the issuing authorities.

3. Each Party shall intimate the name, designation and contact details (address, phone number, fax number, e-mail) of its authorities-

(i) to whom the specimen seals and signatures of the Issuing Authorities of the other Party should be communicated

India: Central Board of Indirect Taxes and Customs, Department of Revenue, Government of India

Mauritius: Mauritius Revenue Authority, Customs Department

(ii) to whom the references of verification of Proof of Origin issued by the Party, should be addressed

India: Department of Commerce, Government of India

Mauritius: Mauritius Revenue Authority, Customs Department

(iii) from whom the specimen seals and signatures of the Issuing Authorities of the other Party would be received

India: Department of Commerce, Government of India

Mauritius: Mauritius Revenue Authority, Customs Department

(iv) from whom references would emanate for verification of Proof of Origin issued by the other Party

India: Central Board of Indirect Taxes and Customs, Department of Revenue, Government of India

Mauritius: Mauritius Revenue Authority, Customs Department

4. Any change in names, designations, addresses, specimen signatures or officials' seals shall be promptly informed to the other Party.

ARTICLE 3.16: DOCUMENTS FOR THE APPLICATION OF PROOF OF ORIGIN

1. For the issue of a Certificate of Origin, the final producer, manufacturer or exporter of the good shall present, or submit electronically through the approved channel, to the issuing authority of the exporting Party –

(a) set of minimum information requirements referred to in Annex 4 in whichever form or format as may be required by the competent authority; and

(b) the corresponding commercial invoice or other documents necessary to establish the origin of the good.

2. In case of origin declaration, approved exporter should maintain the documents referred to in paragraph 1 of this Article

3. The description of the good and its tariff classification in the minimum required information, shall correspond with the description of the good in the commercial invoice.

4. The Issuing Authority may apply a risk management system in order to selectively conduct pre-export verification of the minimum required information filed by an Exporter/Producer/Manufacturer/Approved Exporter. The verification may, at the discretion of the issuing authority, include methods such as obtaining detailed cost sheets, and conducting a factory visit.

ARTICLE 3.17: PRESERVATION OF DOCUMENTS

The Issuing Authorities shall keep the minimum required information and supporting documents for a period no less than five (5) years, as from the date of issue.

ARTICLE 3.18: OBLIGATION OF THE EXPORTER/PRODUCER/MANUFACTURER/APPROVED EXPORTER

1. The Exporter/Producer/Manufacturer/Approved Exporter shall submit minimum required information, as referred in Article 3.16.1, and supporting documents for issue of Certificate of Origin as per procedure followed by the Issuing Authority in the exporting party only in cases where a good conforms to the Rules of Origin provided in this Agreement.

2. Any Exporter/Producer/Manufacturer/Approved Exporter who falsely represents any material information relevant to the determination of origin of a good shall be liable to be penalised under the domestic laws of the exporting Party.

3. The Exporter/Producer/Manufacturer/Approved Exporter shall keep the minimum required information, as referred in Article 3.16.1, and supporting documents for a period no less than five (5) years, starting from the end of the year of the date of its issue.

4. For the purpose of determination of origin, the Exporter/Producer/ Manufacturer/Approved Exporter applying for a Certificate of Origin or Origin Declaration under this agreement shall maintain appropriate commercial accounting records for the production and supply of goods qualifying for preferential treatment and keep all commercial and customs documentation relating to the

material used in the production of the good, for at least five years from the date of issue of the Proof of Origin

5. These obligations also apply to suppliers who provide the Exporter/Producer/ Manufacturer/Approved Exporter with the declarations certifying the originating status of the goods supplied.

6. The Exporter/Producer/Manufacturer/Approved Exporter shall upon request of the competent authority of the exporting party where the Proof of Origin or the origin declaration has been issued, make available records for inspection to enable verification of the origin of the good.

7. The Exporter/Producer/Manufacturer/Approved Exporter shall not deny any request for a verification visit, agreed between the competent authority of the exporting party and the customs administration of the importing party, in terms of this Article. Any failure to consent to a verification visit shall be liable for a denial of preferential benefits claimed under this agreement.

8. The Exporter/Producer/Manufacturer/Approved Exporter shall undertake to notify all parties to whom the Certificate or statement was given of any change that could affect its accuracy or validity.

ARTICLE 3.19: PRESENTATION OF CLAIM FOR PREFERENTIAL TREATMENT

1. The importer shall make the claim for preferential treatment before the customs authority of the importing Party at the time of importation of goods. For the purpose of claiming the preferential tariff treatment for an originating good, the original copy of the Proof of Origin as referred to in Article 3.12 shall be submitted to the customs authority of the importing Party together with the documents required at the time of customs clearance of the goods for the importation in accordance with the laws and regulations of the importing Party, including the original Proof of Origin if so required.

2. If a claim for preferential treatment is made without producing the original copy of the Proof of Origin as referred to in Article 3.12, the customs authority of the importing Party may deny preferential treatment and request a guarantee in any of its modalities or may take any action necessary in order to preserve fiscal interests, as a pre-condition for the completion of the importation operations subject to and in accordance with the laws and procedures of the importing Party, including the original Proof of Origin if so required.

ARTICLE 3.20: VERIFICATION OF CERTIFICATES OF ORIGIN/STATEMENT OF ORIGIN

1. The customs authority of the importing Party, may initiate a verification relating to the authenticity of a Proof of Origin referred to in Article 3.12.1. as well

as the veracity of the information contained therein, in accordance with the procedures established in this agreement, in cases of doubt or on random basis.

2. In so far as possible, the customs authority of the importing party conducting a verification shall seek necessary information or documents relating to the origin of imported good from the importer, in accordance with its domestic laws and regulations, before making any request to the competent authority of the exporting party for verification.

3. In cases where the customs authority of the importing party deems it necessary to seek a verification from the competent authority of the exporting party, it shall specify whether the verification is on random basis or the veracity of the information is in doubt. In case the determination of origin is in doubt, the customs authority shall provide detailed grounds for the doubt concerning the veracity of Proof of Origin.

4. The proceedings of verification of origin as provided in this Chapter shall also apply to the goods already cleared for home consumption.

ARTICLE 3.21: PROCEDURE FOR VERIFICATION

1. Any request made pursuant to Article 3.20 shall be in accordance with the following procedure, namely:

(a) The customs authority of the importing party shall make a request for verification by providing a copy of the Proof of Origin on Invoice and Bill of Lading or Airway Bill.

(b) The customs authority of the importing party shall specify whether it requires a verification of the genuineness of the Proof of Origin to rule out any forgery or seek the minimum required information or seek to verify the determination of origin.

(c) In cases where the customs authority of the importing party seeks to verify the determination of origin, it shall send a questionnaire to the competent authorities of the exporting Party, which shall be passed on to the Exporter/Producer/Manufacturer/Approved Exporter, for such inquiry or documents, as necessary.

(d) The competent authority of the exporting Party shall provide the information and documentation requested, within:

(i) fifteen (15) days of the date of receipt of the request, if the request pertains to the authenticity of issue of the Proof of Origin, including the seal and signatures of the issuing authority;

(ii) thirty (30) days of the date of receipt of the request, if the request seeks

a copy of the relevant document with the minimum required information.

(iii) ninety (90) days from the date of receipt of such request, if the request is on the grounds of suspicion of the accuracy of the determination of origin of the product. Such period can be extended through mutual consultation between the customs authority of the importing party and issuing authority of the exporting party for a period no more than sixty (60) days.

(e) On receiving the results of the verification check pursuant to clause (d), the customs authority of the importing Party deems it necessary to request for further investigative actions or information, the customs authorities of the importing Party shall communicate the fact to the competent authority of the exporting Party. The term for the execution of such new actions or for the presentation of additional information shall be not more than ninety (90) days, from the date of the receipt of the request for the additional information.

(f) If, on receiving the results of the verification pursuant to clause (d) or clauses (d) and (e), the competent authorities of the importing Party deem it necessary, it may deliver a written request to the competent authority of the exporting Party to facilitate a visit to the premises of the Exporter/Producer/Manufacturer/Approved Exporter, with a view to examining the records, production processes, as well as the equipment and tools utilised in the manufacture of the good under verification.

(g) The request for a verification visit shall be made not later than 30 days of the receipt of the verification report referred to in clause (d) or/and clause (e). The requested party shall promptly inform the dates of the visit, but not later than 45 days of the receipt of request and give a notice of at least 21 days to the requesting party and Exporter/Producer/Manufacturer/Approved Exporter so as to enable arrangements for the visit.

(h) The competent authorities of the exporting Party shall accompany the authorities of the importing Party in their above-mentioned visit, which may include the participation of specialists who shall act as observers. Each Party can designate specialists, who shall be neutral and have no interest whatsoever in the verification. Each Party may deny the participation of such specialists whenever the latter represent the interests of the companies involved in the verification.

(i) Once the visit is concluded, the participants shall subscribe to a “Record of Visit”. The said record shall contain the following information: date and place of the carrying out of the visit; identification of the Certificate of Origin or the origin declaration which led to the verification; identification of the goods under verification; identification of the participants, including indications of

the organs and institutions to which they belong; and a record of proceedings.

ARTICLE 3.22: RELEASE OF GOODS

Upon reasonable suspicion regarding the origin of the goods, the importing Party may request a guarantee in any of its modalities or may take any action necessary in order to preserve fiscal interests, as a pre-condition for the completion of the importation operations subject to and in accordance with the laws and procedures of the importing country.

ARTICLE 3.23: CONFIDENTIALITY

1. The information obtained by the customs authority of the importing party can be utilised for arriving at a decision regarding the determination of origin in respect of the good under verification and can be used in the legal proceedings under its laws for the time being in force.

2. Both parties shall protect the information from any unauthorized disclosure in accordance with their respective laws.

ARTICLE 3.24: DENIAL OF PREFERENTIAL TREATMENT

1. The customs authority of the importing party may deny the claim for preferential tariff treatment or recover unpaid duties in accordance with its laws and regulations, where -

(a) the customs authority of the importing party determines that the goods does not meet the requirements of the Rules of Origin under the agreement;

(b) the Exporter/Producer/Manufacturer/Approved Exporter of the goods fails to maintain records or documentation necessary for determining the origin of the good or denies access to the records, documentation or visit for verification;

(c) the Exporter/Producer/Manufacturer/Approved Exporter of the goods fails to provide sufficient information that the importing party requested to determine that the good is an originating good;

(d) the Exporter/Producer/Manufacturer/Approved Exporter denies access to the records or production facilities during a verification visit;

(e) the competent authorities of the exporting Party fails to provide sufficient information in pursuance to a written request for verification within stipulated time lines stated in Article 3.21;

(f) the information provided by the competent authority of the exporting Party or exporter or producer or manufacturer or approved exporter is not sufficient to prove that the good qualifies as an originating good as defined under this agreement.

2. In cases where the Proof of Origin is rejected by the customs authorities of the importing Party, after following the due process provided under its domestic laws, a copy of the decision, containing the grounds of rejection, shall be provided to the importer and the competent authority of the exporting party. The customs authority of the importing party shall alongside of communicating this decision also return the original Proof of Origin to the competent authority of the exporting party.

3. Upon being communicated the grounds for denial of preferential tariff treatment, the Exporter/Producer/Manufacturer/Approved Exporter in the exporting party may within the period provided for in the customs law of the importing party file an appeal against such decision with the appropriate appellate authority under the customs laws of the importing party.

ARTICLE 3.25: GOOD COMPLYING WITH RULES OF ORIGIN

If a verification conducted under Article 3.20 determines the goods to be complying with the Rules of Origin under the agreement, the importer shall be promptly refunded the duties paid in excess or guarantees obtained in accordance with the domestic legislation of the Parties.

ARTICLE 3.26: NON-COMPLIANCE OF THE GOOD WITH THE RULES OF ORIGIN

If a verification under Article 3.20 establishes non-compliance of the goods with the Rules of Origin, duties shall be levied in accordance with the domestic legislation of the importing Party in addition to any other action that may be taken under any laws for the time being in force.

ARTICLE 3.27: PROSPECTIVE RESTORATION OF PREFERENTIAL BENEFITS

1. Where preferential treatment to a good has been denied by the customs authority of the importing party, the Exporter/Producer/Manufacturer/Approved Exporter may take recourse to the procedure in paragraph (2) of this article in respect of future exports to importing party.

2. Such Exporter/Producer/Manufacturer/Approved Exporter shall clearly demonstrate to the issuing authority of the exporting party that the manufacturing conditions were modified so as to fulfil the origin requirements of the Rules of Origin under this agreement.

3. The competent authorities of the exporting Party shall send the information to the customs authority of the Importing party explaining the changes carried out by Exporter/Producer/Manufacturer/Approved Exporter in the manufacturing conditions as a consequence of which the goods fulfil the origin criterion.

4. The competent authorities of the importing Party shall within forty-five (45) days, from the date of the receipt of the said information, request for a verification visit to the producer's premises, if deemed necessary, for satisfying itself of the veracity the claims of the Exporter/Producer/Manufacturer/Approved Exporter referred in paragraph (2) of this article.

5. If the competent authorities of the importing and the exporting Parties fail to agree on the fulfilment of the compliance of the Rules of Origin subsequent to the modification of the manufacturing conditions, they may refer the matter to the Joint Technical Committee established under Article 3.31 for a decision.

ARTICLE 3.28 TEMPORARY SUSPENSION OF PREFERENTIAL TREATMENT

1. The Importing Party may suspend the tariff preference in respect of a good originating in the exporting party, when the withdrawal is justified due to persistent failure to comply with the provisions of these rules by an Exporter/Producer/Manufacturer/Approved Exporter in the exporting party or a persistent failure on part of the competent authority to respond to a request for verification.

2. The exporting Party shall, within fifteen days of suspension of preferential tariff benefits for a good, be notified of the reasons for such suspension.

3. Upon receipt of the notification for suspension, the competent authority of exporting Party may request for consultations.

4. The consultations may occur by means of e-mail communications, video conference and/or meetings and may also involve joint verification, or as mutually agreed.

5. Pursuant to the consultations between both parties, and such measures as may be mutually agreed, both parties shall resolve to:

(a) restore preferential benefit to the good with retrospective effect; or

(b) restore preferential benefit to the good with prospective effect, subject to implementation of any mutually agreed measures by one or both Parties; or

(c) continue with the suspension of preferential benefits to the good, subject to remedies available under Article 3.27 of this Chapter.

ARTICLE 3.29: PENALTIES

1. Each Party shall adopt or maintain measures that provide for the imposition of civil, administrative, and, where appropriate, criminal sanctions for violations of its customs laws and regulations, including those governing tariff classification,

customs valuation, rules of origin, and the entitlement to preferential tariff treatment under this Agreement.

2. Nothing contained in this Agreement shall preclude the application of the respective national legislation relating to breach of customs laws or any other law for the time being in force on the importer or Exporter/Producer/Manufacturer/Approved Exporter in both the territories of both Parties.

ARTICLE 3.30: RELEVANT DATES

The time periods set in this Chapter shall be calculated on a consecutive day basis as from the day following the fact or event which they refer to.

ARTICLE 3.31: COOPERATION

1. Both parties agree to notify a Joint Technical Committee to oversee the implementation of this Chapter.

2. The Joint Technical Committee shall comprise of officials of the competent authorities, customs administration and issuing authorities.

3. The Joint Technical Committee shall meet at least once a year for the furtherance of the objectives of this Chapter including, aiming at enhancing mutual capacity building for the smooth implementation of the procedures envisaged in this Chapter and explore ways and means of utilising information technology enabled services for the issue and verification of Certificates of Origin.

4. The Customs Administrations of both parties shall endeavour to conclude a Mutual Customs Cooperation Agreement.

CHAPTER 4 - SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 4.1: DEFINITIONS

For the purposes of this Chapter:

1. The definitions under Annex A of the SPS Agreement shall apply.

2. Relevant definitions developed by Codex Alimentarius Commission ("Codex"), the World Organisation for Animal Health ("OIE"), and the International Plant Protection Convention ("IPPC") shall apply.

3. In the event of any conflict between the definitions under the SPS Agreement and any of the other sources specified in paragraph 2 of this Article, the definitions under the SPS Agreement shall prevail.

4. Competent authorities mean those authorities within each Party recognized by the national government as responsible for developing and administering the SPS measures within that Party.

5. SPS Agreement means the *Agreement on the Application of Sanitary and Phytosanitary Measures* in Annex 1A of the *WTO Agreement*.

6. An emergency measure means a sanitary or phytosanitary measure that is applied by a Party to products of another Party to address an urgent problem of human, animal or plant life or health protection that arises or threatens to arise in the Party applying the measure.

ARTICLE 4.2: GENERAL PROVISION

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

ARTICLE 4.3: EQUIVALENCE

1. Both Parties shall strengthen cooperation on equivalence in accordance with the SPS Agreement while taking into account relevant decisions of the WTO SPS Committee and international standards, guidelines and recommendations.

2. The importing Party shall recognize the equivalence of an SPS measure if the exporting Party objectively demonstrates to the importing Party that its measure achieves the same level of protection as the importing Party's measure or that its measure has the same effect in achieving the objective as the importing Party's measure.

3. In determining equivalence, the importing Party shall take into account existing knowledge, information and experience as well as the regulatory competence of the exporting Party.

4. A Party shall, upon request, enter into consultation with the aim of achieving bilateral recognition arrangements of equivalence of specified sanitary and phytosanitary measures. The recognition of equivalence may be with respect to a single measure, group of measures or on a systems-wide basis. For this purpose, reasonable access shall be given, upon request, to the importing Party for inspection, testing and other relevant procedures.

5. As part of the consultation for equivalence recognition, on request by the exporting Party, the importing Party shall explain and provide:

(a) the rationale and objective of its measures; and

(b) the specific risks its measures are intended to address.

6. The exporting Party shall provide necessary information in order for the importing Party to commence an equivalence assessment. Once the assessment commences, the importing Party shall without undue delay, on request, explain the process and plan for making equivalence determination.

7. The consideration by a Party of a request from the other Party for recognition of equivalence of its measures with regard to a specific product, or group of products, shall not be in itself a reason to disrupt or suspend ongoing imports from the Party of the product(s) in question.

8. When the importing Party recognizes the equivalence of the exporting Party's specific sanitary and phytosanitary measure, group of measures or measures on a systems-wide basis, the importing Party shall communicate the decision in writing to the exporting Party and implement the measure within a reasonable period of time. The rationale shall be provided in writing by the importing Party in the event that the decision is negative.

9. The importing Party may withdraw or suspend equivalence on the basis of any amendment by one of the Parties of measures affecting equivalence, in accordance with the following provisions:

(a) the exporting Party shall inform the importing Party of any proposal for amendment of its measures for which equivalence of measures is recognised and the likely effect of the proposed measures on the equivalence which has been recognised;

(b) within sixty working days of receipt of this information, the importing Party shall inform the exporting Party whether or not equivalence would continue to be recognized on basis of the proposed measures;

(c) the importing Party shall inform the exporting Party of any proposal for amendment of its measures on which recognition of equivalence has been

based and the likely effect of the proposed measures on the equivalence which has been recognized; and

(d) in case of non-recognition or withdrawal or suspension of equivalence, the importing Party shall indicate to the exporting Party the required conditions on which the process referred to in paragraph 5 may be reinitiated, provided that the timelines of paragraph 6 shall be adhered to in any process for re-assessment of equivalence.

10. The withdrawal or suspension of equivalence rests solely with the importing Party acting in accordance with its administrative and legislative framework, which shall adhere to the international guidelines, standards and recommendations. The importing Party shall provide to the exporting Party, upon request explanation except confidential data for its determinations and decisions.

ARTICLE 4.4: ADAPTATION TO REGIONAL CONDITIONS, INCLUDING PEST OR DISEASE-FREE AREAS AND AREAS OF LOW PEST OR DISEASE PREVALENCE

1. Both Parties recognize the concepts of regional conditions, including pest- or disease-free areas and areas of low pest or disease prevalence. Parties shall take into account the relevant decisions of the WTO SPS Committee and international standards, guidelines and recommendations.

2. Both Parties may cooperate on the recognition of regional conditions with the objective of acquiring confidence in the procedures followed by each other for such recognition.

3. At the request of the exporting Party, the importing Party shall, without undue delay, explain its process and plan for making the determination of regional conditions.

4. When the importing Party has received a request for a determination of regional conditions and has determined that the information provided by the exporting Party is sufficient, it shall initiate the assessment within a reasonable period of time.

5. For this assessment, reasonable access shall be given, upon request, to the importing Party for inspection, testing and other relevant procedures.

6. On request of the exporting Party, the importing Party shall inform the exporting Party of the status of the assessment.

7. When the importing Party recognizes specific regional conditions of an exporting Party, the importing Party shall communicate that decision to the

exporting Party in writing and implement the measures within a reasonable period of time.

8. If the evaluation of the evidence provided by the exporting Party does not result in a decision by the importing Party to recognise the regional conditions, the importing Party shall provide the exporting Party the rationale for its decision in writing within a reasonable period of time.

ARTICLE 4.5: RISK ANALYSIS

1. Both Parties shall strengthen cooperation on risk analysis in accordance with the SPS Agreement while taking into account the relevant decisions of the WTO SPS Committee and international standards, guidelines and recommendations.

2. If the importing Party requires a risk analysis to evaluate a request from the exporting Party to authorise importation of a good of that Party, the importing Party shall provide, on request of the exporting Party, an explanation of the information required for the risk assessment.

3. On receipt of the required information from the exporting Party, the importing Party shall endeavour to facilitate the evaluation of the request for authorisation.

4. Upon request by the exporting Party, the importing Party shall inform the exporting Party of the progress of the specific risk analysis request, and of any delay that may occur during the process.

5. Without prejudice to emergency measures, no Party shall stop the importation of a good of the other Party solely for the reason that the importing Party is undertaking a review of an existing SPS measure, if the importing Party permitted importation of the good of the other Party at the time of the initiation of the review.

ARTICLE 4.6: AUDIT, CERTIFICATION, AND IMPORT CHECKS

1. The Parties shall ensure that their import procedures comply with Annex C of the SPS Agreement including but not limited to audit, certification, and import checks.

2. When conducting an audit, the Parties agree that:

(a) Audits shall be systems based and designed to check the effectiveness of the regulatory controls of the competent authorities of the exporting Party. Audits may include an assessment of the competent authorities' control programme, including, where appropriate, reviews of the inspection and audit programmes, and on-site inspections of facilities, without prejudice to the rights of a Party to seek market access on the basis of individual inspection and audits.

(b) Prior to commencement of an audit, both Parties shall discuss and agree, inter alia:

(i) the rationale for and the objectives and scope of the audit;

(ii) the criteria or requirements against which the exporting Party will be assessed; and

(iii) the itinerary and procedures for conducting the audit.

(c) The auditing Party shall provide the audited Party the opportunity to comment on the finding of an audit and take any such comments into account before making its conclusions and taking any action.

(d) Any decisions or actions taken by the auditing Party as a result of the audit shall be supported by objective evidence and data which can be verified, taking into account the knowledge, relevant experience, and confidence that the auditing Party has with the audited Party. Any such objective evidence and data shall be provided to the audited Party on request.

(e) Any costs incurred by the auditing Party shall be borne by the auditing Party, unless both Parties agree otherwise.

(f) The auditing Party and the audited Party shall each ensure that procedures are in place to prevent the disclosure of confidential information acquired during the auditing process.

3. When conducting Certification, the Parties agree that:

(a) Where certification is required for trade in a product, the importing Party shall ensure such certification is applied, in meeting its SPS objectives, only to extent necessary to protect human, animal and plant life or health.

(b) In applying certification requirements, each Party shall take into account relevant decisions from the WTO SPS Committee and international standards, guidelines and recommendations.

(c) The Parties shall promote the implementation of electronic certification and other technologies to facilitate trade.

(d) Without prejudice to each Party's right to import controls, the importing Party shall accept certificates issued by the Competent Authorities in compliance with the regulatory requirements of the importing Party.

4. When conducting Import Checks, the Parties agree that:

(a) Both Parties shall ensure that their control, inspection and approval procedures are in accordance with Annex C of the SPS Agreement.

(b) The import checks applied to imported animals, animal products, plants and plant products traded between the Parties shall be based on the risk associated with such importations. The import checks shall be carried out in a manner that is least trade-restrictive and without undue delay, and shall be based on the following:

(i) in carrying out the checks for health purposes, the importing Party shall ensure that the plants and plant products, animal products and other goods and their packaging are inspected by a representative sample;

(ii) in the event that the checks reveal non-conformity with the relevant standards or requirements, the importing Party shall take measures appropriate to the risk involved;

(iii) unless there is a clearly identified risk in holding that consignment, the consignments shall not be destroyed without affording an opportunity to the importer to take back the consignment.

The Parties reaffirm Article V of GATT 1994 and agree that there shall be freedom of transit for goods in transit. The inspection of goods may be carried out in the event of identifiable SPS risks.

ARTICLE 4.7: TRANSPARENCY

1. The Parties recognise the importance of transparency as set out in Article 7 and Annex B of the WTO SPS Agreement.

2. The Parties recognise the importance of exchange of information on the development, adoption and application of SPS measures that may have significant effects on trade between the Parties.

3. In implementing this Article, both Parties shall take into account relevant decisions of the WTO SPS Committee and international standards, guidelines and recommendations.

4. A Party, upon reasonable request from another Party, shall provide relevant information and clarification regarding any SPS measure to the requesting Party, within a reasonable period of time, including:

(a) the SPS requirements that apply for the import of specific products;

(b) the status of the Party's application; and

(c) the procedures for the authorization of specific products.

5. Each Party shall provide within a reasonable period of time, appropriate information to relevant Parties through contact points established under Article 4.10

of this Chapter or already established communication channels of the Parties, where:

(a) there is significant or recurring sanitary or phytosanitary non-compliance associated with an exported consignment identified by the importing Party; and

(b) a sanitary or phytosanitary measure adopted provisionally against or affecting the export of another party considered necessary to protect human, animal or plant life or health within the importing party.

ARTICLE 4.8: COOPERATION AND CAPACITY BUILDING

1. Both Parties shall explore opportunities for further cooperation among the parties including capacity building, technical assistance, collaboration and information exchange on sanitary and phytosanitary matters of mutual interest, consistent with the provisions of this Chapter, subject to the availability of appropriate resources.

2. In undertaking cooperative activities, both Parties shall endeavour to coordinate with bilateral, regional or multilateral work programmes with the objective of avoiding unnecessary duplications and maximizing the use of resources.

ARTICLE 4.9: TECHNICAL DISCUSSIONS

1. Where a Party considers that a sanitary or phytosanitary measure is affecting their trade with another Party, it may, through the contact points or through other established communication channels, request a detailed explanation of the sanitary or phytosanitary measures including the scientific basis of the measure. The other Party shall respond promptly to any request for such explanation.

2. A Party shall notify the other Party of an emergency measure under this Chapter within 24 hours of its decision to implement the measure. If a Party requests technical consultation to address the emergency SPS measure, the technical consultations must be held within 10 days of the notification of the emergency SPS measure. The Parties shall consider any information provided through the technical consultations.

3. A Party may request to hold technical discussions with the other Party in an attempt to resolve any concerns on specific issues arising from the application of the sanitary and phytosanitary measure. The requested Party shall respond promptly to any reasonable request for such consultation.

4. Where a Party requests technical discussion, these shall take place as soon as practicable, unless otherwise agreed.

5. The technical discussions may be conducted via teleconference, videoconference, or through any other means mutually agreed by the Parties.

6. Such technical discussions are without prejudice to the rights and obligations of the Parties under Chapter 7 on Dispute Settlement.

ARTICLE 4.10: CONTACT POINTS AND COMPETENT AUTHORITIES

1. Upon entry into force of this Agreement, each Party shall:

   a. designate a contact point or contact points to facilitate communication on matters covered under this Chapter;

   b. inform other Parties of a contact point or contact points; and

   c. when more than one contact point is designated, specify a contact point that serves as the focal point to respond to enquiries by other Parties about the appropriate contact point with which to communicate.

A Party shall provide the other Party, through the contact point or contact points, a description of its competent authorities and their division of functions and responsibilities.

2. Both Parties shall notify each other of any changes to the contact points and significant changes in the structure, organisation and division of responsibility within its competent authorities.

3. Both Parties recognize the importance of the competent authorities in the implementation of this Chapter. Accordingly, the competent authorities of Parties may cooperate with each other on matters covered by this Chapter in a manner to be mutually agreed.

ARTICLE 4.11: SUB- COMMITTEE ON SPS MEASURES

1. The Parties hereby establish a Sub-Committee on Sanitary and Phytosanitary Measures (herein referred to as the “Sub-Committee”), consisting of government representatives of each Party responsible for SPS matters.

2. The Sub-Committee shall meet within one year from entry into force of this Agreement and thereafter at such venues and times as mutually determined by the Parties.

3. The functions of the Sub-Committee shall be to:

   (a) consider any SPS matters of mutual interest;

(b) coordinate cooperation pursuant to Article 4.10 and identify mutually agreed priority sectors for enhanced cooperation;

(c) monitor the implementation and operation of this Chapter;

(d) encourage the Parties to share experience regarding implementation of this chapter;

(e) facilitate technical discussions.

4. Meetings may occur in person, by teleconference, by video conference, or through any other means as determined by the Parties.

CHAPTER 5 - TECHNICAL BARRIERS TO TRADE

ARTICLE 5.1: OBJECTIVES

The objectives of this Chapter are to facilitate trade in goods among the Parties by:

(a) ensuring that standards, technical regulations, and conformity assessment procedures do not create unnecessary obstacles to trade;

(b) furthering the cooperation of WTO Agreement on Technical Barriers to Trade (TBT Agreement)

(c) promoting mutual understanding of each Party's standards, technical regulations, and conformity assessment procedures;

(d) facilitating information exchange and cooperation among the Parties in the field of standards, technical regulations and conformity assessment procedures including in the work of relevant international bodies; and.

(e) addressing the issues that may arise under this Chapter.

ARTICLE 5.2: DEFINITIONS

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

ARTICLE 5.3: SCOPE

This Chapter shall apply to the standards, technical regulations and conformity assessment procedures that may affect trade in goods between the Parties. The Chapter shall not apply to:

(a) SPS measures which are covered in Chapter 4 of this Agreement; and

(b) purchasing specifications prepared by governmental bodies for production or consumption requirements of governmental bodies.

ARTICLE 5.4: AFFIRMATION OF THE TBT AGREEMENT

1. Each Party affirms its rights and obligations under the TBT Agreement.

2. Each Party shall take such reasonable measures as may be available to it to ensure compliance, in the implementation of this Chapter, by local government and non-governmental bodies within its territory which are responsible for the preparation, adoption and application of standards, technical regulations and conformity assessment procedures.

ARTICLE 5.5: STANDARDS

1. In determining whether an international standard, guide or recommendation within the meaning of Articles 2 and 5 and Annex 3 of the TBT Agreement exists, each Party takes into account the principles set out in Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5 and Annex 3 of the TBT Agreement.

2. Whenever modifications of contents and/or structure of the relevant international standards are necessary in developing national standards, upon request of other Party, Parties shall encourage their standardizing body or bodies to provide what the differences in the contents and structure are, and reason(s) for those differences in English. Any fees charged for this service shall, apart from the real cost of delivery, be the same for foreign and domestic parties.

3. Each Party shall ensure that its standardizing body or bodies ensure that the modifications of contents and structure of international standards are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade.

4. Each Party shall encourage the standardizing body or bodies in its territory to co-operate with the standardizing body or bodies of other Party including, but shall not be limited to:

(a) exchange of information on standards;

(b) exchange of information relating to standard setting procedures; and

(c) co-operation in the work of international standardizing bodies in areas of mutual interest.

Parties shall, where appropriate, strengthen coordination and communication with each other in the context of discussion on international standards and related issues in other international fora, such as WTO Committee on TBT.

ARTICLE 5.6: TECHNICAL REGULATIONS

1. Each Party shall prepare, adopt and apply its technical regulations in accordance with Article 2 and ensure adherence to Article 3 of the TBT Agreement.

2. Each Party shall use relevant international standards to the extent provided in paragraph 4 of Article 2 of the TBT Agreement, as a basis for its technical regulations. Where a Party does not use such international standards, or their relevant parts, as a basis for its technical regulations and these may have a significant effect on trade of other Parties, it shall, upon request of another Party, explain the reasons therefore.

3. Each Party shall give positive consideration to accepting as equivalent, technical regulations of another Party, even if these regulations differ from its own, provided it is satisfied that these regulations adequately fulfill the objectives of its own regulations.

4. Except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise, Parties shall allow a reasonable interval between the publication of technical regulations and their entry into force in order to provide sufficient time for producers in exporting Parties to adapt their products or methods of production to the requirements of importing Parties.

5. At the request of a Party that has an interest in developing a technical regulation similar to a technical regulation of another Party, such other Party shall endeavour to provide, to the extent practicable, relevant information, including studies or documents, except for confidential information, on which it has relied in its development.

ARTICLE 5.7: CONFORMITY ASSESSMENT PROCEDURES

1. In cases where a positive assurance is required that products conform with technical regulations or standards, and relevant international standards, guides or recommendations issued by international standardizing bodies exist or their completion is imminent, Parties shall ensure that central government bodies use them, or the relevant parts of them, as a basis for their conformity assessment procedures, except where, as duly explained upon request, such international standards, guides or recommendations or relevant parts are inappropriate for the Parties concerned, for, inter alia, such reasons as: national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment; fundamental climatic or other geographical factors; fundamental technological or infrastructural problems.

2. Procedures for assessment of conformity by central government bodies of each Party shall be in accordance with Article 5 of TBT Agreement

3. Each Party shall ensure, whenever possible, that results of the conformity assessment procedures in another Party are accepted, even when those procedures differ from its own, provided it is satisfied that those procedures offer an assurance of conformity with applicable technical regulations or standards equivalent to its own procedures.

4. Each Party recognises that, a broad range of mechanisms exists to facilitate the acceptance of the results of conformity assessment procedures conducted in another Party. Such mechanisms may include but are not limited to:

a) mutual recognition agreements for the results of conformity assessment procedures conducted by bodies in the Parties;

b) co-operative (voluntary) arrangements between accreditation bodies or those between conformity assessment bodies in the Parties;

c) use of accreditation to qualify conformity assessment bodies, including through relevant multilateral agreements or arrangements to recognize the accreditation granted by other Parties;

d) designation of conformity assessment bodies in another Party;

e) unilateral recognition by a Party, of results of conformity assessment procedures conducted in another Party;

f) manufacturer's or supplier's declaration of conformity.

5. Upon reasonable request, the Parties shall exchange information and/or share experiences on the mechanisms referred to in paragraph 4 above, with a view to facilitating the acceptance of the results of conformity assessment procedures.

6. The Parties agree to encourage their conformity assessment bodies to work closer with a view to facilitating the acceptance of conformity assessment results between Parties.

ARTICLE 5.8: COOPERATION

1. The Parties shall strengthen their cooperation in the field of standards, technical regulations and conformity assessment procedures consistent with the objectives of this Chapter.

2. Each Party shall, upon request of another Party, give positive consideration to proposals for co-operation on matters of mutual interest on standards, technical regulations and conformity assessment procedures.

3. Such co-operation, which shall be on mutually determined terms and conditions, may include but is not limited to:

(a) advice or technical assistance/capacity building relating to the development and application of standards, technical regulations and conformity assessment procedures;

(b) co-operation between conformity assessment bodies, both governmental and nongovernmental, in the Parties on matters of mutual interest;

(c) co-operation in areas of mutual interest in the work of relevant regional and international bodies relating to the development and application of standards and conformity assessment procedures, such as enhancing participation in the frameworks for mutual recognition developed by relevant regional and international bodies;

(d) enhancing co-operation in the development and improvement of standards, technical regulations and conformity assessment procedures; and

(e) strengthening communication and coordination in the WTO TBT Committee and other relevant international or regional fora.

4. Each Party shall, upon request of another Party, give consideration to sector specific proposals for mutual benefit for cooperation under this Chapter.

ARTICLE 5.9: INFORMATION EXCHANGE AND TECHNICAL DISCUSSIONS

1. When a Party considers the need to resolve an issue related to trade and provisions under this Chapter, it may request in writing for technical discussions. The requested Party shall respond as early as possible to such a request.

2. The requested Party shall enter into technical discussions within 60 days, unless otherwise mutually determined by the Parties, with a view to reaching a mutually satisfactory solution. Technical discussions may be conducted via any means mutually agreed by the Parties concerned.

3. Requests for information or technical discussions and communications shall be conveyed through the respective contact points designated pursuant to Article 5.11 (Contact Points).

4. The Parties understand and agree that this Article 5.9 is without prejudice to the rights and obligations of the Parties under Chapter 7 (Dispute Settlement).

ARTICLE 5.10: TRANSPARENCY

1. Each Party affirms its commitment to ensuring that information regarding proposed new or amended standards, technical regulations and conformity assessment procedures is made available in accordance with the relevant requirements of the TBT Agreement as well as the Decisions and Recommendations Adopted by the WTO Committee on Technical Barriers to Trade since 1 January 1995 (G/TBT/1/Rev.11, and the subsequent revisions).

2. Each Party shall endeavour to notify proposals for new technical regulations and conformity assessment procedures of regional or local governments, as the case may be, on the level directly below that of the central level of government that are in accordance with the technical content of relevant international standards, guides and recommendations, if any, and that may have a significant effect on trade according to the procedures established under Article 2.9 or 5.6 of the TBT Agreement. For greater certainty, a Party may comply with this obligation by ensuring that the proposed and final measures in this paragraph are published on, or otherwise accessible through, the WTO's official website.

ARTICLE 5.11: CONTACT POINTS

1. Each Party shall designate a contact point or contact points responsible for coordinating the implementation of this Chapter.

2. Each Party shall provide each of the other Parties with the name of the designated contact point or contact points and the contact details of the relevant official (s) in that organisation, including telephone, facsimile, email and any other relevant details.

3. Each Party shall notify each of the other Parties promptly of any change in their contact points or any amendments to the details of the relevant official (s).

4. Each Party shall ensure that its contact point or contact points facilitate the exchange of information between the Parties on standards, technical regulations and conformity assessment procedures, in response to all reasonable requests for such information from a Party.

ARTICLE 5.12: SUB COMMITTEE ON STANDARDS, TECHNICAL REGULATIONS AND CONFORMITY ASSESSMENT PROCEDURES

1. The Parties hereby establish a Sub-Committee on Standards, Technical Regulations and Conformity Assessment Procedures, consisting of representatives of the Parties.

2. The Sub-Committee shall meet at such venues and times as mutually determined by the Parties. Meetings may be conducted in person, or by any other means as mutually determined by the Parties

3. The functions of the Sub-Committee may include:

(a) monitoring the implementation and operation of this Chapter;

(b) coordinating cooperation pursuant to Article 5.8 (Cooperation);

(c) facilitating technical discussions;

(d) reporting, where appropriate, its findings to the High-Powered Joint Trade Committee; and

(e) carrying out other functions as may be delegated by the High-Powered Joint Trade Committee.

CHAPTER 6 - TRADE IN SERVICES

ARTICLE 6.1: 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) "**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;

(c) "**juridical person**" means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

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

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

(B) juridical persons of that other Party as identified under sub paragraph (e) (i);

(e) a "**juridical person"** is:

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

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

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

(f) "**measure**" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

(g) "**measures by Parties**" means measures taken by:

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

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

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;

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

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

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

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

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

(j) "**natural person of the other Party**" means a natural person who resides in the territory of that other Party or elsewhere, and who under the law of that other Party is a national of that other Party.

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

(l) "**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 Member's Schedule,

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

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

(n) "**service consumer**" means any person that receives or uses a service;

(o) "**service of the other Party**" means a service which is supplied:

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

or

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

(p) **"service supplier"** means any person that supplies a service[2];

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

(r) "**trade in services**" is defined as the supply of a service:

(i) from the territory of a Party into the territory of the other Party;

(ii) in the territory of a Party to the service consumer of the other Party;

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

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

ARTICLE 6.2: SCOPE AND COVERAGE

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

2. This Chapter does not apply to:

(a) Government procurement;

[2] 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.

(b) subsidies or grants except to the extent provided in Article 6.14 on subsidies;

(c) a juridical person which is not a juridical person of the other Party; and a natural person who is not a natural person of the other Party;

(d) cabotage in maritime transport services;

(e) services provided in the exercise of governmental authority.

3. The Parties affirm mutatis mutandis their rights and obligations under the GATS Annex on Air Transport Services, Annex on Financial Services and Annex on Telecommunications

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 pertaining to citizenship, permanent residence or employment on a permanent basis.

5. With regard to delivery of services through Mode 4, the provisions of this Chapter read with the provisions of Annex 10 on Movement of Natural Persons shall apply.

6. The provisions of this Chapter shall be read with Annex 11 on Financial Services and Annex 12 on Telecommunications Services.

ARTICLE 6.3: MARKET ACCESS

1. With respect to market access through the modes of supply defined in paragraph (r) of Article 6.1, each Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule of specific commitments.[3]

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

[3] 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 6.1(r)(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 6.1(r)(iii), it is thereby committed to allow related transfers of capital into its territory

(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;[4]

(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.

3. Each Party shall endeavour to minimise requirements for a service supplier of the other Party to establish or maintain a representative office or any form of juridical person or to be resident in its territory, as a condition for the cross-border supply of a service.

ARTICLE 6.4: NATIONAL TREATMENT

1. In the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.[5]

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

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[4] Sub-paragraph 2(c) does not cover measures of a Party which limit inputs for the supply of services.

[5] Specific commitments assumed under this Article shall not be construed to require either Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or 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 the other Party.

ARTICLE 6.5: MOST FAVOURED NATION TREATMENT

If, after the date of entry into force of this Agreement, a Party enters into any agreement on trade in services with a non-Party, it may give consideration to a request by the other 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 each Party under this Agreement.

ARTICLE 6.6: ADDITIONAL COMMITMENTS

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 6.3 or 6.4, including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule of specific commitments.

ARTICLE 6.7: SCHEDULE OF SPECIFIC COMMITMENTS

1. Each Party shall set out, in a Schedule, the specific commitments it undertakes under Articles 6.3, 6.4 and 6.6. 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 6.3 and 6.4 shall be inscribed in both the columns relating to Article 6.3 and Article 6.4.

3. Schedules of specific commitments shall be annexed to this Chapter as Annex 13 and Annex 14 and shall form an integral part of this Agreement.

ARTICLE 6.8: MODIFICATION OF SCHEDULES

1. A Party may modify or withdraw any commitment in its Schedule, at any time after three years have elapsed from the date on which that commitment entered into force, in accordance with the provisions of this Article. It shall notify the other Party of its intent to so modify or withdraw a commitment no later than 3 months before the intended date of implementation of the modification or withdrawal.

2. At the request of the other Party, the modifying Party shall enter into negotiations with a view to reaching agreement on any necessary compensatory adjustment. In such negotiations and agreement, the Party shall endeavour to maintain a general level of mutually advantageous commitments not less favourable to trade than that provided for in Schedules of specific commitments prior to such negotiations. The Parties shall endeavour to conclude negotiations on such compensatory adjustment to mutual satisfaction within six months, failing which the matter may be resolved in accordance with the provisions of Chapter 7 (Dispute Settlement) of this Agreement.

ARTICLE 6.9: REVIEW

1. The Parties shall endeavour to review this Chapter and specifically their schedules of specific commitments at least once every 3 years at the request of either Party, with a view to facilitating the reduction or elimination of substantially all remaining discrimination between the Parties with regard to trade in Services covered in this Chapter over a period of time. In this process, there shall be due respect for the national policy objectives and the level of development of the Parties, both overall and in individual sectors.

2. 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 at future reviews or at the request of either Party immediately.

ARTICLE 6.10: 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. (a) Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

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

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

(a) 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;

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

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

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

4. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements, do not constitute unnecessary barriers to trade in services, the Parties shall jointly review the results of the negotiations on disciplines on these measures, pursuant to Article VI.4 of the WTO General Agreement on Trade in Services (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.

5. (a) Pending the incorporation of disciplines pursuant to paragraph 4, 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 procedures and technical standards that nullify or impair such specific commitments in a manner which:

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

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

(b) In determining whether a Party is in conformity with the obligation under paragraph 5(a), account shall be taken of international standards of relevant international organisations[6] applied by that Party.

6. In sectors where specific commitments regarding professional services are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party in accordance with provisions of paragraph 5.

ARTICLE 6.11: RECOGNITION

1. For the purposes of the fulfilment of its standards or criteria for the authorisation, licensing or certification of services suppliers, each Party shall give due consideration to any requests by the other Party to recognise the education or experience obtained, requirements met, or licenses or certifications granted in the other Party. Such recognition may be based upon an agreement or arrangement with the other Party, or otherwise be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licenses or certifications granted in the territory of a non-party, that Party shall afford the other Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education or experience obtained, requirements met, or licenses or certifications granted in the territory of that other Party should also be recognised.

3. After the entry into force of this Agreement, the Parties shall ensure that their relevant professional bodies in the service sectors of architecture, engineering, medical(doctors), dental, accounting and auditing, nursing, veterinary and company secretaries negotiate and conclude, within twelve months of the date of entry into force of this Agreement, any such agreements or arrangements providing mutual recognition of the education or experience obtained, qualification requirements and procedures and licensing requirements and procedures. The Parties shall report periodically to the Committee on Trade in Services on progress and on impediments experienced.

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[6] The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of both Parties

4. In respect of regulated service sectors, other than those mentioned in paragraph 3 above, upon a request being made in writing by a Party to the other Party in such sector, the Parties shall encourage that their respective professional bodies negotiate, in that service sector, agreements for mutual recognition of education, or experience obtained, qualifications requirements and procedures, and licensing requirements and procedures in that service sector, with a view to the achievement of early outcomes. The Parties shall report periodically to the Committee on Trade in Services on progress and on impediments experienced.

5. Pending the conclusion of agreements or arrangements under paragraphs 3 and 4, each Party shall encourage the professional relevant bodies in its territory to develop procedures for the temporary licensing of professional service providers of the other Party.

6. Any delay or failure by professional bodies to reach and conclude agreement on the details of such agreements or arrangements under paragraph 3 and 4 shall not be regarded as a breach of a Party's obligations under this Article and shall not be subject to the Dispute Settlement chapter of this Agreement. Progress in this regard will be continually reviewed by the Parties in the course of the review of this Agreement. The Parties further agree that they shall not be responsible in any way for the settlement of disputes arising out of, or under the agreements or arrangements for mutual recognition concluded by their respective professional, standard-setting or regulatory bodies under the provisions of this Article and that the provisions of the Dispute Settlement chapter shall not apply to disputes arising out of, or under, the provisions of such agreements or arrangements.

ARTICLE 6.12: 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 obligations under 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 the other Party is acting in a manner inconsistent with paragraphs 1 or 2 above, it may request that Party establishing, maintaining or authorising 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) authorises or establishes a small number of service suppliers; and

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

ARTICLE 6.13: BUSINESS PRACTICES

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 6.12, may restrain competition and thereby restrict trade in services.

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

ARTICLE 6.14: SAFEGUARD MEASURES

1. Neither Party shall take safeguard action against services and service suppliers of the other Party from the date of entry into force of this Agreement. Neither Party shall initiate or continue any safeguard investigations in respect of services and service suppliers of the other Party.

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

ARTICLE 6.15: SUBSIDIES

The Parties shall review the treatment of subsidies in the context of developments in multilateral fora of which both Parties are Members.

ARTICLE 6.16: PAYMENTS AND TRANSFERS

1. Except under the circumstances envisaged in Article 6.17 or restrictions specified in its Schedule of Specific Commitments, 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 ("IMF") 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 6.17 or at the request of the Fund.

ARTICLE 6.17: 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 undertaken specific commitments, including on payments or transfers for transactions relating to such commitments. 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 shall:

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

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

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

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

(e) be applied in such a manner that the other Party is treated no less favourably than any country that is not a Party to this Agreement.

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 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, or any changes therein, shall be promptly notified to the other Party.

5. To the extent that it does not duplicate the process under WTO and IMF, the Party adopting any restrictions under paragraph 1 shall, upon request by the other

Party, commence consultations with the other Party in order to review the restrictions adopted by it.

ARTICLE 6.18: 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 is not practicable, such information shall be made otherwise publicly available.

3. Each Party shall respond promptly to all requests by the other Party for specific information on any of its measures of general application or international agreements within the meaning of paragraph 1. Each Party shall also establish one or more enquiry points to provide specific information to other Party, upon request, on all such matters.

ARTICLE 6.19: DISCLOSURE OF CONFIDENTIAL INFORMATION

Nothing in this Agreement 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 6.20: GENERAL EXCEPTIONS

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in services, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

(a) necessary to protect public morals or to maintain public order;[7]

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

(c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:

[7] The public order exception may be invoked by a Party, including its legislative, governmental, regulatory or judicial bodies, only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

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

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

(iii) safety;

ARTICLE 6.21: SECURITY EXCEPTIONS

1. Nothing in this Chapter shall be construed:

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

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

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

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

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

(iv) relating to protection of critical public infrastructure, including communications, power and water infrastructure from deliberate attempts intended to disable or degrade such infrastructure; or

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

2. Each Party shall inform the other Party to the fullest extent possible of measures taken under paragraphs 1(b) and (c) and of their termination.

3. Nothing in this Chapter shall be construed to require a Party to accord the benefits of this Chapter to a service supplier of the other Party where a Party adopts or maintains measures in any legislation or regulations which it considers necessary for the protection of its essential security interests with respect to a non-Party or a service supplier of a non-Party that would be violated or circumvented if the benefits of this Chapter were accorded to such a service supplier.

ARTICLE 6.22: DENIAL OF BENEFITS

1. 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 country that is not a Party to this Agreement;

(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;

2. Subject to prior notification and consultation, a Party may also deny the benefits of this Chapter to the supply of a service from or in the territory of the other Party, if the Party establishes that the service is supplied by a service supplier that is owned or controlled by a person of a non-Party and the denying Party adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the service supplier.

CHAPTER 7 - DISPUTE SETTLEMENT

ARTICLE 7.1: OBJECTIVES

The objective of this Chapter is to provide an effective, efficient and transparent process for consultations as well as the settlement of disputes arising under this Agreement.

ARTICLE 7.2: DEFINITIONS

For the purposes of this Chapter, the following definitions shall apply, unless the context otherwise requires:

(a) **"Complaining Party"** means the Party requesting consultations under Article 7.6 (Consultations);

(b) **"Panel"** means a panel established under Articles 7.9 (Establishment of Panel) or 7.11(Re-convening of Panel);

(c) **"Parties to the dispute"** means the Complaining Party and the Responding Party;

(d) **"Perishable Goods"** means goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions;

(e) **"Responding Party"** means the Party to which a request for consultations is made under Article 7.6 (Consultations);

ARTICLE 7.3: SCOPE AND COVERAGE

1. Except as otherwise provided in this Agreement, this Chapter shall apply to the avoidance or settlement of disputes arising under this Agreement on any matter affecting the operation, implementation or application of this Agreement whereby a Party considers that any benefit accruing to it under this Agreement is being nullified or impaired, or the attainment of any objective of this Agreement is being impeded, as a result of:

   (a) a measure of the other Party that is not in conformity with its obligations under this Agreement; or

   (b) the failure of the other Party to carry out its obligations under this Agreement.[8]

2. This Chapter shall apply subject to such special and additional provisions on dispute settlement contained in other provisions of this Agreement.

[8] Non-violation complaints are not permitted under this Agreement.

3. Subject to Article 7.5 (Choice of Forum), this Chapter is without prejudice to the rights of a Party to have recourse to dispute settlement procedures available under other agreements to which both Parties are party.

ARTICLE 7.4: GENERAL PROVISIONS

1. This Agreement shall be interpreted in accordance with the customary rules of interpretation of public international law. With respect to any provision of the WTO Agreement that has been incorporated into or referred to in this Agreement, the panel shall also consider relevant interpretations in reports of WTO panels and the Appellate Body adopted by the WTO Dispute Settlement Body. The rulings of the panel cannot add to or diminish the rights and obligations provided for in this Agreement.

2. All notifications, requests and replies made pursuant to this Chapter shall be in writing.

3. The Parties to the dispute are encouraged at every stage of a dispute to make every effort through cooperation and consultations to reach a mutually agreed solution to the dispute.

4. Unless otherwise specified, any time periods provided for in this Chapter may be modified by mutual agreement of the Parties to the dispute.

ARTICLE 7.5: CHOICE OF FORUM

1. Where a dispute concerning any matter arises under this Agreement and under another international agreement to which the Parties to the dispute are party, the Complaining Party may select the forum in which to address that matter and that forum shall be used to the exclusion of other possible fora in respect of that matter.

2. For the purposes of this Article, the Complaining Party shall be deemed to have selected the forum in which to settle the dispute when it has requested the establishment of a panel pursuant to Article 7.8 (Request for Establishment of a Panel) or requested the establishment of, or referred a matter to, a dispute settlement panel or tribunal under any other international agreement.

3. This Article does not apply where the Parties to the dispute agree in writing that this Article shall not apply to a particular dispute.

ARTICLE 7.6: CONSULTATIONS

1. Any Party may request consultations with the other Party with respect to any dispute arising under this Agreement. A Responding Party shall accord due consideration to a request for consultations made by a Complaining Party and shall provide adequate opportunity for such consultations.

2. Any request for consultations shall contain the reasons for the request, including identification of the measures at issue and an indication of the factual and legal basis for the complaint.

3. The Responding Party shall, not later than 7 days from the date of the request for consultations, acknowledge receipt of the request, by way of notification to the Complaining Party, indicating the date on which the request was received, otherwise the date when the request is made shall be deemed to be the date of receipt of the request.

4. The Responding Party shall, unless otherwise mutually agreed, reply to the request within seven days after the date of its receipt and shall enter into consultations within a period of no more than:

(a) 15 days after the date of receipt of the request in cases of urgency, including cases involving perishable goods;

(b) 30 days after the date of receipt of the request for any other matters; or

(c) such other period as the Parties to the dispute mutually agree.

5. The Parties to the dispute shall enter into consultations in good faith and make every effort to reach a mutually satisfactory solution through consultations. To this end, the Parties to the dispute shall:

(a) provide sufficient information to enable a full examination of the matter, including how the measures at issue might affect the implementation or application of this Agreement;

(b) treat any confidential or proprietary information exchanged in the course of consultations on the same basis as the Party providing the information; and

(c) endeavour to make available for the consultations, personnel of its government agencies or other regulatory bodies who have responsibility for and/or expertise in the matter under consultation.

6. The consultations shall be confidential and without prejudice to the rights of the Parties to the dispute in any further or other proceedings.

ARTICLE 7.7: GOOD OFFICES, CONCILIATION, MEDIATION

1. The Parties to the dispute may at any time agree to voluntarily undertake procedures for good offices, conciliation or mediation. Such procedures may begin at any time and may be terminated at any time by any Party to the dispute.

2. If the Parties to the dispute agree, procedures for good offices, conciliation or mediation may continue while the matter is being examined by a panel established or re-convened under this Chapter.

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

ARTICLE 7.8: REQUEST FOR ESTABLISHMENT OF A PANEL

1. The Complaining Party may request the establishment of a panel to consider the matter, by means of a notice addressed to the Responding Party, if:

(a) the Responding Party does not reply to the request for consultations in accordance with Article 7.6(4) (Consultations); or

(b) if the consultations fail to resolve a dispute within:

(i) 20 days after the date of receipt of the request for consultations in cases of urgency including perishable goods;

(ii) 60 days after the date of receipt of the request for consultations regarding any other matter; or

(iii) such other period as the Parties to the dispute may mutually agree.

2. A request made pursuant to paragraph 1 shall identify the specific measures at issue and provide details of the factual and legal basis of the complaint to be addressed by the panel, including the provisions of this Agreement, sufficient to present the problem clearly.

3. The Responding Party shall, not later than 7 days from the date of the request for the establishment of a panel, acknowledge receipt of the request by way of notification to the Complaining Party, indicating the date on which the request was received, otherwise the date when the request is made shall be deemed to be the date of receipt of the request.

4. Where a request is made pursuant to paragraph 1, a panel shall be established in accordance with Article 7.9 (Establishment of Panel).

ARTICLE 7.9: ESTABLISHMENT OF PANEL

1. A panel requested pursuant to Article 7.8 (Request for Establishment of a Panel) shall be established in accordance with this Article.

2. Unless the Parties to the dispute otherwise agree, the panel shall consist of three panellists. All appointments and nominations of panellists under this Article shall conform fully with the requirements in Article 7.10 (Panellists: Qualifications and Competence).

3. Within 15 days of the date of the receipt of a request under Article 7.8, the Parties to the dispute shall enter into consultations with a view to reaching agreement on the procedures for composing the panel, taking into account the factual, technical and legal circumstances of the dispute. Any such procedures agreed upon shall also be used for the purposes of paragraph 5 of Article 7.10 (Panellists: Qualifications and Competence).

4. If the Parties to the dispute are unable to reach agreement on the procedures for composing the panel within 30 days of the date of the receipt of the request under Article 7.8 (Request for Establishment of a Panel) for Establishment of Panels, either Party to the dispute may at any time thereafter notify the other Party to the dispute that it wishes to use the procedures set forth in paragraphs 5 to 7 of this Article, and where such a notification is made, the panel shall be composed accordingly.

5. The Complaining Party shall appoint one panellist within 15 days of the date of the receipt of the notification referred to in paragraph 4 of this Article. The Responding Party shall appoint one panellist within 20 days of the date of the receipt of the notification referred to in paragraph 4 of this Article. Parties shall notify the appointment of their respective panellist to each other on the date of such appointment.

6. Following the appointment of the panellists in accordance with paragraph 5 of this Article, the Parties to the dispute shall mutually agree on the appointment of the third panellist who shall serve as the chair of the panel. To assist in reaching this agreement, each Party to the dispute may provide to the other Party a list of up to three nominees for appointment as the chair of the panel. If the Parties to the dispute have not agreed on the chair of the panel within 15 days of the appointment of the second panellist, the two appointed panellists shall designate by mutual agreement the third panellist who shall chair the panel.

7. If all three panellists have not been appointed within 70 days of the receipt of a request referred to in Article 7.8 (Request for Establishment of Panel), any Party to the dispute may request the Director-General of the WTO to make the remaining appointments within a further period of 15 days. Any lists of nominees which were provided under paragraph 6 shall also be provided to the Director-General of the WTO and may be used in making the required appointments.

8. The date of establishment of the panel shall be the date on which the last panellist is appointed.

ARTICLE 7.10 PANELLISTS: QUALIFICATIONS AND COMPETENCE

1. All panellists shall:

(a) have expertise or experience in law, international trade, other matters covered by this Agreement, or the resolution of disputes arising under international trade agreements;

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

(c) be independent of, and not be affiliated with or take instructions from, any Party to the dispute;

(d) not have dealt with the matter in any capacity;

(e) disclose, to the Parties to the dispute, information which may give rise to justifiable doubts as to their independence or impartiality; and

(f) comply with the code of conduct set out in Annex 16 (Code of Conduct for Panellists).

2. Where a Party to the dispute considers that a panellist does not comply with the requirements of the code of conduct referred to in paragraph 1(f), the Parties to the dispute shall consult and if so agreed, replace that panellist in accordance with paragraph 5 of this Article.

3. Unless the Parties to the dispute otherwise agree, the panellists shall neither be nationals of the Parties to the dispute nor have their usual place of residence in the territory of a Party to the dispute.

4. Panellists shall serve in their individual capacities and not as government representatives, nor as representatives of any organization. Parties shall not give them instructions nor seek to influence them as individuals with regard to matters before a panel.

5. If a panellist appointed under Article 7.9 resigns or becomes unable to act, a successor panellist shall be appointed in the same manner as prescribed for the appointment of the original panellist and shall have all the powers and duties of the original panellist. The work of the panel shall be suspended until the successor panellist is appointed. In such a case, any time period applicable to the panel proceedings shall be suspended during the appointment of the successor.

ARTICLE 7.11: RECONVENING OF PANEL

Where a panel is re-convened under Article 7.16 (Compliance Review) or Article 7.17 (Compensation and Suspension of Concession or other Obligations) the

reconvened panel shall, where possible, have the same panellists as the original panel. Where this is not possible, the replacement panellist(s) shall be appointed in the same manner as prescribed for the appointment of the original panellist(s), and shall have all the powers and duties of the original panellist(s).

ARTICLE 7.12: FUNCTIONS OF PANEL

1. The panel shall make an objective assessment of the matter before it, including an objective assessment of:

(a) the facts of the case;

(b) the applicability of and conformity with the relevant provisions of this Agreement cited by the Parties to the dispute; and

(c) whether the Responding Party has failed to carry out its obligations under this Agreement.

2. The panel shall have the following terms of reference unless the Parties to the dispute agree otherwise within 20 days from the date of the establishment of the panel:

"To examine, in the light of the relevant provisions of this Agreement **(**to be cited by the parties to the dispute**)**, the matter referred to in the request for establishment of a panel pursuant to Article 7.8 (Request for Establishment of Panels), and to make such findings, rulings and recommendations provided for in this Agreement."

3. The panel shall set out in its report:

(a) a descriptive section summarizing the arguments of the Parties to the dispute;

(b) its findings on the facts of the case and on the applicability of and conformity with the provisions of this Agreement;

(c) its findings on whether the Responding Party has failed to carry out its obligations under this Agreement; and

(d) the reasons for its findings in sub paragraphs (b) and (c).

4. In addition to paragraph 3, a panel may include in its report any other findings, rulings and recommendations pertaining to the dispute, which have been jointly requested by the Parties to the dispute.

5. Unless the Parties to the dispute otherwise agree, a panel shall base its report solely on the relevant provisions of this Agreement and the submissions and arguments of the Parties to the dispute and any information or technical advice it has obtained in accordance with Article 7.13 (Panel Procedures) (Additional

Information and Technical Advice). A panel shall only make the findings, rulings and recommendations provided for in this Agreement.

6. The findings, rulings and recommendations of the panel cannot add to or diminish the rights and obligations provided for in this Agreement or any other international agreement.

7. The panel shall consult regularly with the Parties to the dispute and provide adequate opportunities for the development of a mutually satisfactory solution to the dispute.

8. A panel reconvened under this Chapter shall also carry out functions with regard to compliance review under Article 7.16 (Compliance Review) and review of level of suspension of concessions or other obligations under Article 7.17 (Compensation and Suspension of Concession or other Obligations). Paragraphs 1 to 3 shall not apply to a panel reconvened under Article 7.16 (Compliance Review) and Article 7.17 (Compensation and Suspension of Concession or other Obligations).

ARTICLE 7.13: PANEL PROCEDURES

1. A panel established pursuant to Article 7.9 (Establishment of Panel) or 7.11 (Re-convening of Panel) shall adhere to this Chapter. The panel shall apply the rules of procedure set out in Annex 15 unless the Parties to the dispute agree otherwise. On the request of a Party to the dispute, or on its own initiative, the panel may, after consulting the Parties to the dispute, adopt additional rules of procedure which do not conflict with the provisions of this Chapter or with Annex 15.

2. A panel re-convened under Article 7.16 (Compliance Review) or Article 7.17 (Compensation and Suspension of Concessions or other Obligations) may establish its own procedures which do not conflict with this Chapter or the Rules of Procedure in Annex 15, in consultation with the Parties to the dispute, drawing as it deems appropriate from this Chapter or the Rules of Procedure in Annex 15.

3. Panel procedures should provide sufficient flexibility so as to ensure high-quality reports, while not unduly delaying the panel process.

Timetable

4. After consulting the Parties to the dispute, a panel shall, as soon as practicable and whenever possible within 15 days after the establishment of the panel, fix the timetable for the panel process. The panel process, from the date of establishment until the date of the final report shall, as a general rule, not exceed the period of nine months, unless the Parties to the dispute agree otherwise.

5. Similarly, a Compliance Review Panel re-convened pursuant to Article 7.16 (Compliance Review) shall, as soon as practicable and whenever possible within 15 days after reconvening, fix the timetable for the compliance review process taking into account the time periods specified in Article 7.16 (Compliance Review).

Panel Proceedings

6. The panel shall make its findings, rulings and recommendations and if requested, suggestions on ways to implement the findings by consensus, provided that where a panel is unable to reach consensus it may make its findings and rulings by majority vote. Panellists may furnish dissenting or separate opinions on matters not unanimously agreed. Opinions expressed by individual members of the panel in its report shall be anonymous.

7. Panel deliberations shall be confidential. The Parties to the dispute shall be present only when invited by the panel to appear before it. A panel shall hold its hearings in closed session unless the Parties to the dispute agree otherwise. All presentations and statements made at hearings shall be made in the presence of the Parties to the dispute. There shall be no *ex parte* communications with the panel concerning matters under consideration by it.

Submissions

8. Each Party to the dispute shall have the opportunity to set out in writing the facts of its case, its arguments and counter arguments. The timetable fixed by the panel shall include precise deadlines for submissions by the Parties to the dispute.

Hearings

9. The timetable fixed by the panel shall provide for at least one hearing for the Parties to the dispute to present their case to the panel. As a general rule, the timetable shall not provide more than two hearings unless special circumstances exist.

Confidentiality

10. Written submissions to the panel shall be treated as confidential, but shall be made available to the Parties to the dispute. No Party to the dispute shall be precluded from disclosing statements of its own positions to the public provided that there is no disclosure of information which has been designated as confidential by a Party to the dispute. The Parties to the dispute and the panel shall treat as confidential information submitted by a Party to the dispute to the panel which that Party has designated as confidential. A Party to the dispute shall upon request of the other Party, provide a non-confidential summary of the information contained in its written submissions that could be disclosed to the public**.**

Additional Information and Technical Advice

11. The Parties to the dispute shall respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate.

12. A panel may seek information and technical advice from any individual or body which it deems appropriate. However, before doing so the panel shall seek the views of the Parties to the dispute. Where the Parties to the dispute agree that the panel should not seek the additional information or technical advice, the panel shall not proceed to do so. The panel shall, within 15 days upon the request of a Party to the dispute, provide the Parties to the dispute with any information or technical advice it receives and an opportunity to provide comments. Where the panel takes the information or technical advice into account in preparation of its report, it shall also take into account any comments by the Parties to the dispute on that information or technical advice.

Reports of the Panel

13. The panel shall provide to the Parties to the dispute an interim report within 120 days after the date of establishment of the panel. In cases of urgency, including those related to perishable goods, the panel shall endeavour to do so within 90 days after the date of establishment of the panel.

14. In exceptional cases, if the panel considers it cannot issue its interim report within the period of 120 days, or within 90 days in cases of urgency, it shall inform the Parties to the dispute in writing of the reasons for the delay together with an estimate of the period within which it will provide its report to the Parties to the dispute. Any delay shall not exceed a further period of 30 days unless the Parties to the dispute otherwise agree.

15. The panel shall accord adequate opportunity to the Parties to the dispute to review the entirety of its interim report prior to its finalization and shall include a discussion of any comments made by the Parties to the dispute in its final report. A Party to the dispute may submit written comments to the panel on its interim report within 15 days of receiving the interim report or within such other period as the Parties to the dispute may agree. After considering any written comments by the Parties to the dispute on the interim report, the panel may make any further examination it considers appropriate and modify its report.

16. The panel shall present to the Parties to the dispute its final report within 45 days of presentation of the interim report, unless the Parties to the dispute agree otherwise.

17. The interim and final report of the panel shall be drafted without the presence of the Parties to the dispute.

ARTICLE 7.14: SUSPENSION AND TERMINATION OF PROCEEDINGS

1. The Parties to the dispute may agree that the panel suspend its work at any time for a period not exceeding 12 months from the date of such agreement. Within this period, the suspended panel proceeding shall be resumed upon the request of any Party to the dispute. In the event of such suspension, all relevant timeframes set out in this Chapter shall be extended by the amount of time that the work was suspended. If the work of the panel has been continuously suspended for more than 12 months, the authority for establishment of the panel shall lapse unless the Parties to the dispute agree otherwise.

2. The Parties to the dispute may agree to terminate the proceedings of a panel in the event that a mutually satisfactory solution to the dispute has been found. In such event, the Parties to the dispute shall jointly notify the chair of the panel.

3. Before the panel presents its final report, it may at any stage of the proceedings propose to the Parties to the dispute that the dispute be settled amicably.

ARTICLE 7.15: IMPLEMENTATION OF THE FINAL REPORT

1. The findings, rulings and recommendations of the panel shall be final and binding on the Parties to the dispute. The Responding Party shall:

(a) if the panel makes a ruling that the measure at issue is not in conformity with the obligations of this Agreement, bring the measure into conformity; or

(b) if the panel makes a ruling that the Responding Party has otherwise failed to carry out its obligations under this Agreement, carry out those obligations

2. Within 30 days of the date of the presentation of the panel's final report to the Parties to the dispute, the Responding Party shall notify the Complaining Party:

(a) of its intentions with respect to implementation, including an indication of possible actions it may take to comply with the obligation in paragraph 1;

(b) whether such implementation can take place immediately; and

(c) if such implementation cannot take place immediately, of the reasonable period of time the Responding Party would need to implement the findings and recommendations contained in the final report.

3. If the Responding Party makes a notification under paragraph 2 (c) that it is impracticable for it to comply immediately with the obligation in paragraph 1, it shall have a reasonable period of time to comply with that obligation.

4. If a reasonable period of time is required, it shall, whenever possible, be mutually agreed by the Parties to the dispute. Where the Parties to the dispute are unable to agree on the reasonable period of time within 45 days after the date of the presentation of the panel's final report to the Parties to the dispute, any Party to the dispute may request that the chair of the original panel determine the reasonable period of time, by means of a notice addressed to the chair and the other party to the dispute. Unless the Parties to the dispute otherwise agree, a request to determine the reasonable period of time shall be made no later than 60 days from the date of the presentation of the panel's final report to the Parties to the dispute.

5. Where a request is made pursuant to paragraph 4, the chair of the panel shall present the Parties to the dispute with a report containing a determination of the reasonable period of time and the reasons for such determination within 45 days after the date of receipt by the chair of the panel the request.

6. As a guideline, the reasonable period of time determined by the chair of the panel should not exceed 15 months from the date of the presentation of the panel's final report to the Parties to the dispute. However, such reasonable period of time may be shorter or longer, depending upon the particular circumstances.

ARTICLE 7.16: COMPLIANCE REVIEW

1. Where the Parties to the dispute disagree on the existence or consistency with this Agreement of measures taken to comply with the obligation in Article 7.15 (Implementation of the Final Report), such dispute shall be decided through recourse to a panel reconvened for this purpose (Compliance Review Panel). Unless otherwise specified in this Chapter, a Compliance Review Panel may be convened at the request of any Party to the dispute. A copy of all such requests shall be simultaneously provided to the other Party.

2. Such request may only be made after the earlier of either:

(a) the expiry of the reasonable period of time determined in accordance with Article 7.15 (Implementation of the Final Report); or

(b) a notification to the Complaining Party by the Responding Party that it has complied with the obligation in Article 7.15(1) (Implementation of the Final Report).

3. A Compliance Review Panel shall make an objective assessment of the matter before it, including an objective assessment of:

(a) the factual aspects of any implementation action taken by the Responding Party; and

(b) whether the Responding Party has complied with the obligation in Article 7.15(1) (Implementation of the Final Report).

4. The Compliance Review Panel shall set out in its report:

(a) a descriptive section summarizing the arguments of the Parties to the dispute;

(b) its findings on the factual aspects of the case; and

(c) the reason for such findings and ruling on whether the Responding Party has complied with the obligation in Article 7.15(1) (Implementation of the Final Report).

5. A Compliance Review Panel under paragraph 1 shall convene not later than 15 days of the date of the request. The Compliance Review Panel shall, where possible, provide its interim report to the Parties to the dispute within 90 days of the date it convenes, and its final report 15 days thereafter. When the Compliance Review Panel considers that it cannot provide either report within the relevant timeframe, it shall inform the Parties to the dispute in writing of the reasons for the delay together with an estimate of the period within which it will submit the report.

6. The period from the date of the request for the Compliance Review Panel to convene, to the submission of its final report shall not exceed 150 days, unless Article 7.10(5) (Panellists: Qualifications and Competence) applies or the Parties to the dispute otherwise agree.

ARTICLE 7.17: COMPENSATION AND SUSPENSION OF CONCESSIONS OR OTHER OBLIGATIONS

1. Compensation and the suspension of concessions or other obligations are temporary measures available in the event that the Responding Party does not comply with the obligation in Article 7.15(1) (Implementation of the Final Report) within the reasonable period of time. However, neither compensation nor the suspension of concessions or other obligations is preferred to compliance with the obligation in Article 7.15(1) (Implementation of the Final Report). Compensation is voluntary and, if granted, shall be consistent with this Agreement.

2. Where either of the following circumstances exists:

(a) the Responding Party has notified the Complaining Party that it does not intend to comply with the obligation in Article 7.15(1) (Implementation of the Final Report); or

(b) the Responding Party fails to provide a notification in accordance with Article 7.15(2) (Implementation of the Final Report); or

(c) a failure to comply with the obligation in Article 7.15(1) (Implementation of the Final Report) has been established in accordance with Article 7.16 (Compliance Review),

the Responding Party shall, if so requested by the Complaining Party, enter into negotiations within 15 days of the date of the request with a view to developing satisfactory compensation.

If no satisfactory compensation has been agreed within 30 days of the date of the request made under paragraph 2, the Complaining Party may at any time thereafter notify the Responding Party that it intends to suspend the application to the Responding Party of concessions or other obligations equivalent to the level of nullification or impairment, and shall have the right to begin suspending concessions or other obligations 30 days after the date of the notification.

3. The right to suspend concessions or other obligations arising under paragraph 3 shall not be exercised where:

(a) a review is being undertaken pursuant to paragraph 8; or

(b) a mutually agreed solution has been reached.

4. A notification made under paragraph 3 shall specify the level of concessions or other obligations that the Complaining Party proposes to suspend, and the relevant Chapter and sector(s) which the concessions or other obligations are related to.

5. In considering what concessions or other obligations to suspend, the Complaining Party shall apply the following principles:

(a) the Complaining Party should first seek to suspend concessions or other obligations in the same sector(s)as that affected by the measure found to be inconsistent with this Agreement; and

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

for the purposes of this Article, “sector” shall mean:

(i) with respect to goods, goods covered under Annexes 1 and 2; and

(ii) with respect to services, services covered in Annexes 13 and 14.

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

6. Within 30 days from the date of receipt of a notification made under paragraph 3, if the Responding Party objects to the level of suspension proposed or

considers that the principles set forth in paragraph 6 have not been followed, or it has complied with the obligation in Article 7.15(1) (Implementation of the Final Report), the Responding Party may request the panel established under Article 7.11 (Reconvening of Panels) to reconvene under this paragraph to make findings in the matter. The Responding Party shall also provide the request in writing to the Complaining Party.

7. The reconvened panel shall provide its assessment to the Parties to the dispute within 60 days of the date it reconvenes. Where a panel is requested to reconvene pursuant to this paragraph, it shall reconvene within 15 days of the date of the request, unless Article 7.10(5) (Panellists: Qualifications & Competence) applies or the Parties to the dispute otherwise agree.

8. In the event the panel determines that the level of suspension is not equivalent to the level of nullification or impairment, it shall determine the level of suspension it considers to be equivalent to the level of nullification or impairment.

9. The suspension of concessions or other obligations shall be temporary and shall only be applied until such time as the obligation in Article 7.15(1) (Implementation of the Final Report) has been complied with or a mutually satisfactory solution is reached.

ARTICLE 7.18: EXPENSES

1. Unless the Parties to the dispute otherwise agree, each Party to a dispute shall bear the costs of its appointed panellist and its own expenses and legal costs.

2. Unless the Parties to the dispute otherwise agree, the costs of the chair of the panel and other expenses associated with the conduct of the panel proceedings shall be borne in equal parts by the Parties to the dispute.

ARTICLE 7.19: CONTACT POINTS

1. Each Party shall designate a contact point for this Chapter and shall notify the other Party of the details of this contact point within 30 days of the entry into force of this Agreement for that Party. Each Party shall notify the other Party of any change to its contact point.

2. Any written submission or other request, notice, submission or document relating to any proceedings pursuant to this Chapter shall be delivered to the relevant Party through its designated contact point. The relevant Party shall, through its designated contact point, provide confirmation of receipt of such written submission or other request, notice, submission or document in writing, by paper copy, email or other means of electronic transmission.

ARTICLE 7.20: LANGUAGE

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

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

CHAPTER 8 - INSTITUTIONAL AND FINAL PROVISIONS

ARTICLE 8.1: ANNEXES

Annexes to this Agreement shall form an integral part thereof.

ARTICLE 8.2: AMENDMENTS

1. The Parties may agree, in writing, to any amendment in this Agreement.

2. An amendment agreed under paragraph 1 shall be approved by the Parties in accordance with their own internal legal requirements and procedures.

3. Where an amendment has been approved, a Party shall notify the other Party of such approval, in writing, through diplomatic channels.

4. Where both Parties have notified each other under paragraph 3, an amendment agreed to under paragraph 1 shall enter into force on the first day of the second month following the latter of the two notifications.

ARTICLE 8.3: ESTABLISHMENT OF INSTITUTIONS

1. In addition to those institutions established under a specific chapter, a High-Powered Joint Trade Committee is hereby established.

2. Other institutions as may be agreed by the Parties may be established as and when necessary.

ARTICLE 8.4: HIGH-POWERED JOINT TRADE COMMITTEE

The High-Powered Joint Trade Committee shall:

a) review the general functioning of this Agreement including improving market access;

b) set up sub-committees and working groups as it considers necessary to assist it in accomplishing its tasks;

c) review, consider and, as appropriate, decide on specific matters related to the operation and implementation of this Agreement, including matters reported by sub-committees or working groups;

d) supervise the work of sub-committees, working groups and contact points established or to be established under this Agreement;

e) facilitate, as appropriate, the avoidance and settlement of disputes arising under this Agreement, including through consultations pursuant to Article 7.6 of the dispute settlement chapter

f) consider and take decisions to make any amendment to this Agreement or other modification or rectification to the commitments therein pursuant to Article 8.2;

g) as appropriate, issue interpretation to be given to the provisions of this Agreement;

h) review the possibility of further removal of the obstacles to trade between the Parties and the further development of the trade relationship;

i) explore ways to enhance further trade and investment between the Parties and to further the objectives of this Agreement; and

j) take such other actions as the Parties may agree.

ARTICLE 8.5: DURATION AND TERMINATION

1. This Agreement shall be valid indefinitely.

2. Either Party may give written notice to the other of its intention to terminate this Agreement. Termination shall take effect on the first day of the seventh month after notification to the other Party

ARTICLE 8.6: ENTRY INTO FORCE

1. The Parties shall ratify this Agreement in accordance with their internal legal procedures.

2. Where a Party has ratified this Agreement in accordance with its internal legal procedures, that Party shall notify the other Party of such ratification, in writing, through diplomatic channels. Where both Parties have notified each other of such ratification, this Agreement shall enter into force on the first day of the second month following the latter of the two notifications.

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

DONE at Port Louis on 22nd February 2021, in two originals, in the English language, both texts being equally authentic.

For the Government of The Republic of Mauritius	**For the Government of The Republic of India**
Haymandoyal Dillum **Secretary for Foreign Affairs** **Minister of Foreign Affairs, Regional Integration and International Trade**	**Anup Wadhawan** **Commerce Secretary** **Department of Commerce** **Ministry of Commerce & Industry**