COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED ARAB EMIRATES

AND

THE GOVERNMENT OF THE STATE OF ISRAEL

PREAMBLE

The Government of the United Arab Emirates (hereinafter referred to as the "UAE") and the Government of the State of Israel (hereinafter referred to as "Israel");

hereinafter being referred to individually as a "Party" and collectively as "the Parties";

RECOGNISING the strong economic ties between the Parties and wishing to strengthen these links through the creation of a free trade area, thus establishing close and lasting relations;

BUILDING on their respective rights and obligations under the *Marrakesh Agreement Establishing the World Trade Organization* done at Marrakesh on 15 April 1994 (WTO Agreement);

COMMITTED to reducing obstacles to trade;

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

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

DETERMINED to support the growth and development of micro, small and medium-sized enterprises by enhancing their ability to participate in and benefit from the opportunities created by this Comprehensive Economic Partnership Agreement (hereinafter referred to as "this Agreement");

AIMING to establish a clear, transparent, and predictable legal and commercial framework for business planning, that supports further expansion of trade and investment;

HAVE AGREED, in pursuit of the above, to conclude the following Agreement:

CHAPTER 1
INITIAL PROVISIONS AND GENERAL DEFINITIONS

Section A: General Definitions

Article 1.1: Definitions of General Application

For the purposes of this Agreement, unless otherwise specified:

Agreement on Agriculture means the *Agreement on Agriculture,* contained in Annex 1A to the WTO Agreement;

Anti-Dumping Agreement means the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* and its Interpretative Notes, contained in Annex 1A to the WTO Agreement;

Customs Authority refers to the Israel Customs Authority of the Israel Tax Authority of the Ministry of Finance in the case of Israel, and to the Federal Authority for Identity, Citizenship, Customs and Port Security in the case of the UAE;

customs duty means any duty or a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with Article III:2 of the GATT 1994;

(b) antidumping or countervailing or safeguard duties that are applied pursuant to a Party's law, in accordance with the WTO Agreement, including the GATT 1994, the Anti-Dumping Agreement, the SCM Agreement, and the Safeguards Agreement; or

(c) fee or other charge in connection with importation commensurate with the cost of services rendered.

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement;

days means calendar days;

GATS means the General Agreement on Trade in Services, contained in Annex 1B of the WTO Agreement;

GATT 1994 means the General Agreement on Tariffs and Trade 1994, contained in Annex 1A of the WTO Agreement;

good or **goods of a Party** means domestic products as these are understood in the GATT 1994, or any other good that the Parties may agree, and includes any originating good of a Party;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes, Chapter Notes, and subheading notes;

Joint Committee means the Joint Committee established in accordance with Article 17.1 (Establishment of the Joint Committee);

measure covers any measure whether in form of a law, regulation, rule, procedure, decision, administrative action, practice, or any other form;

originating means qualifying under the rules of origin set out in Chapter 3 (Rules of Origin);

person means a natural person or juridical person;

Safeguards Agreement means the Agreement on Safeguards, contained in Annex 1A to the WTO Agreement;

sanitary or phytosanitary measure means any measure referred in paragraph 1 of Annex A of the SPS Agreement;

SCM Agreement means the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement;

SME means a small and medium-sized enterprise, including a micro enterprise;

SPS Agreement means the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement;

tariff classification means the classification of a good or material under a chapter, heading or subheading of the Harmonized System;

territory means:

(a) for Israel, the territory of the State of Israel;

(b) for the UAE, the terms "United Arab Emirates" or "UAE" when used in a geographical sense, means the territory of the United Arab Emirates which is under its sovereignty as well as the area outside the territorial water, airspace and submarine areas over which the United Arab Emirates exercises, in accordance with international law and the law of United Arab Emirates, sovereign and jurisdictional rights including the Exclusive Economic Zone and the mainland under its jurisdiction in respect of any activity carried on in its water, sea bed, subsoil, in connection with the exploration for or the exploitation of natural resources by virtue of its law and international law;

TRIPS Agreement means the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, contained in Annex 1C to the WTO Agreement;

WTO means the *World Trade Organization*; and

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

Section B: Initial Provisions

Article 1.2: Establishment of a Free Trade Area

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

Article 1.3: Objective

The objective of this Agreement, as elaborated more specifically in its provisions, is to eliminate obstacles to trade in, and facilitate the movement of goods and services between the Parties, thereby promoting conditions of fair competition and substantially increasing investment opportunities in the free trade area.

Article 1.4: Relation to Other Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under the WTO Agreement and other agreements to which both Parties are party.

2. In the event of any inconsistency between this Agreement and the WTO Agreement, this Agreement prevails, except as otherwise provided in this Agreement.

3. In the event of any inconsistency between this Agreement and any agreement other than the WTO Agreement to which both Parties are a Party, the Parties shall, upon request, consult with each other with a view to finding a mutually satisfactory solution.

Article 1.5: Extent of Obligations

Each Party shall take such reasonable measures as may be available to it to ensure that the necessary measures are taken in order to give effect to the provisions of this Agreement, including their observance by the regional, municipal and local governments and authorities.

Article 1.6: Reference to Other Agreements

1. When this Agreement refers to or incorporates by reference other agreements or legal instruments in whole or in part, those references include related footnotes, interpretative notes, and explanatory notes that are binding on both Parties.

2. When this Agreement incorporates by reference other agreements or international legal instruments in whole or in part, except when the reference affirms existing rights, this reference also includes, as the case may be, a successor agreement to which both Parties are party or an amendment binding on both Parties.

Article 1.7: Transparency

Each Party shall ensure that any law, regulation, procedure or administrative ruling of general application in respect of a matter covered by this Agreement is promptly published or made available in a manner that enables any interested person and the other Party to become acquainted with it.

CHAPTER 2
TRADE IN GOODS

Article 2.1: Definitions

For the purposes of this Chapter:

import licensing means an administrative procedure requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body as a prior condition for importation into the territory of the importing Party; and

Import Licensing Agreement means the Agreement on Import Licensing Procedures, contained in Annex 1A to the WTO Agreement.

Article 2.2: Scope

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

Section A: National Treatment

Article 2.3: National Treatment

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

2. Paragraph 1 does not apply to the measures set out in Annex 2A

Section B: Reduction or Elimination of Customs Duties

Article 2.4: Reduction or Elimination of Customs Duties

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

2. Except as otherwise provided in the Agreement, upon the entry into force of this Agreement, each Party shall reduce or eliminate its customs duties on originating goods of the other Party in accordance with its Schedule to Annex 2B or 2C.

3. If at any moment, after the entry into force of this Agreement, a Party reduces its applied most-favoured-nation (hereinafter referred to as "MFN") customs duty, that duty rate shall apply to originating goods of the other Party if, and for as long as, it is lower than the customs duty rate calculated in accordance with its Schedule included in Annex 2B or 2C.

4. Upon the request of either Party, the Parties shall consult to consider accelerating or broadening the scope of the reduction or elimination of customs duties set out in their

Schedules included in Annexes 2B and 2C. Following such consultations, a decision by the Joint Committee on the acceleration or broadening of the scope of the reduction or elimination of a customs duty on a good shall supersede any duty rate or staging category determined pursuant to the respective Party's Schedule included in Annex 2B or 2C for that good, in accordance with Article ***17.2***.2 (c) (Functions of the Joint Committee).

5. For greater certainty:

   (a) nothing in this Agreement shall prohibit a Party from unilaterally accelerating, or broadening the scope of the elimination of customs duties set out in its Schedule in Annex 2B or 2C on originating goods;

   (b) a Party may raise a customs duty up to the level established in its Schedule to Annex 2B or 2C following any unilateral reduction referred to in subparagraph (a); or

   (c) a Party may maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

Article 2.5: Classification of Goods

1. The classification of goods in trade between the Parties shall be that set out in the respective tariff nomenclature of each Party in conformity with the Harmonized System (HS) and its amendments.

2. The Parties shall mutually decide whether any revisions are necessary to implement Annexes 2B or 2C due to periodic amendments and transposition of the Harmonized System (HS).

3. If the Parties decide that revisions are necessary in accordance with paragraph 2, the transposition of the schedules of tariff commitments shall be carried out in accordance with the methodologies and procedures adopted by the Subcommittee on Trade in Goods established under Article 2.18.

4. Each Party shall ensure that the transposition of its schedule of tariff commitments under paragraph 3 does not afford less favourable treatment to an originating good of the other Party than that set out in its Schedule in Annex 2B or 2C.

5. A Party may introduce new tariff splits, provided that the preferential conditions applied in the new tariff splits are not less preferential than those applied originally.

Article 2.6: Valuation of Goods

For the purpose of determining the customs value of goods traded between the Parties, the provisions of Article VII of the GATT 1994, its interpretative notes, and the Customs Valuation Agreement shall apply *mutatis mutandis*.

Section C: Special Regimes

Article 2.7: Temporary Admission of Goods

1. Each Party shall, in accordance with its respective domestic law, grant temporary admission free of customs duties for the following goods imported from the other Party, regardless of their origin:

   (a) professional and scientific equipment, including their spare parts, and including equipment for the press or television, software, and broadcasting and cinematographic equipment, that are necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;

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

   (c) commercial samples and advertising films and recordings;

   (d) goods admitted for sports purposes;

   (e) containers and pallets that are used for the transportation of equipment or used for refilling; and

   (f) goods entered for completion of processing.

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

3. Neither Party may condition the temporary admission of a good referred to in paragraph 1, other than to require that the good:

   (a) not be sold or leased while in its territory;

   (b) be accompanied by a security in an amount no greater than the custom duties and any other tax imposed on imports that would otherwise be owed on entry or final importation, releasable on exportation of the good;

   (c) be capable of identification when exported;

   (d) be exported in accordance with the time period granted for temporary admission in accordance with its domestic law related to the purpose of the temporary admission;

   (e) not be admitted in a quantity greater than is reasonable for its intended use; or

   (f) be otherwise admissible into the importing Party’s territory under its law.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, that Party may apply the customs duty and any other charge that would normally be owed on the importation of the good and any other charges or penalties provided for under its law.

5. Each Party through its Customs Authority shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that when such a good accompanies a national or resident of the other Party who is seeking temporary entry, the good shall be released simultaneously with the entry of that national or resident.

6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted in accordance with its customs procedures.

7. Each Party shall provide that the importer of a good admitted under this Article shall not be liable for failure to export the good on presentation of satisfactory proof to the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension. A Party may condition relief of liability under this paragraph by requiring the importer to receive prior approval from the Customs Authority of the importing Party before the good can be so destroyed.

Article 2.8: Goods Re-Entered After Repair or Alteration

1. Neither Party shall apply a customs duty to a good, regardless of its origin, that re-enters its territory in accordance with its laws and procedures after that good has been temporarily exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repair or alteration could be performed in the territory from which the good was exported, except that a customs duty or other taxes may be applied to the addition resulting from the repair or alteration that was performed in the territory of the other Party.

2. Neither Party shall apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or alteration.

3. For purposes of this Article, “repair” or “alteration” does not include an operation or process that:

   (a) destroys a good’s essential characteristics or creates a new or commercially different good;

   (b) transforms an unfinished good into a finished good; or

   (c) results in a change of the classification at a six-digit level of the Harmonized System (HS).

Article 2.9: Duty-Free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials

Each Party, in accordance with its respective domestic law, shall grant duty-free entry to commercial samples of negligible value, and to printed advertising materials, imported from the territory of the other Party, regardless of their origin, but may require that:

(a) such samples be imported solely for the solicitation of orders for goods or services provided from the territory of the other Party or a non-Party; or

(b) such advertising materials be imported in packets, that each contain no more than one copy of each such material, and that neither the materials nor the packets form part of a larger consignment.

Section D: Non-Tariff measures

Article 2.10: Non-Tariff Measures

1. The Parties shall ensure that non-tariff measures are not prepared, adopted or applied with a view to creating unnecessary obstacles to trade with the other Party.

2. If a Party considers that a non-tariff measure of the other Party is an unnecessary obstacle to trade, that Party may present such a non-tariff measure for review by the Subcommittee on Trade in Goods. The Subcommittee on Trade in Goods shall review the measure with a view to securing a mutually agreed solution to the matter.

Article 2.11: Import and Export Restrictions

1. Except as otherwise provided in this Agreement, 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, except in accordance with Article XI of GATT 1994 and its interpretative notes. To this end, Article XI of GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.

2. In the event that a Party introduces a measure that imposes a prohibition or restriction otherwise justified under the relevant provisions of the WTO Agreement with respect to the exportation of goods to the other Party, the Party imposing the measure, shall publish the measure in a timely manner. Upon the request of the other Party, it shall enter into consultation with the aim of resolving any problem that may arise due to that measure.

3. Paragraphs 1 and 2 do not apply to the measures set out in Annex 2A.

Article 2.12: Import Licensing

1. Neither Party may adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.[1]

   (a) Promptly after the entry into force of this Agreement, each Party shall notify the other Party of its existing import licenses, if any. The notification shall:

      (i) include the information specified in Article 5 of the Import Licensing Agreement; and

      (ii) be without prejudice as to whether the import license is consistent with this Agreement.

   (b) Before applying any new or modified import license, a Party shall publish it, to the extent required by its law, on an official government internet site. To the extent practicable, the Party shall do so at least 21 days before it takes effect.

2. Neither Party may apply an import license to a good of the other Party unless the Party has complied with the requirements of paragraph 2 with respect to that import license. Where exceptional and critical circumstances as provided in Article XX of GATT 1994 require immediate action that makes prior notification impossible, the Party may apply it forthwith, as necessary to deal with the situation and shall inform the other Party immediately thereof.

Article 2.13: Export Subsidies

1. Neither Party shall adopt or maintain any export subsidy on any good destined for the territory of the other Party in accordance with the SCM Agreement and the Agreement on Agriculture.

2. Notwithstanding paragraph 1, the Parties reaffirm that a Party may maintain an export subsidy on an agricultural good only in accordance with its commitments made in the WTO Ministerial Conference Decision on Export Competition adopted in Nairobi on 19 December 2015, including the elimination of scheduled export subsidy entitlements for agricultural goods.

Article 2.14: Administrative Fees and Formalities

1. Each Party shall ensure that all fees and charges imposed in connection with importation and exportation shall be consistent with their obligations under Article VIII:1 of GATT 1994 and its interpretive notes, which are hereby incorporated into and made a part of this Agreement, *mutatis mutandis*.

[1] For the purposes of paragraph 1 and for greater certainty, in determining whether a measure is inconsistent with the Import Licensing Agreement, the Parties shall apply the definition of "import licensing" contained in that Agreement.

2. Each Party shall make available and maintain through the internet a current list of the fees and charges it imposes in connection with importation or exportation.

Article 2.15: Export Duties, Taxes, or Other Charges

Except as otherwise provided in this Agreement, neither Party shall adopt or maintain any duty, tax, or other charge on the export of any good destined to the territory of the other Party.

Article 2.16: State Trading Enterprises

The Parties affirm their existing rights and obligations under Article XVII of the GATT 1994, its interpretative notes, and the *Understanding on the Interpretation of Article XVII of the GATT 1994, contained in Annex 1A to the WTO Agreement*.

Section E: Other Measures

Article 2.17: Restrictions to Safeguard the Balance of Payments

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance-of-payments purposes.

2. The rights and obligations of the Parties relating to restrictions to safeguard the balance of payments shall be in accordance with the GATT 1994, which includes the *Understanding on the Balance-of-Payments Provisions of the GATT 1994*, contained in Annex 1A of the WTO Agreement.

Section F: Institutional Provisions

Article 2.18: Subcommittee on Trade in Goods

1. The Parties herby establish a Subcommittee on Trade in Goods, comprising representatives of each Party.

2. The Subcommittee shall meet upon request of a Party or the Joint Committee to consider any matter arising under this Chapter.

3. The Subcommittee's functions shall include, *inter alia*:

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

   (b) promoting trade in goods between the Parties, including through consultations on broadening and accelerating the reduction or elimination of customs duties under this Agreement and other issues as appropriate;

   (c) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, when appropriate, referring such matters to the Joint Committee for its consideration; and

(d) providing a forum for discussion or the exchange of information, including trade data, on matters related to subparagraphs (a) through (c), which may directly or indirectly affect trade between the Parties, with a view to eliminating their negative effects on trade and seeking mutually acceptable alternatives.

(e) considering any other matter arising under this Chapter as may be agreed by the Parties.

CHAPTER 3
RULES OF ORIGIN

SECTION A: ORIGIN DETERMINATION

Article 3.1: Definitions

For the purposes of this Chapter:

aquaculture refers to the farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as, *inter alia,* regular stocking, feeding, and protection from predators;

Competent Authority refers to the Customs Directorate of the Israel Tax Authority of the Ministry of Finance in the case of Israel, and to the Ministry of Economy in the case of the UAE;

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

good refers to both materials and products;

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

material refers to any ingredient, raw material, compound or part, used in the production of a good;

non-originating good or non-originating material means a good or material that does not qualify as originating under this Chapter;

Article 3.2: Originating Goods

For the purpose of implementing this Agreement, the following goods shall be considered as originating in a Party:

(a) goods wholly obtained or produced there according to Article 3.3;

(b) goods produced there exclusively from originating materials; or

(c) goods that have undergone sufficient working or production there according to Article 3.4.

Article 3.3: Wholly Obtained or Produced Goods

The following goods shall be considered as wholly obtained or produced in a Party:

(a) mineral goods and naturally occurring substances extracted or taken from the soil, waters, seabed or subsoil of a Party;

(b) plants, plant goods and vegetable goods grown, harvested, picked or gathered there;

(c) live animals born and raised there;

(d) goods obtained from live animals there;

(e) goods obtained by hunting, trapping, collecting, fishing, farming, capturing or aquaculture conducted within the land, the internal waters or within the territorial sea of a Party;

(f) goods of sea fishing and other marine goods taken from the waters, seabed or subsoil outside the territorial sea of a Party only by a vessel registered or recorded in a Party and entitled to fly its flag;

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

(h) goods, other than goods of sea fishing and other marine goods, taken or extracted from the waters, seabed or the subsoil outside the territorial sea of a Party, provided that the Party has rights to exploit such waters, seabed or subsoil;

(i) used articles collected there which are fit only for disposal or recovery of raw materials;

(j) waste and scrap resulting from utilization, consumption or manufacturing operations conducted there which are fit only for disposal or recovery of raw materials; and

(k) goods produced there exclusively from goods referred to in subparagraphs (a) through (j) of this Article, or from their derivatives, at any stage of production.

Article 3.4: Sufficient Working or Production

For the purposes of Article 3.2 (c), goods are considered to be sufficiently worked or processed when the conditions set out in the Product Specific Rules ("PSR") in Annex 3A (Product Specific Rules) are fulfilled.

Article 3.5: Intermediate Goods

If a good which has acquired originating status by fulfilling the conditions set out in Article 3.4 is used in the manufacture of another good, no account shall be taken of the non-originating materials which may have been used in its manufacture.

Article 3.6: *De Minimis*

Notwithstanding Article 3.4:

A good shall be considered to have undergone a change in tariff classification if the value of all non-originating materials that are used in the production of the good and that do not undergo the applicable change in tariff classification does not exceed 15 percent of the Ex-Works price of the good.

A good provided for in Chapters 50 to 63 of the HS Code shall be considered to have undergone a change in tariff classification if the weight of all non-originating materials that are used in the production of the good and that do not undergo the applicable change in tariff classification does not exceed 15 percent of the weight of the good.

Article 3.7: Neutral Elements

In order to determine whether a good is an originating good, no account shall be taken of the origin of the following neutral elements which might be used in its manufacture:

(a) fuel and energy;

(b) plants, equipment and their spare parts;

(c) tools, dyes, and molds;

(d) equipment, devices, supplies used for testing or inspecting the goods;

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

Article 3.8: Cumulation

1. Originating goods in a Party shall be considered as originating in the other Party when used in the production of other goods there.

2. The Joint Committee may agree to review this Article with a view to providing for other forms of cumulation for the purposes of qualifying goods as originating goods under this Agreement.

Article 3.9: Insufficient Operations or Processing

1. The following operations shall be considered as insufficient working or processing to confer the status of originating goods, whether or not the requirements of Article 3.4 are satisfied:

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

   (b) simple[2] changing of packaging or breaking-up and assembly of packages;

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

   (d) simple painting and polishing operations, including applying oil;

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

   (f) ironing or pressing of textiles;

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

   (h) peeling, stoning and shelling, of fruits, nuts and vegetables;

   (i) sharpening, simple grinding, or simple cutting;

   (j) sifting, screening, sorting, classifying, grading or matching (including the making-up of sets of articles);

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

   (l) simple dilution in water or other substances, providing that the characteristics of the goods remain unchanged;

   (m) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple[2] packaging operations;

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

   (o) simple mixing[3] of goods, whether or not of different kinds;

[2] The term "Simple" generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. This footnote shall apply to all references to "simple" throughout this Article.

[3] The terms "Simple mixing" generally describe activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process)

(p) slaughter of animals; or

(q) a combination of two or more of the above operations.

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

Article 3.10: Accessories, Spare Parts, and Tools

Each Party shall provide that accessories, spare parts, and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 3.11: Unit of Qualification

1. The unit of qualification for the application of the provisions of this Chapter shall be the particular good which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System (HS). It follows that:

   (a) when a good composed of a group or assembly of articles is classified under the terms of the Harmonized System (HS) in a single heading, the whole constitutes the unit of qualification;

   (b) when a consignment consists of a number of identical goods classified under the same heading of the Harmonized System (HS), each good must be taken individually when applying the provisions of this Chapter.

2. Where, under General Rule 5 of the Harmonized System (HS), packaging is included with the good for classification purposes, it shall be included for the purposes of determining origin.

Article 3.12: Sets

Sets, as defined in General Rule 3 of the Harmonized System (HS), shall be regarded as originating when all component goods are originating. Nevertheless, when a set is composed of originating and non-originating goods, the set as a whole shall be regarded as originating, provided that the value of the non-originating goods does not exceed 20 percent of the ex-works price of the set.

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which results in a molecule with a new structure by breaking an intramolecular bond and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

Article 3.13: Accounting Segregation of Materials

1. For the purpose of determining if goods are originating where identical and interchangeable originating and non-originating materials are used in the manufacture of goods, those materials shall be physically segregated, according to their origin, during storage. Identical and interchangeable materials means materials being of the same kind and commercial quality, and which once they are incorporated into the finished goods cannot be distinguished from one another for origin purposes.

2. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials which are identical and interchangeable, a producer may use the so-called "accounting segregation" method to be used for managing such stocks.

3. The accounting method shall be recorded, applied, and maintained in accordance with generally accepted accounting principles applicable and recognised in the Party in which the goods are manufactured and must be able to ensure that for a specific reference period no more goods receive originating status than would be the case if the materials had been physically segregated.

4. A producer using accounting segregation pursuant to paragraphs 2 and 3 shall keep all documentary evidence of origin of the materials. At the request of the Competent Authority, the producer shall provide satisfactory information on how the stocks have been managed.

Article 3.14: Principle of Territoriality

1. The conditions for acquiring originating status set out in Article 3.2 must be fulfilled without interruption in either of the Parties.

2. Where originating goods exported from a Party to a non-Party return to the exporting Party, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the Customs Authority that:

   (a) the returning goods are the same as those exported; and

   (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that non-Party or while being exported.

Article 3.15: Outward Processing

Notwithstanding Article 3.14, the acquisition of originating status in accordance with the conditions set out in this Chapter shall not be affected by working or processing done outside a Party on materials exported from a Party and subsequently re-imported there, provided that:

(a) the said materials shall be wholly obtained in a Party or have undergone working or processing beyond the operations referred to in Article 3.9 prior to being exported;

(b) it shall be demonstrated to the satisfaction of the Customs Authority that:

(i) the re-imported goods have been obtained by working or processing the exported materials;

(ii) such working or processing have not resulted in a change of the classification at a four-digit level of the Harmonized System (HS) of the said re-imported goods; and

(iii) the total added value acquired outside a Party by applying the provisions of this Article does not exceed 15 percent of the ex-works price of the end good for which originating status is claimed.

(c) The provisions of subparagraph (b)(iii) shall not apply to goods which do not fulfil the conditions set out in Article 3.4;

(d) The conditions set out in Article 3.6 shall not apply to the said material as referred to in paragraph (a); and

(e) factual information relevant to this Article will be indicated in the Certificate of Origin, in accordance with Annex 3B (Certificate of Origin).

Article 3.16: Direct Transport

1. The preferential treatment provided under this Agreement shall apply only to goods satisfying the requirements of this Chapter, which are transported directly between the Parties. However, goods constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, under the surveillance of the customs authorities therein, provided that:

(a) they are not intended for trade, consumption, or use in the non-Party where the goods were in transit; and

(b) they do not undergo operations other than unloading, reloading, or any operation designed to preserve them in good condition.

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

(a) the transportation documents, such as the airway bill, the bill of lading or the multimodal or combined transportation document, that certify the transport from the country of origin to the importing country;

(b) a certificate issued by the Customs Authority of the non-Party where the goods were in transit, which contains an exact description of the goods, the date and place of the loading and re-loading of the goods in that non-Party, and the conditions under which the goods were placed; or

(c) in the absence of any of the above documents, any other documents that will prove the direct shipment.

Article 3.17: Free Zones

1. The Parties shall take all necessary steps to ensure that products traded under cover of a Proof of Origin which in the course of transport use a free zone situated within a Party, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By means of an exemption to the provisions contained in paragraph 1, when products originating in a Party enter a free zone under cover of a Proof of Origin and undergo treatment or processing, the authorities concerned shall issue a new Proof of Origin at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Chapter.

3. Products manufactured in a free zone situated within a Party, shall be considered products originating in that Party and eligible for the preferential treatment under this Agreement, when exported to the other Party, provided that:

(a) the treatment or processing undergone in the free zone is in conformity with the provisions of this Chapter; and

(b) the exporter applying for the issuance of a Proof of Origin shall submit at any time, at the request of the Competent Authority of the exporting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Chapter.

SECTION B: CERTIFICATION PROVISIONS

Article 3.18: Proof of Origin

1. Goods originating in a Party shall, on importation into the other Party, benefit from preferential tariff treatment under this Agreement upon submission of a Proof of Origin in accordance with the domestic law of the importing Party, which shall be completed in English.

2. Any of the following shall be considered as a Proof of Origin:

(a) a certificate of origin in paper format[4] issued by a Competent Authority as per the specimen in Annex 3B (Certificate of Origin);

(b) an electronic certificate of origin issued by a Competent Authority in accordance with Article 3.19;

(c) an origin declaration made out by an approved exporter referred to in Article 3.20.

Article 3.19: Electronic Origin Data Exchange

For the purposes of Article 3.18.2 (b), the Parties shall endeavour to develop an electronic system for the exchange of electronic certificates of origin[5] and origin information to ensure the effective and efficient implementation of this Chapter.

Article 3.20: Approved Exporter

1. This Article shall apply within one year from the date of entry into force of this Agreement.

2. The Competent Authority of the exporting Party may authorise any exporter (hereinafter referred to as "approved exporter"), who exports goods under this Agreement, to make out Origin Declarations, a specimen of which appears in Annex 3C (Approved Exporter Declaration Pursuant to Article 3.20), irrespective of the value of the goods concerned, in accordance with appropriate conditions in the respective law of the exporting Party. An exporter seeking such authorisation must offer to the satisfaction of the Competent Authority all guarantees necessary to verify the originating status of the goods as well as the fulfilment of the other requirements of this Chapter.

3. The Competent Authority may grant the status of approved exporter, subject to any conditions which it considers appropriate.

4. The Competent Authority shall issue a unique serial number to each approved exporter with a validity date.

5. The Parties shall periodically exchange the lists of approved exporters' names, serial numbers, and validity dates. In case a unique serial number of an approved exporter is not included in the list, the Customs Authority shall not deny preferential treatment unless Article 3.28 is applied.

6. An Origin Declaration shall be made out by the approved exporter by typing, stamping or printing on the invoice, delivery note or other commercial document,

[4] "A paper format" means a Certificate of Origin manually or electronically signed, stamped, and issued in the exporting Party directly from the Competent Authority's system and printed by the Competent Authority, producer or exporter, or his authorized representative.

[5] "An electronic certificate of origin" means a Certificate of Origin data that is transmitted electronically.

the declaration, the text of which appears in Annex 3C (Approved Exporter Declaration Pursuant to Article 3.20).

7. The approved exporter making out an Origin Declaration shall be prepared to submit at any time, at the request of the Customs Authority of the exporting Party, all appropriate documents proving the originating status of the goods concerned, as well as the fulfilment of the other requirements of this Chapter.

Article 3.21: Procedures for the Issuance of Certificates of Origin

1. Certificates of Origin shall be issued by the Competent Authority of the exporting Party, either upon an electronic application or an application in paper form, having been made by the exporter, producer, or an authorised representative under the exporter's responsibility, in accordance with the regulations of the exporting Party.

2. The application form for a Certificate of Origin shall be completed in accordance with the law of the exporting Party.

3. The exporter, producer, or authorised representative under the exporter's responsibility applying for the issuance of a Certificate of Origin shall be prepared to submit at any time, at the request of the Customs Authority of the exporting Party, all appropriate documents proving the originating status of the goods concerned, as well as the fulfilment of the other requirements of this Chapter.

4. Certificates of Origin shall be issued if the goods to be exported can be considered as goods originating in the exporting Party in accordance with this Chapter.

5. The Competent Authority may take any steps necessary to verify the originating status of the goods and the fulfilment of the other requirements of this Chapter. For this purpose, the Competent Authority shall have the right to request evidence and to carry out any inspection of the exporter's books or any other check considered appropriate.

6. Each Certificate of Origin shall be assigned a unique number by the Competent Authority.

7. A Certificate of Origin shall bear an authorised signature and official seal of the Competent Authority. If the official seal is applied electronically, then the Certificate of Origin shall include an authentication verification method such as a QR Code or secured web address.

8. A Certificate of Origin shall be issued before or at the time of shipment, or within three working days after shipment.

9. Any alteration to the Certificate of Origin shall render the certificate void. A new Certificate of Origin shall be issued to replace the erroneous one, indicating the number of the Certificate of Origin that was corrected in the appropriate field in accordance with Annex 3B (Certificate of Origin).

Article 3.22: Certificates of Origin Issued Retrospectively

1. Notwithstanding Article 3.21.8, a Certificate of Origin may be issued retrospectively due to involuntary errors, omissions, or other valid cases, within one year from the date of shipment, in cases where a Certificate of Origin has not been issued before or at the time of shipment or within three working days after shipment.

2. For the implementation of paragraph 1, the exporter, producer, or authorised representative under the exporter's responsibility must indicate in its application the place and date of exportation of the goods to which the Certificate of Origin relates, and state the reasons for its request.

3. The Competent Authority may issue a Certificate of Origin retrospectively only after verifying that the information supplied in the application of exporter, producer, or authorised representative under the exporter's responsibility agrees with that in the corresponding file.

4. A Certificate of Origin issued in accordance with this Article shall indicate whether it was issued retrospectively in the appropriate field as detailed in Annex 3B (Certificate of Origin).

Article 3.23: Duplicate Certificates of Origin

1. In the event of theft, loss or destruction of a Certificate of Origin in paper form, the exporter, producer, or authorised representative under the exporter's responsibility may apply to the Competent Authority that issued it for a duplicate made out on the basis of the export documents in its possession.

2. A Certificate of Origin issued in accordance with this Article shall indicate whether it is a duplicate in the appropriate field as detailed in Annex 3-B (Certificate of Origin).

3. The duplicate, which shall bear the date of issuance of the original Certificate of Origin, shall take effect as from that date.

Article 3.24: Submission of Proof of Origin

Proofs of origin shall be submitted to the Customs Authority of the importing Party in accordance with the procedures applicable in that Party. The Customs Authority may require the import declaration to be accompanied by a statement from the importer to the effect that the goods meet the conditions required for the implementation of this Agreement.

Article 3.25: Validity Period of Certificate of Origin

1. A Certificate of Origin shall be valid for six months from the date of issuance in the exporting Party and shall be submitted within the said period to the Customs Authority of the importing Party.

2. Certificates of Origin submitted to the Customs Authority of the importing Party after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment where the failure to submit these documents by the final date set is due to exceptional circumstances.

3. In other cases of untimely presentation, the Customs Authority of the importing Party may accept Proofs of Origin where the products have been submitted before the said final date.

Article 3.26: Discrepancies and Formal Errors

1. The discovery of slight discrepancies between the statements made in a Proof of Origin and those made in the documents submitted to the Customs Authority for the purposes of carrying out the formalities for importing the goods, shall not *ipso facto* render the Proof of Origin null and void if it is duly established that these documents correspond to the goods submitted.

2. Obvious formal errors on a Proof of Origin shall not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in the document.

Article 3.27: Record- Keeping Requirement

1. The exporter or producer applying for the issuance of a Proof of Origin shall keep the documents referred to in Articles 3.20.7 and 3.21.3 for at least five years.

2. The Competent Authority in the exporting Party that issued a Certificate of Origin shall keep any document relating to the application procedure referred to in Article 3.21.2 for at least five years.

3. The Customs Authority of the importing Party shall keep the Certificates of Origin and the Origin Declaration or the reference numbers of electronic Certificates of Origin submitted to it for at least five years.

Article 3.28: Verification of Proofs of Origin

1. Subsequent verification of Proofs of Origin shall be carried out at random or whenever the Customs Authority or the Competent Authority of the importing Party have reasonable doubts as to the authenticity of such documents, the originating status of the goods concerned, or the fulfilment of the other requirements of this Chapter.

2. For the purposes of implementing paragraph 1, the Customs Authority of the importing Party shall return the Proofs of Origin, or a copy of these documents, to the Customs Authority or the Competent Authority of the exporting Party giving, where appropriate, the reasons for the request for verification. Any documents and information obtained suggesting that the information given in the Proofs of Origin is incorrect shall be forwarded in support of the request for verification.

3. The verification shall be carried out by the Customs Authority or the Competent Authority of the exporting Party. For this purpose, they shall have the right to request any evidence and to carry out any inspection of the exporter's books or any other check considered appropriate.

4. If the Customs Authority of the importing Party decides to suspend the granting of preferential treatment to the goods concerned while awaiting the results of the verification, release of the goods shall be offered to the importer subject to any precautionary measures considered necessary.

5. The Customs Authority or the Competent Authority requesting the verification shall be informed of the results thereof as soon as possible. These results shall indicate clearly whether the documents are authentic and whether the goods concerned may be considered as goods originating in the exporting Party and fulfil the other requirements of this Chapter.

6. If, in cases of reasonable doubt, there is no reply within six months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the goods, the requesting Customs Authority shall, except in exceptional circumstances, refuse entitlement to the preferences.

7. If the Customs Authority or the Competent Authority of the importing Party is not satisfied with the results provided by the Customs Authority or the Competent Authority of the exporting Party, under exceptional circumstances and for justifiable reasons, the Customs Authority or the Competent Authority of the importing Party may conduct a verification in the exporting Party by means of:

   (a) written requests for additional information, documents or explanations, to the Customs Authority or the Competent Authority of the exporting Party, concerning the results of the above verification. Such information shall be provided no later than 90 days from the receipt of such request from the Customs Authority or the Competent Authority of the importing Party; or

   (b) a verification visit to the premises of the exporter or producer in the exporting Party. To that purpose:

      (i) the Customs Authority or the Competent Authority of the importing Party shall deliver a written notification in advance to the Customs Authority or the Competent Authority of the exporting Party

regarding the intention of the importing Party to conduct a visit at the exporter's or producer's premises;

(ii) the exporting Party shall set a date of visit upon the agreement of the exporter or the producer, the importing Party and the exporting Party. The visit shall be conducted no later than 90 days from the receipt of the written notification from the Customs Authority or the Competent Authority of the exporting Party;

(iii) officials from the exporting Party shall assist the officials from the importing Party in their visit and accompany them at the exporter's or producer's premises, unless otherwise agreed; and

(iv) the Customs Authority or the Competent Authority of the importing Party conducting the verification shall provide the Customs Authority or the Competent Authority of the exporting Party with a written determination of whether the goods qualify as originating goods, including findings of fact and the legal basis for the determination no later than 60 days after conducting the visit.

8. Upon a determination that the goods are not originating, preferential treatment can be denied. Otherwise, the goods shall be granted preferential treatment.

9. Each Party shall maintain, in accordance with its law, the confidentiality of any information collected pursuant to this Article, and shall protect that information from any disclosure that could prejudice the competitive position of the persons providing the information.

10. All the information and communications under this Article shall be done in English.

11. This Article shall not preclude the exchange of information or granting of any other assistance as provided for in customs cooperation agreements.

Article 3.29: Third Party Invoicing

1. An importing Party shall not deny a claim for preferential tariff treatment for the sole reason that an invoice was not issued by the exporter or producer of a good, provided that the good meets the requirements in this Chapter.

2. The exporter of the goods shall indicate "third party invoicing" and such information as the number of invoice, if available, in the Certificate of Origin.

Article 3.30: Denial of Preferential Treatment

1. Only for the following specific reasons, the preferential treatment may be refused without verification of the Proofs of Origin:

(a) the requirements on direct transport of Article 3.16 have not been fulfilled;

(b) the importer fails to submit the Proof of Origin to the Customs Authority of the importing Party within the period specified in the importing Party's law;

(c) the issuing authority of the exporting Party or the exporter did not sign the Certificate of Origin.

2. If the Customs Authority of the importing Party denies a claim for preferential tariff treatment, it shall provide the decision in writing to the importer that includes the reasons for the decision.

Article 3.31: Contact Points

Each Party shall, within 30 days of the date of entry into force of this Agreement for that Party, designate one or more Contact Points within its Competent Authority for the implementation of this Chapter and notify the other Party of the contact details of that Contact Point or those Contact Points. Each Party shall promptly notify the other Party of any change to those Contact Points details.

SECTION C: CONSULTATION AND MODIFICATIONS

Article 3.32: Consultation and Modifications

The Parties shall consult and cooperate as appropriate to:

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

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

Article 3.33: Subcommittee on Rules of Origin and Customs

1. The Parties hereby establish a Subcommittee on Rules of Origin and Customs comprised of representatives of each Party.

2. The Subcommittee shall meet upon the request of a Party or the Joint Committee to consider any matter arising under this Chapter or Chapter 4 (Customs Procedure and Trade Facilitation).

Article 3.34: Transitional Provisions for Goods in Transit or Storage

The provisions of this Agreement may be applied to goods which comply with the provisions of this Agreement and which on the date of entry into force of this Agreement are either in transit, in the Parties in temporary storage, in customs control, or in free zones, subject to the submission to the Customs Authority of the importing Party, within 12 months of that date, of a Proof of Origin made out retrospectively together with the documents showing that the goods have been transported directly in accordance with Article 3.16.

Article 3.35: Confidentiality

All information related to the application of this Chapter communicated between the Parties shall be treated as confidential. It shall not be disclosed by the Parties' authorities without the express permission of the person or authority providing it.

CHAPTER 4
CUSTOMS PROCEDURES AND TRADE FACILITATION

Article 4.1: Definitions

For the purposes of this Chapter, the following definitions shall mean:

Authorized Economic Operator Program (AEO) refers to the program which recognizes an operator involved in the international movement of goods in whatever function that has been approved by the national Customs Authority as complying with the World Customs Organization ("WCO") or equivalent supply chain security standards;

customs law refers to such laws and regulations in force in the customs territories of the Parties, concerning the importation, exportation, and transit of goods, as they relate, *inter alia*, to customs duties, charges and other taxes or to prohibitions, restrictions and other controls in respect of the movement of goods across national boundaries;

customs procedure means, the measures applied by the Customs Authority of a Party to goods and to the means of transport that are subject to its customs laws and regulations; and

Article 4.2: General Provisions

1. The Parties shall apply their respective customs law and procedures in a transparent, consistent, fair, and predictable manner in order to facilitate trade and avoid unnecessary procedural obstacles to trade under this Agreement.

2. The Parties shall endeavor to conform their customs procedures, where possible, to the standards and recommended practices of the World Customs Organization.

3. The Customs Authority of each Party shall endeavor to periodically review its customs procedures with a view to their further simplification and development to facilitate bilateral trade.

Article 4.3: Publication and Availability of Information

1. Each Party shall ensure that its laws, regulations, guidelines, procedures, and administrative rulings of general application on customs matters are promptly published, either on the internet or in print form.

2. Each Party shall designate, establish, and maintain one or more inquiry points to address inquiries from interested persons pertaining to customs matters, and shall endeavour to make available publically, through electronic means, information concerning the procedures for making such inquiries.

3. Nothing in this Agreement shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodologies.

4. Each Party shall, to the extent practicable, and in a manner consistent with its domestic law and legal system, ensure that new or amended laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit, are published or information on them made otherwise publicly available, as

early as possible before their entry into force, so that interested parties have the opportunity to become acquainted with the new or amended laws and regulations.

5. Changes to duty rates or tariff rates, measures that have a relieving effect, measures the effectiveness of which would be undermined as a result of compliance with paragraph 4, measures applied in urgent circumstances, or minor changes to domestic law and legal system are excluded from paragraph 4.

Article 4.4: Risk Management

1. Each Party shall adopt a risk management approach in its customs activities, based on its identified risk of goods, in order to facilitate the clearance of low risk consignments, while focusing its inspection activities on high-risk goods.

Article 4.5: Paperless Communications

1. For the purposes of trade facilitation, the Parties shall endeavor to provide an electronic environment that supports the customs clearance process between their Customs Authorities and their trading entities.

2. The Parties shall exchange views and information on realizing and promoting paperless communications between their respective Customs Authorities and their trading entities.

3. The Customs Authorities of the Parties, in implementing initiatives which provide for the use of paperless communications, shall to the extent practicable, and in a manner consistent with their domestic law and legal systems, take into account the methodologies agreed at the WCO.

Article 4.6: Advance Rulings

1. In accordance with its domestic law, each Party shall issue an advance ruling in a reasonable, time-bound manner to the applicant that has submitted a written request containing all necessary information.

2. For purposes of paragraph 1, a Party shall issue an advance ruling prior to the importation of a good that sets forth the treatment that the Party shall provide to the good at the time of importation with regard to:

   (a) the good's tariff classification;

   (b) where applicable, the appropriate method or criteria, and the application thereof, to be used for determining the customs value under a particular set of facts; and

   (c) the origin of the good.

3. In reference to paragraph 2 (c) of this Article and in the application of this Agreement, an advance ruling on the determination of the origin of the good shall be provided by the Party issuing the Certificate of Origin as set forth in Chapter 3 (Rules of Origin) of this Agreement.

4. A Party shall apply an advance ruling issued by it under paragraph 1 of this Article on the date that the ruling is issued or on a later date specified in the ruling, and it shall remain valid for a reasonable period of time and in accordance with the national procedures on advanced rulings, unless the law, fact, or circumstances supporting that ruling have changed.

5. An advance ruling issued by a Party shall be binding on that Party with respect to the applicant that sought it.

6. A Party may decline to issue an advance ruling if the facts and circumstances forming the basis of the advance ruling are the subject of an investigation or an administrative or judicial review. A Party that declines to issue an advance ruling shall promptly notify, in writing, the person requesting the ruling, setting out the relevant facts and circumstances and the basis for its decision.

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

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

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

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

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

8. Each Party shall provide written notice to the applicant explaining the Party's decision to revoke or modify the advance ruling issued to the applicant.

Article 4.7: Penalties

1. Each Party shall adopt or maintain measures that allow for the imposition of penalties for violations of the Party's customs law and procedures.

2. Each Party shall ensure that penalties imposed for a breach of its customs law or procedures are imposed only on the person(s) responsible for the breach under its laws.

3. Each Party shall ensure that the penalty imposed by its Customs Authority is dependent on the facts and circumstances of the case and is commensurate with the degree and severity of the breach.

4. Each Party shall ensure that it maintains measures to avoid:

   (a) conflicts of interest in the assessment and collection of penalties and duties; and

   (b) creating an incentive for the assessment or collection of a penalty that is inconsistent with paragraph 3.

5. Each Party shall ensure that if a penalty is imposed by its Customs Authority for a breach of a customs law or procedures, an explanation in writing is provided to the person upon whom the penalty is imposed specifying the nature of the breach and the law or procedures used for determining the penalty amount.

Article 4.8: Release of Goods

1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade by:

   (a) providing for the release of goods within a period no greater than required upon receipt of the customs declaration and fulfillment of all applicable requirements and procedures in accordance with its customs law;

   (b) providing for the advance electronic submission and processing of information and documents in accordance with its domestic law prior to the physical arrival of the goods in order to expedite the release of goods from customs control upon arrival;

   (c) allowing goods to be released at the point of arrival without requiring temporary transfer to warehouses or other facilities; and

   (d) requiring, in accordance with its domestic law, that the importer be informed if a Party does not promptly release goods, including, to the extent permitted by its law, the reasons why the goods are not released and the agency to which the matter is related.

2. Nothing in this Article requires a Party to release a good if its requirements for release have not been met nor prevents a Party from liquidating a security deposit in accordance with its law.

3. Each Party may allow, to the extent practicable and in accordance with its customs law, goods intended for import to be moved within its territory under customs control from the point of entry into the Party's territory to another customs office in its territory from where the goods are intended to be released, provided the applicable regulatory requirements are met.

Article 4.9: Authorized Economic Operators

In order to facilitate trade and enhance compliance and risk management between them, the Parties shall endeavor to promote the conclusion of a mutual recognition arrangement ("MRA") for their Authorized Economic Operator Programs ("AEO").

Article 4.10: Border Agency Cooperation

Each Party shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade pursuant to this Chapter.

Article 4.11: Expedited Shipments

1. Each Party, in accordance with its domestic law, shall adopt or maintain customs procedures for the expedited shipment of goods entered through air cargo facilities while maintaining appropriate customs control and selection. These procedures shall:

   (a) provide for information necessary to release an express shipment to be submitted and processed before the shipment arrives;

(b) allow a single submission of information covering all goods contained in an express shipment, such as a manifest through, if possible, electronic means[10];

(c) to the extent possible, provide for the release of certain goods with a minimum of documentation;

(d) under normal circumstances, provide for expedited shipments to be released as soon as possible within a period not greater than required, subject to its compliance with its customs law and procedures, and provided that the shipment has arrived; and

(e) endeavor to apply to shipments of any weight or value recognizing that a Party may require formal entry procedures as a condition for release, including declaration and supporting documentation and payment of customs duties, based on the good's weight or value.

Article 4.12: Review and Appeal

1. Each Party shall provide that the importer, exporter or any person to whom it issues a decision on a customs matter has access to:

(a) at least one level of administrative appeal or review of decisions by its Customs Authority higher than or independent[11] of the official or office that issued the decision; or

(b) judicial appeal or review of the decision.

2. Each Party shall ensure that its procedures for appeal and review are carried out in a non-discriminatory and timely manner.

3. Each Party shall ensure that the person referred to in paragraph 1 is notified in writing of the determination or decision in the review or appeal, and the reasons for the determination or decision.

Article 4.13: Customs Cooperation

1. The Customs Authorities of the Parties shall cooperate in order to ensure the correct implementation and operation of the provisions of this Agreement that pertain to customs matters as they relate to, *inter alia*:

(a) importations or exportations within the framework of this Agreement;

(b) preferential treatment and claims procedures;

(c) verification procedures;

(d) customs valuation and tariff classification of goods; and

[10] Additional documents may be required as a condition for release.

[11] The level of administrative review for the UAE may include the competent authority supervising the Customs Administration.

(e) restrictions or prohibitions on imports or exports;

2. Each Party shall designate official Contact Points and provide details thereof to the other Party, with a view to facilitating the effective implementation of this Chapter and customs matters pertaining to Chapter 3 (Rules of Origin).

3. Assistance under this Chapter shall be provided in accordance with the domestic law of the requested Party.

Article 4.14: Confidentiality

1. A Party shall maintain the confidentiality of the information provided by the other Party pursuant this Chapter, and protect it from disclosure that could prejudice the competitive position of the person providing the information. Any violation of confidentiality shall be treated in accordance with the domestic legislation of each Party.

2. The above mentioned information shall not be disclosed without the specific permission of the Party providing such information, except to the extent that it may be required to be disclosed for law enforcement purposes or in the course of judicial proceedings.

CHAPTER 5
SANITARY AND PHYTOSANITARY MEASURES

Article 5.1: Definitions

1. The definitions in Annex A of the SPS Agreement are incorporated into and made part of this Chapter, *mutatis mutandis*.

2. In addition, for the purposes of this Chapter:

> **Competent Authority** means a government body of each Party responsible for measures and matters referred to in this Chapter;
>
> **emergency measure** means a sanitary or phytosanitary measure that is applied by the importing Party to a good of the exporting Party to address an urgent problem of human, animal, or plant life or health protection that arises or threatens to arise in the importing Party; and
>
> **Contact Point** means the government body of each Party that is responsible for the implementation and coordination of this Chapter.

Article 5.2: Objectives

The objectives of this Chapter are to protect human, animal, and plant life or health while facilitating trade, to enhance cooperation, communication, and transparency between the Parties, and to ensure that the Parties' sanitary and phytosanitary measures are science-based and do not create unjustified barriers to trade.

Article 5.3: Scope

This Chapter shall apply to all sanitary and phytosanitary measures of each Party that may, directly or indirectly, affect trade between the Parties.

Article 5.4: General Provisions

1. The Parties affirm their rights and obligations under the SPS Agreement.

2. Nothing in this Agreement shall limit the rights and obligations of each Party under the SPS Agreement.

Article 5.5: Contact Points and Competent Authorities

1. Upon the entry into force of this Agreement, each Party shall designate a Contact Point or Contact Points to facilitate communication on matters covered by this chapter and promptly notify the other Party no later than 30 days after the entry into force of this Agreement.

2. For the purposes of implementing this Chapter, the Competent Authorities of the Parties shall be those listed in Annex 5A.

3. Each Party shall keep the information on Contact Points and Competent Authorities up to date and shall promptly inform the other Party of any change.

Article 5.6: Technical Consultations

1. The Parties will work expeditiously to address any specific SPS trade-related issue and commit to carry out the necessary technical level discussions in order to resolve any such issue.

2. At any time, a Party may raise a specific SPS issue with the other Party through the Competent Authorities, as referred to in Annex 5A, and may request additional information related to the issue. The other Party shall respond in a timely manner.

3. If an issue is not resolved through the information exchanged under paragraph 2 and Article 5.9, upon request of either Party through its Contact Point, the Parties shall meet in a timely manner to discuss the specific SPS issue, to avoid a disruption in trade, or to reach a mutually acceptable solution. The Parties shall meet either in person or using available technological means. If travel is required, the Party requesting the meeting shall travel to discuss the specific SPS issue in the territory of the other Party, unless otherwise agreed.

Article 5.7: Equivalence

1. The Parties recognize that the principle of equivalence as provided for under Article 4 of the SPS Agreement has mutual benefits for both exporting and importing countries.

2. The Parties shall follow the procedures for determining the equivalence of sanitary and phytosanitary measures and standards developed by the WTO SPS Committee and relevant international standard-setting bodies in accordance with Annex A of the SPS Agreement, *mutatis mutandis*.

3. The fact that an exported product achieves compliance with sanitary and phytosanitary measures or standards that have been accepted as equivalent to sanitary and phytosanitary measures and standards of the importing Party shall not remove the need for that product to comply with any other relevant, mandatory requirements of the importing Party.

Article 5.8: Emergency Measures

1. If a Party adopts an emergency measure that is necessary for the protection of human, animal, or plant life or health, that Party shall promptly notify the other Party of that measure through the relevant Contact Point and the Competent Authority referred to in Article 5.5. The Party adopting the emergency measure shall take into consideration any information provided by the other Party in response to the notification and, upon request of the other Party, consultations between the Competent Authorities shall be held within 14 days of the notification.

2. The importing Party shall consider information provided by the exporting Party in a timely manner when making decisions with respect to consignments that, at the time of adoption of the emergency measure, are being transported between the Parties.

3. If a Party adopts an emergency measure, it shall review the scientific basis of that measure within six months and make available the results of the review to the other Party on request. If the Party maintains the emergency measure after the review because the reason for its adoption remains, the Party should review the measure periodically.

Article 5.9: Transparency and Exchange of Information

1. The Parties recognize the value of transparency in the adoption and application of sanitary and phytosanitary measures and the importance of sharing information about such measures on an ongoing basis.

2. In implementing this Chapter, each Party should take into account relevant guidance of the WTO SPS Committee and international standards, guidelines, and recommendations.

3. Each Party agrees to notify a proposed sanitary or phytosanitary measure that may have an effect on the trade of the other Party, including any that conforms to international standards, guidelines, or recommendations, by using the WTO SPS notification submission system as a means of notification.

4. The Parties shall exchange information on proposed or actual sanitary and phytosanitary measures which affect or are likely to affect trade between them and relating to each Party's SPS regulatory system and to the extent that any Party desires to provide written comments on a proposed sanitary and phytosanitary measure by the other Party, the Party shall provide those comments in a timely manner.

5. A Party that proposes to adopt a sanitary or phytosanitary measure shall discuss with the other Party, on request and if appropriate and feasible, any scientific or trade concerns that the other Party may raise regarding the proposed measure and the availability of alternative, less trade-restrictive approaches for achieving the objective of the measure.

6. Each Party shall notify the other Party of final sanitary or phytosanitary measures through the WTO SPS notification submission system. Each Party shall ensure that the text or the notice of a final sanitary or phytosanitary measure specifies the date on which the measure takes effect and the legal basis for the measure. Each Party shall publish, preferably by electronic means, notices of final sanitary or phytosanitary measures.

7. An exporting Party shall notify the importing Party through the Contact Points established under Article 5.5 in a timely and appropriate manner if it has knowledge of:

   (a) a significant or urgent situation of a sanitary or phytosanitary risk in its territory that may affect current trade between the Parties; or

   (b) significant changes in food safety, pest, or disease management, control, or eradication policies or practices that may affect current trade between the Parties.

8. A Party shall provide to the other Party, on request, all sanitary or phytosanitary measures related to the importation of a good into that Party's territory.

9. Each Party shall provide information, upon request of the other Party, on results of import checks in case of rejected or non-compliant consignments, including the scientific basis for such rejections.

Article 5.10: Cooperation

1. The Parties shall cooperate to facilitate the implementation of this Chapter.

2. The Parties shall explore opportunities for further cooperation, collaboration, and information exchange between the Parties on sanitary and phytosanitary matters of mutual interest related to the implementation of the SPS Agreement, consistent with this Chapter. Those opportunities may include trade facilitation initiatives and technical assistance.

3. The Parties may promote cooperation on matters related to the implementation of the WTO SPS Agreement, and in relevant international standard-setting bodies such as the Codex Alimentarius Commission, the International Plant Protection Convention (IPPC), and the World Organisation for Animal Health (OIE), as appropriate.

4. If there is mutual interest, and with the objective of establishing a common scientific foundation for each Party's regulatory approach, the Competent Authorities of the Parties are encouraged to:

   (a) share best practices; and

   (b) cooperate on joint scientific data collection.

CHAPTER 6
TECHNICAL BARRIERS TO TRADE

Article 6.1: Definitions

For the purposes of this chapter:

TBT Agreement means the *Agreement on Technical Barriers to Trade*, contained in Annex 1A to the WTO Agreement; and

the definitions shall be those contained in Annex 1 of the TBT agreement.

Article 6.2: Objectives

The objective of this Chapter is to facilitate trade, including by eliminating unnecessary technical barriers to trade, enhancing transparency, and promoting greater regulatory cooperation and good regulatory practices.

Article 6.3: Scope

1. This Chapter shall apply to the preparation, adoption, and application of all standards, technical regulations, and conformity assessment procedures that may affect trade in goods between the Parties.

2. Notwithstanding paragraph 1, this Chapter shall not apply to:

   (a) technical specifications prepared by a governmental body for its production or consumption requirements which are covered by Chapter 10 (Government Procurement); or

   (b) sanitary or phytosanitary measures which are covered by Chapter 5 (Sanitary and Phytosanitary Measures).

Article 6.4: Affirmation and Incorporation of the TBT Agreement

The Parties affirm their existing rights and obligations with respect to each other under the TBT Agreement which is incorporated into and made part of this Agreement, *mutatis mutandis*, other than Articles 7 and 8 of the TBT Agreement.

Article 6.5: International Standards

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

2. 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 shall base its determination on the principles set out in the "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 Agreement", adopted on 13 November 2000 by the WTO Committee on Technical Barriers to Trade (Annex 2 to PART 1 of G/TBT/1/Rev13), and any subsequent version thereof.

3. The Parties shall encourage cooperation between their respective national standardizing organizations in areas of mutual interest, in the context of their participation in international standardizing bodies, to ensure that international standards developed within such organizations are trade facilitating and do not create unnecessary obstacles to international trade.

Article 6.6: Technical Regulations

1. The Parties shall use international standards as a basis for preparing their technical regulations, unless those international standards are ineffective or inappropriate for achieving the legitimate objective pursued. Each Party shall, upon request of the other Party, provide its reasons for not having used international standards as a basis for preparing its technical regulations.

2. Each Party shall give positive consideration to a request by the other Party to negotiate arrangements for achieving the equivalence of technical regulations.

3. Each Party shall, upon request of the other Party, explain the reasons why it has not accepted a request by the other Party to negotiate such arrangements.

4. The Parties shall strengthen communications and coordination with each other, where appropriate, in the context of discussions on the equivalence of technical regulations and related issues in international fora, such as the WTO Committee on Technical Barriers to Trade.

Article 6.7: Conformity Assessment Procedures

1. The Parties recognise that, depending on the specific sectors involved, a broad range of mechanisms exists to facilitate the acceptance in a Party's territory of the results of conformity assessment procedures conducted in the other Party's territory. Such mechanisms may include:

   (a) recognizing existing international multilateral recognition agreements and arrangements among conformity assessment bodies;

   (b) promoting mutual recognition of conformity assessment results by the other Party, through recognizing the other Party's designation of conformity assessment bodies;

   (c) encouraging voluntary arrangements between conformity assessment bodies in the territory of each Party;

   (d) accepting a supplier's declaration of conformity where appropriate;

(e) harmonizing criteria for the designation of conformity assessment bodies, including accreditation procedures; or

(f) other mechanisms as mutually agreed by the Parties.

2. Each Party shall ensure, whenever possible, that the results of conformity assessment procedures conducted in the territory of the other Party are accepted, even when those procedures differ from its own, provided that those procedures offer a satisfactory assurance of applicable technical regulations or standards equivalent to its own procedures. Where a Party does not accept the results of a conformity assessment procedure conducted in the territory of the other Party, it shall, on request of the other Party, explain the reasons for its decision.

3. In order to enhance confidence in the consistent reliability of conformity assessment results, the Parties may consult on matters such as the technical competence of the conformity assessment bodies involved.

4. Each Party shall give positive consideration to a request by the other Party to negotiate agreements or arrangements for the mutual recognition of the results of their respective conformity assessment procedures. The Parties shall consider the possibility of negotiating agreements or arrangements for mutual recognition of the results of their respective conformity assessment procedures in areas mutually agreed upon.

5. The Parties shall endeavour to intensify their exchange of information on acceptance mechanisms with a view to facilitating the acceptance of conformity assessment results.

Article 6.8: Cooperation

1. The Parties shall strengthen their cooperation in the field of standards, technical regulations, and conformity assessment procedures with a view to:

(a) increasing the mutual understanding of their respective systems;

(b) enhancing cooperation between the Parties' regulatory agencies on matters of mutual interests including health, safety and environmental protection;

(c) facilitating trade by implementing good regulatory practices; and

(d) enhancing cooperation, as appropriate, to ensure that technical regulations and conformity assessment procedures are based on international standards or the relevant parts of them and do not create unnecessary obstacles to trade between the Parties.

2. In order to achieve the objectives set out in paragraph 1, the Parties shall, as mutually agreed and to the extent possible, co-operate on regulatory issues, which may include the:

(a) promotion of good regulatory practices based on risk management principles;

(b) exchange of information with a view to improving the quality and effectiveness of their technical regulations;

(c) development of joint initiatives for managing risks to health, safety, or the environment, and preventing deceptive practices; and

(d) exchange of market surveillance information where appropriate.

3. The Parties shall encourage cooperation between their respective organizations responsible for standardization, conformity assessment, accreditation, and metrology, with the view to facilitating trade and avoiding unnecessary obstacles to trade between the Parties.

Article 6.9: Transparency

1. Each Party shall, upon request of the other Party, provide information, including the objective of, and rationale for, a technical regulation or conformity assessment procedure which the Party has adopted or proposes to adopt and may affect the trade between the Parties, within a reasonable period of time as agreed between the Parties.

2. When a proposed technical regulation is submitted for public consultation or notified to the WTO, a Party shall give appropriate consideration to the comments received from the other Party, and, upon request of the other Party, provide written answers to the comments made by the other Party.

3. The Parties shall ensure that all adopted technical regulations and conformity assessment procedures are publicly available.

Article 6.10: Contact Points

1. For the purposes of this Chapter, the Contact Points are:

(a) For Israel: the Foreign Trade Administration, the Ministry of Economy and Industry, or its successor; and

(b) For the UAE: the Standards and Regulation Sector, the Ministry of Industry and Advanced Technology, or its successor.

2. Each Party shall promptly notify the other Party of any change of its Contact Point.

Article 6.11: Information Exchange and Technical Discussions

1. Any information or explanation that a Party provides upon request of the other Party pursuant to this Chapter shall be provided in print or electronically within a reasonable period of time. Each Party shall endeavor to respond to such a request within 60 days.

2. All communication between the Parties on any matter covered by this Chapter shall be conducted through the Contact Points designated under Article 6.10.

3. On request of a Party for technical discussions on any matter arising under this Chapter, the Parties shall endeavor, to the extent practicable, to enter into technical discussions by notifying the Contact Points designated under Article 6.10.

CHAPTER 7
TRADE REMEDIES

Article 7.1: Definitions

For the purposes of this Chapter:

competent investigating authority means:

(a) for Israel, the Commissioner of Trade Levies, in the Ministry of Economy and Industry or the corresponding unit in the Ministry of Agriculture and Rural Development, or its successor;

(b) for UAE, the Ministry of Economy, or its successor; and

originating goods means originating goods as defined in Chapter 3 (Rules of Origin);

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

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

Article 7.2: Global Safeguard Measures

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

2. Neither Party may apply, with respect to the same good, at the same time:

(a) a bilateral safeguard measure as provided in Article 7.3; and

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

3. Where, as a result of a global safeguard measure, a safeguard duty is imposed, the margin of preference, in accordance with Schedules of Concessions of the Parties under Chapter 2 (Trade in Goods), shall be maintained.

Article 7.3: Bilateral Safeguard Measures

Definitions

1. For the purposes of Bilateral Safeguard Measures:

(a) **domestic industry** means the producers, as a whole, of the like or directly competitive goods of a Party, or whose collective output of the like or directly competitive goods constitutes a major proportion of the total production of such goods; and

(b) **transition period** means the two-year period beginning on the entry into force of this Agreement, except when tariff elimination for the good against which the action is taken occurs over a longer period of time, in which case the transition period is the period of the staged tariff elimination for that good;

2. Subject to Article7.2.2, a Party may adopt a bilateral safeguard measure:

(a) only during the transition period; and

(b) if, as a result of the reduction or elimination of a customs duty under this Agreement, an originating good of the other Party is being imported into the territory of a Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that the imports of such originating good from the other Party alone constitute a substantial cause of serious injury, or threat thereof, to a domestic industry.

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

(a) suspend the further reduction of any rate of customs duty on the good provided for under this Agreement; or

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

(i) the most-favoured-nation (hereinafter "MFN") applied rate of duty on the good in effect at the time the measure is applied; or

(ii) the MFN applied rate of duty on the good in effect on the day immediately preceding the date this Agreement enters into force.

4. A Party that applies a bilateral safeguard measure may establish an import tariff quota for the product concerned under the agreed preference established in this Agreement. The import under tariff quota shall not be less than the level of a recent period which shall be the average of imports in the last three representative years for which statistics are available.

5. For the purposes of this Chapter, import tariff quota means the quantity of goods that is allowed to be imported under the preferential customs duty rate, provided for under this Agreement. The amount of goods beyond the tariff quota may be imported under the rate of duty established in paragraph 3(b) of this Article.

Notification and Consultation

6. A Party shall promptly notify the other Party, in writing, upon:

(a) initiating a bilateral safeguard proceeding under this Chapter;

(b) making a finding of serious injury, or threat thereof, caused by increased imports under Article 7.3; and

(c) taking a decision to apply or extend a provisional or final bilateral safeguard measure.

7. A Party shall provide to the other Party a copy of the public version of the report of its competent investigating authority under Article 7.4.7.

8. If a Party whose good is subject to a bilateral safeguard proceeding under this Chapter, requests within 10 days from receipt of a notification as specified in paragraph 5 to hold consultations, the Party conducting that proceeding shall enter into consultations with a view to finding an appropriate and mutually acceptable solution. If the Parties fail to find a mutually acceptable solution within 30 days of the notification being made, the Party may apply the appropriate provisional or final measures.

Article 7.4: Limitations for Applying a Bilateral Safeguard Measure

1. Bilateral safeguard measures may not be applied in the first year after the entry into force of this Agreement.

2. A bilateral safeguard measure shall not be applied except to the extent and for such time as may be necessary to prevent or remedy serious injury and to facilitate adjustment and, it shall not be applied for a period exceeding two years. However, this period may be extended to up to one additional year if the competent investigating authorities of the importing Party determine, in conformity with the procedures specified in paragraphs 7 and 8, that the measure continues to be necessary to prevent or remedy serious injury and to facilitate adjustment, and that there is evidence that the industry is adjusting, provided that the total period of application of a safeguard measure, including the period of initial application and any extension thereof, shall not exceed four years. The Party maintaining the measure beyond a two year period shall progressively liberalize it at annual intervals during the period of application.

3. Neither Party shall apply a bilateral safeguard measure more than once against the same good.

4. For seasonal goods, no measure may be taken more than four times within the initial two years, or for a cumulative period exceeding four years as provided in paragraph 2 above.

5. Upon termination of the bilateral safeguard measure, the rate of duty, or quota if applied as a safeguard measure, shall be at the level which would have been in effect had the measure not been imposed.

6. Bilateral safeguard measures may not be applied or maintained after the end of the transition period. Following the conclusion of the transition period upon request of one of the Parties the Joint Committee shall evaluate whether to continue the bilateral safeguard measures mechanism included in this Chapter.

Investigation Procedures

7. A Party shall apply a safeguard measure only following an investigation by the Party's competent investigating authorities in accordance with the same procedures as those provided for in Articles 3 and 4.2(c) of the Safeguards Agreement. To this end, Articles 3 and 4.2(c) of the Safeguards Agreement are incorporated into and made a part of this Agreement, mutatis mutandis.

8. In the investigation described in paragraph 7, the Party shall comply with the requirements of Articles 4.2(a) and 4.2(b) of the Safeguards Agreement. To this end, Articles 4.2(a) and 4.2(b) of the Safeguards Agreement are incorporated into and made a part of this Agreement, mutatis mutandis.

9. Each Party shall ensure that its competent investigating authorities complete any such investigation within one year of its date of initiation.

Provisional Safeguard Measures

10. In critical circumstances where delay would cause damage that would be difficult to repair, a Party may apply a safeguard measure on a provisional basis pursuant to a preliminary determination by its competent investigating authorities that there is clear evidence that imports of an originating good from the other Party have increased as the result of the reduction or elimination of a customs duty under this Agreement, and that such imports constitute a substantial cause of serious injury, or threat thereof, to the domestic industry.

11. Before a Party applies a provisional bilateral safeguard measure it shall notify the other Party. This notification shall contain all relevant information, including preliminary evidence of serious injury or threat thereof caused by increased imports, a precise description of the product involved and the proposed measure, as well as the proposed date of introduction and expected duration. A Party shall not apply a provisional measure until at least 45 days after the date on which its competent investigating authorities initiate an investigation, in order to allow interested parties to submit evidence and views regarding the imposition of a provisional measure.

12. The duration of any provisional measure shall not exceed 200 days, during which time the Party shall comply with the requirements of paragraphs 7 and 8.

Compensation

13. No later than 30 days after it applies a bilateral safeguard measure, a Party shall provide an opportunity for the other Party to consult with it regarding appropriate trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the measure. The applying Party shall provide such compensation as the Parties mutually agree.

14. If the Parties are unable to agree on compensation within 30 days after consultations begin, the Party against whose originating good the measure is applied may suspend the

application of concessions with respect to originating goods of the applying Party that have trade effects substantially equivalent to the bilateral safeguard measure.

15. The applying Party's obligation to provide compensation under paragraph 13 and the other Party's right to suspend concessions under paragraph 14 shall terminate on the date the bilateral safeguard measure terminates.

16. Any compensation shall be based on the total period of application of the provisional bilateral safeguard measure and of the bilateral safeguard measure.

Article 7.5: Anti-Dumping and Countervailing Measures

1. The Parties agree that anti-dumping and countervailing measures should be used in full compliance with Article VI of GATT 1994, the Anti-Dumping Agreement, and the SCM Agreement.

2. Due regard shall be paid to the requirement for the protection of confidential information, as provided for in Article 6.5 of the Anti-Dumping Agreement and Article 12.4 of the SCM Agreement.

3. The proceedings shall be based on a fair and transparent system. In furtherance of this, as soon as possible and before the final decision is taken, the Parties shall ensure full and meaningful disclosure of all essential facts and considerations which form the basis for the decision to apply definitive measures without prejudice to Article 6.5 of the Anti-Dumping Agreement or Article 12.4 of the SCM Agreement, as relevant. Disclosures shall be made in writing and allow interested parties at least 10 days to respond with comments.

Hearings

4. Each Party shall hold a hearing, during which interested parties shall be granted the opportunity to be heard in order to express their views during the anti-dumping or countervailing duty proceedings.

Notifications and Consultations

5. A Party initiating an anti-dumping or countervailing duty investigation shall notify the other Party of such initiation by sending a notification to the other Party promptly after the initiation of the investigation.

6. Prior to the imposition of definitive anti-dumping or countervailing measures, the exporting Party, within 10 days of its receipt of the disclosure as specified in paragraph 7.7.5(3), may request consultations with a view to seeking a mutually acceptable solution to the Parties. If the Parties are unable to reach a mutually acceptable solution within 20 days of the disclosure being sent, the importing Party may apply the appropriate definitive measures.

7. The Party whose goods are subject to anti-dumping or countervailing measures imposed by the other Party has the right to request consultations in order to discuss the impact of

these measures on bilateral trade. Consultations shall be held upon the agreement of both Parties.

Article 7.6: Other Provisions

1. The Parties agree, when imposing measures covered by this Chapter, to give priority, to the extent possible, to measures that cause minimal economic injury and do not create serious obstacles to the implementation of this Agreement.

2. Within three years of the entry into force of this Agreement, the Parties shall review all or parts of this Chapter in light of the Parties' practices and developments on trade remedy measures. This review shall take place within the framework of the Trade in Goods Committee.

CHAPTER 8
TRADE IN SERVICES

Article 8.1: Definitions

For the purposes of this Chapter:

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;

aircraft repair and maintenance services means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;

commercial presence means any type of business or professional establishment including through:

(a) the constitution, acquisition or maintenance of a juridical person, or

(b) the creation or maintenance of a branch or representative office within the territory of a Party for the purpose of supplying a service;

computer reservation system services means services provided by computerised systems that contain information about air carrier's schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;

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;

juridical person of the other Party means a juridical person which is either:

(a) constituted or otherwise organized under the law of that other Party, and is engaged in substantive business operations in the territory of:

(i) either Party; or

(ii) any Member of the WTO and is owned or controlled by natural persons of that other Party or by juridical persons that meet all the conditions of subparagraph (a)(i); or

(b) in the case of the supply of a service through commercial presence, owned or controlled by:

(i) natural persons of that other Party; or

(ii) juridical persons of that other Party identified under subparagraph (a);

a juridical person is:

(a) "owned" by persons of a Party if more than 50 percent of the equity interest in it is beneficially owned by persons of that Party;

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

(c) "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;

measures by a Party affecting trade in services include measures in respect of

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

(b) 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;

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

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

natural person of the other Party means a natural person who resides in the territory of that other Party or any WTO member, and who under the law of that other Party:

(a) is a national of that other Party; or

(b) has the right of permanent residence[12] in that other Party provided that such Party accords substantially the same treatment to its permanent residents as it does to its nationals in respect of measures affecting trade in services.

sector of a service means:

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

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

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

[12] For the purposes of the UAE, the term "permanent resident" shall mean any natural person who is in possession of a valid residency permit under the laws and regulations of the UAE.

services include any service in any sector except services supplied in the exercise of governmental authority;

service consumer means any person that receives or uses a service;

service of the other Party means a service which is supplied:

(a) 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

(b) 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;

service supplier means any person of a Party that seeks to supply or supplies a service;[13]

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

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

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

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

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

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

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

Article 8.2: Scope and Coverage

1. This Chapter applies to measures adopted or maintained by Parties affecting trade in services.

[13] Where the service is not supplied or sought to be 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 commercial presence be accorded the treatment provided for service suppliers under this Chapter. Such treatment shall be extended to the commercial presence through which the service is supplied or sought to be supplied and need not be extended to any other parts of the service supplier located outside the territory where the service is supplied or sought to be supplied.

2. This Chapter shall not apply to:

   (a) government procurement;

   (b) services supplied in the exercise of governmental authority;

   (c) subsidies or grants provided by a Party, including government-supported loans, guarantees, and insurance;

   (d) measures affecting natural persons of a Party seeking access to the employment market of the other Party, or measures regarding citizenship, residence or employment on a permanent basis; or

   (e) measures affecting air traffic rights or measures affecting services directly related to the exercise of air traffic rights, other than measures affecting:

      (i) aircraft repair and maintenance services;

      (ii) the selling and marketing of air transport services; or

      (iii) computer reservation system services.

3. Nothing in this Chapter or its Annexes shall prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment.[14]

4. For the purpose of this Chapter, "measures by Parties" means measures adopted or maintained by:

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

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

In fulfilling its obligations and commitments under this Agreement, 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.

5. The rights and obligations of the Parties in respect of Financial Services shall be governed by the Annex on Financial Services of the General Agreement on Trade in Services (GATS), which is hereby incorporated into and made part of this Agreement.

[14] The sole fact of requiring a visa for natural persons shall not be regarded as nullifying or impairing benefits under a specific commitment.

Article 8.3: Schedules of Specific Commitments

1. Each Party shall set out in its schedule the specific commitments it undertakes in accordance with, Articles 8.5, 8.6, and 8.7.

2. With respect to sectors where such commitments are undertaken, each Schedule shall specify:

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

   (b) conditions and qualifications on national treatment;

   (c) undertakings relating to additional commitments referred to in Article 8.7; and

   (d) where appropriate, the time-frame for implementation of such commitments and the date of entry into force of such commitments.

3. Measures inconsistent with both Articles 8.5 and 8.6 will be inscribed in the column relating to Article 8.5. In this case, the inscription will be considered to provide a condition or qualification to Article 8.6 as well.

4. The Parties' Schedules of Specific Commitments are set forth in Annex 8C (Schedules of Specific Commitments).

Article 8.4: Most-Favoured Nation Treatment

1. Except as provided for in its List of MFN Exemptions contained in Annex 8A (List of MFN Exemptions), a Party shall accord immediately and unconditionally, in respect of all measures affecting the supply of services to services and service suppliers of the other Party, treatment no less favourable than the treatment it accords to like services and service suppliers of any non-party.

2. The obligations of paragraph 1 shall not apply to:

   (a) treatment granted under other existing or future agreements concluded by one of the Parties and notified under Article V or V bis of the GATS as well as treatment granted in accordance with Article VII of the GATS or its Annex on Financial Services;

   (b) treatment granted by the UAE to services and service suppliers of the GCC Member States under the GCC Economic Agreement and treatment granted by the UAE under the Greater Arab Free Trade Area (GAFTA).

3. The provisions of this Chapter shall not be so construed as to prevent any Party from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced and consumed.

4. If, after the entry into force of this Agreement, a Party enters into an agreement notified under Article V or Article V *bis* of the GATS, it shall upon request from the other Party afford adequate opportunity to that Party to negotiate the benefits granted therein.

Article 8.5: Market Access

1. With respect to market access through the modes of supply identified in the definition of "trade in services" contained in Article 8.1, 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.[15]

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

   (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;

   (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

   (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;[16]

   (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.

[15] If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in the definition of "trade in services" paragraph (a) contained in Article 8.1 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 in the definition of "trade in services" paragraph (c) contained in Article 8.1, it is thereby committed to allow related transfers of capital into its territory.

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

Article 8.6: National Treatment

1. With respect to the services sectors inscribed in its Schedule of Specific Commitments, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.[17]

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

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

Article 8.7: Additional Commitments

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 8.5 and 8.6, including those regarding qualification, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule of Specific Commitments.

Article 8.8: Modification of Schedules

Upon written request by a Party to the Joint Committee established under Article 17.1 (Establishment of the Joint Committee), the Joint Committee shall consider any modification of a specific commitment, including withdrawals, in the requesting Party's Schedule of Specific Commitments. Discussions regarding such modifications shall be held within three months after the requesting Party makes its request. The Joint Committee shall aim to ensure that a general level of mutually advantageous commitments, no less favourable to trade than that provided for in the Schedule of Specific Commitments prior to such consultations, is maintained.

Article 8.9: 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,

[17] 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.

the Party shall ensure that the procedures in fact provide for an objective and impartial review.

(b) The provisions of subparagraph (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 by a party for the supply of a service for which a specific commitment under this Agreement has been made, the competent authorities of that Party shall:

(a) within a reasonable period of time after the submission of an application considered complete under that Party's 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 to the extent practicable, identify 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, provide without undue delay information concerning the status of the application; and

(d) to the extent possible, if an application is rejected, inform the applicant in writing the reasons for such rejection within a reasonable period of time. An applicant should not be prevented from submitting another application solely on the basis on a previously rejected application.

4. In sectors where specific commitments are undertaken, each Party shall aim to ensure 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 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; and

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

5. In determining whether a Party is in conformity with the obligation under paragraph 4, account shall be taken of international standards of relevant international organisations[18] applied by that Party.

[18] The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of the Parties to this Agreement.

6. In sectors where specific commitments are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party.

7. The Parties shall jointly review the results of the negotiations on disciplines on domestic regulation, pursuant to Article VI.4 of the GATS, with a view of incorporating them into this Chapter.

Article 8.10: Recognition

1. For the purposes of the fulfilment in whole or in part, of its standards or criteria for the authorisation, licensing or certification of service suppliers, each party shall give due consideration, as appropriate, to any request by the other Party to recognise, the education or experience obtained, requirements met, or licences or certifications granted in that other Party. Such recognition which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement with that 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 a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education, or experience obtained, requirements met, or licences or certifications granted in the territory of that other Party should also be recognised.

3. The Parties or their relevant professional bodies, as appropriate, may negotiate agreements for mutual recognition of education, or experience obtained, requirements met or licenses or certifications granted. Upon a request being made in writing by a Party to the other Party, the receiving Party shall transmit the request to its relevant professional body, as appropriate. The Parties shall report periodically to the Joint Committee on progress and on impediments experienced. Any delay or failure by the Parties or their professional bodies to negotiate or to reach and conclude an agreement on the details of such arrangements shall not be regarded as a breach of a Party's obligations under this paragraph and shall not be subject to Chapter 15 (Dispute Settlement).

4. A Party shall not accord recognition in a manner which would constitute a means of discrimination between the countries in the application of its standards or criteria for the authorisation, licensing or certification of service suppliers, or a disguised restriction on trade in services.

5. The Parties agree to encourage, where possible, the relevant bodies in their respective territories responsible for issuance and recognition of professional and vocational qualifications to:

    (a) strengthen cooperation and to explore possibilities for mutual recognition of respective professional and vocational qualifications; and

(b) pursue mutually acceptable standards and criteria for licensing and certification with respect to service sectors of mutual importance to the Parties.

Article 8.11: Payments and Transfers

1. Except under the circumstances envisaged in Article 8.14, a Party shall not apply restrictions on international transfers and payments for current transactions with the other Party, relating to its specific commitments.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties under the International Monetary Fund Agreement, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Party shall not impose restrictions on capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 8.14 or at the request of the International Monetary Fund.

Article 8.12: 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 Article 8.4 and its 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 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. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:

   (a) authorizes or establishes a small number of service suppliers; and

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

Article 8.13: Business Practices

1. Parties recognize that certain business practices of service suppliers, other than those falling under Article 8.12, may restrain competition and thereby restrict trade in services.

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

Article 8.14: Restrictions to Safeguard the Balance-of-Payments

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

2. 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 on which it has undertaken specific commitments, including on payments or transfers for transactions related to such commitments. It is recognized that particular pressures on the balance of payments of a Party in the process of economic development or economic transition 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 or economic transition.

3. The restrictions referred to in paragraph 2:

   (a) shall not discriminate against the other Party;

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

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

   (d) shall not exceed those necessary to deal with the circumstances described in paragraph 2;

   (e) shall be temporary and be phased out progressively as the situation specified in paragraph 2 improves.

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

5. Any restrictions adopted or maintained under paragraph 2, or any changes therein, shall be promptly notified to the Joint Committee.

Article 8.15: Denial of Benefits

A Party may deny the benefits of this Agreement to a service supplier that is a juridical person, if persons of a non-Party own or control that juridical person and the denying Party:

   (a) does not maintain diplomatic relations with the non-Party and that non-Party is not a Member of the WTO; or

   (b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibit transactions with the enterprise or that would be violated or

circumvented if the benefits of this Agreement were accorded to the enterprise or to its investments.

Article 8.16: Review

With the objective of further liberalising trade in services between them, the Parties agree to jointly review their Schedules of Specific Commitments and Lists of MFN Exemptions within the framework of the Joint Committee, taking into account any autonomous liberalization and services liberalization developments as a result of on-going work under the auspices of the WTO.

Article 8.17: Annexes

The following Annexes are attached to this Chapter:

Annex 8A (Lists of MFN Exemptions);

Annex 8B (Telecommunications Services); and

Annex 8C (Schedules of Specific Commitments).

ANNEX 8B
TELECOMMUNICATIONS SERVICES

Article 1: Definitions

For the purposes of this Annex:

a regulatory authority means the body or bodies entrusted with any of the regulatory tasks assigned in relation to the issues mentioned in this Annex;

essential facilities means facilities of a public telecommunications transport network or service that:

(a) are exclusively or predominantly provided by a single or limited number of suppliers; and

(b) cannot feasibly be economically or technically substituted in order to supply a service;

major supplier means a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

(a) control over essential facilities; or

(b) the use of its position in the market.

public telecommunications transport network means the public telecommunications infrastructure which permits telecommunications between and among defined network termination points;

public telecommunications transport service means any telecommunications transport service required, explicitly or in effect, by a Party to be offered to the public generally. Such services may include, *inter alia*, telegraph, telephone, telex, and data transmission typically involving the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form of the customer's information;

reference interconnection offer means an interconnection offer extended by a major supplier that is sufficiently detailed to enable a supplier of a public telecommunications service to know the rates and conditions to obtain interconnection;

telecommunications means the transport of electromagnetic signals such as sound, data image and any combination thereof. The sector of telecommunications services does not cover the economic activity consisting of content provision which requires telecommunications services for its transport;

Article 2: Scope

1. This Annex applies to measures by Parties affecting trade in telecommunications services.[19] It shall not apply to measures relating to broadcasting or to cable distribution of radio or television programming.[20]

2. Nothing in this Annex shall be construed to:

   (a) require a Party to compel any enterprise to establish, construct, acquire, lease, operate, or provide telecommunications transport networks or services where such networks or services are not offered to the public generally;

   (b) require a Party to compel any enterprise exclusively engaged in the broadcast or cable distribution of radio or television programming to make available its broadcast or cable facilities as a public telecommunications transport network; or

   (c) prevent a Party from prohibiting persons operating private networks from using their networks to supply public telecommunications transport networks or services to third parties.

Article 3: Competitive Safeguards

1. Each Party shall maintain appropriate measures for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

2. The anti-competitive practices referred to in paragraph 1 shall include, in particular:

   (a) engaging in anti-competitive cross-subsidization;

   (b) using information obtained from competitors with anti-competitive results; and

   (c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to supply services.

Article 4: Interconnection

1. This Article applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services supplied by another supplier.

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[19] "Trade in telecommunications services" shall be understood in accordance with the definitions contained in Article 8.1 (Definitions), and also include measures in respect of the access to and use of public telecommunications networks and services.

[20] "Broadcasting" shall be defined as provided for in the relevant domestic law of each Party.

2. Any supplier licensed to provide telecommunications services shall have rights of interconnection with other providers of publicly available telecommunications networks and services. Interconnection rates should in principle be based on cost or be based on otherwise regulated rates for the suppliers concerned.

3. An interconnection point in the network shall be subject to negotiations between service suppliers and to technical feasibility. In the event that the service suppliers encounter difficulties with said negotiations, the competent authority shall be able to intervene and rule, in accordance with the Parties' relevant regulations. Such negotiations shall ensure that interconnection agreements are concluded:

   (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favorable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates; and

   (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and at cost-oriented rates that are transparent reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the services to be supplied.

4. Each Party shall ensure that suppliers of public telecommunications transport networks or services in its territory take appropriate steps to protect, *inter alia*:

   (a) the privacy of individuals in relation to the processing and dissemination of personal data;

   (b) the confidentiality of individual records; and

   (c) the confidentiality of commercially sensitive information of, or relating to, suppliers and end-users of telecommunications services. Data and information obtained by a telecommunications service supplier shall only be used for the purpose of providing those services.

5. Nothing in this Annex restricts the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts, and other information protected under law.

Article 5: Universal Service

1. Each Party has the right to define the kind of universal service obligation it wishes to have.

2. Measures by Parties governing universal service shall be transparent, objective and non-discriminatory. They shall also be neutral with respect to competition and not be more burdensome than necessary for the kind of universal service defined by the Party.

Article 6: Licensing Procedure

1. Where a license or a concession is required for the supply of a telecommunications service, the competent authority of a Party shall make the following publicly available:

   (a) the terms and conditions for such a license or a concession; and

   (b) the period of time normally required to reach a decision concerning an application for a license or a concession.

2. Where a license or a concession is required for the supply of a telecommunications service, and if the applicable conditions are fulfilled, the competent authority of a Party shall grant the applicant a license or a concession within a reasonable period of time after the submission of its application is considered complete under that Party's law.

3. The competent authority of a Party shall notify the applicant of the outcome of its application promptly after a decision has been taken. In case a decision is taken to deny an application for a license or a concession, the competent authority of a Party shall make known to the applicant, upon request, the reason for the denial.

Article 7: Independent Regulatory Authority

1. Each Party's regulatory authority for telecommunications services shall be separate from, and not accountable to, any supplier of basic telecommunications services.

2. Each Party shall ensure that the decisions of, and the procedures used by, its regulatory authority are impartial with respect to all market participants.

Article 8: Scarce Resources

1. Each Party shall ensure that its procedures for the allocation and use of scarce telecommunications resources, including frequencies, numbers and rights of way, are carried out in an objective, timely, transparent, and non-discriminatory manner. Each Party shall make publicly available the current state of allocated frequency bands, but detailed identification of frequencies allocated for specific government uses shall not be required.

2. When assigning a spectrum for non-government radio-electric telecommunications services, each Party shall endeavor to rely as a rule on market-based approaches, taking full account of public interests.

Article 9: Resolutions of Telecommunications Disputes

Each Party shall ensure that:

   (a) suppliers may have recourse to its regulatory authority or other relevant body to resolve disputes regarding major suppliers;

(b) a supplier that has requested interconnection with a major supplier, has recourse to its regulatory authority to resolve disputes regarding appropriate terms, conditions, and rates for interconnection with that major supplier within a reasonable timeframe; and

(c) suppliers affected by the decisions of its regulatory authority have recourse to appeal to an independent administrative body and/or a court in accordance with the Party's law.

Article 10: Transparency

In the application of Article 8.2(Scope and Coverage), each Party shall ensure that relevant information on conditions affecting access to and use of public telecommunications transport networks and services is publicly available, including:

(a) tariffs and other terms and conditions of service;

(b) specifications of technical interfaces with such networks and services;

(c) information on bodies responsible for the preparation and adoption of standards affecting such access and use;

(d) conditions applying to attachment of terminal or other equipment to the public telecommunications network; and

(e) notifications, permits, registration or licensing requirements, if any.

Article 11: Flexibility in the Choice of Technologies

1. Neither Party may prevent suppliers of public telecommunications transport services from having the flexibility to choose the technologies that they use to supply their services, including commercial mobile wireless services, subject to requirements necessary to satisfy legitimate public policy interests, provided that any measure restricting such choice is not prepared, adopted, or applied in a manner that creates unnecessary obstacles to trade.

2. For greater certainty, nothing in this Annex shall be construed to prevent a telecommunications regulatory body from requiring the proper license or other authorization to supply each public telecommunications transport service.

CHAPTER 9
DIGITAL TRADE

Article 9.1: Definitions

For the purposes of this Chapter:

electronic authentication means the process or act of verifying the identity of a party to an electronic communication or transaction and ensuring the integrity of an electronic communication;

digital product means a computer programme, text, video, image, sound recording, or other product that is digitally encoded, produced for commercial sale or distribution, and can be transmitted electronically;[32][33]

digital or electronic signature means data in digital or electronic form that is in, affixed to, or logically associated with, a digital or electronic document, and that may be used to identify or verify the signatory in relation to the digital or electronic document and indicate the signatory's approval of the information contained in the digital or electronic document;

electronic transmission or **transmitted electronically** means a transmission made using any electromagnetic means, including by photonic means;

open data means non-proprietary information, including data, made freely available to the public by the central level of government;

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

trade administration documents means forms a Party issues or controls that must be completed by or for an importer or exporter in connection with the import or export of goods; and

unsolicited commercial electronic message means an electronic message which is sent for commercial or marketing purposes, without the consent of the recipient or despite the explicit rejection of the recipient, through an internet access service supplier or, to the extent provided for under the laws and regulations of each Party, other telecommunications service.

Article 9.2: Objectives

1. The Parties recognise the economic growth and opportunity that digital trade provides, the importance of avoiding barriers to its use and development, the importance of frameworks

[32] For greater certainty, digital product does not include a digitised representation of a financial instrument, including money.

[33] The definition of digital product should not be understood to reflect a Party's view on whether trade in digital products through electronic transmission should be categorised as trade in services or trade in goods.

that promote consumer confidence in digital trade, and the applicability of the WTO Agreement to measures affecting digital trade.

2. The Parties seek to foster an environment conducive to the further advancement of digital trade, including electronic commerce and the digital transformation of the global economy, by strengthening their bilateral relations on these matters.

Article 9.3: General Provisions

1. This Chapter shall apply to measures adopted or maintained by a Party that affect trade by electronic means.

2. This Chapter shall not apply to:

   (a) government procurement; or

   (b) information held or processed by or on behalf of a Party, or measures related to such information, including measures related to its collection.

3. For greater certainty, the Parties affirm that measures affecting the supply of a service delivered or performed electronically are subject to the relevant provisions of Chapter 8 (Trade in Services) and its Annexes and Chapter 12 (Investment), including any exceptions or limitations set out in this Agreement that are applicable to such provisions.

Article 9.4: Customs Duties

1. No Party shall impose customs duties on digital or electronic transmissions, including content transmitted electronically, between a person of one Party and a person of the other Party.

2. For greater certainty, paragraph 1 shall not preclude a Party from imposing internal taxes, fees, or other charges on content transmitted digitally or electronically, provided that such taxes, fees, or charges are imposed in a manner consistent with this Agreement.

Article 9.5: Non-Discriminatory Treatment of Digital Products

1. No Party shall accord less favourable treatment to digital products created, produced, published, contracted for, commissioned, or first made available on commercial terms in the territory of the other Party, or to digital products of which the author, performer, producer, developer, or owner is a person of the other Party, than it accords to other like digital products.

2. This Article does not apply to broadcasting.

Article 9.6: Domestic Electronic Transactions Framework

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

Commerce (1996) or the *United Nations Convention on the Use of Electronic Communications in International Contracts*, done at New York on 23 November 2005.

2. Each Party shall endeavour to:

   (a) avoid any unnecessary regulatory burden on electronic transactions; and

   (b) facilitate input by interested persons in the development of its legal framework for electronic transactions, including in relation to trade documentation.

Article 9.7: Electronic Authentication and Electronic Signatures

1. Except in circumstances otherwise provided for under its law, neither Party shall deny the legal validity of a signature solely on the basis that the signature is in digital or electronic form.

2. Neither Party shall adopt or maintain measures regarding digital or electronic authentication that would:

   (a) prohibit parties to an electronic transaction from mutually determining the appropriate authentication methods for that transaction; or

   (b) prevent parties to an electronic transaction from having the opportunity to establish before judicial or administrative authorities that their transaction complies with any legal requirements with respect to authentication.

3. Notwithstanding paragraph 2, a Party may require that, for a particular category of transactions, the method of authentication meets certain performance standards or is certified by an authority accredited in accordance with its law.

4. The Parties shall encourage the use of interoperable means of authentication.

Article 9.8: Paperless Trading

Each Party shall endeavour to:

   (a) make trade administration documents available to the public in digital or electronic form; and

   (b) accept trade administration documents submitted electronically as the legal equivalent of the paper version of those documents.

Article 9.9: Online Consumer Protection

1. The Parties recognise the importance of adopting and maintaining transparent and effective measures to protect consumers from misleading, deceptive, and fraudulent commercial practices when they engage in digital trade.

2. Each Party shall endeavour to adopt or maintain consumer protection laws to proscribe misleading, deceptive, and fraudulent commercial activities that cause harm or potential harm to consumers engaged in digital trade.[34]

Article 9.10: Personal Data Protection

1. The Parties recognise the economic and social benefits of protecting the personal data of persons who conduct or engage in electronic transactions and the contribution that this makes to enhancing consumer confidence in digital trade.

2. To this end, each Party shall endeavour to adopt or maintain a legal framework that provides for the protection of the personal data of users of digital trade.[35] In the development of any legal framework for the protection of personal data, each Party should endeavour to take into account principles and guidelines of relevant international organisations.

3. Each Party shall ensure that its domestic legal framework for the protection of personal information of users of digital trade is applied on a non-discriminatory basis.

4. Each Party shall publish information on the personal information protections it provides to users of digital trade, including:

   (a) how individuals can pursue remedies; and

   (b) how businesses can comply with any legal requirements.

Article 9.11: Principles on Access to and Use of the Internet for Digital Trade

To support the development and growth of digital trade, each Party recognizes that consumers in its territory should be able to:

   (a) access and use services and applications of their choice, unless prohibited by the Party's law;

   (b) connect their choice of devices to the internet, provided that such devices do not harm the network and are not otherwise prohibited by the Party's law.

Article 9.12: Unsolicited Commercial Electronic Messages

1. Each Party shall endeavour to adopt or maintain measures regarding unsolicited commercial electronic messages that:

[34] For greater certainty, a Party may comply with the obligation in this paragraph by adopting or maintaining measures such as generally-applicable consumer protection laws or regulations or sector- or medium-specific laws or regulations regarding consumer protection.

[35] For greater certainty, a Party may comply with the obligation in this paragraph by adopting or maintaining measures such as comprehensive privacy, personal information, or personal data protection laws, sector-specific laws covering privacy, or laws that provide for the enforcement of voluntary undertakings by enterprises relating to privacy.

(a) require a supplier of unsolicited commercial electronic messages to facilitate the ability of a recipient to prevent ongoing reception of those messages; or

(b) require the consent, as specified in the laws and regulations of each Party, of recipients to receive commercial electronic messages.

2. Each Party shall provide recourse against a supplier of unsolicited commercial electronic messages that does not comply with a measure adopted or maintained in accordance with paragraph 1.

3. The Parties shall endeavour to cooperate in appropriate cases of mutual concern regarding the regulation of unsolicited commercial electronic messages.

Article 9.13: Cross-Border Flow of Information

Recognizing the importance of the free flow of information in facilitating trade, and acknowledging the importance of protecting personal data, the Parties shall endeavour to refrain from imposing or maintaining unnecessary barriers to electronic information flows across borders.

Article 9.14: Open Data

1. The Parties recognise that facilitating public access to and use of open data contributes to stimulating economic and social development, competitiveness, productivity improvements and innovation. To the extent that a Party chooses to make available open data, it shall endeavour to ensure:

(a) that the information is appropriately anonymised, contains descriptive metadata, and is in a machine readable and open format that allows it to be searched, retrieved, used, reused, and redistributed freely by the public; and

(b) to the extent practicable, that the information is made available in a spatially enabled format with reliable, easy-to-use, and freely available Application Programming Interfaces ("APIs"), and is regularly updated.

2. The Parties shall endeavour to cooperate to identify ways in which each Party can expand access to and use of open data, with a view to enhancing and generating business and research opportunities.

Article 9.15: Digital Government

1. The Parties recognise that technology can enable more efficient and agile government operations, improve the quality and reliability of government services, and enable governments to better serve the needs of their citizens and other stakeholders.

2. To this end, the Parties shall endeavour to develop and implement strategies to digitally transform their respective government operations and services, which may include:

(a) adopting open and inclusive government processes focusing on accessibility, transparency, and accountability in a manner that overcomes digital divides;

(b) promoting cross-sectoral and cross-governmental coordination and collaboration on digital agenda issues;

(c) shaping government processes, services, and policies with digital inclusivity in mind;

(d) providing a unified digital platform and common digital enablers for government service delivery;

(e) leveraging emerging technologies to build capabilities in anticipation of disasters and crises, and facilitating proactive responses;

(f) generating public value from government data by applying it in the planning, delivering, and monitoring of public policies, and adopting rules and ethical principles for the trustworthy and safe use of data;

(g) making government data and policy-making processes (including algorithms) available for the public to engage with; or

(h) promoting initiatives to raise the level of digital capabilities and skills of both the populace and the government workforce.

3. Recognising that the Parties can benefit by sharing their experiences with digital government initiatives, the Parties shall endeavour to cooperate on activities relating to the digital transformation of government and government services, which may include:

(a) exchanging information and experiences on digital government strategies and policies;

(b) sharing best practices on digital government and the digital delivery of government services; and

(c) providing advice or training to assist the other Party in building digital government capacity.

Article 9.16: Digital and Electronic Invoicing

1. The Parties recognise the importance of digital and electronic invoicing to increase the efficiency, accuracy, and reliability of commercial transactions.

2. The Parties recognise the economic importance of promoting the global adoption of digital and electronic invoicing systems, including interoperable international frameworks. To this end, the Parties shall consider:

(a) promoting, encouraging, supporting, or facilitating the adoption of digital and electronic invoicing by enterprises;

(b) promoting the existence of policies, infrastructure, and processes that support digital and electronic invoicing;

(c) generating awareness of, and building capacity for, digital and electronic invoicing; and

(d) sharing knowledge and experience related to interoperable international digital and electronic invoicing systems.

Article 9.17: Digital and Electronic Payments

1. Recognising the rapid growth of digital and electronic payments, in particular those provided by non-bank, non-financial institutions and financial technology enterprises, the Parties shall endeavour to support, as appropriate, the development of efficient, safe and secure cross-border digital and electronic payments by:

(a) fostering the adoption and use of internationally accepted standards for digital and electronic payments;

(b) promoting interoperability and the interlinking of digital electronic payment infrastructures; and

(c) encouraging innovation and competition in digital and electronic payments services.

2. To this end, each Party shall endeavour to:

(a) make publicly available its laws and regulations of general applicability relating to digital and electronic payments, including in relation to regulatory approval, licensing requirements, procedures, and technical standards;

(b) finalise decisions on regulatory or licensing approvals relating to digital and electronic payments in a timely manner;

(c) not arbitrarily or unjustifiably discriminate between financial institutions and non-financial institutions in relation to access to services and infrastructure necessary for the operation of digital and electronic payment systems;

(d) adopt or utilize international standards for electronic data exchange between financial institutions and service suppliers to enable greater interoperability between digital and electronic payment systems;

(e) facilitate the use of open platforms and architectures, such as tools and protocols provided for through "APIs", and encourage payment service providers to safely and securely make APIs for their products and services available to third parties,

where possible, to facilitate greater interoperability, innovation, and competition in electronic payments; and

(f) facilitate innovation and competition and the introduction of new financial and electronic payment products and services in a timely manner, such as through adopting regulatory and industry sandboxes.

Article 9.18: Digital Identities

Recognising that cooperation between the Parties on digital identities for natural persons and enterprises will promote connectivity and further growth of digital trade, and recognising that each Party may take different legal and technical approaches to digital identities, the Parties shall endeavour to pursue mechanisms to promote compatibility between their respective digital identity regimes. This may include:

(a) developing appropriate frameworks and common standards to foster technical interoperability between each Party's implementation of digital identities; and

(b) developing comparable protection of digital identities under each Party's respective legal frameworks, or the recognition of their legal effects, whether accorded autonomously or by agreement.

Article 9.19: Cooperation

1. Recognising the importance of digital trade to their economies, the Parties shall endeavour to maintain a dialogue on regulatory matters relating to digital trade with a view to sharing information and experiences, as appropriate, including on related laws, regulations, and their implementation, and best practices with respect to digital trade, including in relation to:

(a) online consumer protection;

(b) personal data protection;

(c) anti-money laundering and sanctions compliance for digital trade;

(d) unsolicited commercial electronic messages;

(e) authentication;

(f) challenges for small and medium-sized enterprises in digital trade;

(g) digital government; and

(h) digital identities.

2. The Parties have a shared vision to promote secure digital trade and recognise that threats to cybersecurity undermine confidence in digital trade. Accordingly, the Parties recognise the importance of:

(a) building the capabilities of their government agencies responsible for computer security incident response;

(b) using existing collaboration mechanisms to cooperate to identify and mitigate malicious intrusions or the dissemination of malicious code that affects the electronic networks of the Parties; and

(c) promoting the development of a strong public and private workforce in the area of cybersecurity, including possible initiatives relating to mutual recognition of qualifications.

CHAPTER 10
GOVERNMENT PROCUREMENT

Article 10.1: Definitions

For the purposes of this Chapter:

conditions for participation means registration, qualification, and other pre-requisites for participation in a procurement;

construction service means a service that has as its objective the realization by whatever means of civil or building works, based on Division 51 of the United Nations Provisional Central Product Classification (CPC);

electronic auction means an iterative process that involves the use of electronic means for the presentation by suppliers of either new prices, or new values for quantifiable non-price elements of the tender related to the evaluation criteria, or both, resulting in a ranking or re-ranking of tenders;

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

limited tendering means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice;

measure means any law, regulation, procedure, administrative guidance, or practice, or any action of a procuring entity relating to a covered procurement;

multi-use list means a list of suppliers that a procuring entity has determined satisfy the conditions for participation in that list, and that the procuring entity intends to use more than once;

notice of intended procurement means a notice published by a procuring entity inviting interested suppliers to submit a request for participation, a tender, or both;

offset means any condition or undertaking that encourages local development or improves a Party's balance-of-payments accounts, such as the use of domestic content, the licensing of technology, investment, counter-trade, and a similar action or requirement;

open tendering means a procurement method whereby all interested suppliers may submit a tender;

procuring entity means an entity covered under a Party's Schedule included in Annex 10A and Annex 10B

qualified supplier means a supplier that a procuring entity recognizes as having satisfied the conditions for participation;

selective tendering means a procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender;

services includes construction services, unless otherwise specified;

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

supplier means a person or group of persons who provides or could provide goods or services to a procuring entity; and

technical specification means a tendering requirement prescribed by a covered entity that:

(a) lays down the characteristics of goods or services to be procured, including quality, performance, safety, and dimensions, or the processes and methods for their production or provision; or

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

Article 10.2: General

The Parties recognise the importance of government procurement in trade relations and set as their objective the effective, reciprocal, and gradual opening of their government procurement markets.

Article 10.3: Scope and Coverage

Application of Chapter

1. This Chapter shall apply to any measure of a Party regarding covered procurement.

2. For the purposes of this Chapter, **covered procurement** means a government procurement:

(a) of goods, services or any combination thereof

(i) as specified in each Party's Schedule, included in Annex 10A and Annex 10B; and

(ii) not procured with a view to commercial sale or resale, or for use in the production or supply of goods or services for commercial sale or resale;

(b) by any contractual means, including purchase, rental or lease, and hire purchase, with or without an option to buy;

(c) for which the value, as estimated in accordance with paragraphs 7 and 8, equals or exceeds the relevant threshold specified in a Party's Schedule, included in

Annex 10A and Annex 10B at the time of publication of a notice of intended procurement in accordance with Article 10.7;

(d) by a procuring entity; and

(e) that is not otherwise excluded from coverage in paragraph 3 or in a Party's Schedule, included in Annex 10A or Annex 10B.

Activities Not Covered

3. Unless otherwise provided in a Party's Schedule, included in Annex 10A and Annex 10B, this Chapter shall not apply to:

(a) the acquisition or rental of land, existing buildings, or other immovable property or rights thereon;

(b) non-contractual agreements or any form of assistance that a Party, including its procuring entities, provides, including cooperative agreements, grants, loans, equity infusions, guarantees, and fiscal incentives;

(c) the procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions, or services related to the public debt, including loans and government bonds, notes, and other securities. For greater certainty, this Chapter shall not apply to procurement of banking, financial, or specialized services related to the following activities:

(i) the incurring of public indebtedness; or

(ii) public debt management;

(d) public employment contracts;

(e) procurement conducted under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project, or under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance where the applicable procedure or condition would be inconsistent with this Chapter;

(f) procurement conducted for the specific purpose of providing foreign assistance; and

(g) purchases for a procuring entity from another public entity, provided that the procurement is directly related to the legal object of the supplying public entity.

Schedules

4. Each Party shall specify the following information in its Schedule, included in Annex 10A and Annex 10B:

   (a) in Section A, the central government entities whose procurement is covered by this Chapter;

   (b) in Section B, the services, other than construction services, covered by this Chapter;

   (c) in Section C, the construction services covered by this Chapter;

   (d) in Section D, any general notes;

   (e) in Section E, procurement information;

   (f) in Section F, offsets;

   (g) in Section G, the treatment of SMEs; and

   (h) in Section H, relevant time periods.

5. Where a procuring entity, in the context of covered procurement, requires persons not listed in Annex 10A or Annex 10B to procure in accordance with particular requirements, Article 10.5 shall apply, *mutatis mutandis*, to such requirements.

Valuation

6. In estimating the value of a procurement for the purpose of ascertaining whether it is a covered procurement, a procuring entity shall:

   (a) neither divide a procurement into separate procurements nor select or use a particular valuation method for estimating the value of a procurement with the intention of totally or partially excluding it from the application of this Chapter; and

   (b) include the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account all forms of remuneration, including:

      (i) premiums, fees, commissions, interest, or other revenue streams that may be provided for under the contract;

      (ii) the value of any option clause, and where the procurement provides for the possibility of options; and

      (iii) any contract awarded at the same time or over a given period to one or more suppliers under the same procurement.

7. Where an individual requirement for a procurement results in the award of more than one contract, or in the award of contracts in separate parts (hereinafter referred to as "recurring procurements"), the calculation of the estimated maximum total value shall be based on:

   (a) the total maximum value of the procurement over its entire duration;

   (b) the value of recurring procurements of the same type of good or service awarded during the preceding 12 months or the procuring entity's preceding fiscal year, adjusted, where possible, to account for anticipated changes in the quantity or value of the good or service being procured over the following 12 months; or

   (c) the estimated value of recurring procurements of the same type of good or service to be awarded during the 12 months following the initial contract award or the procuring entity's fiscal year.

8. Where the estimated maximum total value of a procurement over its entire duration is not known, the procurement shall be covered by this Chapter.

Article 10.4: Security and General Exceptions

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

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

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

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

   (c) necessary to protect intellectual property; or

   (d) relating to goods or services of persons with disabilities, philanthropic institutions, or prison labour.

3. The Parties understand that paragraph 2(b) includes environmental measures necessary to protect human, animal, or plant life or health.

Article 10.5: General Principles

National Treatment and Non-Discrimination

1. With respect to any measure regarding covered procurement, each Party, including its procuring entities, shall accord immediately and unconditionally to the goods and services of the other Party, and to the suppliers of the other Party offering such goods or services, treatment no less favourable than the treatment that the Party, including its procuring entities, accords to domestic goods, services, and suppliers.

2. With respect to any measure regarding covered procurement, a Party, including its procuring entities, shall not:

   (a) treat a locally established supplier less favourably than another locally established supplier on the basis of the degree of foreign affiliation to or ownership by a person of the other Party; or

   (b) discriminate against a locally established supplier on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of the other Party.

Use of Electronic Means

3. The Parties recognize the importance of providing opportunities for covered procurement to be undertaken through electronic means, including for the publication of procurement information, notices, and tender documentation, for the receipt of tenders, and, generally, for the full cycle of procure to pay.

4. When conducting covered procurement by electronic means, a procuring entity shall:

   (a) ensure that the procurement is conducted using information technology systems and software, including those related to authentication and encryption of information, that are generally available and interoperable with other generally available information technology systems and software; and

   (b) establish and maintain mechanisms that ensure the integrity of requests for participation and tenders, including by documenting the time of receipt and by preventing inappropriate access.

Measures Not Specific to Procurement

5. The provisions of paragraphs 1 and 2 shall not apply to customs duties and charges of any kind imposed on, or in connection with, importation, the method of levying such duties and charges, other import regulations or formalities, and measures affecting trade in services other than measures governing covered procurement.

Offsets

6. With regard to covered procurement, a Party, including its procuring entities, shall not seek, take account of, impose, or enforce offsets except as otherwise provided in its Schedule, included in Annex 10A and Annex 10B.

Rules of Origin

7. For the purposes of covered procurement, each Party shall not apply rules of origin to goods or services imported from or supplied from the other Party that are different from the rules of origin that the Party applies at the same time, in the normal course of trade, to imports or supplies of the same goods or services from the other Party.

Conduct of Procurement

8. A procuring entity shall conduct covered procurement in a transparent and impartial manner that:

   (a) is consistent with this Chapter, using methods such as open tendering, selective tendering, and limited tendering;

   (b) avoids conflicts of interest; and

   (c) prevents corrupt practices.

Article 10.6: Information on the Procurement System and Publication of Procurement Information

1. Each Party shall promptly publish its procurement laws, regulations, procedures, policy guidelines, judicial decisions, and administrative rulings of general application regarding covered procurements, as well as any changes or additions to this information, in electronic or paper media that are widely disseminated and remain accessible to the public.

2. Each Party shall list in Section E of its Schedule, included in Annex 10A and Annex 10B the electronic or paper media in which each Party publishes the information described in paragraph 1.

3. Each Party shall promptly reply to any request from the other Party for an explanation of any matter relating to its procurement laws, regulations, procedures, policy guidelines, judicial decisions, and administrative rulings of general application.

Article 10.7: Publication of Notices of Intended Procurement

Notice of Intended Procurement

1. For each covered procurement, except in the circumstances described in Article 10.12, a procuring entity shall publish a notice inviting interested suppliers to submit tenders or, where appropriate, applications for participation in the procurement. Any such notice shall

be published in an electronic or paper medium that is widely disseminated and readily accessible to the public, free of charge, for the entire period established for tendering.

2. Each Party shall ensure for covered procurements that its central government procuring entities, as set out in Section A of its Schedule, included in Annex 10A and Annex 10B, publish notices of intended procurement in a single point of entry to an electronic publication, that is accessible through the internet or a comparable network.

3. Except as otherwise provided in this Chapter, each notice of intended procurement shall include:

   (a) the name and address of the procuring entity and other information necessary to contact the procuring entity and obtain all relevant documents relating to the procurement, and the cost and terms of payment, if any;

   (b) a description of the procurement, including the nature and quantity of the goods or services to be procured**,** or where the quantity is not known, the estimated quantity;

   (c) if applicable, the time-frame for delivery of goods or services or the duration of the contract;

   (d) the procurement method that will be used and whether it will involve negotiation or electronic auction;

   (e) where applicable, the address and any final date for the submission of requests for participation in the procurement;

   (f) the address and the final date for the submission of tenders;

   (g) a list and brief description of any conditions for participation of suppliers, that may include any requirements for specific documents or certifications that suppliers must provide in connection therewith, unless such requirements are included in tender documentation that is made available to all interested suppliers at the same time as the notice of intended procurement;

   (h) where, pursuant to Article 10.11, a procuring entity intends to select a limited number of qualified suppliers to be invited to tender, the criteria that will be used to select them and, where applicable, any limitation on the number of suppliers that will be permitted to tender;

   (i) the language or languages in which tenders or requests for participation may be submitted, in case they may be submitted in a language other than an official language of the Party of the procuring entity; and

   (j) an indication that the procurement is covered by this Chapter.

Notice of Planned Procurement

4. Each Party shall encourage its procuring entities to publish prior to each fiscal year or as early as possible in each fiscal year, a notice regarding their procurement plans for that fiscal year. The notice of planned procurement should include the subject-matter of the procurement and the planned date of the publication of the notice of the intended procurement.

Article 10.8: Conditions for Participation

1. A procuring entity shall limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the legal, commercial, technical, and financial abilities to undertake the relevant procurement.

2. In assessing whether a supplier satisfies the conditions for participation, a procuring entity:

   (a) shall evaluate the financial, commercial and technical abilities of a supplier on the basis of that supplier's business activities both inside and outside the territory of the Party of the procuring entity;

   (b) shall base its evaluation solely on the conditions that a procuring entity has specified in advance in notices or tender documentation;

   (c) shall not impose the condition that, in order for a supplier to participate in a procurement or be awarded a contract, the supplier has previously been awarded one or more contracts by a procuring entity of that Party or that the supplier has prior work experience in the territory of that Party; and

   (d) may require prior experience where essential to meet the requirements of the procurement.

3. Where there is supporting evidence, a Party, including its procuring entities, may exclude a supplier on grounds such as:

   (a) bankruptcy or insolvency;

   (b) false declarations;

   (c) significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;

   (d) final judgments in respect of serious crimes or other serious offences;

   (e) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier; or

   (f) failure to pay taxes.

Article 10.9: Registration and Qualification of Suppliers

Registration Systems and Qualification Procedures

1. A Party, including its procuring entities, may maintain a supplier registration system under which interested suppliers are required to register and provide certain information and documentation.

2. Each Party shall ensure that:

   (a) its procuring entities make efforts to minimize differences in their qualification procedures; and

   (b) where its procuring entities maintain registration systems, the entities make efforts to minimize differences in their registration systems.

3. A Party, including its procuring entities, shall not adopt or apply any registration system or qualification procedure with the purpose or effect of creating unnecessary obstacles to the participation of suppliers of the other Party in its procurement.

Selective Tendering

4. Where a Party's law allows the use of selective tendering procedures, a procuring entity shall, for each intended procurement:

   (a) include in the notice of intended procurement at least the information specified in Article 10.7.3 subparagraphs (a), (b), (d), (e), (g), (h), (i) and (j) and invite suppliers to submit a request for participation; and

   (b) provide, no later than the commencement of the time-period for tendering, at least the information in Article 10.7.3 subparagraphs (c) and (f) regarding qualified suppliers.

5. A procuring entity shall allow all qualified suppliers to participate in a particular procurement, unless the procuring entity states in the notice of intended procurement any limitation on the number of suppliers that will be permitted to tender and the criteria for selecting the limited number of suppliers.

6. Where the tender documentation is not made publicly available from the date of publication of the notice referred to in paragraph 4, a procuring entity shall ensure that the tender documentation is made available at the same time to all the qualified suppliers selected in accordance with paragraph 5.

Multi-Use Lists

7. A procuring entity may establish a multi-use list, provided that the entity annually publishes or otherwise makes available, continuously, in electronic means, a notice inviting interested suppliers to apply for inclusion on the list. The notice shall include:

(a) a description of the goods and services, or categories thereof, for which the list may be used;

(b) the conditions for participation to be satisfied by suppliers for inclusion on the list and the methods that the procuring entity will use to verify a supplier's satisfaction of the conditions;

(c) the name and address of the procuring entity and other information necessary to contact the procuring entity and to obtain all relevant documents relating to the list;

(d) the period of validity of the list and the means for its renewal or termination, or where the period of validity is not provided, an indication of the method by which notice will be given of the termination of the use of the list; and

(e) an indication that the list may be used for procurement covered by this Chapter.

8. A procuring entity shall allow suppliers to apply for inclusion on a multi-use list and shall include all qualified suppliers on the list within a reasonably short period of time.

9. Notwithstanding paragraph 7, where a multi-use list will be valid for three years or less, a procuring entity may publish the notice referred to in paragraph 7 only once, at the beginning of the period of validity of the list, provided that the notice:

(a) states the period of validity and that further notices will not be published; and

(b) is published by electronic means and is made available continuously during the period of its validity.

10. Where a supplier that is not included on a multi-use list submits a request for participation in a procurement based on a multi-use list and all required documents, within the time-period provided for in Article 10.10, a procuring entity shall examine the request. The procuring entity shall not exclude the supplier from consideration in respect of the procurement on the grounds that the entity has insufficient time to examine the request, unless, in exceptional cases due to the complexity of the procurement, the entity is not able to complete the examination of the request within the time period allowed for the submission of tenders.

Information on Procuring Entity Decisions

11. A procuring entity shall promptly inform any supplier that submits a request for participation in a procurement or application for inclusion on a multi-use list of the decision with respect to the request or application.

12. If a procuring entity rejects a supplier's request for participation or application for inclusion on a multi-use list, ceases to recognize a supplier as qualified, or removes a supplier from a multi-use list, the entity shall promptly inform the supplier and on request of the supplier, promptly provide the supplier with a written explanation of the reason for its decision.

Article 10.10: Time Periods

1. A procuring entity shall, consistent with its own reasonable needs, provide sufficient time for suppliers to prepare and submit requests for participation and responsive tenders, taking into account such factors as:

   (a) the nature and complexity of the procurement;

   (b) the extent of subcontracting anticipated; and

   (c) whether tenders can be received by electronic means.

2. The time periods for procurement in each Party shall be in accordance with Section H of Annex 10A.

Article 10.11: Intended Procurements and Tender Documentation

Tender Documentation

1. A procuring entity shall promptly make available to any supplier interested in participating in a procurement tender documentation that includes all information necessary to permit suppliers to prepare and submit responsive tenders.

2. Unless already provided in the notice of intended procurement, such documentation shall include a complete description of:

   (a) the procurement, including the nature and the quantity of the goods or services to be procured or, where the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specifications, conformity assessment certifications, plans, drawings, or instructional materials;

   (b) any conditions for participation of suppliers, including any financial guarantees, information, and documents that suppliers are required to submit;

   (c) all evaluation criteria to be considered in the awarding of the contract, and the relative importance of such criteria;

   (d) where the procuring entity will conduct the procurement by electronic means, any authentication and encryption requirements or other requirements related to the submission of information by electronic means;

   (e) where the procuring entity will hold an electronic auction, the rules, including identification of the elements of the tender related to the evaluation criteria, on which the auction will be conducted;

   (f) where there will be a public opening of tenders, the date, time, and place for the opening of tenders and, where appropriate, the persons authorized to be present;

(g) any other terms or conditions, including terms of payment and any limitation on the means by which tenders may be submitted, e.g., paper or electronic means; and

(h) any dates for the delivery of goods or the supply of services.

3. A procuring entity shall promptly reply to any reasonable request for relevant information by any interested or participating supplier, provided that such information does not give that supplier an advantage over other suppliers.

4. If, in tendering procedures, an entity allows tenders to be submitted in several languages, one of those languages shall be English.

5. To the extent possible and subject to any applicable fees, an entity should endeavour to make relevant tender documentation publicly available through electronic means or a computer-based telecommunications network openly accessible to all suppliers.

6. In establishing any date for the delivery of a good or the supply of a service being procured, a procuring entity may consider factors such as the complexity of the procurement.

Technical Specifications

7. A procuring entity shall not prepare, adopt or apply any technical specification or prescribe any conformity assessment procedure with the purpose or effect of creating unnecessary obstacles to international trade between the Parties.

8. In prescribing the technical specifications for the goods or services being procured, a procuring entity shall, where appropriate:

(a) specify the technical specification in terms of performance and functional requirements, rather than design or descriptive characteristics; and

(b) base the technical specification on international standards where they exist; otherwise, on national technical regulations, recognized national standards, or building codes.

9. Where design or descriptive characteristics are used in the technical specifications, a procuring entity shall indicate, where appropriate, that it will consider tenders of equivalent goods or services that demonstrably fulfil the requirements of the procurement by including words such as "or equivalent" in the tender documentation.

10. A procuring entity shall not prescribe technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer or supplier, unless there is no other sufficiently precise or intelligible way of describing the procurement requirements and provided that, in such cases, the entity includes words such as "or equivalent" in the tender documentation.

11. A procuring entity shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation or adoption of any

technical specification for a specific procurement from a person that may have a commercial interest in the procurement.

12. For greater certainty, a procuring entity may, in accordance with this Article, prepare, adopt or apply technical specifications to promote the conservation of natural resources or protect the environment.

13. For greater certainty, this Chapter is not intended to preclude a Party, or its procuring entities, from preparing, adopting, or applying technical specifications required to protect sensitive government information, including specifications that may affect or limit the storage, hosting, or processing of such information outside the territory of the Party.

Modifications

14. where, prior to the award of a contract, a procuring entity modifies the criteria or technical requirements set out in a notice of intended procurement or tender documentation provided to participating suppliers, or amends or reissues a notice or tender documentation, it shall publish or provide in writing all such modifications or amended or re-issued notices or tender documentation:

    (a) to all participating suppliers, if the identities of such suppliers are known, and, in all other cases, in the same manner that the original information was made available; and

    (b) in adequate time to allow participating suppliers to modify and resubmit amended tenders, as appropriate.

Article 10.12: Negotiation

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

    (a) the procuring entity has indicated its intent to conduct negotiations in the notice of intended procurement as set forth in Article 10.7.1 through 10.7.3;

    (b) it appears from the evaluation that no tender is obviously the most advantageous in terms of the specific evaluation criteria set out in the notice of intended procurement or tender documentation;

    (c) there is a need to clarify the terms and conditions; or

    (d) all bids exceed the allocated prices provided for in the procuring entity's budget.

2. A procuring entity shall:

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

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

Article 10.13: Limited Tendering

1. Provided that it does not use this provision for the purposes of avoiding competition among suppliers or in a manner that discriminates against suppliers of the other Party or protects domestic suppliers, a procuring entity may use limited tendering and may choose not to apply Articles 10.7, 10.8, 10.9, 10.10, Articles 10.11.1 through 10.11.6, 10.11.11, and Articles 10.12, 10.14, 10.15 to such tenders**.**

2. A procuring entity may use limited tendering only under any of the following circumstances:

(a) provided that the requirements of the tender documentation are not substantially modified, where:

(i) no tenders were submitted or no suppliers requested participation;

(ii) no tenders that conform to the essential requirements of the tender documentation were submitted;

(iii) no suppliers satisfied the conditions for participation; or

(iv) the tenders submitted were collusive.

(b) where the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:

(i) the requirement is for a work of art;

(ii) the protection of patents, copyrights or other exclusive rights; or

(iii) due to an absence of competition for technical reasons.

(c) for additional deliveries by the original supplier of goods or services that were not included in the initial procurement, where:

(i) a change of supplier for such additional goods or services cannot be made for economic or technical reasons, such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and

(ii) such separation would cause significant inconvenience or substantial duplication of costs for the procuring entity;

(d) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering or selective tendering;

(e) for goods purchased on a commodity market;

(f) where a procuring entity procures a prototype or a first good or service that is developed at its request in the course of, and for, a particular contract for research, experiment, study or original development. Original development of a prototype or a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;

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

(h) where a contract is awarded to a winner of a design contest provided that:

(i) the contest has been organized in a manner that is consistent with the principles of this Chapter, in particular relating to the publication of a notice of intended procurement; and

(ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; and

(i) where additional construction services, which were not included in the initial contract but which were within the objectives of the original tender documentation have, through unforeseen circumstances, become necessary to complete the construction services described therein. In such cases, the total value of contracts awarded for additional construction services may not exceed 50 percent of the amount of the initial contract.

3. For each contract awarded under paragraph 1, a procuring entity shall prepare a written report that includes:

(a) the name of the procuring entity;

(b) the value and kind of goods or services procured; and

(c) a statement indicating the circumstances and conditions described in paragraph 1 that justify the use of limited tendering.

Article 10.14: Electronic Auctions

Where a procuring entity intends to conduct a covered procurement using an electronic auction, the entity shall provide each participant, before commencing the electronic auction, with:

(a) the automatic evaluation method, including the mathematical formula, that is based on the evaluation criteria set out in the tender documentation and that will be used in the automatic ranking or re-ranking during the auction;

(b) the results of any initial evaluation of the elements of its tender where the contract is to be awarded on the basis of the most advantageous tender; and

(c) any other relevant information relating to the conduct of the auction.

Article 10.15: Treatment of Tenders and Awarding of Contracts

Treatment of Tenders

1. A procuring entity shall receive, open, and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process and shall treat all tenders in confidence until at least the opening of the tenders.

2. A procuring entity shall not penalise any supplier whose tender is received after the time specified for receiving tenders if the delay is due solely to mishandling on the part of the procuring entity.

3. Where a procuring entity provides suppliers with opportunities to correct unintentional errors of form between the opening of tenders and the awarding of the contract, the procuring entity shall provide the same opportunities to all participating suppliers.

Awarding of Contracts

4. A procuring entity shall require that in order to be considered for an award, a tender shall be submitted in writing and shall, at the time of opening, comply with the essential requirements set out in the notices and tender documentation and be from a supplier that satisfies the conditions for participation.

5. Unless a procuring entity determines that it is not in the public interest to award a contract, it shall award the contract to the supplier that it has determined to be capable of fulfilling the term of the contract and based solely on the evaluation criteria specified in the notices and tender documentation, and that has submitted:

   (a) the most advantageous tender; or

   (b) where price is the sole criterion, the lowest price.

6. Where a procuring entity receives a tender with a price that is abnormally lower than the prices in other tenders submitted, it may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

7. A procuring entity shall not use options, cancel a covered procurement, or terminate or modify awarded contracts in a manner that circumvents this Chapter.

Article 10.16: Disclosure of Information

Provision of Information to Parties

1. On request of the other Party, a Party shall promptly provide any information necessary to determine whether a procurement was conducted fairly, impartially, and in accordance with this Chapter, including information on the characteristics and relative advantages of the successful tender. In cases where release of the information would prejudice competition in future tenders or confidential information, the Party that receives the information shall not disclose it to any supplier, except after consulting with, and obtaining the agreement of, the Party that provided the information.

Non-Disclosure of Information

2. Notwithstanding any other provision of this Chapter, a procuring entity shall not provide information to particular suppliers that might prejudice fair competition between suppliers, except with the written authorization of the supplier that provided the information and as permitted by the Party's laws and procedures.

3. Nothing in this Agreement shall be construed to require a Party, including its procuring entities, authorities and review bodies, to disclose confidential information where disclosure:

   (a) would impede law enforcement;

   (b) might prejudice fair competition between suppliers;

   (c) would prejudice the legitimate commercial interests of particular persons, including the protection of intellectual property; or

   (d) would otherwise be contrary to the public interest.

Article 10.17: Transparency and Post-Award Information

Information Provided to Suppliers

1. A procuring entity shall promptly inform suppliers that have submitted tenders of its contract award decision. Subject to Article 10.16.2 and 10.16.3, a procuring entity shall, upon request, provide an unsuccessful supplier with the reasons that the procuring entity did not select that supplier's tender and the relative advantages of the successful supplier's tender.

2. Not later than 72 days after the award of each contract covered by this Chapter, a procuring entity shall publish a notice regarding that award according to the regulations and procedures of that Party.

Maintenance of Records

3. Each procuring entity shall, for a period of at least three years from the date it awards a contract, maintain:

   (a) the documentation and reports of tendering procedures and contract awards relating to covered procurement, including the reports required under Article 10.13 and

   (b) data that ensure the appropriate traceability of the conduct of covered procurement by electronic means.

Article 10.18: Domestic Review Procedures

1. Each Party shall provide a timely, effective, transparent, and non-discriminatory administrative or judicial review procedure through which a supplier may challenge:

   (a) a breach of this Chapter; or

   (b) when the supplier does not have a right to directly challenge a breach of this Chapter under the law of a Party, a failure to comply with a Party's measures implementing this Chapter.

2. The procedural rules for all challenges shall be in writing and made generally available.

3. In the event of a complaint by a supplier, arising in the context of covered procurement in which the supplier has, or had, an interest, that there has been a breach or a failure as referred to in paragraph 1, the Party of the procuring entity conducting the procurement shall encourage the procuring entity and the supplier to seek resolution of the complaint through consultations. The procuring entity shall accord impartial and timely consideration to any such complaint in a manner that is not prejudicial to the supplier's participation in ongoing or future procurement or its right to seek corrective measures under the administrative or judicial review procedure.

4. Each supplier shall be allowed a sufficient period of time to prepare and submit a challenge, which in no case shall be less than 10 days from the time when the basis of the challenge became known or reasonably should have become known to the supplier.

5. Each Party shall maintain at least one impartial administrative or judicial authority (hereinafter referred to as "review body") that is independent of its procuring entities to receive and review, in a non-discriminatory, timely, transparent and effective manner, complaints that a supplier of a Party submits, in accordance with the Party's law, relating to a covered procurement.

6. Where a review body other than an authority referred to in paragraph 5 initially reviews a challenge, the Party shall ensure that the supplier may appeal the initial decision to an impartial administrative or judicial authority that is independent of the procuring entity whose procurement is the subject of the challenge.

7. Each Party shall ensure that a review body, that is not a court, shall have its decision subject to judicial review or have procedures that provide that:

   (a) the procuring entity shall respond in writing to the challenge and disclose all relevant documents to the review body;

   (b) the participants to the proceedings (hereinafter referred to as "participants") shall have the right to be heard prior to a decision of the review body being made on the challenge;

   (c) the participants shall have the right to be represented and accompanied;

   (d) the participants shall have access to all proceedings;

   (e) the participants shall have the right to request that the proceedings take place in public and that witnesses may be presented; and

   (f) decisions or recommendations relating to supplier challenges shall be provided, in a timely manner, in writing, with an explanation of the basis for each decision or recommendation.

8. Each Party shall adopt or maintain procedures that provide for:

   (a) rapid interim measures to preserve the supplier's opportunity to participate in the procurement. Such interim measures may result in suspension of the procurement process. The procedures may provide that overriding adverse consequences for the interests concerned, including the public interest, may be taken into account when deciding whether such measures should be applied. Just cause for not acting shall be provided in writing; and

   (b) where a review body has determined that there has been a breach of this Chapter or a failure, corrective action, or compensation for the loss or damages suffered, which may be limited to either the costs for the preparation of the tender or the costs relating to the challenge, or both.

Article 10.19: Rectifications and Modifications to Coverage

1. A Party may make rectifications of a purely formal nature to its coverage under this Chapter, or minor amendments to its Schedule, included in Annex 10A and Annex 10B, provided that it notifies the other Party in writing and the other Party does not object in writing within 45 days from notification. A Party that makes such a rectification or minor amendment need not provide compensatory adjustments to the other Party.

2. A Party may otherwise modify its coverage under this Chapter provided that:

   (a) it notifies the other Party in writing and simultaneously offers acceptable compensatory adjustments to the other Party to maintain a level of coverage comparable to that existing prior to the modification, where necessary; and

   (b) no objection in writing was submitted by the other Party within 30 days of notification.

3. A Party need not provide compensatory adjustments when proposing a modification on the grounds that government control or influence over the entity's covered procurement has been effectively eliminated. Where a Party objects to the assertion that such government control or influence has been effectively eliminated, the objecting Party may request further information or consultations with a view to clarifying the nature of any government control or influence and of reaching agreement on the procuring entity's continued coverage under this Chapter.

Article 10.20: SMEs' Participation

1. The Parties recognize the importance of the participation of SMEs in government procurement.

2. The Parties also recognize the importance of business alliances between suppliers of each Party, and in particular of SMEs, including through joint participation in tendering procedures.

3. The Parties shall work jointly towards exchanging information and facilitating SME access to government procurement procedures, methods, and contracting requirements, focused on SMEs' special needs.

4. The Parties reserve the right to apply a preferential procurement policy for their SMEs in accordance with their respective domestic laws and regulations as specified in Section G of their Schedules, included in Annex 10A and Annex 10B.

5. If a Party maintains a measure that provides preferential treatment for SMEs, the Party shall ensure that the measure, including the criteria for eligibility, is transparent. A Party maintaining a measure that provides preferential treatment for SMEs will notify the other Party of any changes in its preferential treatment to SMEs.

Article 10.21: Cooperation

1. The Parties recognize the importance of cooperation with a view to achieving a better understanding of their respective government procurement systems, as well as better access to their respective markets, in particular for SMEs.

2. The Parties shall cooperate in matters such as:

(a) the exchange of experiences and information, such as regulatory frameworks, government procurement systems, best practices, and statistics;

(b) the use of electronic communications in government procurement systems; or

(c) capacity assistance to suppliers with respect to access to the government procurement market.

Article 10.22: Further Negotiations

Upon request of a Party, 3 years after the date of entry into force of this Agreement, or, in the event that a Party offers additional advantages with regard to its respective government procurement market access coverage agreed under this Chapter in the future to a non-Party, the Parties shall enter into negotiations with a view to extending coverage under this Chapter on a reciprocal basis.

Article 10.23: Ensuring Integrity in Procurement Practices

Each Party shall ensure that criminal or administrative measures exist to address corruption in its government procurement. These measures may include procedures to render ineligible for participation in the Party's procurements, either indefinitely or for a stated period of time, suppliers that the Party has determined to have engaged in fraudulent or other illegal actions in relation to government procurement in the Party's territory. Each Party shall also ensure that it has policies and procedures in place to eliminate, to the extent possible, or manage any potential conflict of interest on the part of those engaged in or having influence over a procurement.

Article 10.24: Financial Obligations

1. This Chapter does not entail any financial obligations for the Parties.

2. Each Party is responsible for any financial expenses it incurs to fulfil its role in this Chapter.

Article 10.25: Language

To improve market access to each Party's procurement market, each Party shall, where possible, use English in its publication of materials or information pursuant to Article 10.6, including in the publications listed in Section E of each Party's Schedule, included in Annex 10A and Annex 10B.

CHAPTER 11
INTELLECTUAL PROPERTY

Section A: General Provisions

Article 11.1: Definitions

For the purposes of this Chapter:

intellectual property rights refers to copyright and related rights, rights in trademarks, geographical indications, industrial designs, patents and layout-design (topographies) of integrated circuits, and rights in undisclosed information, as defined and described in the TRIPS Agreement and rights in plant varieties protected under the International Convention for the Protection of New Variety of Plants[36];

national of a Party includes, in respect of the relevant right, a natural or legal person of that Party that would meet the criteria for eligibility for protection provided for in the agreements listed in Article 1.3 of the TRIPS Agreement;

TRIPS Agreement means the Agreement on Trade Related Aspects of Intellectual Property Rights, contained in Annex 1C to the WTO Agreement; and

WIPO means the World Intellectual Property Organization.

Article 11.2: Objectives

1. The purpose of this Chapter is to increase the benefits from trade and investment through the protection and enforcement of intellectual property rights.

2. The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Article 11.3: Principles

1. A Party may, in formulating or amending its laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the TRIPS Agreement.

2. Appropriate measures, provided that they are consistent with the provisions of the TRIPS Agreement and this Chapter, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade, are anticompetitive, or adversely affect the international transfer of technology.

[36] Article 11.1 (a) will apply with respect to plant varieties only upon the ratification of the International Convention for the Protection of New Varieties of Plants by both Parties.

Article 11.4: Understandings in Respect of this Chapter

Having regard to the underlying public policy objectives of their national systems, the Parties recognise the need to:

(a) promote innovation and creativity;

(b) facilitate the diffusion of information, knowledge, technology, culture and the arts; and

(c) foster competition and open and efficient markets,

through their respective intellectual property systems, while respecting the principles of transparency and due process, including appropriate limitations and exceptions, taking into account the legitimate interests of right holders, users and the public interest.

Article 11.5: Nature and Scope of Obligations

Each Party shall, at a minimum, give effect to the provisions of this Chapter. A Party may, but shall not be obliged to, provide more extensive protection for, or enforcement of, intellectual property rights under its law than is required by this Chapter, provided that such protection or enforcement does not contravene the provisions of this Chapter. Each Party shall be free to determine the appropriate method of implementing the provisions of this Chapter within its own legal system and practice.

Article 11.6: International Agreements

The Parties affirm their rights and obligations under the TRIPS Agreement and any other multilateral agreements relating to intellectual property to which both Parties are a party.

Article 11.7: Intellectual Property and Public Health

The Parties recognise the principles established in the Declaration on The TRIPS Agreement and Public Health adopted on 14 November 2001 (hereinafter referred to as the "Doha Declaration") by the Ministerial Conference of the WTO and confirm that the provisions of this Chapter are without prejudice to the Doha Declaration.

Article 11.8: National Treatment

1. In respect of all categories of intellectual property covered in this Chapter, each Party shall accord to nationals of another Party treatment no less favourable than it accords to its own nationals with regard to the protection[37] of intellectual property rights without derogating from Articles 3 and 5 of the TRIPS Agreement.

2. With respect to secondary uses of phonograms, a Party may limit the rights of the performers and producers of another Party to the rights its persons are accorded within the jurisdiction of that other Party.

[37] For the purposes of this paragraph, "protection" shall include matters affecting the availability, acquisition, scope, maintenance, and enforcement of intellectual property rights, as well as matters affecting the use of intellectual property rights specifically covered by this Chapter.

3. A Party may avail itself of the exceptions permitted under paragraph 1 in relation to its judicial and administrative procedures, including requiring a national of another Party to designate an address for service of process in its territory or to appoint an agent in its territory, provided that such derogation is:

   (a) necessary to secure compliance with laws or regulations that are not inconsistent with this Chapter; and

   (b) not applied in a manner that would constitute a disguised restriction on trade.

Article 11.9: Transparency

1. Each Party shall endeavor, subject to its law, to make available on the internet information that it makes public concerning applications for trademarks, geographical indications, designs, patents, and plant variety rights.[38]

2. Each Party shall, subject to its law, make available on the internet or otherwise make publicly available information that it makes public concerning registered or granted trademarks, geographical indications, designs, patents, and plant variety rights, sufficient to enable the public to become acquainted with those registered or granted rights.[39]

Article 11.10: Application of Chapter to Existing Subject Matter and Prior Acts

1. Unless otherwise provided in this Chapter, this Chapter gives rise to obligations in respect of all subject matter existing at the date of entry into force of this Agreement for a Party and that is protected on that date in the territory of a Party where protection is claimed, or that meets or comes subsequently to meet the criteria for protection under this Chapter.[40]

2. Unless provided in this Chapter, a Party shall not be required to restore protection to subject matter that on the date of entry into force of this Agreement for that Party has fallen into the public domain in its territory.

3. This Chapter does not give rise to obligations in respect of acts that occurred before the date of entry into force of this Agreement for a Party.

Article 11.11: Exhaustion of Intellectual Property Rights

Nothing in this Chapter prevents a Party from determining whether or under what conditions the exhaustion of intellectual property rights applies under its legal system.[41]

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[38] For greater certainty, paragraph 1 does not require a Party to make available on the internet the entire dossier for the relevant application.

[39] For greater certainty, paragraph 2 does not require a Party to make available on the internet the entire dossier for the relevant registered or granted intellectual property right.

[40] It is understood that this Article does not derogate from the provision of Article 70 of the TRIPS Agreement.

[41] For greater certainty, this Article is without prejudice to any provisions addressing the exhaustion of intellectual property rights in international agreements to which a Party is a party.

Article 11.12: Procedural Aspects of Examination, Opposition and Cancellation of Certain Registered Industrial Property Rights

Each Party shall provide a system for the examination and registration of trademarks, patents, and industrial designs which includes, among other things:

(a) communicating to the applicant in writing, which may be by electronic means, the reasons for any refusal to register a trademark, patent, or industrial design;

(b) providing the applicant with an opportunity to respond to communications from the competent authorities, to contest any initial refusal, and to make a judicial appeal of any final refusal to register a trademark;

(c) providing an opportunity for interested parties to seek revocation, cancellation, or invalidation of a registered trademark, patent, or industrial design, and, in addition, may provide an opportunity for interested parties to oppose the registration of a trademark, patent, or industrial design; and

(d) requiring decisions in opposition and cancellation proceedings to be reasoned and in writing, which may be provided by electronic means.

Section B: Cooperation

Article 11.13: Cooperation Activities and Initiatives

The Parties shall endeavour to cooperate on the subject matter covered by this Chapter, such as through appropriate coordination, training, and exchange of information between the respective intellectual property offices of the Parties or other institutions as determined by each Party. Cooperation may cover areas such as:

(a) developments in domestic and international intellectual property policy;

(b) education and awareness relating to intellectual property;

(c) implementation of multilateral intellectual property agreements, such as those concluded or administered under the auspices of WIPO;

(d) enforcement of intellectual property rights;

(e) cooperation between the national patent offices including possible work sharing; and

(f) any other area related to intellectual property to which both Parties will agree.

Article 11.14: Cooperation on Request

1. Each Party, on request of the other Party, shall favorably consider assisting with inquiries and questions regarding intellectual property rights.

2. Cooperation activities and initiatives undertaken under this Chapter shall be subject to the availability of resources, and on request and on terms and conditions mutually agreed upon between the Parties.

Section C: Trademarks

Article 11.15: Trademark Protection

Each Party shall ensure that any signs or any combination of signs capable of distinguishing the goods and services of one undertaking from those of other undertakings shall be capable of constituting a trademark. Such signs, in particular, words including personal names, letters, numerals, figurative elements, three-dimensional shapes, and combinations of colours, as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, the Parties may make registrability depend on distinctiveness acquired through use. Neither Party shall deny registration of a trademark solely on the grounds that the sign of which it is composed is a sound.[42]

Article 11.16: Use of Identical or Similar Signs

Each Party shall provide that the owner of a registered trademark has the exclusive right to prevent third parties that do not have the owner's consent from using, in the course of trade, identical or similar signs[43] for goods or services identical or similar to those goods or services in respect of which the owner's trademark is registered where such use would result in a likelihood of confusion. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Parties making rights available on the basis of use.

Article 11.17: Well-Known Trademarks

1. No Party shall require as a condition for determining that a trademark is well-known that the trademark has been registered in the Party or in another jurisdiction, included on a list of well-known trademarks, or given prior recognition as a well-known trademark.

2. Article 6bis of the Paris Convention shall apply, *mutatis mutandis*, to goods or services that are not identical or similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

3. The Parties recall the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks as adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO from 20-29 September 1999.

4. Each Party shall provide for appropriate measures to refuse the application or cancel the registration and prohibit the use of a trademark that is identical or similar to a well-

[42] A Party may require an adequate description, which may include a graphical representation, of the trademark.

[43] For greater certainty, the Parties understand that this Article should not be interpreted to affect their rights and obligations under Articles 22, 23, and 24 (3)-(9) of the TRIPS Agreement.

known trademark for identical or similar goods or services if the use of that trademark is likely to cause confusion with the prior well-known trademark. A Party may also provide such measures including in cases in which the subsequent trademark is likely to deceive.

Article 11.18: Classification of Goods and Services

Each Party shall adopt or maintain a trademark classification system that is consistent with the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, done at Nice on 15 June 1957 (Geneva Act 1977, as amended 1979).

Article 11.19: Term of Protection for Trademarks

Each Party shall provide that initial registration and each renewal of registration of a trademark is for a term of no less than 10 years.

Article 11.20: Exceptions

A Party may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that those exceptions take account of the legitimate interest of the owner of the trademark and of third parties.

Section D: Geographical Indications

Article 11.21: Geographical Indications

1. For the purposes of this Chapter, a geographical indication means an indication that identifies a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin.

2. The Parties recognise that geographical indications may be protected through a trademark or *sui generis* system or other legal means that is consistent with the TRIPS Agreement.

Section E: Patents and Industrial Designs

Subsection A: Patents

Article 11.22: Grace Period

Each Party, subject to its laws and regulations, may disregard information contained in public disclosures used to determine if an invention is novel or has an inventive step if the public disclosure:

(a) was made by the inventor, patent applicant, or a person that obtained the information from the inventor or patent applicant; and

(b) occurred within twelve months prior to the date of filing of the application.

Article 11.23: Patentable Subject Matter

1. Each Party shall make patents available for any invention, whether a product or process, in all fields of technology, provided that the invention is new, involves an inventive step and is capable of industrial application.[44] In addition, each Party may provide that a patent shall be available for any new use or method of using a known product.

2. Each Party may exclude from patentability[45]:

   (a) inventions, the prevention within its territory of the commercial exploitation of which is necessary to protect *ordre public* or morality, including to protect human, animal, or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by its law; and

   (b) diagnostic, therapeutic, and surgical methods for the treatment of humans or animals.

Article 11.24: Exceptions

A Party may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

Subsection B: Industrial Designs

Article 11.25: Design Protection

1. The Parties shall ensure in their national law adequate and effective protection of industrial designs.

2. The Parties shall ensure that requirements for securing or enforcing registered design protection do not unreasonably impair the opportunity to obtain or enforce such protection.

3. The duration of protection available for registered industrial designs shall amount to a period of at least 20 years.[46]

[44] For purposes of this Article, the terms "inventive step" and "capable of industrial application" may be deemed by a Party to be synonymous with the terms "non-obvious" and "useful" respectively.

[45] For greater certainty, it is understood that this paragraph does not prevent a Party from legislating exceptions to patentability that are consistent with Article 27 of the TRIPS Agreement.

[46] It is understood that with regard to registered designs that the duration of protection may be based upon renewable incremental periods of protection totaling at least 20 years measured from the date on which an application for such protection was submitted. It is further understood that where a Party requires examination of such application as a condition of grant of the right, that enforcement of such right may begin as of the date such right is granted. It is further understood that the Parties are not obligated under this Chapter to accord national treatment with respect to unregistered design rights arising in the territory of the other Party.

Section F: Copyright and Related Rights

Article 11.26: Right of Reproduction

Each Party shall provide[47]to authors and producers of phonograms[48] the exclusive right to authorise or prohibit all reproduction of their works or phonograms in any manner or form, including in electronic form.

Article 11.27: Right of Communication to the Public

Without prejudice to Article 11(1)(ii), Article 11bis(1)(i) and (ii), Article 11ter(1)(ii), Article 14(1)(ii), and Article 14bis(1) of the Berne Convention, each Party shall provide to authors the exclusive right to authorise or prohibit the communication to the public of their works,[49] by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them. [50]

Article 11.28: Related Rights

1. In accordance with their rights and obligations under the Rome Convention, 1961, and the TRIPS Agreement, each Party shall provide that the protection provided for performers shall at least include the possibility of preventing:

   (a) the broadcasting and communication to the public, without their consent, of their live performance, except where the performance used in the broadcasting or public communication is itself already a broadcast performance or is made; and

   (b) the fixation, without their consent, of their unfixed performance.

2. A Party may provide to performers the exclusive right to authorise or prohibit the broadcasting or any communication to the public of their performances, by wire or wireless means, and the making available to the public of those performances in such a way that members of the public may access them from a place and at a time individually chosen by them.

3. A Party may provide to producers of phonograms the exclusive right to authorise or prohibit the broadcasting or any communication to the public of their phonograms, by wire or wireless means. Each Party shall provide phonogram producers with the exclusive right of authorizing the making available to the public of their phonograms,

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[47] For greater certainty, the Parties understand that it is a matter for each Party's law to prescribe that works, performances, or phonograms, in general, or any specified categories of works, performances, and phonograms are not protected by copyright or related rights unless the work, performance, or phonogram has been fixed in some material form.

[48] References to "authors and producers of phonograms" refer also to any of their successors in interest.

[49] For Israel, it is understood that "communication to the public" may be satisfied by granting to authors the exclusive right to authorize or prohibit the public performance of their works, the broadcast, by wire or wireless means, of their works, and the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

[50] The Parties understand that the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Chapter or the Berne Convention. The Parties further understand that nothing in this Article precludes a Party from applying Article 11bis(2) of the Berne Convention.

by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

Article 11.29: Limitations and Exceptions

1. With respect to this Section, each Party shall confine limitations or exceptions to exclusive rights to certain special cases that do not conflict with a normal exploitation of the work, performance, or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder.

2. This Article does not reduce or extend the scope of applicability of the limitations and exceptions permitted by the TRIPS Agreement, the Berne Convention, the Rome Convention, the WIPO Copyright Treaty (WCT) (1996) or the WIPO Performances and Phonograms Treaty (WPPT) (1996).

Section G: Enforcement

Article 11.30: General Obligation in Enforcement

Each Party shall ensure that enforcement procedures as specified in this Section are available under its law so as to permit effective action against any act of infringement of intellectual property rights covered by this Chapter, including expeditious remedies to prevent infringements and remedies that constitute a deterrent to future infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Article 11.31: Border Measures

Each Party shall, in conformity with its domestic law and regulations and the provisions of Part III, Section 4 of the TRIPS Agreement, adopt or maintain procedures to enable a right holder, who has valid grounds for suspecting that the importations of counterfeit trademark or pirated copyright goods[51] may take place, to lodge an application in writing with the competent authorities in the Party in which the border measure procedures are applied, for the suspension by that Party's customs authorities of the release into free circulation of such goods. A Party may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the requirements of Part III, Section 4 of the TRIPS Agreement are met. A Party may also provide for corresponding procedures concerning the suspension by the customs authorities of the release of infringing goods destined for exportation from its territory as per its domestic laws and regulation.

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

CHAPTER 12
INVESTMENT

Article 12.1: Relation to the Bilateral Investment Agreement

The Parties note the existence of and reaffirm the *Agreement between the Government of the United Arab Emirates and the Government of the State of Israel on Promotion and Protection of Investments* signed in Tel Aviv on 20 October 2020 (hereinafter "the BIT") and any subsequent amendments thereto.

Article 12.2: Objective

The Parties affirm their desire to promote an attractive investment climate and acknowledge the relationship between investment and the expansion of trade in goods and services under this Agreement. The Parties shall take appropriate measures to maintain favorable conditions for the diversification of trade and investment between the two countries.

Article 12.3: Committee on Investment

In order to promote a constructive dialogue, the Joint Committee on Investment, established pursuant to Article 27 of the BIT, will periodically, or upon request, report to the Joint Committee of this Agreement established pursuant to Article 17.1 (Establishment of the Joint Committee) on matters related to the facilitation of bilateral investments and any other issues discussed in relation to the BIT.

Article 12.4: Non-Application of Dispute Settlement

This Chapter shall not be subject to Chapter 15 (Dispute Settlement).

CHAPTER 13
SMALL AND MEDIUM-SIZED ENTERPRISES

Article 13.1: General Principles

1. The Parties, recognizing the fundamental role of SMEs in maintaining dynamism and enhancing competitiveness of their respective economies, shall foster close cooperation between SMEs of the Parties and cooperate in promoting jobs and growth in SMEs.

2. The Parties recognize the key role of the private sector in carrying out cooperation activities under this Chapter.

Article 13.2: Cooperation to Increase Trade and Investment Opportunities for SMEs

With a view to more robust cooperation between the Parties to enhance commercial opportunities for SMEs, the Parties may:

(a) identify ways to assist SMEs of the Parties to take advantage of the commercial opportunities under this Agreement;

(b) collaborate on activities to promote SMEs owned by women and their participation in international trade;

(c) exchange and discuss each Party's experiences and best practices in supporting and assisting SMEs with respect to, among other things, training programs, trade education, trade finance, identifying commercial partners in the other Party, and establishing good business credentials;

(d) discuss current issues relating to SMEs; and

(e) promote the participation of SMEs in digital trade in order to take advantage of the opportunities resulting from this Agreement and rapidly access new markets.

Article 13.3: Information Sharing

1. Each Party shall establish or maintain its own free, publicly accessible website containing information regarding this Agreement, including:

(a) the text of this Agreement including all annexes, tariff schedules, and product specific rules of origin;

(b) a summary of this Agreement; and

(c) information designed for SMEs that contains:

(i) a description of the provisions in this Agreement that the Party considers to be of particular interest to SMEs; and

(ii) any additional information that would be useful for SMEs interested in benefitting from the opportunities provided by this Agreement.

2. Each Party shall include in its website referred to in paragraph 1 links to:

(a) the equivalent websites of the other Party; and

(b) the websites of its own government agencies and other appropriate entities that provide information the Party considers useful to any person interested in trading, or doing business in that Party's territory.

3. The information described in paragraph 2(b) may include:

(a) customs regulations, procedures, and enquiry points;

(b) regulations and procedures concerning intellectual property;

(c) technical regulations, standards, and conformity assessment procedures;

(d) sanitary or phytosanitary measures relating to importation or exportation;

(e) investment regulations;

(f) business registration;

(g) trade promotion programs;

(h) SME financing programs; and

(i) government procurement opportunities.

4. Each Party should endeavor to ensure that the information and links on the website referred to in paragraph 1 are up-to-date and accurate.

5. When possible, each Party shall endeavor to make the information referred to in this Article available in English.

Article 13.4: Contact Points

1. The Parties shall designate contact points to facilitate communication on possible cooperation activities. Contact points will work with their respective government ministries and agencies, business sector representatives, and educational and research institutions for the operation of this Chapter.

2. For the implementation of this Chapter, the following contact points are designated:

(a) for the UAE: Foreign Trade Sector, Ministry of Economy, or its successor; and

(b) for Israel: Foreign Trade Administration, Ministry of Economy and Industry, or its successor;

or the office that the Parties otherwise notify.

Article 13.5: Non-Application of Dispute Settlement

Neither Party shall have recourse to Chapter 15 (Dispute Settlement) for any matter arising under this Chapter.

CHAPTER 14
ECONOMIC COOPERATION

Article 14.1: Objectives

1. The Parties shall promote cooperation under this Agreement for their mutual benefit.

2. Economic cooperation under this Chapter shall be built upon a common understanding between the Parties to support the implementation of this Agreement, with the objective of maximising its benefits.

3. Cooperation between the Parties should contribute to achieving the objectives of this Agreement through the identification and development of cooperation initiatives capable of providing added value to the bilateral relationship.

4. Cooperation between the Parties under this Chapter will involve both Parties and complement the cooperation referred to in other chapters of this Agreement.

Article 14.2: Scope

1. Economic cooperation under this Chapter shall support the effective implementation and utilisation of this Agreement through activities mutually beneficial to the Parties.

2. Economic cooperation under this Chapter shall cover areas agreed by the Parties.

3. Cooperation shall be led by the Contact Points responsible for this Chapter in accordance with Article 14.5, by means of the instruments, resources and mechanisms made available by the Parties to that end and in conformity with each Party's law.

Article 14.3: Means of Cooperation

The Parties will endeavour to encourage technical, technological, and scientific economic cooperation through the following ways:

(a) joint organization of conferences, seminars, workshops, meetings, training sessions, and outreach and education programs;

(b) exchange of delegations, professionals, technicians, and specialists from the academic sector, institutions dedicated to research, private sector, and governmental agencies, including study visits and internship programs for professional training;

(c) dialogue and exchange of experiences between the Parties' private sector and agencies involved in trade promotion;

(d) promotion of joint business initiatives between entrepreneurs of the Parties; and

(e) any other form of cooperation that may be agreed by the Parties.

Article 14.4: Competition Policy

The Parties recognize the importance of general cooperation and consultations in the area of competition policy. The Parties may cooperate to exchange non-confidential information

relating to the development of competition policy, subject to their domestic laws and regulations and available resources. The Parties may conduct such cooperation through their competent authorities. Cooperation and consultations shall be without prejudice to the autonomy of each Party to develop, maintain, and enforce its domestic competition laws and regulations.

Article 14.5: Contact Points

1. The Parties shall designate contact points to facilitate communication on possible cooperation activities. Contact points will work with their respective government ministries and agencies, business sector representatives, and educational and research institutions for the operation of this Chapter.

2. For the implementation of this Chapter, the following contact points are designated:

   (a) for the UAE: Foreign Trade Sector, Ministry of Economy, or its successor; and

   (b) for Israel: Foreign Trade Administration, Ministry of Economy and Industry, or its successor;

   or the offices that the Parties otherwise notify.

Article 14.6: Dispute Settlement

Neither Party shall have recourse to Chapter 15 (Dispute Settlement) for any matter arising under this Chapter.

CHAPTER 15
DISPUTE SETTLEMENT

Section A: Dispute Settlement

Article 15.1: Definitions

For the purposes of this Chapter:

adviser means a person retained by a Party to advise or assist the Party in connection with the panel proceeding;

assistant means, in respect of a panelist, a natural person under the direction and control of the panelist;

candidate means a natural person who is under consideration for appointment as a panelist of a panel;

Complaining Party means a Party that requests the establishment of a panel under Article 15.8;

decision includes a determination of a question in the proceeding, including an initial, interlocutory or final decision;

expert means an expert from whom the panel seeks information and technical advice pursuant to Rule 22 of the Rules of Procedure in Annex 15B;

former panelist means a natural person who served as a panelist on a panel;

legal holiday means every Friday, Saturday and Sunday and any other day designated by a Party as a holiday for the purposes of procedures under this Chapter;

panel means a panel established under Article 15.8;

panelist means a member of a panel established under Article 15.8;

Responding Party means the Party that receives the request for the establishment of a panel under Article 15.8;

proceeding means a panel proceeding under this Chapter; and

representative means an employee of, or any person appointed by, a government department or agency or of another government entity of a Party.

Article 15.2: Objective

The objective of this Chapter is to provide an effective and efficient dispute settlement process between the Parties regarding their rights and obligations under this Agreement.

Article 15.3: Scope and Coverage

Except for matters arising under Chapter 12 (Investment), Chapter 13 (Small and Medium-sized Enterprises) and Chapter 14 (Economic Cooperation), and unless otherwise provided in

this Agreement, the provisions of this Chapter apply with respect to the settlement of disputes between the Parties regarding the interpretation or application of this Agreement or wherever a Party considers that:

(a) a measure of the other Party is inconsistent with one of its obligations under this Agreement; or

(b) the other Party has otherwise failed to carry out one of its obligations under this Agreement.

Article 15.4: Cooperation

1. The Parties shall endeavour to agree regarding the interpretation and application of this Agreement and shall make all efforts through cooperation ,consultation, or other means, to reach a mutually agreed solution concerning any matter that might affect its operation.

2. A solution mutually acceptable to the Parties to a dispute and consistent with this Agreement is clearly preferable. In the absence of a mutually agreed solution, the first objective of this Chapter will generally be to secure the withdrawal of the measures concerned if these are found to be inconsistent with the provisions of this Agreement.

Article 15.5: Choice of Forum

1. Where a dispute regarding any matter arises both under this Agreement and under the WTO Agreement or any other trade agreement to which both Parties are party, the Complaining Party may select the forum in which to settle the dispute.

2. Once the Complaining Party has requested the establishment of, or referred a matter to, a dispute settlement panel under an agreement referred to in paragraph 1, the forum selected shall be used to the exclusion of other fora.

3. For the purposes of paragraph 2:

(a) dispute settlement proceedings under this Chapter are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 15.8;

(b) dispute settlement proceedings under the WTO Agreement are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes, contained in Annex 2 to the WTO Agreement*; and

(c) dispute settlement proceedings under any other agreement are deemed to be initiated when a Party requests the establishment of a dispute settlement panel in accordance with the relevant provisions of that agreement.

Article 15.6: Consultations

1. A Party may request, in writing, consultations with the other Party regarding a matter referred to in Article 15.3.

2. The Party requesting consultations shall deliver the written request to the other Party, setting out the reasons for the request, identifying the measure at issue, a general description of its factual basis and indicating the legal basis of the request under Article 15.3, including the provisions of the Agreement considered to be applicable.

3. The Party to which the request for consultations is made shall reply to the request within 15 days after the date of receipt of the request and consultations shall be held within 30 days of the date of receipt of the request. The consultations shall be deemed to be concluded within 30 days of the date of receipt of the request, unless the Parties agree otherwise.

4. In cases of urgency, including those involving a good that rapidly loses its trade value, such as perishable goods or seasonal goods, consultations shall commence no later than 15 days after the date of receipt of the request by the other Party. The consultations shall be deemed to be concluded within 25 days of the date of the receipt of the request unless the Parties agree otherwise.

5. The Parties shall endeavour to arrive at a mutually satisfactory resolution of the matter through consultations under this Article. To this end, each Party shall:

   (a) provide to the other Party sufficient information that the Party has reasonably available to it to enable a full examination of the measure or matter at issue; and

   (b) treat confidential or proprietary information received in the course of consultations on the same basis as the Party providing the information.

6. Consultations may be held in person or by any other means that the Parties choose. If consultations are held in person, they shall take place in the territory of the Responding Party, unless the Parties decide otherwise.

Article 15.7: Good Offices, Conciliation, and Mediation

1. The Parties may, at any time, agree to enter into procedures for good offices, conciliation, or mediation or any other alternative method of dispute resolution. Such procedures may begin at any time and be suspended or terminated by either Party at any time.

2. Proceedings involving good offices, conciliation, and mediation, and the particular positions taken by the Parties in these proceedings, including documents prepared specifically for the purposes of those procedures, are confidential and without prejudice to the rights of the Parties under this Chapter or any other proceedings.

3. If the Parties agree, procedures for good offices, conciliation or mediation may continue while the panel procedures set out in Article 15.11 proceed.

Article 15.8: Request for the Establishment of a Panel

1. The Complaining Party may request the establishment of a Panel if:

   (a) the Responding Party does not reply to the request for consultations in accordance with the timeframes provided in Article 15.6;

(b) consultations are not held within 30 days of the date of receipt of the request for consultations; or

(c) the Parties have failed to settle the dispute through consultations within 30 days of the date of receipt of the request for consultations and in matters referred to in Article 15.6.4 within 25 days after the date of receipt of the request for consultations;

2. The complaining Party shall deliver a notice of the request for the establishment of a panel in writing to the Agreement Coordinator of the Responding Party and to the Joint Committee. The Complaining Party shall identify in its request the specific measure at issue and shall explain how that measure constitutes a violation of the provisions of this Agreement in a manner that clearly presents the legal basis for the complaint, including by indicating the relevant provisions of this Agreement.

3. A Party shall not request the establishment of a Panel to review a proposed measure.

4. The request to establish a Panel referred to in this Article shall form the terms of reference of the Panel unless otherwise agreed by the Parties.

Article 15.9: Composition of the Panel

1. Unless the Parties agree otherwise, the Panel shall consist of three panelists.

2. Within 30 days of the notification of the request for the establishment of a panel, each Party shall notify the other Party of its appointment of a panelist and propose up to four candidates to serve as the chair of the Panel. If a Party fails to appoint a panelist within this time, the panelist shall be appointed by the other Party from the candidates proposed for the chair by the Party that failed to appoint a panelist, if such a list exists or, in the absence of such a list, from the other Party's proposed candidates.

3. The Parties, within 45 days of the date of receipt of the notification of the request referred to in Article 15.8, shall endeavour to decide, from among the candidates proposed, on a panelist who will serve as chair. If the Parties fail to decide on a chair within this time period, the chair shall be appointed within another seven days, after being selected by lottery from the candidates proposed, in the presence of representatives of both Parties.

4. If a panelist appointed by a Party withdraws, is removed or becomes unable to serve, a replacement shall be appointed by that Party within 30 days and, in cases of urgency, within 15 days, failing which the replacement shall be appointed by the other Party from the candidates proposed for chair in accordance with the second sentence of paragraph 2.

5. If the chair of the panel withdraws, is removed or becomes unable to serve, the Parties shall endeavour to decide on the appointment of a replacement within 30 days and, in cases of urgency, within 15 days, failing which the replacement shall be appointed in accordance with the second sentence of paragraph 3.

6. If an appointment in paragraph 4 or 5 would require selection from the list of candidates proposed for chair and no candidates remain, each Party shall propose up to three additional candidates within 30 days and, within another seven days, the chair shall be

appointed after being selected by lottery from the candidates proposed, in the presence of representatives of both Parties.

7. Removal of a panelist shall take place only for the reasons and according to the procedures detailed in Rules 31 through 33 of the Rules of Procedure in Annex 15B.

8. Any time limit applicable to the proceeding shall be suspended as of the date a panelist or the chair withdraws, is removed or becomes unable to serve, and shall resume on the date the replacement is appointed.

Article 15.10: Qualifications of Panelists

1. All panelists shall:

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

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

   (c) be independent of and not be affiliated with or employed by, or take instructions from, either Party;

   (d) serve in their individual capacities and not take instructions from any organization or government;

   (e) be a national of states having diplomatic relations with both Parties; and

   (f) comply with the Code of Conduct in Annex 15A;

2. Persons who provided good offices, conciliation or mediation to the Parties, pursuant to Article 15.7 in relation to the same matter, shall not be eligible to be appointed as panelists in that matter.

3. Panelists proposed to serve as chair shall not be nationals of either Party nor have their usual place of residence in either Party's territory.

4. Panelists appointed by each Party, unless otherwise agreed by the Parties on a case-by-case basis, may be nationals of the appointing Party or have their usual place of residence in its territory.

Article 15.11: Proceedings of the Panel

1. Unless the Parties otherwise agree, the panel shall follow the rules of procedure established in Annex 15B, which shall ensure:

   (a) a right to at least one hearing before the panel;

   (b) that, the deliberations, hearings, sessions and meetings of the Panel, shall be held in closed sessions.

   (c) an opportunity for each Party to provide initial and rebuttal submissions; and

(d) the protection of information designated by either Party for confidential treatment.

2. A panel, after consultation with the Parties, may establish supplementary rules of procedure that do not conflict with the provisions of this Chapter, including Annex 15B, and ensure equal treatment between the Parties.

3. Unless the Parties agree otherwise, within 15 days of the date of receipt by the Responding Party of the notice referred to in Article 15.8, the terms of reference of the panel shall be:

"To examine, in the light of the relevant provisions of this Agreement, the matter set out in the notice referred to in Article 15.8 and to make findings, determinations and recommendations as provided in Article 15.13."

4. If the Parties agree on other terms of reference than those referred to in paragraph 3, they shall notify the agreed terms of reference to the panel no later than 5 days after their agreement.

5. If requested by the Parties, the terms of reference of a panel shall include determining the degree of adverse trade effects on a Party of a measure found to be inconsistent with an obligation in this Agreement.

6. The panel, on request of a Party, or on its own initiative, may seek information and technical advice, subject to the rules of procedure established in Annex 15B.

7. The panel may delegate the authority to make administrative and procedural decisions to the chair.

8. The panel, in light of unexpected developments and after consultation with the Parties, may modify a time period applicable in the panel proceedings and make other procedural or administrative adjustments required for the fairness or efficiency of the proceedings.

9. If a Party considers a matter to be a case of urgency, including a case involving a good that rapidly loses its trade value such as perishable goods, that Party may submit a reasoned request to the panel for an accelerated time period for the panel proceedings. Upon receipt of such a request, the panel shall provide the other Party with the opportunity to comment and shall issue its decision on whether an accelerated time period will apply within 10 days of the appointment of the last panelist.

10. The panel shall make its findings, determinations and recommendations under Article 15.13 by consensus or, in the event that the panel is unable to reach consensus, by a majority of its members.

11. Panelists may furnish separate opinions on matters not unanimously decided. A panel shall not disclose which panelists are associated with majority or minority opinions.

12. Unless the Parties agree otherwise, the expenses of the panel and other expenses associated with the conduct of its proceedings, including the remuneration of the panelists, shall be borne in equal shares by the Parties, in accordance with the rules of procedure established in Annex 15B.

13. All proceedings, written submissions, oral arguments or presentations, the report of the panel and all written or oral communications between the Parties and with the panel, shall be conducted in English.

Article 15.12: Panel Suspension and Termination Procedures

1. The Parties 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 proceedings shall be resumed upon the request of either Party. 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 otherwise agree.

2. The suspension or termination of the panel's proceedings is without prejudice to the rights of either Party in other proceedings on the same matter under this Chapter.

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

4. The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time to terminate the proceedings of a panel. In such event, the Parties shall jointly notify the chair of the panel and the Joint Committee of any such solution. Upon notification of the mutually agreed solution, any dispute settlement procedure under this Chapter shall be terminated.

Article 15.13: Panel Reports

1. Unless the Parties decide otherwise, the panel shall issue its report in accordance with the provisions of this Chapter, including the rules of procedure established in Annex 15B.

2. The panel shall base its report on the provisions of this Agreement as interpreted and applied in accordance with customary rules of interpretation of public international law, the submissions and arguments of the Parties, and information and technical advice before it under the provisions of this Chapter.

3. The panel shall issue an initial report to the Parties within 90 days, and in cases of urgency, within 60 days, of the appointment of the last panelist. This report shall contain:

   (a) findings of fact and the basis upon which these findings were determined;

   (b) a determination and reasoning as to whether the Responding Party has complied with its obligations under this Agreement and any other finding or determination requested in the terms of reference;

   (c) if the Panel determines that a measure is inconsistent with a provision of this Agreement, a recommendation to bring the measure into conformity with that provision; and

   (d) a recommendation for resolution of the dispute, if requested by a Party. This recommendation shall not include payment of monetary compensation.

4. The initial report of the panel shall be confidential.

5. Each Party may submit written comments to the Panel on its initial report within 14 days of the presentation of the report. After considering any written comments by the Parties on the initial report, the Panel may modify its report and make any further examination it considers appropriate.

6. The panel shall present to the Parties a final report within 30 days, and in cases of urgency within 20 days, of the presentation of the initial report.

7. Unless the Parties decide otherwise, the final report of the panel may be published by either Party 15 days after it is presented to the Parties, subject to Rule 21(b) of the Rules of Procedure in Annex 15B.

Article 15.14: Implementation of the Final Report

1. The Party concerned shall promptly comply with the determination or recommendation contained in the final report of the Panel. If it is impracticable to do so, the Parties shall endeavor to agree on a reasonable period of time to comply. In the absence of such agreement, within 30 days of the date of the issuance of the final report, either Party may request the original Panel to determine the length of the reasonable period of time in light of the particular circumstances of the case. A guideline for the Panel shall be that the reasonable period of time to comply with the determination or recommendation should not exceed 15 months from the date the final report was issued. The ruling of the Panel shall be given within 30 days from that request.

2. In case of disagreement as to the existence of a measure complying with the determination or recommendation in the final report or the consistency of that measure with the determination or recommendation of the Panel, the Complaining Party may request, in writing, that the original Panel decide on the matter. Such request shall be notified simultaneously to the Responding Party and to the Joint Committee. Such dispute shall be decided by the same Panel before compensation can be sought or suspension of benefits can be applied in accordance with Article 15.15. In the event the original Panel, or any of its members, is not available, the procedures established in Article 15.9 shall apply.

3. The ruling of the Panel shall normally be rendered within 90 days.

Article 15.15: Compensation and Non-implementation –Suspension of Benefits

1. If the Responding Party fails to properly comply with the determination or recommendation in the final report within a reasonable period of time as provided for in paragraph 1 of Article 15.14, the Responding Party shall, if so requested by the Complaining Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within 20 days from the request, the Complaining Party shall be entitled to suspend the application of benefits granted under this Agreement but only equivalent to those affected by the measure that the Panel has found to be inconsistent with this Agreement.

2. In considering what benefits to suspend, the Complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure that the

Panel has found to be inconsistent with this Agreement. The Complaining Party that considers it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.

3. Compensation and suspension of benefits shall be temporary measures and shall only be applied by the Complaining Party until the measure found to be inconsistent with this Agreement has been withdrawn or amended so as to bring it into conformity with this Agreement, or until the Parties have settled the dispute otherwise.

4. Benefits shall not be suspended until the Panel has issued its ruling.

5. The Complaining Party shall notify the Responding Party of the benefits which it intends to suspend, the grounds for such suspension and when suspension will commence, no later than 30 days before the date on which the suspension is due to take effect. Within 15 days of that notification, the Responding Party may request the original panel to rule on whether the benefits which the Complaining Party intends to suspend are equivalent to those affected by the measure found to be inconsistent with this Agreement, and whether the proposed suspension is in accordance with paragraphs 1 and 2. In the event the original Panel, or any of its members, is not available, the procedures established in Article 15.9 shall apply.

6. In the written notice of the request referred to in paragraph 4, the Party shall identify the specific measure at issue and provide a brief summary of the legal basis of the complaint in a manner that is sufficient to present the problem clearly.

7. Subject to Article 15.11.8, the ruling of the Panel shall be given within 45 days of that request.

8. Procedures established in Article 8, the provisions of Articles 15.11 and 15.12 and of Annex 15B (Rules of Procedure), shall apply to a Panel reconvened under this Article.

Article 15.16: Compliance Review

1. Without prejudice to the procedures set out in Article 15.15.4, if the Responding Party considers that it has eliminated the non-conformity, it may refer the matter to the Panel by providing written notice to the Complaining Party. The Panel shall reconvene as soon as possible after delivery of the request and shall issue its report on the matter within 60 days after the Responding Party provides notice.

2. If the Panel decided that the Responding Party has eliminated the non-conformity, the Complaining Party shall promptly reinstate any benefits it has suspended under Article 15.15.

Article 15.17: Time Limits

Any time limit referred to in this Chapter may be reduced, waived, or extended, by mutual agreement of the Parties.

Article 15.18: Remuneration and Expenses

The remuneration and expenses of the Panel shall be borne in equal parts by the Parties in accordance with Annex 15B (Rules of Procedure). All other expenses not specified in Annex 15B (Rules of Procedure) shall be borne by the Party incurring those expenses.

Section B: Domestic Proceedings and Private Commercial Dispute Settlement

Article 15.19: Private Rights

A Party shall not provide a right of action under its law against the other Party on the ground that an act or omission of that other Party is inconsistent with this Agreement.

Article 15.20: Alternative Dispute Resolution

Each Party shall encourage the use of arbitration and other means of alternative dispute resolution, to the extent possible, in order to settle international commercial disputes between private parties.

ANNEX 15A
CODE OF CONDUCT FOR PANELISTS AND OTHERS ENGAGED IN DISPUTE SETTLEMENT PROCEEDINGS UNDER THE UAE – ISRAEL CEPA

General Rule

1. A candidate and a panelist shall:

   (a) avoid impropriety and the appearance of impropriety;

   (b) be independent and impartial;

   (c) avoid direct and indirect conflicts of interests;

   (d) observe high standards of conduct so that the integrity and impartiality of the dispute settlement mechanism is preserved; and

   (e) take appropriate measures to ensure that assistants and experts comply with this Code of Conduct.

2. A candidate shall not accept appointment as a panelist unless the candidate is fully satisfied of his or her ability to comply with the requirements of this Code of Conduct.

3. A panelist shall select an expert or assistant only if he or she is fully satisfied with the ability of the expert or assistant to comply with the requirements of this Code of Conduct. The selected expert or assistant shall accept the selection only if he or she is fully satisfied of his or her ability to comply with these requirements.

Disclosure Obligations

4. A candidate shall, prior to being appointed as a panelist under Article 15.9, disclose any interest, relationship or matter that might create an appearance of impropriety or bias in the proceeding or is likely to affect the candidate's independence or impartiality, by completing and providing to both Parties the Undertaking Form in the Appendix to this Annex. To this end, a candidate shall make reasonable efforts to become aware of any such interests, relationships and matters.

5. An expert or assistant shall, prior to accepting an invitation to participate in panel proceedings, disclose an interest, relationship or matter that might create an appearance of impropriety or bias in the proceeding or is likely to affect the assistant's or the expert's independence or impartiality, by completing and providing to both Parties the Undertaking Form in the Appendix to this Annex. To this end, an expert or an assistant shall make reasonable efforts to become aware of any such interests, relationships and matters.

6. Without limiting the generality of the obligation in paragraphs 4 or 5, a candidate, expert or assistant shall disclose the following interests, relationships and matters:

   (a) for the candidate, expert or assistant, or the candidate's, expert's or assistant's employer, partner, business associate or family member:

(i) a direct or indirect financial, business, property, professional or personal interest:

(A) in the proceeding or in its outcome, and

(B) in an administrative proceeding, a domestic court proceeding, or another panel or committee proceeding that involves an issue that may be decided in the proceeding for which the candidate, expert or assistant is under consideration, and

(ii) a past or existing financial, business, professional, family or social relationship with a party that has an interest in the proceeding or their counsel; and

(b) for the candidate, expert or assistant: public advocacy, including public statements of personal opinion, or legal or other representation concerning an issue in dispute in the proceeding or involving the same type of good, service, or government procurement.

7. A candidate, expert or assistant is not required to identify interests, relationships, or matters that are unlikely to affect his or her independence or impartiality or that are unlikely to create an appearance of impropriety or bias in the proceeding. Disclosure obligations shall be interpreted and applied in light of the need to respect the personal privacy of candidates, experts and assistants.

8. Once selected, a panelist, expert or assistant shall continue to make all reasonable efforts to become aware of any interest, relationship or matter referred to in paragraphs 4, 5 or 6. A panelist, expert or assistant shall disclose any new relevant information in writing to the Parties as soon as they become aware of that information.

9. A candidate, panelist, expert or assistant shall not communicate matters concerning actual or potential violations of this Code of Conduct unless the communication is to both Parties or is necessary to ascertain from a third party whether that candidate, panelist, expert or assistant has violated or may violate this Code of Conduct.

10. Disclosures made pursuant to this Code of Conduct do not determine whether or under what circumstances the Parties will disqualify:

(a) a candidate or panelist from being appointed to or serving as a member of a panel; or

(b) an expert or assistant from participating in panel proceedings.

Performance of Duties

11. A panelist shall be available to perform, and shall perform, his or her duties thoroughly and expeditiously throughout the course of the proceeding.

12. A panelist shall carry out his or her duties fairly and diligently.

13. A panelist shall consider only those issues raised in the proceeding and necessary for a ruling, and shall not delegate the duty to another person, except as provided in the Rules of Procedure.

14. A panelist shall ensure that he or she can be contacted at all reasonable times to conduct business relating to the proceeding.

Independence and Impartiality of Panelists, Experts and Assistants

15. A panelist, expert or assistant must be independent and impartial and avoid creating an appearance of impropriety or bias and shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party or fear of criticism.

16. A panelist, expert or assistant shall not, directly or indirectly, incur an obligation or accept a benefit that would interfere, or reasonably appear to interfere, with the proper performance of the panelist's, expert's or assistant's duties.

17. A panelist, expert or assistant shall not use his or her involvement in panel proceedings to advance a personal or private interest and shall avoid conduct that may create the reasonable impression that others are in a special position to influence him or her.

18. A panelist or assistant shall not allow financial, business, professional, family or social relationships or responsibilities to influence his or her conduct or judgement.

19. An expert shall not allow financial, business, professional, family or social relationships or responsibilities to influence or impair his or her impartiality or independence in the performance of his or her duties concerning an issue in dispute in the proceedings.

20. A panelist, expert or assistant shall avoid entering into a relationship or acquiring a financial interest that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

21. A panelist shall not engage in *ex parte* contacts concerning the proceeding.

22. A panelist or assistant shall exercise his or her position without accepting or seeking instructions from any international, governmental or non-governmental organisation or any private source. The panelist, expert or assistant shall not have intervened in any previous stage prior to the proceedings unless otherwise agreed by the Parties.

23. A natural person acting as an expert in his or her own capacity shall exercise his or her duties without accepting or seeking instructions from any international, governmental or non-governmental organisation or any private source concerning an issue in dispute in the proceedings.

Obligations of Former Panelists, Experts and Assistants

24. A former panelist, expert or assistant shall avoid conduct that may create the appearance that the former panelist, expert or assistant was biased in carrying out his or her duties or derived advantage from the decision or ruling of the panel.

Confidentiality

25. A candidate, panelist, former panelist, expert or assistant shall not:

    (a) disclose or use confidential information concerning the proceeding, or acquired during the proceeding, except for the purposes of the proceeding or except as required by law;

    (b) disclose a panel ruling or part of a ruling prior to its publication in accordance with Article 15.13.7;

    (c) make a public statement about the proceeding; or

    (d) disclose the issues in dispute, the deliberations of the panel or a panelist's view.

26. In case the disclosure referred to in paragraph 25(a) is required by law, the candidate, panelist, former panelist, expert or assistant shall provide sufficient advance notice to the Parties and the disclosure shall not be broader than necessary to satisfy the legitimate purpose of the disclosure.

Good Offices, Conciliation, and Mediation

27. In the event of recourse to Article 15.7, the Parties shall determine which provisions of this Code of Conduct shall apply.

APPENDIX 15A-a
UNDERTAKING FORM FOR USE BY PANELISTS
AS WELL AS ASSISTANTS AND EXPERTS PARTICIPATING
IN PANEL PROCEEDINGS

UAE-Israel CEPA
Undertaking

In the Matter of Proceeding (title)

I have read the Code of Conduct for Dispute Settlement Procedures for the UAE-Israel Comprehansive Economic Partnership Agreement[52] and affirm that I comply with the standards set out in that Code of Conduct.

To the best of my knowledge there is no reason why I should not accept appointment as a panelist /assistant/ expert in this proceeding.

The following matters could potentially be considered to affect my independence or impartiality, or might create an appearance of impropriety or an apprehension of bias in the proceeding:

(Set out the details of any interests covered by paragraphs 4 and 5 and, in particular, all relevant information covered by paragraph 6.)

I recognise that, once appointed, I have a continuing duty to uphold all obligations specified in this Code of Conduct, including to make all reasonable efforts to become aware of any interest, relationship or matter referred to in this Code of Conduct that may arise during any stage of the proceeding. I will disclose in writing any applicable interest, relationship or matter to the Parties as soon as I become aware of it.

Signature _____

Name _____

Date _____

[52] Signatories of the Undertaking are advised that some terms used in the Code are defined in Article 15.1 or Article 1.7 (Definitions of General Application).

ANNEX 15B
RULES OF PROCEDURE

Application

1. The following rules of procedure apply to a dispute settlement proceeding under Chapter 15 of this Agreement, unless the Parties decide otherwise.

Consultations

2. Both Parties shall make available personnel of their governmental agencies or other regulatory bodies with expertise in the subject matter of the consultations.

Administration of Proceedings

3. The Party in whose territory the proceedings take place shall be in charge of the logistical administration of dispute settlement proceedings, in particular the organisation of hearings, unless the Parties decide otherwise.

Written Submissions and Other Documents

4. Each Party shall deliver the original and a minimum of three copies of any written submission to the panel and one copy to the Coordinator of the other Party. Delivery of submissions and any other document related to the panel proceeding may be made by electronic mail or, if the Parties decide, by other means of electronic transmission, that provides a record of its sending. When a Party delivers physical copies of written submissions or any other document related to the panel proceeding, that Party shall deliver at approximately the same time an electronic version of the submissions or other documents.

5. The Complaining Party shall deliver to the panel an initial written submission no later than 10 days after the date on which the last panelist is appointed. The Responding Party, in turn, shall deliver a written counter-submission to the panel no later than 25 days after the date on which the initial written submission of the Complaining Party is due.

6. Each Party shall also provide a copy of its written submission to the other Party at the same time as it is delivered to the panel

7. The panel, in consultation with the Parties, shall establish dates for the delivery of the subsequent written rebuttal submissions of the Parties and any other written submissions that the panel determines are appropriate.

8. At any time, a Party may correct minor errors of a clerical nature in any written submission or other document related to the panel proceeding by delivering a new document clearly indicating the changes.

9. If the last day for delivery of a document falls on a legal holiday observed by either Party or on another day on which the government offices of either Party are closed by order of the government or by *force majeure*, the document may be delivered on the next business day.

Operation of Panels

10. The chair of the panel shall preside at all of the panel's meetings.

11. The panel may conduct its business by any appropriate means, including by telephone, video or computer links.

12. The panel, in consultation with the Parties, may employ:

    (a) an assistant, interpreter, translator or stenographer as it requires to carry out its functions; and

    (b) an additional reasonable number of such natural persons it deems necessary for the proceedings.

13. Only panelists may take part in the deliberations of the panel. The panel may, in consultation with the Parties, permit the natural persons employed by the panel to be present during the panel's deliberations.

14. The panelists and the natural persons employed by the panel shall maintain the confidentiality of the panel's deliberations and any information that is protected under Rule 21 and paragraphs 25 and 26 of Annex A.

Hearings

15. In every dispute arising under Chapter 15 of this Agreement, there shall be at least one hearing. The panel may convene additional hearings in consultation with the Parties.

16. The chair shall fix the date and time of the initial hearing and any subsequent hearing in consultation with the Parties and the panelists, and then notify the Parties in writing of those dates and times. All panelists shall be present at hearings.

17. Unless the Parties agree otherwise, the hearings shall take place in the territory of the Responding Party or virtually if the parties so agree.

18. No less than five days before the date of a hearing, each Party shall deliver to the other Party and the panel a list of the names of the persons who will be present at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.

19. Panels shall normally afford the Complaining Party and the Responding Party equal time for arguments, replies and counter replies.

20. The panel shall arrange the preparation of hearing transcripts, if any, and shall, as soon as possible after these transcripts are prepared, deliver a copy to each Party.

21. The Parties, their advisers and representatives shall maintain the confidentiality of the panel's initial report, and all written submissions to, and communications with, the panel, in accordance with the following procedures:

    (a) a Party may make available to the public at any time its own written submissions;

    (b) each Party shall ensure that information designated by either Party for treatment as confidential information, is protected;

    (c) a Party shall, upon request of the other Party, provide a non-confidential version of its written submissions, transcript of oral statements and written responses to requests or questions from the panel that may be made available to the public; and

    (d) each Party shall take such reasonable steps as necessary to ensure that its experts, interpreters, translators, court reporters and other persons involved in the panel proceedings maintain the confidentiality of the panel proceedings.

Role of Experts

22. At the request of a Party, or on its own initiative, the panel may seek information and technical advice from any person or body that it deems appropriate, subject to Rules 23 through 28 and additional terms and conditions as the Parties may decide. The requirements set out in Article 15.10.1(b), (c), (e) and (f) shall apply to the experts as appropriate.

23. Before the panel seeks information or technical advice, it shall notify the Parties of its intention to seek information or technical advice under Rule 22 and the reasons for seeking it. In addition, the panel shall identify the expert from whom the information or technical advice is sought. The panel shall provide the Parties with an adequate period of time to submit comments and take into consideration these comments.

24. The panel shall only seek information or technical advice relating to the factual or legal issues before it.

25. The panel shall set a reasonable time limit for the submission of the information or the technical advice under Rule 21, which shall normally be no longer than 60 days.

26. If information or technical advice is sought under Rule 22, the panel may suspend any time limit applicable to the panel proceedings until the date the information or the technical advice is delivered to the panel.

27. The panel shall provide the Parties with a copy of any information or technical advice received under Rule 22 and provide them with an adequate period of time to submit comments.

28. If the panel takes into consideration the information or technical advice received under Rule 22 for the preparation of its report, it shall also take into consideration any comments or observations submitted by the Parties with respect to that information or technical advice.

Burden of Proof

29. A Complaining Party asserting that a measure of the other Party is inconsistent with the provisions of this Agreement shall have the burden of establishing that inconsistency. If the Responding Party asserts that a measure is subject to an exception or exemption under this Agreement, it shall have the burden of establishing that the exception or exemption applies.

Ex Parte Contacts

30. The panel shall not meet with or contact a Party in the absence of the other Party. Subject to Article 15.11.7, a panelist shall not discuss any aspect of the subject matter of the proceeding with the Parties in the absence of the other panelists.

Removal of a panelist

31. If a Party considers that a panelist or the chair is not in compliance with the requirements of the Code of Conduct and for this reason must be replaced, that Party shall immediately notify the other Party. Upon receipt of this notice, the Parties shall consult and, if they so decide, shall replace the panelist or the chair and select a replacement using the procedure set out in Article15.9.4 or 15.9.5 and, if necessary, Article15.9.6.

32. If the Parties fail to decide on the need to replace a panelist, either Party may request that the matter be referred to the chair of the panel, whose decision shall be final. The chair shall render a decision within 10 days of the request. If the chair decides that the panelist should be replaced, a replacement shall be selected using the procedure set out in Article 15.9.4 and, if necessary, Article 15.9.6.

33. If the Parties fail to decide on the need to replace the chair, either Party may request that the matter be referred to the two remaining panelists, whose decision shall be final. The panelists shall render a decision within 10 days of the request. If the panelists decide that the chair should be replaced, or if the panelists cannot reach a decision within 10 days of the request, a replacement shall be selected using the procedure set out in Article 15.9.5 and, if necessary, Article 15.9.6.

Remuneration and Payment of Expenses

34. For the purposes of Article 15.11.12:

    (a) the amount of remuneration of the panel shall be set by the Joint Committee in accordance with Article 17.3 (Functions of the Joint Committee); and

    (b) the expenses of the panel include travel and lodging expenses and all general expenses of the panelists and experts appointed by the panel.

35. Each panelist shall keep a record and render a final account to the Parties of their time and expenses. The chair of the panel shall keep a record and render a final account to the Parties of all general expenses.

CHAPTER 16
EXCEPTIONS

Article 16.1: General Exceptions

1. For the purposes of this Agreement, Article XX (General Exceptions) of the GATT 1994 is incorporated into and made part of this Agreement with any necessary modifications.

2. Notwithstanding paragraph 1, for the purposes of Chapters 8 (Trade in Services) and 9 ((Digital Trade)[53], Article XIV of GATS, including its footnotes, is incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 16.2: Security Exceptions

Nothing in this Agreement shall be construed:

(a) to require a Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or

(b) to preclude a Party from applying measures that it considers necessary for the fulfillment of its obligations under the United Nations Charter with respect to the maintenance or restoration of international peace or security, or for the protection of its own essential security interests, or in order to carry out obligations it has accepted for the purpose of maintaining international security.

Article 16.3: Taxation

1. Except as set out in this Article, this Agreement does not apply to a taxation measure.

2. This Agreement does not affect the rights and obligations of a Party under a tax convention. In the event of any inconsistency between this Agreement and a tax convention, the tax convention prevails.

3. If a provision with respect to a taxation measure under this Agreement is similar to a provision under a tax convention, the competent authorities identified in the tax convention shall use the procedural provisions of that tax convention to resolve an issue that may arise under this Agreement.

4. Notwithstanding paragraphs 2 and 3, Article 2.3 (National Treatment) and the provisions of this Agreement necessary to give effect to that Article apply to a taxation measure to the same extent as Article III of the GATT 1994.

Article 16.4: Disclosure of Information

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

[53] Article 16.1 is without prejudice to whether digital products should be classified as goods or services.

CHAPTER 17
ADMINISTRATION OF THE AGREEMENT

Article 17.1: Establishment of the Joint Committee

1. The Parties hereby establish a Joint Committee comprising representatives of each Party (hereinafter "Joint Committee").

2. The Joint Committee shall be co-chaired by the Minister of Economy for the UAE, or its successor, and the Minister of Economy and Industry for Israel, or its successor, or their respective designees.

Article 17.2: Functions of the Joint Committee

1. The functions of the Joint Committee shall be as follows:

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

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

   (c) to ensure the proper implementation, facilitation and operation of this Agreement and the application of its provisions, and consider other ways to attain its general objectives;

   (d) to evaluate the results obtained from the application of this Agreement, in particular the evolution of trade and economic relations between the Parties;

   (e) without prejudice to Chapter 15 (Dispute Settlement) and other provisions of this Agreement, to explore the most appropriate way to prevent or solve any difficulty that may arise in relation to issues covered by this Agreement;

   (f) to supervise and coordinate the work of all subcommittees and working groups established under this Agreement and recommend any necessary action;

   (g) to evaluate and adopt decisions or make recommendations as envisaged by this Agreement regarding any subject matter which is referred to it by any subcommittee, working group, and other body established under this Agreement;

   (h) to supervise the further development of this Agreement;

   (i) to keep under review the possibility of further removal of obstacles to trade between the Parties;

   (j) to consider any other matter that may affect the operation of this Agreement; and

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

2. The Joint Committee may:

   (a) agree to the initiation of negotiations, with the aim of deepening the liberalisation already achieved in sectors covered by this Agreement;

   (b) recommend to the Parties to adopt any amendment or modification to the provisions of this Agreement. Any such amendment shall enter into force in accordance with the procedure set forth in Article 18.6 (Entry into Force);

   (c) modify by a Joint Committee decision:

      (i) the Tariff Reduction or Elimination Schedules set out in Annex 2B and Annex 2C with the purpose of adding one or more goods excluded in the Schedule of a Party;

(ii) the phase-out periods established in the Tariff Reduction or Elimination Schedules set out in Annex 2B and Annex 2C;

(iii) the Product Specific Rules (PSRs) (Annex 3A), the Certificate of Origin (Annex 3B), and the Approved Exporter Declaration Pursuant to Article 3.20 (Annex 3C).

(iv) the Rules of Procedure for Panel Proceedings established in Annex 15B and the Code of Conduct established in Annex 15A.

Each Party shall implement, subject to the completion of its applicable internal legal procedures and upon notification of such, any modification referred to in this subparagraph, within such period as the Parties may agree;

(d) adopt interpretations of the provisions of this Agreement. Such interpretations shall be taken into consideration by a Panel established under Chapter 15 (Dispute Settlement). However, interpretations adopted by the Joint Committee shall not constitute an amendment or modification to the provisions of this Agreement; and

(e) take such other action in the exercise of its functions as the Parties may agree.

3. For the purposes of this Article, the Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee.

4. The Joint Committee shall establish its own working procedures.

5. Unless the Parties agree otherwise:

(a) the Joint Committee shall meet once every two years;

(b) the Joint Committee shall convene in regular sessions, alternately in each country; and

(c) in special session, within 30 days of the written request of a Party, such session to be held in the other Party's country or at such location as the Parties may agree or by any other technological means available.

6. Meetings of the Joint Committee and of any standing or *ad hoc* subcommittees or working groups may be conducted in person or by any other means as determined by the Parties.

Article 17.3: Establishment of Subcommittees, Working Groups, and Other Bodies

1. The Joint Committee may restructure standing subcommittees and establish and delegate responsibilities to other subcommittees, working groups, or any other bodies comprised of representatives from both Parties, in order to assist it in the performance of its tasks. For that purpose, the Joint Committee shall determine the composition, duties, and rules of procedure of such subcommittees, working groups or other bodies.

2. The subcommittees, working groups, and other bodies shall inform the Joint Committee, sufficiently in advance, of their schedule of meetings and of the agenda of those meetings. The subcommittees, working groups, and other bodies shall submit summaries of their meetings to the Joint Committee.

Article 17.4Article 17.4: Communications

1. Each Party shall designate an Agreement Coordinator.

2. The Agreement Coordinators shall:

(a) receive and facilitate official communications among the Parties on any matter relating to this Agreement;

(b) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided for in this Agreement;

(c) work jointly to develop agendas;

(d) make other preparations for the Joint Committee meetings;

(e) follow-up on the Joint Committee's decisions as appropriate;

(f) receive and respond to any notifications, requests, and information submitted under this Agreement, unless otherwise provided for in this Agreement; and

(g) assist the Joint Committee in any other matter referred to them by the Joint Committee.

3. To the extent possible, all official communications in relation to this Agreement shall be in English.

CHAPTER 18
FINAL PROVISIONS

Article 18.1: Annexes, Appendices, Side Letters, and Footnotes

The annexes, appendices, side letters, and footnotes to this Agreement constitute an integral part of this Agreement.

Article 18.2: Amendments

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

2. Either Party may submit proposals for amendments to this Agreement to the Joint Committee for consideration and recommendation.

3. Amendments to this Agreement shall enter into force in the same manner as provided for in Article 18.6, unless otherwise agreed by the Parties.

4. An amendment shall constitute an integral part of this Agreement.

Article 18.3: Duration and Termination

1. This Agreement shall be valid for an indefinite period.

2. Either Party may terminate this Agreement by written notification to the other Party. Such termination shall take effect six months after the date of the notification.

Article 18.4: Amendments to the WTO Agreements

1. The Parties understand that any provision of the WTO Agreement, incorporated into this Agreement, is incorporated with any amendments which have entered into force for both Parties at the time such provision is applied.

2. If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended, the Parties may consult on whether it is necessary to amend this Agreement in light of such amendment to the WTO Agreement.

Article 18.5: Accession

Any country, group of countries or customs territory (hereinafter referred to as “acceding Party”) may accede to this Agreement, subject to the Parties’ agreement and to such terms and conditions as may be agreed between the acceding Party and the Parties to this Agreement, and following the completion of their applicable internal legal procedures. Such accession shall be effective 60 days from the date of deposit of the instrument of accession with the Joint Committee.

Article 18.6: Entry into Force

This Agreement shall enter into force 60 days following the date of the latter Diplomatic Note by which the Parties notify each other that their internal legal procedures have been completed and all necessary requirements have been fulfilled for the entry into force of the Agreement, or on any date following the exchange of notes as agreed upon by the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

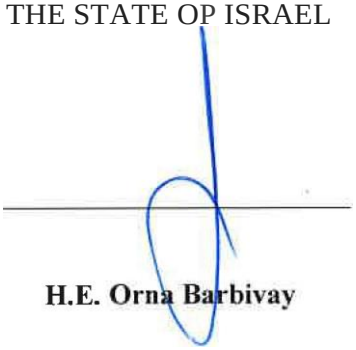
DONE at Dubai, this 31 day of May, 2022, which corresponds to the I day of Sivan in the year 5782 of the Hebrew cale ndar, in two original copies each in the English, Arabic and Hebrew languages, each version being equally authentic. In case of any divergence of interpretation or any discrepancies, the English text shall prevail.

FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES

H.E. Abdulla Bin Touq Al Marri

Minister of Economy

FOR THE GOVERNMENT OF THE STATE OP ISRAEL



H.E. Orna Barbivay

Minister of Economy & Industry