

## **PREAMBLE**

The Governments of the United Arab Emirates (UAE) and the Government of the Republic of Colombia (Colombia); hereinafter being referred to individually as a “Party” and collectively as “the Parties”;

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

**STRENGTHENING** the special bonds of friendship and cooperation between them;

**CONTRIBUTING** to the harmonious development and expansion of world trade by removing obstacles to trade through the creation of a free trade area and by avoiding to create new barriers to trade or investments;

**STRENGTHENING** their economic relations and promoting economic cooperation;

**REAFFIRMING** their membership in the World Trade Organization and their commitment to comply with their respective rights and obligations under the *Marrakesh Agreement Establishing the World Trade Organization* done at Marrakesh on 15 April 1994 (WTO Agreement) and its covered agreements to which they are both parties;

**DETERMINED** to build on their respective rights and obligations under the WTO Agreement and its Annexes including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement);

**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;

**DETERMINED** to develop and strengthen their economic and trade relations through the liberalisation and expansion of trade in goods and services in their common interest and for their mutual benefit, build a predictable market for their goods and services, and establish clear and mutually advantageous rules in order to foster a predictable environment for their trade and investments;

**AIMING** to promote transfer of technology and expand trade;

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

**RECOGNISING** the growing importance of foreign investments in creating, maintaining, and enhancing sustainable economic growth and prosperity for both parties;

**RECOGNISING** that the promotion and protection of investments of investors of one Party in the territory of the other Party will be conducive to the stimulation of mutually beneficial business activity;

**AIMING** to facilitate trade by promoting efficient and transparent customs procedures that reduce costs and ensure predictability for their importers and exporters;

**PROMOTING** broad-based economic development in order to improve living standards;

**IMPLEMENTING** this Agreement in a manner to strengthen their cooperation on environmental matters and endeavour to preserve and protect the environment in accordance with the principal of sustainable development;

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

**EXPLORING** the possibility of promoting the development of their trade as well as the expansion and diversification of their mutual cooperation in fields of common interest, including fields not covered by this Agreement;

**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 Agreement;

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

**REGARDING** to the fact that Colombia is a member of the Andean Community established by the *Cartagena Agreement*; and that Decision 598 of the Andean Community requires Andean Community Member Countries negotiating trade agreements with third countries to preserve the Andean legal system in relations between the Andean Community Member Countries;

**HAVE AGREED**, in pursuit of the above, to conclude the following Agreement (this Agreement):

## **CHAPTER 1**

### **INITIAL PROVISIONS AND GENERAL DEFINITIONS**

#### **Article 1.1: General Definitions**

For the purposes of this Agreement:

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

**customs administration** means customs administration as defined in Chapter 2 (Trade in Goods);

**customs duty** means customs duty as defined in Chapter 2 (Trade in Goods) and Chapter 11 (Digital Trade);

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

**days** means calendar days, including weekends and holidays;

**DSU** means the Understanding on Rules and Procedures Governing the Settlement of Disputes in Annex 2 to the WTO Agreement;

**GATS** means the General Agreement on Trade in Services in Annex 1B to the WTO Agreement;

**GATT 1994** means the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;

**goods** means any merchandise, product, article, or material;

**Harmonized System** or **HS** means the Harmonized Commodity Description and Coding System, including its General Rules for the Interpretation, Section Notes, Chapter Notes, Subheading Notes, and its subsequent amendments;

**Import Licensing Agreement** means the Agreement on Import Licensing Procedures in Annex 1A to the WTO Agreement;

**Joint Committee** means the Joint Committee established pursuant to Article 16.1 (Joint Committee);

**juridical person** means juridical person as defined in Chapter 10 (Trade in Services);

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

**national** means:

- (a) with respect to Colombia, Colombians by birth or naturalization, in accordance with Article 96 of the *Constitución Política de Colombia*; and
- (b) with respect to the UAE, any person who holds citizenship of the State in accordance with the provisions of *Federal Law No. (17) of 1972 Concerning Nationality and Passports* with its amendments;

**natural person** means:

- (a) with respect to the UAE, a national or a permanent resident under the laws and regulations of the UAE; and
- (b) with respect to Colombia, a natural person under the domestic legislation;

**person** means a natural or juridical person as defined in Chapter 10 (Trade in Services);

**preferential treatment** or **preferential tariff treatment** means the duty rate applicable under this Agreement to an originating good as defined in Chapter 3 (Rules of Origin) or under Annex 3A (List of Product Specific Rules (PSRs));

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

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

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

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

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

**territory**<sup>1</sup> means:

- (a) with respect to Colombia, its continental and insular territory, internal waters, the territorial sea, and the air space and maritime areas over which it exercises sovereignty

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<sup>1</sup> Both parties understand that *inter alia* Free Zones, Economic Zones, or other special trade regime areas are an integral part of their territories.

or sovereign rights or jurisdiction in accordance to its domestic law and international law, including applicable international treaties; and

- (b) with respect to the UAE, its land territories, internal waters, territorial sea, including the seabed and subsoil thereof, and airspace over such territories and waters, as well as the contiguous zone, the continental shelf, and exclusive economic zone, over which UAE has sovereignty, sovereign rights, or jurisdiction as defined in its laws, and in accordance with international law;

**TRIPS Agreement** means the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement;<sup>2</sup>

**WTO** means the World Trade Organization; and

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

## **Article 1.2: Establishment of a Free Trade Area**

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

## **Article 1.3: Objectives of the Agreement**

The objectives of this Agreement are:

- (a) to strengthen and enhance trade and economic cooperation in the fields agreed between the Parties;
- (b) to liberalise and facilitate trade between the Parties in accordance with the provisions of this Agreement;
- (c) to enhance investment opportunities and cooperation between the Parties in accordance with the provisions of this Agreement;
- (d) to promote conditions of competition relating to economic relations between the Parties;
- (e) to improve the efficiency and competitiveness of the Parties' manufacturing and services sectors and to expand trade between the Parties, including joint exploitation of commercial and economic opportunities in non-Parties; and

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<sup>2</sup> For greater certainty, "TRIPS Agreement" includes any waiver in force between the Parties of any provision of the TRIPS Agreement granted by WTO Members in accordance with the WTO Agreement.

- (f) to facilitate and enhance interregional economic cooperation and integration and to build upon the Parties' commitments at the WTO.

#### **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 such Parties are party.
2. In the event of any inconsistency between this Agreement and other agreements to which both Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution.

#### **Article 1.5: Regional and Local Government**

1. Each Party shall take reasonable measures as may be available to it to ensure enforcement of the provisions of this Agreement by the regional and local governments and authorities and by non-governmental bodies in the exercise of governmental powers delegated by central, regional, and local governments and authorities within its territories.
2. This provision is to be interpreted and applied in accordance with the principles set out in Article XXIV:12 of the GATT 1994 and Article I:3 of the GATS.

#### **Article 1.6: Transparency**

1. Each Party shall publish or otherwise make publicly available their laws, regulations, as well as their respective international agreements which may affect the operation of this Agreement.
2. Without prejudice to Article 1.7, each Party shall promptly respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1.

#### **Article 1.7: Confidential Information**

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of information designated as confidential by the other Party.
2. Nothing in this Agreement shall require a Party to disclose confidential information, the disclosure of which would impede law enforcement of the Party, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of any economic operator.<sup>3</sup>

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<sup>3</sup> Economic Operator: individuals or of particular enterprises, public or private, including any service supplier as defined in Article 10.1 (Scope and Coverage).

## **CHAPTER 2**

### **TRADE IN GOODS**

#### **Article 2.1: Definitions**

For the purposes of this Chapter:

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

**customs administration** means the authority that, according to the legislation of each Party, is responsible for the administration and enforcement of customs laws and regulations of the Party. In the case of the UAE, it shall be the Federal Authority for Identity, Citizenship, Customs & Port Security and each of the individual Emirates Customs Authorities, and in the case of Colombia, it shall be the National Directorate of Taxes and Customs duties (DIAN);

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

- (a) charge equivalent to an internal tax imposed in conformity with Article III of the GATT 1994;
- (b) anti-dumping or countervailing duty that is applied consistently with the provisions of Article VI of the GATT 1994, the Agreement on the Implementation of Article VI of the GATT 1994, and the SCM Agreement; or
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered and which does not represent a direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes;

**export subsidies** means those referred in Article 1(e) of the Agreement on Agriculture, including any amendment of that Article, and Article 3 of the SCM Agreement; and

**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.

#### **Article 2.2: Scope**

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

### **Article 2.3: National Treatment**

1. The Parties shall accord national treatment in accordance with Article III of the GATT 1994, including its interpretative notes. To this end, Article III of the GATT 1994 and its interpretative notes are incorporated into and form part of this Agreement, *mutatis mutandis*.
2. Paragraph 1 shall not apply to the measures set out in Annex 2A (National Treatment, Export Duties, and Import and Export Restrictions).

### **Article 2.4: Customs Duties**

1. Except as otherwise provided in this Agreement, neither Party shall increase any existing customs duty, or adopt any new customs duty, on an originating good.
2. Except as otherwise provided in this Agreement, each Party shall reduce or eliminate its customs duties on originating goods in accordance with its Tariff Elimination Schedule set out in Annex 2B (Reduction or Elimination of Customs Duties).
3. Where a Party reduces its most-favoured-nation (“MFN”) applied rate of customs duty, that duty rate shall apply to an originating good of the other Party if, and for as long as, it is lower than the customs duty rate on the same good calculated in accordance with Annex 2B (Reduction or Elimination of Customs Duties).

### **Article 2.5: Classification of Goods and Transposition of Schedules**

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 and its amendments.
2. The Parties shall mutually decide whether any revisions are necessary to implement Annex 2B (Reduction or Elimination of Customs Duties) due to periodic amendments and transposition of the HS.
3. If the Parties decide that revisions are necessary in accordance with paragraph 2, the Subcommittee on Trade in Goods shall resolve any conflict between such amendments in accordance with the procedures adopted by the Subcommittee on Trade in Goods established under Article 2.20.
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 set out in its Schedule of Tariff Commitments in Annex 2B (Reduction or Elimination of Customs Duties).
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: Temporary Admission**

1. Each Party shall, in accordance with its respective domestic laws, 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 and materials, including their spare parts, and included goods for sports purposes, 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 or use at playgrounds, theaters, exhibitions, fairs, or other similar events, including but not necessarily limited to commercial samples, advertising materials including printed materials, films, and recordings;
- (c) containers and pallets in use or to be used for refilling;
- (d) machinery and equipment for completion of projects or for conducting the experiments and tests relating to such projects, or for repair; and
- (e) goods entered for completion of processing.

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

- (a) be used in accordance with the legislation of each of the Parties;
- (b) be accompanied by a security deposit in an amount no greater than the customs duty or charges that would otherwise be owed on importation, releasable on exportation of the good;
- (c) be exported on the departure of the person referred to in paragraph 1 or within such period of time as is reasonably related to the purpose of temporary admission;
- (d) be capable of identification when exported;
- (e) not be sold or leased while in its territory;
- (f) not be imported in a quantity greater than is reasonable for its intended use; and
- (g) be otherwise admissible into the importing Party's territory under its laws.

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

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

5. Each Party shall relieve the importer of liability for failure to export a temporarily admitted good upon presentation of satisfactory proof to the Party's Customs Administration that the good has been destroyed within the original time limit for temporary admission or any lawful extension. A Party may condition relief of liability under this paragraph by requiring the importer to receive prior approval from the Customs Administration of the importing Party before the good can be so destroyed.

6. Each Party, through its Customs Administration, shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, these procedures shall provide that when such goods accompany 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.

#### **Article 2.7: Duty-Free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials**

Each Party shall, in accordance with its respective domestic laws and regulations, 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 the solicitation of orders for 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 such materials nor packets form part of a larger consignment.

#### **Article 2.8: Goods Returned or Re-Entered After Repair or Alteration**

1. Neither Party may apply a customs duty to a good, regardless of its origin, that reenters its territory within one year after that good has been 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 its territory, except that a customs duty 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 may apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or alteration, provided such good is exported from the territory of the importing Party according to the national laws and regulations.

3. For the purposes of this Article, "repair" or "alteration" means any operation or process undertaken on a good to remedy operational defects or material damage and entailing the re-establishment of the good to its original function, or to ensure its compliance with technical requirements for its use. Repair or alteration of a good includes restoring, renovating, cleaning,

resterilizing, maintenance, or other operation or process regardless of a possible increase in the value of the good that does not:

- (a) destroy a good's essential characteristics or create a new or commercially different good;
- (b) transform an unfinished good into a finished good; or
- (c) change the function of a good.

#### **Article 2.9: Import and Export Restrictions**

1. Article XI of the GATT 1994 and its interpretive notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.
2. Paragraph 1 shall not apply to the measures set out in Annex 2A (National Treatment, Export Duties, and Import and Export Restrictions).

#### **Article 2.10: Import Licensing**

1. No Party shall adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.
2. Promptly after this Agreement enters into force for a Party, that Party shall notify the other Parties of its existing import licensing procedures, if any. The notice shall include the information specified in Article 5.2 of the Import Licensing Agreement and any information required under paragraph 6.
3. A Party shall be deemed to be in compliance with the obligations in paragraph 2 with respect to an existing import licensing procedure if:
  - (a) it has notified that procedure to the WTO Committee on Import Licensing provided for in Article 4 of the Import Licensing Agreement together with the information specified in Article 5.2 of that agreement;
  - (b) in the most recent annual submission due before the date of entry into force of this Agreement for that Party to the WTO Committee on Import Licensing in response to the annual questionnaire on import licensing procedures described in Article 7.3 of the Import Licensing Agreement, it has provided, with respect to that procedure, the information requested in that questionnaire; and
  - (c) it has included in either the notice described in subparagraph (a) or the annual submission described in subparagraph (b) any information required to be notified to the other Parties under paragraph 6.

4. Each Party shall comply with Article 1.4(a) of the Import Licensing Agreement with respect to any new or modified import licensing procedure. Each Party shall also publish on an official government website any information that it is required to publish under Article 1.4(a) of the Import Licensing Agreement.

5. Each Party shall notify the other Parties of any new import licensing procedures it adopts and any modifications it makes to its existing import licensing procedures, if possible, no later than 60 days before the new procedure or modification takes effect. In no case shall a Party provide the notification later than 60 days after the date of its publication. The notification shall include any information required under paragraph 6. A Party shall be deemed to be in compliance with this obligation if it notifies a new import licensing procedure or a modification to an existing import licensing procedure to the WTO Committee on Import Licensing in accordance with Articles 5.1 through 5.3 of the Import Licensing Agreement, and includes in its notification any information required to be notified to the other Parties under paragraph 6.

6. A notice under paragraph 2, 3, or 5 shall state if, under any import licensing procedure that is a subject of the notice:

- (a) the terms of an import license for any product limit the permissible end users of the product; or
- (b) the Party imposes any of the following conditions on eligibility for obtaining a license to import any product:
  - (i) membership in an industry association;
  - (ii) approval by an industry association of the request for an import license;
  - (iii) a history of importing the product or similar products;
  - (iv) minimum importer or end user production capacity;
  - (v) minimum importer or end user registered capital; or
  - (vi) a contractual or other relationship between the importer and a distributor in the Party's territory.

7. A notice that states, under paragraph 6, that there is a limitation on permissible end users or a license-eligibility condition shall:

- (a) list all products for which the end-user limitation or license eligibility condition applies; and
- (b) describe the end-user limitation or license-eligibility condition.

8. Each Party shall respond within 60 days to a reasonable enquiry from another Party concerning its licensing rules and its procedures for the submission of an application for an import license, including the eligibility of persons, firms and institutions to make an application, the

administrative body or bodies to be approached and the list of products subject to the licensing requirement.

9. If a Party denies an import license application with respect to a good of another Party, it shall, on request of the applicant and within a reasonable period after receiving the request, provide the applicant with a written explanation of the reason for the denial.

10. No Party shall apply an import licensing procedure to a good of another Party unless it has, with respect to that procedure, met the requirements of paragraph 2 or 4, as applicable.

#### **Article 2.11: Customs Valuation**

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

#### **Article 2.12: Export Subsidies**

Upon entry into force of this Agreement, no Party shall maintain, introduce or reintroduce export subsidies or other measures with equivalent effect on all goods traded between them including agricultural products.

#### **Article 2.13: Transparency**

Article X of the GATT 1994 is incorporated into and made a part of this Agreement, *mutatis mutandis*.

#### **Article 2.14: Export Duties**

1. Except as otherwise provided in this Agreement, no 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.

2. Paragraph 1 shall not apply to the measures set out in Annex 2A (National Treatment, Export Duties, and Import and Export Restrictions).

#### **Article 2.15: Administrative Fees and Formalities**

1. Each Party shall ensure, in accordance with Article VIII:1 of the GATT 1994 and its interpretive notes and Article 6 of the WTO Agreement on Trade Facilitation, that all fees and charges of whatever character (other than import and export duties, charges equivalent to an internal tax or other internal charges applied consistently with Article III:2 of the GATT 1994, and antidumping and countervailing duties applied pursuant to its laws or regulations) imposed on, or in connection with, importation or exportation are limited in amount to the approximate cost of

services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

2. Each Party shall promptly publish details and shall make such information available on the internet regarding the fees and charges it imposes in connection with importation or exportation and shall make such information available to the other Party upon written request in English.

#### **Article 2.16: Non-Tariff Measures**

1. Unless otherwise provided, neither Party shall adopt or maintain any non-tariff measure on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its WTO rights and obligations or those of this Agreement.

2. Each Party shall ensure the transparency of its non-tariff measures permitted in paragraph 1 and shall ensure that any such measures are not prepared, adopted, or applied with the view to, or with the effect of, creating unnecessary obstacles in trade with the other Party. Any new measure or modification to an existing measure shall be duly notified to the other Party as soon as practicable, but in any event no later than the day the measure takes effect.

3. Each Party shall ensure that its laws, regulations, procedures, and administrative rulings relating to non-tariff measures are promptly published, including on the internet where feasible, or otherwise made available in such a manner as to enable the other Party to become acquainted with them.

4. If a Party considers that a non-tariff measure of the other Party is an unnecessary obstacle to trade, that Party may nominate such a non-tariff measure for review by the Subcommittee on Trade in Goods by notifying the other Party at least 30 days before the date of the next scheduled meeting of the Subcommittee on Trade in Goods. A nomination of a non-tariff measure for review shall include reasons for its nomination and, if possible, suggested solutions. The Subcommittee on Trade in Goods shall immediately review the measure with a view to securing a mutually agreed solution to the matter. Review by the Subcommittee on Trade in Goods is without prejudice to the Parties' rights under Chapter 18 (Dispute Settlement). The results of the discussions will be reported to the Joint Committee.

#### **Article 2.17: State Trading Enterprises**

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

#### **Article 2.18: Revision Clause**

1. Upon request of a Party, the Parties shall consult to consider accelerating, or broadening the scope of the elimination of customs duties as set out in Annex 2B (Reduction or Elimination of

Customs Duties). Further commitments between the Parties to accelerate the elimination of a customs duty on a good, or to include a good in Annex 2B (Reduction or Elimination of Customs Duties) shall supersede any duty rate or staging category determined pursuant to their respective Schedules of Tariff Commitments. These commitments shall enter into force after the Parties have exchanged notification certifying that they have completed the necessary internal legal procedures and on such dates as may be agreed between the Parties.

2. 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 of Tariff Commitments in Annex 2B (Reduction or Elimination of Customs Duties). Any such unilateral acceleration, or broadening of the scope of, the elimination of customs duties will not permanently supersede any duty rate or staging category determined pursuant to their respective Schedule nor serve to waive that Party's right to impose at a later time the duty rate or staging category that is determined for that later time by their respective Schedule.

3. For greater certainty with respect to paragraph 2, a Party may:

- (a) raise a customs duty back to the level established in its respective Schedule of Tariff Commitments in Annex 2B (Reduction or Elimination of Customs Duties) following a unilateral reduction; or
- (b) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

#### **Article 2.19: Exchange of Data**

1. The Parties recognize the value of trade data in accurately analyzing the implementation of the Agreement. The Parties shall cooperate with a view to conducting periodic exchanges of data relating to trade in goods between the Parties.

2. The Parties may engage in such periodic exchanges within the Subcommittee on Trade in Goods.

3. A Party shall give positive consideration to a request from the other Party for technical assistance for the purposes of exchange of data under paragraph 1.

#### **Article 2.20: Subcommittee on Trade in Goods**

1. The Parties hereby establish a Subcommittee on Trade in Goods under the Joint Committee comprising representatives of each Party.

2. The Subcommittee shall meet upon request of a Party or of the Joint Committee to consider any matter not covered by another Subcommittee arising under this Chapter.

3. The functions of the Subcommittee shall include, *inter alia*:

- (a) promoting trade in goods between the Parties, including through consultations on accelerating and broadening the scope of preferential treatment or tariff elimination under this Agreement and other issues as appropriate;
- (b) addressing barriers to trade in goods between the Parties including those related to non-tariff measures which may restrict trade in goods between the Parties and, if appropriate, referring such matters to the Joint Committee for its consideration;
- (c) providing advice and recommendations to the Joint Committee on cooperation needs regarding trade in goods matters;
- (d) exchanging data on trade in goods in accordance with Article 2.19;
- (e) assessing matters that relate to trade in goods and undertaking any additional work that the Joint Committee may assign to it; and
- (f) reviewing and monitoring any other matter related to the implementation of this Chapter.

## **CHAPTER 3 RULES OF ORIGIN**

### **Section A: Origin Determination**

#### **Article 3.1: Definitions**

For the purposes of this Chapter:

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

**CIF value** means the price actually paid or payable to the exporter for a product when the product is loaded out of the carrier, at the port of importation, including the cost of the product, insurance, and freight necessary to deliver the product to the named port of destination. The valuation shall be made in accordance with Article VII of the GATT 1994, including its notes and supplementary provision thereof, and the Customs Valuation Agreement;

**competent authority** means:

- (a) in the case of the UAE, the Ministry of Economy, or its successor; and
- (b) in the case of Colombia, Directorate on National Taxes and Customs (DIAN), or its successor;

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

**customs authority** means:

- (a) in the case of the UAE, the Federal Authority of Identity, Citizenship, Customs and Port Security, or its successor; and
- (b) in the case of Colombia, Directorate on National Taxes and Customs (DIAN), or its successor;

**customs value** means the value as determined in accordance with Article VII of the GATT 1994 and its interpretative notes, and the Customs Valuation Agreement;

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

**good** means a material or product that has been produced or obtained, even if it is intended for later use in another production operation etc.;

**HS** means the “Chapters” (two-digit codes), the “headings” (four-digit codes), or the “subheadings” (six-digit codes) used in the nomenclature of the 2022 version of the Harmonized System;

**indirect material** means a material used in the production, testing, or inspection of a good but not physically incorporated into the good, or a material used in the maintenance of buildings or the operation of equipment associated with the production of a good, including:

- (a) Fuel and energy;
- (b) tools, dies, and molds;
- (c) spare parts and materials used in the maintenance of equipment and buildings;
- (d) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment and buildings;
- (e) gloves, glasses, footwear, clothing, and safety equipment;
- (f) equipment, devices, and supplies used for testing or inspecting the goods;
- (g) catalysts and solvents;
- (h) any other material that is not incorporated into the good but for which the use in the production of the good can reasonably be demonstrated to be a part of that production;

**manufacture** means any kind of working or processing, including assembly or specific operations;

**material** means any ingredient, raw material, compound or part, etc., 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;

**originating good or originating material** means a good or material that does qualify as originating under this Chapter;

**production** means operations including growing, cultivating, raising, mining, harvesting, fishing, aquaculture, trapping, hunting, capturing, extracting, manufacturing, processing, assembling, or disassembling a good; and

**QVC** means qualifying value added content of a good expressed as a percentage.

### **Article 3.2: Originating Goods**

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

- (a) goods are wholly obtained or produced there according to Article 3.3; or
- (b) goods are not wholly obtained or produced entirely there, provided that the good has satisfied the requirements of Article 3.4; or
- (c) goods are produced there exclusively from originating materials.

and the good meets all other applicable requirements of this Chapter.

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

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

- (a) plants and plant products grown, collected, and harvested there;
- (b) live animals born and raised there;
- (c) products obtained from live animals there;
- (d) mineral products and natural resources extracted or taken from that Party's soil, subsoil, waters, seabed, or beneath the seabed;
- (e) products obtained from hunting, trapping, collecting, capturing, fishing, or aquaculture conducted there;
- (f) product of sea fishing and other marine products taken from outside the territory of the Parties by a vessel and/or produced or obtained by a factory ship registered, recorded, listed or licensed with a Party and flying its flag;
- (g) products, other than products of sea fishing and other marine products, taken or extracted from the seabed, ocean floor, or the subsoil of outside the territories of any of the Parties provided that the Party or person has the right to exploit such seabed, ocean floor, or subsoil;

- (h) raw materials recovered from used goods collected there;
- (i) waste or scrap resulting from utilisation, consumption, or manufacturing operations conducted there, fit only for recovery of raw materials; and
- (j) products produced or obtained there exclusively from products referred to in subparagraphs (a) through (i), or from their derivatives, at any stage of production.

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

1. For the purposes of Article 3.2 (b), a good shall be deemed to be originating if the good satisfies the rule applicable to it as set out in Annex 3A (List of Product Specific Rules (PSRs)).
2. The Joint Committee may modify Annex 3A (List of Product Specific Rules (PSRs)) by mutual agreement.

#### **Article 3.5: Intermediate Goods**

For a non-originating material that undergoes sufficient production in the territory of a Party as provided in Article 3.4, the resulting good shall be considered as originating and no account shall be taken of the non-originating material contained therein when that good is used in the subsequent production of another good.

#### **Article 3.6: De Minimis**

Notwithstanding Article 3.4, a good will be considered to have undergone a change in tariff classification if:

- (a) 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 10% of the Ex-Works price of the good; and
- (b) for goods provided for in Chapters 50 through 63 of the HS code, the weight or 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 10% of the weight or the Ex-Works price of the good.

#### **Article 3.7: Indirect Materials**

An “indirect material” shall be considered to be an originating material without regard to where it is produced.

### **Article 3.8: Accumulation**

1. Originating goods from the territory of a Party, used in the production of a good in the territory of the other Party, shall be considered to originate in the territory of the other Party.
2. Notwithstanding paragraph 1, an originating material from a Party that does not undergo processing beyond the minimal or insufficient operations listed in Article 3.9 in the other Party shall retain its originating status of the former Party.
3. The Joint Committee may agree to review this Article with a view to providing for other forms of accumulation for the purpose of qualifying goods as originating goods under this Agreement.

### **Article 3.9: Insufficient Operations**

Whether or not the requirements of Article 3.4 are satisfied, a good shall not be considered to be originating in the territory of a Party if the following operations are undertaken exclusively by itself or in combination in the territory of that Party:

- (a) operations to ensure the preservation of products in good condition such as drying, freezing, ventilation, chilling, and like operations;
- (b) simple operations consisting of removal of dust, oxide, oil, paint, or other coverings, sifting or screening, sorting, classifying, matching (including assembly of sets of articles), washing, cleaning, roll division, cutting;
- (c) changes in packing and breaking up and assembly of consignments;
- (d) simple cutting, placing in bottles, slicing and re-packing in flasks, bags, cans, cases, boxes, fixing on cards or boards, and all other simple packing operations;
- (e) affixing of marks, labels, logos, or other like distinguishing signs on goods or their packaging;
- (f) slaughter of animals;
- (g) simple<sup>1</sup> painting and polishing operations, including applying oil;
- (h) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (i) ironing or pressing of textiles;

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<sup>1</sup> “Simple” generally describes an activity which does not need special skills, machines, apparatus, or equipment especially produced or installed for carrying out the activity.

- (j) operations to colour or flavour sugar, or form sugar lumps partial or total milling of crystal sugar;
- (k) peeling, stoning, and shelling, of fruits, nuts, and vegetables;
- (l) sharpening, simple grinding, or simple cutting;
- (m) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (n) diluting in water or other substances, provided that the characteristics of the good remain unchanged;
- (o) simple<sup>1</sup> assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (p) simple mixing<sup>2</sup> of products, whether or not of different kinds, simple mixing of sugar with any material;
- (q) any combination of two or more operations referred to in subparagraphs (a) through (p).

### **Article 3.10: Accessories, Spare Parts, Tools**

1. Accessories, spare parts, tools, and instructional or other information materials delivered with a good that form part of the good's standard accessories, spare parts, tools, and instructional or other information materials shall be regarded as a part of the good, and shall be disregarded in determining whether or not all the non-originating materials used in the production of the originating goods undergo the applicable change in tariff classification provided that:

- (a) The accessories, spare parts, tools, and instructional or other information materials are classified with and not invoiced separately from the good; and
- (b) The quantities and value of the accessories, spare parts, tools, and instructional or other information materials presented with the good are customary for the good.

2. Notwithstanding paragraph 1, if the goods are subject to QVC requirement, the value of the accessories, spare parts, tools, and instructional or other information materials shall be taken into

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<sup>2</sup> "Simple mixing" generally describes an activity which does not need special skills, machine, apparatus, or equipment especially produce or install for carrying out the activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

account as originating or non-originating materials, as the case may be, in calculating the QVC of the goods.

#### **Article 3.11: Packaging Materials and Containers for Retail Sale**

1. Each Party shall provide that packaging materials and containers in which a good is packaged for retail sale, if classified with the good, according to Rule 5 of the General rules for the interpretation of the Harmonized System, shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in any applicable product-specific rules.

2. If the good is subject to QVC requirement, the value of such packaging materials and containers shall be taken into account as originating or non-originating materials, as the case may be, in calculating the QVC of the good.

#### **Article 3.12: Packing Materials and Containers for Shipment**

Each Party shall provide that packing materials and containers for shipment are disregarded in determining whether a good is originating.

#### **Article 3.13: Fungible Goods and Materials**

1. In determining whether a good or material is originating any fungible good or material shall be distinguished by:

- (a) physical segregation of the goods; or
- (b) Any inventory management method, such as averaging, last-in-first-out or first-in-first-out, recognized in the Generally Accepted Accounting Principles of the Party in which the production is performed or otherwise accepted by the Party in which the production is performed.

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

#### **Article 3.14: Sets of Goods**

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component goods are originating. However, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of non-originating products does not exceed 15% of the Ex works price of the set.

## **Section B: Territoriality and Transit**

### **Article 3.15: Transit and Transshipment**

1. Each Party shall provide that an originating good retains its originating status if the good has been transported directly to the importing Party without passing through the territory of a non-Party and constituting one single consignment which is not to be split up.
2. Notwithstanding paragraph 1, each Party shall provide that an originating good retains its originating status if transited or is stored in a temporary warehousing through one or more intermediate non-Parties, provided that the good:
  - (a) remained under customs control in the territory of a non-Party; and
  - (b) has not undergone any operation there other than unloading, reloading, repackaging, labeling, split of bulk or consignment, or any operation required to keep them in good condition.
3. Evidence that the conditions set out in paragraphs 1 and 2 have been fulfilled shall be supplied, upon request, to the customs authorities of the importing Party by the submission of:
  - (a) transportation documents, such as airway bills, bills of lading, cargo manifests, or multimodal, or combined transportation documents, that certify transport from the country of origin to the importing Party;
  - (b) a certificate issued by the customs authorities of the non-Party where the goods were in transit, which contains an exact description of the goods, the date and place of loading and re-loading of the goods in that non-Party and the conditions under which the goods were placed; and/or
  - (c) a copy of the customs control documents of the non-Party country, where the transshipment or temporary storage of the goods is evidence and that it remained under customs control.

### **Article 3.16: Principle of Territoriality**

1. The conditions for acquiring originating status set out in Article 3.4 must be fulfilled without interruption in the territory of one or both of the Parties.
2. Where originating goods exported from the territory of a Party to a non-Party, return to the exporting Party and are to be exported to the other Party, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:
  - (a) the returning goods are the same as those exported; and

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

### **Article 3.17: Exhibitions**

1. Originating goods, sent for exhibition in a non-Party other than the territory of either Party and sold after the exhibition for importation in the territory of either Party shall benefit on importation from the provisions of this Agreement provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these goods from the territory of either Party to the non-Party in which the exhibition is held and has exhibited them there;
- (b) the goods have been sold or otherwise disposed of by that exporter to a person in the territory of either Party;
- (c) the goods have been consigned during the exhibition or immediately thereafter in the non-Party to which they were sent for exhibition; and
- (d) the goods have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A proof of origin must be issued or made out in accordance with the provisions of this Chapter and submitted to the customs authorities of the importing Party in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which the products have been exhibited may be required.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair, or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign goods, and during which the goods, remain under customs control.

### **Article 3.18: Importation by Installments**

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System are imported by installments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first installment.

### **Article 3.19: Free Zones**

1. Both Parties shall take all necessary steps to ensure that originating goods traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory,

are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. Notwithstanding paragraph 1, when products originating in the territory of either Party enter into a free zone situated in their territory under cover of a proof of origin undergo treatment or processing and to be exported to the territory of the other Party, a new proof of origin shall be issued, if the treatment or processing undergone is in conformity with the provisions of this Chapter.

3. Goods produced or manufactured in a free zone situated within a Party, shall be considered as originating goods in that Party when exported to the other Party provided that the treatment or processing is in conformity with the provisions of this chapter.

## **Section C: Certification Provisions**

### **Article 3.20: Proof of Origin**

1. Goods originating in a Party shall, on importation into the other Party, benefit from preferential tariff treatment under this Agreement on the basis of a Proof of Origin which shall be completed in the English language.

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

- (a) a paper format<sup>3</sup> certificate of origin in electronic or hard copy issued by a competent authority referred to in Article 3.21;
- (b) a fully digitised Certificate of Origin (E-Certificate) issued by a competent authority and exchanged by a mutually developed electronic system as per Article 3.22; and
- (c) an origin declaration made out by an approved exporter referred to in Article 3.23.

3. Each Party shall provide that a proof of origin remains valid for one year from the date on which it is issued.

### **Article 3.21: Certificate of Origin in Paper Format**

1. A Certificate of Origin in paper format shall:

- (a) be in the Form set out in Annex 3B (Certificate of Origin); the certificate of origin must be properly completed in accordance with its notes; and

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<sup>3</sup> “A paper format” means a Certificate of Origin manually or electronically signed, stamped, and issued in the exporting Party directly from the competent authority system and printed by competent authority, producer or exporter, or his authorized representative.

- (b) may cover one or more goods under one consignment.
2. Each Certificate of Origin shall bear a unique specific number given by the competent authority.
  3. A Certificate of Origin shall bear an authorised signature and official seal of the competent authority. The signature and official seal may be applied electronically.
  4. In case the official seal is applied electronically, a verification of authenticity, such as QR code or secured website, should be included in accordance with the laws and regulations of the exporting Party for the certificate to be deemed as an original copy.
  5. The names and seals of the competent authorities for issuing certificates of origin as well as the record of the names and signatures of the officials accredited for that purpose, shall be notified by each Party.
  6. Before conducting a Verification of Proofs of Origin in accordance with the provisions of Article 3.31, the competent authority of the importing Party may request information on the veracity and authenticity of the Certificate of Origin from the competent authority of the exporting Party.

#### **Article 3.22: Electronic Data Origin Exchange System**

For the purposes of Article 3.20.2 (b) the Parties shall endeavour to develop an electronic system for origin information exchange to ensure the effective and efficient implementation of this Chapter, particularly on the transmission of electronic Certificates of Origin.

#### **Article 3.23: Origin Declaration**

1. For the purposes of Article 3.20.2 (c) the Parties shall, within one year from the date of entry into force of this Agreement, implement provisions allowing each competent authority to recognize an origin declaration made by an approved exporter.
2. The customs authority or 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 (Origin Declaration Pursuant to Article 3.23), 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 customs authorities or 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 customs authorities or the competent authority of the exporting party may grant the status of approved exporter, subject to any conditions which they consider appropriate.

4. The customs authority or the competent authority of the exporting party shall share with the customs authority of the importing party the list of approved exporters and periodically update it. The information exchanged under this paragraph is for the exclusive use of the customs authorities of the Parties.

5. An Origin Declaration shall be made out by the approved exporter by typing, stamping, or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Annex 3C (Origin Declaration Pursuant to Article 3.23). If the declaration is hand-written, it shall be written in permanent ink in legible printed characters.

6. The Origin Declaration shall bear the original signature of the exporter in manuscript. However, an approved exporter shall not be required to sign such declarations provided that the exporter gives the customs authorities of the exporting Party a written undertaking that s/he accepts full responsibility for any invoice declaration which identifies him/her as if it had been signed in manuscript by him/her.

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 3.24: Application for Certificate 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 or under the exporter's responsibility by his or her authorised representative, in accordance with the domestic regulations of the exporting Party.

2. The exporter applying for the issuance of a Certificate of Origin shall be prepared to submit at any time, at the request of the competent 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.

3. Certificates of Origin shall be issued if the goods to be exported can be considered as products originating in the exporting Party in accordance with Article 3.2.

#### **Article 3.25: Examination of Application for a Certificate of Origin**

The competent authority shall, to the best of its competence and ability, carry out proper examination in accordance with the laws and regulations of the exporting Party upon each application for the Certificate of Origin to ensure that:

- (a) the application and the Certificate of Origin are duly completed and signed by the exporter of the good or its authorised representative;

- (b) the origin of the good is in conformity with the provisions of this Chapter;
- (c) the other statements on the Certificate of Origin correspond to the appropriate supporting documentary evidence submitted;
- (d) HS code, description, gross weight, or other quantity and value conform to the good to be exported; and
- (e) multiple items declared on the same Certificate of Origin shall be allowed, provided that each item must qualify separately in its own right.

### **Article 3.26: Treatment of Erroneous Declaration in the Certificate of Origin**

Neither erasures nor superimposition shall be allowed on the Certificate of Origin. Any alterations shall be made by issuing a new Certificate of Origin to replace the erroneous one, indicating the number of the Certificate of Origin that is corrected in the appropriate field of the newly issued Certificate of Origin as detailed in Annex 3B (List of Product Specific Rules (PSRs)).

### **Article 3.27: Certificates of Origin Issued Retrospectively**

1. A Certificate of Origin may exceptionally be issued after shipment of the products to which it relates if:
  - (a) it was not issued at the time of shipment because of errors or involuntary omissions or special circumstances such as fortuitous event or *force majeure*; or
  - (b) it is demonstrated to the satisfaction of the competent authority that a Certificate of Origin was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter must indicate in his/her application the place and date of exportation of the products to which the Certificate of Origin relates and state the reasons for his/her request.
3. The competent authority of the exporting Party may issue a Certificate of Origin retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.
4. It shall be indicated on the Certificates of Origin issued in accordance with paragraph 2 that they were "ISSUED RETROSPECTIVELY" in the appropriate field as detailed in Annex 3B (Certificate of Origin).
5. The provisions of this Article shall be applied to goods which comply with the provisions of this Agreement, and which on the date of its entry into force, are either in transit or are in the territory of the Parties in temporary storage under customs control. This shall be subject to the submission to the customs authorities of the importing Party, within six months from the said date, of a Certificate of Origin issued retrospectively by the competent authority of the exporting Party

together with documents, showing that the goods have been transported directly in accordance with the provisions of Article 3.15.

#### **Article 3.28: Presentation of the Certificate of Origin**

For the purposes of claiming preferential tariff treatment, the importer or its authorised representative shall submit to the customs authority of the importing Party, at the time of filing import declaration, a Certificate of Origin including supporting documentation and other documents as required, in accordance with the laws and regulations of the importing Party.

#### **Article 3.29: Treatment of Minor Discrepancies**

1. The discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the customs authority of the importing Party for the purpose of carrying out the formalities for importing the goods shall not *ipso facto* invalidate the Certificate of Origin, if it does in fact correspond to the goods submitted.
2. Obvious formal errors, such as typing errors, on a proof of origin should 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 this document.

#### **Article 3.30: Record Keeping Requirement**

1. Each Party shall provide that the exporter or the producer in its territory that has provided a Certificate of Origin shall maintain in its territory, for five years after the date on which the proof of origin was issued or for such longer period as the exporting Party may specify, all records necessary to demonstrate that the good for which the producer or exporter provided the Certificate of Origin was an originating good, which may consist of, *inter alia*, the following:
  - (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
  - (b) documents proving the originating status of materials used, issued, or made out in a Party where these documents are used, as provided for in its law;
  - (c) documents proving the working or processing of materials in a Party, issued, or made out in a Party where these documents are used, as provided for in its law; and
  - (d) proof of origin proving the originating status of materials used, completed in a Party.
2. Each Party shall provide that the importer claiming preferential tariff treatment for a good imported into the Party's territory shall maintain, for five years after the date of importation of the good or for such longer period as the Party may specify, such documentation, including a copy of the certificate of origin, as the Party may require relating to the importation of the good.

3. Each Party shall provide that the importer, exporter, or producer may choose to maintain the records in any medium that allows for prompt retrieval, including but not limited to, digital, electronic, optical, magnetic, or written form.

### **Article 3.31: Verification of Proofs of Origin**

1. In order to ensure the proper application of this Chapter, the Parties shall assist each other, through their respective competent authorities, to verify the authenticity of the proofs of origin and the correctness of the information given in these documents.

2. The customs authority or the competent authority of the importing Party may request a verification at random or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the goods in question by means of:

- (a) written requests for additional information from the importer;
- (b) written requests for additional information from the exporter or producer;
- (c) requests to the customs authority or competent authority of the exporting Party for assistance in verifying the origin of the good;
- (d) verification visits to the premises of an exporter or a producer in the territory of the other Party, along with the customs authority of the exporting Party to observe the facilities and the production processes of the good and to review the records referring to origin, including accounting files. Officials of the customs authority or competent authority of the exporting Party should come along as observers to the verification visit when requested by the importing Party; or
- (e) any other procedures to which the Parties may agree.

3. For purposes of paragraph 2(a) and 2(b):

- (a) the written request for additional information made by the importing Party will indicate that the time period the importer, exporter, or producer has to provide the information and documentation required will be 30 days from the date of the receipt of the written request or for such longer period as the Parties may agree; and
- (b) where an exporter or producer fails to provide the information and documentation required within the period referred to in subparagraph (a), the importing Party may deny preferential tariff treatment to the good in question after providing at least a 30-day written notice to the importer, exporter, or producer to provide written comments or additional information that will be taken into account prior to completing the verification.

4. For purposes of paragraph 2(c):

- (a) the customs authority of the importing Party shall provide the customs authority or competent authority of the exporting Party with:
    - (i) the reasons why such assistance for verification is requested;
    - (ii) the Certificate of Origin of the good, or a copy thereof; and
    - (iii) any information and documents as may be necessary for the purpose of such request;
  - (b) the customs authority or competent authority of the exporting Party shall provide the customs authority of the importing Party with a written statement in English, including findings and facts, and any supporting documents made available by the exporter or producer within 30 days of the date of request. Nonetheless, the exporting Party may issue the above-mentioned written statement both in English and in the language required by its law. This statement shall indicate clearly whether the documents are authentic and whether the goods concerned can be considered an originating good and fulfill the other requirements of this Chapter. If the good can be considered an originating good, the statement shall include a detailed explanation of how the good obtained the originating status; and
  - (c) in the cases where the customs authority/competent authority of the exporting Party does not provide the written statement within 150 days of the date of the request or where the written statement does not contain sufficient information, the importing Party may deny the preferential tariff treatment to the relevant good.
5. For purposes of paragraph 2(d):
- (a) If the customs authority of the importing Party is not satisfied with the outcome of the request as per paragraphs 2(b) or 2(c), it may, under exceptional circumstances, for justifiable reasons request a verification visit to the exporting Party;
  - (b) prior to conducting a verification visit, the importing Party shall, through its customs authority:
    - (i) deliver a written notification of its intention to conduct the visit to the exporter or producer whose premises are to be visited, the coverage of the proposed verification visit, including reference to the good subject to the verification and the customs authority or competent authority of the other Party; and
    - (ii) obtain the written consent of the exporter or producer whose premises are to be visited;
  - (c) where an exporter or producer has not given its written consent to a proposed verification visit within 30 days of the receipt of notification pursuant to

subparagraph(a), the notifying Party may deny preferential tariff treatment to the relevant good;

- (d) upon receipt of notification pursuant to subparagraph(a), such an exporter or producer may, within 15 days of receiving the notification, have one opportunity to request to the Party conducting the verification for a postponement of the proposed verification visit, for a period not exceeding 60 days. This extension shall be notified to the customs authority of the importing and exporting Parties; and
- (e) after the conclusion of a verification visit, the customs authority or competent authority of the importing Party, shall provide the exporter or producer whose good was verified, with minutes of the visit. The exporter or producer subject to the visit may sign such minutes. If the exporter or the producer refuses to sign, the fact shall be stated on record, without affecting the validity of the procedure.

6. The customs authority or competent authority of the importing Party shall provide the exporter or producer or importer whose good is the subject of the verification with a written determination of whether the good qualifies as an originating good, including findings of fact and the legal basis for the determination.

7. During the verification process, the customs authority or competent authority of the importing Party shall allow the release of the good, subject to payment of duties or provision of security as provided for under its laws and regulations. If as a result of the verification the customs authority or competent authority of the importing Party determines that the good is an originating good, it shall grant preferential tariff treatment to the good and refund any excess duties paid or release any security provided, unless the security also covers other obligations.

8. The verification process, including the determination and the verification visit to the premises of an exporter or a producer in the territory of the other Party, shall be carried out and its results communicated to the competent authority of the other Party within a maximum period of 12 months from the first day the initial verification process was conducted.

9. For purposes of paragraphs 2(b) and 2(c), all the information requested by the customs authority of the importing Party and responded by the customs authority of the exporting Party shall be communicated in English. Nonetheless, the customs authority of each Party may issue the above-mentioned information both in English and in the language required by its law.

### **Article 3.32: Third Party Invoicing**

1. The customs authority in the importing Party shall not reject a certificate of origin only for the reason that the 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 name and country of the company issuing the invoice, shall appear in the appropriate field as detailed in Annex 3B (Certificate of Origin).

### **Article 3.33: Denial of Preferential Tariff Treatment**

1. Except as otherwise provided in this Chapter, the customs authority in coordination, where applicable, with the competent authority of the importing Party may deny a claim for preferential tariff treatment or recover unpaid duties, in accordance with its laws and regulations, where:

- (a) the good does not meet the requirements of this Chapter; or
- (b) the importer, exporter, or producer of the good fails or has failed to comply with any of the relevant requirements of this Chapter for obtaining preferential tariff treatment.

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.

3. The customs authority of the importing Party, where applicable in coordination with the competent authority, may determine that a good does not qualify as an originating good and may deny preferential tariff treatment where:

- (a) the customs authority of the importing Party has not received sufficient information to determine that the good is originating;
- (b) the exporter, producer, or the customs authority of the exporting Party fails to respond to a written request for information in accordance with Article 3.31; or
- (c) the request for a verification visit in accordance with Article 3.31 is refused.

### **Article 3.34: 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 details.

### **Article 3.35: Mutual Assistance**

The competent authorities of both Parties shall provide each other upon the Agreement entering into force with the following:

- (a) a specimen impression of the official stamps and signatures used in their offices for the issue of Certificate of Origin;
- (b) the name and address of the competent authorities responsible for verifying the proof of origin; and

- (c) a secured web address for the QR codes and electronic certificates authentications.

## **Section D: Consultation and Modifications**

### **Article 3.36: Consultation and Modifications**

The Parties shall consult and cooperate as appropriate through the Joint Committee 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.

## **CHAPTER 4**

### **CUSTOMS PROCEDURES AND TRADE FACILITATION**

#### **Article 4.1: Definitions**

For the purposes of this Chapter:

**Authorised Economic Operator(s) (AEO)** means the programme which recognises an operator involved in the international movement of goods in whatever function that has been approved by the national Customs Administration as complying with the *World Customs Organization* (WCO) or equivalent supply chain security standards;

**Customs Mutual Assistance Agreements (CMAA)** means an agreement that provides the legal framework for customs cooperation and the exchange of information between customs authorities of the Parties, with a view to the correct application of customs legislation, in securing and facilitating lawful trade, as well as to prevent, detect, investigate, and repress customs offenses;

**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

**Mutual Recognition Arrangement (MRA)** means the arrangement between the Parties that mutually recognise AEO authorisations that has been properly granted by one of the Customs Administrations.

#### **Article 4.2: Scope**

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

#### **Article 4.3: General Provisions**

1. Parties agree that their customs law and procedures shall be transparent, non-discriminatory, consistent, with predictable procedures, and to avoid unnecessary procedural obstacles to trade.
2. Customs procedures of the Parties shall conform, where possible, to the standards and recommended practices of the WCO.
3. The Customs Administration of each Party shall periodically review its customs procedures with a view to their further simplification and development to facilitate bilateral trade.

#### **Article 4.4: Publication and Availability of Information**

1. Each Party shall ensure that its laws, regulations, guidelines, procedures, and administrative rulings governing customs matters are promptly published, either on the internet or in print form.
2. Each Party shall designate, establish, and maintain one or more inquiry points to address inquiries from interested persons pertaining to customs matters, and shall endeavour to make available publically through electronic means, information concerning procedures for making such inquiries.
3. Nothing in this Article or in any part of this Agreement shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodologies.
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. To the extent possible, each Party shall make the information referred to in paragraphs 1 and 4 available in English.

#### **Article 4.5: Risk Management**

1. The Parties shall adopt a risk management approach in their customs activities, based on its identified risk of goods, that enables their Customs Administration to facilitate the clearance of low-risk consignments, while focusing its inspection activities on high-risk goods.
2. When applying risk management, each Party shall, for the purpose of facilitating trade, use non-intrusive inspection instruments, as appropriate, in order to reduce when possible the physical examination of goods entering its territory.

#### **Article 4.6: Paperless Communications**

1. For the purposes of facilitating bilateral exchange of international trade data and expediting procedures for the release of goods trade facilitation, the Parties shall endeavour to provide an electronic environment that supports business transactions between their respective Customs Administration and their economic operators.
2. The Parties shall exchange views and information on realising and promoting paperless communications between their respective Customs Administration and their trading entities.

3. The respective Customs Administration of the Parties, in implementing initiatives which provide for the use of paperless communications, shall take into account the methodologies agreed at the WCO.
4. Each Party shall endeavour to use information technology that facilitates the release of goods. In doing so, each Party may:
  - (a) adopt or maintain procedures allowing for a customs declaration and related documentation to be submitted in electronic format;
  - (b) adopt or maintain procedures to allow for the electronic payment of duties, taxes, fees, and charges;
  - (c) endeavour to apply international standards;
  - (d) make electronic systems accessible to traders;
  - (e) employ electronic or automated systems for risk analysis and targeting; and
  - (f) work towards developing a set of common data elements and processes in accordance with the WCO Customs Data Model and related WCO recommendations and guidelines or, where appropriate, other relevant international approaches.

#### **Article 4.7: Advance Rulings**

1. In accordance with its commitments under the *WTO Trade Facilitation Agreement* (TFA), each Party shall provide for the issuance of an advance ruling, prior to the importation of a good into its territory, to an importer of the good in its territory or to an exporter or producer of the good in the territory of another Party.
2. For the purposes of paragraph 1, each Party shall issue rulings as to whether the good qualifies as an originating good or to assess the good's tariff classification. In addition, each Party may issue rulings that cover additional trade matters as specified in the TFA.
3. Each Party shall issue an advance ruling as expeditiously as possible and in accordance to its domestic laws and procedures after it has received all necessary information from the applicant. In issuing an advance ruling, the Party shall take into account the facts and circumstances that the applicant has provided.
4. The importing Party shall apply an advance ruling issued by it under paragraph 1, on the date that the ruling is issued or on a later date specified in the ruling, and remain in effect for a reasonable period of time and in accordance with the national procedures on advanced ruling, unless the advance ruling is modified or revoked.
5. The advance ruling issued by the Party shall be binding to the person to whom the ruling is issued only.

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 a post clearance audit or an administrative, judicial, or quasi-judicial review or appeal. 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 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.

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

10. Notwithstanding paragraph 5, the issuing Party may postpone the effective date of the modification or revocation of an advance ruling for a reasonable period of time and in accordance with the each Party's national procedures on advance rulings, where the person to whom the advance ruling was issued, demonstrates sufficient rationale for its request for the postponement.

#### **Article 4.8: Penalties**

1. Each Party shall maintain measures imposing criminal, civil, or administrative penalties, whether solely or in combination, for violations of the Party's customs laws, regulations, or procedural requirements.

2. Each Party shall ensure that penalties issued for a breach of customs law, regulations, or procedural requirements 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 Administration 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 conflicts of interest in the assessment and collection of penalties and duties. No portion of the remuneration of a government

official shall be calculated as a fixed portion or percentage of any penalties or duties assessed or collected.

5. Each Party shall ensure that if a penalty is imposed by its Customs Administration for a breach of a customs law, regulation, or procedural requirement, an explanation in writing is provided to the person(s) upon whom the penalty is imposed, specifying the nature of the breach and the law, regulation or procedure used for determining the penalty amount.

#### **Article 4.9: Release of Goods**

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

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

- (a) provide for the release of goods within a period no greater than that required to ensure compliance with its customs law;
- (b) provide for the electronic submission and processing of documentation and data, including manifests, prior to the arrival of the goods in order to expedite the release of goods from customs control upon arrival;
- (c) allow goods to be released at the point of arrival without requiring temporary transfer to warehouses or other facilities;
- (d) require 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 which border agency, if not the Customs Administration has withheld release of the goods; and
- (e) allow the release of goods prior to the final determination of the applicable customs duties, taxes, and fees, by its customs authority, according to the domestic legislation of each Party. Before releasing the goods, a Party may, according to its own domestic legislation, require an importer to provide sufficient guarantee covering the ultimate payment of customs duties, taxes, or fees in connection with the importation of the goods.

3. 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.

4. Each Party may allow, to the extent practicable and in accordance with its customs laws, 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 4.10: Record Keeping**

Each Party shall provide a finite period with respect to record keeping obligations in its laws or regulations.

#### **Article 4.11: Use of Customs Brokers**

1. Without prejudice to the important policy concerns of the Parties that currently maintain a role for customs brokers, from the entry into force of this Agreement, Parties shall not introduce the mandatory use of customs brokers.
2. Each Party shall publish its measures on the use of customs brokers. Any subsequent modifications thereof shall be notified and published promptly.
3. With regard to the licensing of customs brokers, Parties shall apply rules that are transparent and objective.

#### **Article 4.12: Authorized Economic Operators**

The Parties shall:

- (a) promote the implementation of the AEO concept according to WCO SAFE Framework of Standards;
- (b) encourage the granting of AEO status to its economic operators with a view to facilitating trade and enhancing compliance and risk management procedures; and
- (c) endeavour to enter into an MRA for the AEOs.

#### **Article 4.13: 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 4.14: Expedited Shipments**

1. Each Party shall adopt or maintain expedited customs procedures for 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;<sup>1</sup>
- (c) To the extent possible, provide for the release of certain goods with a minimum of documentation;
- (d) Under normal circumstances, provide for express shipments to be released as soon as possible after submission of the necessary customs documents, provided the shipment has arrived;
- (e) endeavour to apply to shipments of any weight or value recognising that a Party may require formal entry procedures as a condition for release, including declaration and supporting documentation and payment of customs duties, in accordance with each Party's domestic laws and regulations; and
- (f) Provide that, under normal circumstances, no customs duties will be assessed on express shipments valued at or below a fixed amount set under the Party's law.<sup>2</sup> Each Party shall endeavour to review the amount periodically taking into account factors that it may consider relevant.

#### **Article 4.15: Perishable Goods**

1. With a view to preventing avoidable loss or deterioration of perishable goods, and provided that all regulatory requirements have been met, each Party shall provide for the release of perishable goods:

- (a) under normal circumstances within the shortest possible time; and
- (b) in exceptional circumstances where it would be appropriate to do so, outside the business hours of customs and other relevant authorities.

2. Each Party shall give appropriate priority to perishable goods when scheduling any examinations that may be required.

3. Each Party shall either arrange or allow an importer to arrange for the proper storage of perishable goods pending their release. The Party may require that any storage facilities arranged by the importer has been approved or designated by its relevant authorities. The movement of the goods to those storage facilities, including authorisations for the operator moving the goods, may be subject to the approval, where required, of the relevant authorities. The Party shall, where

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<sup>1</sup> Additional documents may be required as a condition for release.

<sup>2</sup> Notwithstanding this Article, a Party may assess customs duties, or may require formal entry documents, for restricted or controlled goods, such as goods subject to import licensing or similar requirements.

practicable and consistent with its laws and regulations, upon the request of the importer, provide for any procedures necessary for release to take place at those storage facilities.

#### **Article 4.16: Single Window**

1. The Parties shall endeavour to establish or maintain a single window, enabling traders to submit documentation or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation or data, the results shall be notified to the trader through the single window in a timely manner.
2. If documentation or data requirements have already been received through the single window, the same documentation or data requirements, to the extent possible, shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public.
3. The Parties shall use information technology to support the single window.
4. With a view towards facilitating trade, the Parties shall endeavour to explore opportunities to work towards single window interoperability.

#### **Article 4.17: Review and Appeal**

1. Each Party shall ensure that any person to whom it issues a determination on a customs matter has access to:
  - (a) at least one level of administrative review of determinations by its Customs Administration independent<sup>3</sup> of either the official or office responsible for the decision under review; and
  - (b) judicial review of decisions taken at the final level of administrative review.
2. 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 an authority conducting a review or appeal under paragraph 1 notifies the person in writing of its determination or decision in the review or appeal, and the reasons for the determination or decision.

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<sup>3</sup> The level of administrative review for the UAE may include the competent authority supervising the Customs Administration.

#### **Article 4.18: Customs Cooperation**

1. With a view to further enhancing customs cooperation through the exchange of information and the sharing of best practices between the Customs Administration to secure and facilitate lawful trade, the Customs Administrations of the Parties will endeavour to finalize and sign a CMAA.
2. The Parties shall, for the purposes of applying customs legislations and to give effect to the provisions of this Agreement, endeavour to:
  - (a) cooperate and assist each other in the prevention and investigation of offences against customs legislations;
  - (b) upon request, provide each other information to be used in the enforcement of customs legislations; and
  - (c) cooperate in the research, development and application of new customs procedures, in the training and exchange of personnel, sharing of best practices, and in other matters of mutual interest.
3. Assistance under this Chapter shall be provided in accordance with the domestic law of the requested Party.
4. The Parties shall exchange official contact points with a view to facilitating the effective implementation of this Chapter.

#### **Article 4.19: Confidentiality**

1. Any information exchanged between the Customs Administrations of the Parties under this Chapter shall be treated as confidential and shall maintain, in accordance with its domestic law, the confidentiality of information and shall protect it from any disclosure, or unauthorised access, which could prejudice the competitive position of the persons providing it.
2. Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private.
3. Each Party shall remain in compliance with its domestic law providing for the protection of the personal data of the persons providing it, taking into account the principles and guidelines of relevant international organisations.

## CHAPTER 5 SANITARY AND PHYTOSANITARY MEASURES

### Article 5.1: Definitions

1. The definitions in Annex A of the SPS Agreement are incorporated into this Chapter and shall form 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;

**contact points** means the government body of a Party that is responsible for the implementation of this Chapter and the coordination of that Party's participation in Committee activities under Article 5.6; and

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

### Article 5.2: Objectives

The objectives of this Chapter are to:

- (a) protect human, animal, or plant life or health in the territories of the Parties while facilitating trade between them;
- (b) reinforce the SPS Agreement;
- (c) strengthen communication, consultation, and cooperation between the Parties, and particularly between the Parties' competent authorities;
- (d) ensure that sanitary or phytosanitary measures implemented by a Party do not create unnecessary barriers to trade;
- (e) enhance transparency in and understanding of the application of each Party's sanitary and phytosanitary measures; and
- (f) encourage the development and adoption of science-based international standards, guidelines, and recommendations, and promote their implementation by the Parties.

### Article 5.3: Scope

1. This Chapter shall apply to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties.
2. Nothing in this Chapter prevents a Party from adopting or maintaining halal requirements for food and food products in accordance with Islamic law.

#### **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 that each Party has under the SPS Agreement.

#### **Article 5.5: Competent Authorities and Contact Points**

1. Upon the entry into force of this Agreement, each party shall inform its competent authority(ies) and contact point(s) to facilitate communication on matters covered by this Chapter and promptly notify the other Party no later than 30 days from the entry into force of the Agreement.
2. 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: Committee on Sanitary and Phytosanitary Measures**

1. For the purposes of the effective implementation and operation of this Chapter, the Parties hereby establish a Committee on Sanitary and Phytosanitary Measures (the Committee), composed of government representatives of each Party responsible for sanitary and phytosanitary matters. The Committee shall work subject to the direction of the Joint Committee.
2. The objectives of the Committee are to:
  - (a) enhance each Party's implementation of this Chapter;
  - (b) consider sanitary and phytosanitary matters of mutual interest; and
  - (c) enhance communication and cooperation on sanitary and phytosanitary matters.
3. The Committee is intended to serve as a forum to:
  - (a) improve the Parties' understanding of sanitary and phytosanitary issues that relate to the implementation of the SPS Agreement and this Chapter;
  - (b) enhance mutual understanding of each Party's sanitary and phytosanitary measures and the regulatory processes that relate to those measures;

- (c) exchange information on the implementation of this Chapter; and
  - (d) share information on a sanitary or phytosanitary issue that has arisen between them.
4. The Committee shall establish its terms of reference at its first meeting and may revise those terms as needed, as shall thereafter meet as needed at its own discretion or at the direction of the Joint Committee.
5. If a Party considers that there is a disruption to trade on sanitary and phytosanitary grounds, it may request technical consultations through the Committee on an urgent basis with a view to facilitating trade. On receiving a request under this paragraph, the other Party will endeavour to provide any requested information and respond to questions pertaining to the matter, and if requested, enter into consultations within a reasonable period of time after receiving such a request. The Parties shall make every effort to reach a mutually satisfactory resolution through consultations within a period of time agreed upon by the Parties.

#### **Article 5.7: Equivalence**

1. The Parties recognise 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 SPS measures and standards developed by the WTO Committee on Sanitary and Phytosanitary Measures (SPS Committee) and relevant international standard setting bodies in accordance with Annex A of the SPS Agreement, *mutatis mutandis*.
3. Compliance by an exported product that has been accepted as equivalent to SPS 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: Risk Assessment**

When the import requirements include an assessment of risk, the importing Party shall initiate the assessment in a timely manner and, without prejudice to the duration of the process, shall inform the exporting Party on the estimated period of time needed for such assessment. Technical justification shall be given in case the assessment takes longer. The exporting Party shall send information upon request to the importing Party to support the risk assessment, and the importing Party shall, as appropriate, use this information for the risk assessment process.

#### **Article 5.9: Adaptation to the Regional Conditions**

The Parties will develop procedures, as needed, taking into account guidelines of the SPS Committee, the International Plant Protection Convention (IPPC), the World Organization for Animal Health (OIE), and *Codex Alimentarius* for the recognition of:

- (a) pest or disease-free areas;
- (b) areas of low pest or disease prevalence; and
- (c) pest or disease-free production sites and/or compartments.

#### **Article 5.10: Emergency Measures**

1. If a Party adopts an emergency measure that is necessary for the protection of human, animal, or plant life or health, the Party shall promptly notify the other Party of that measure through the relevant contact points and Competent Authorities referred to in Article 5.5. The importing Party shall take into consideration any information provided by the other Party in response to the notification.
2. 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 emergency measure is maintained after the review, because the reason for its adoption remains, the Party should review the measure periodically.

#### **Article 5.11: Transparency**

1. The Parties recognise 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 Section, each Party should take into account relevant guidance of the 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. Unless urgent problems of human, animal, or plant life or health protection arise or threaten to arise, or the measure is of a trade-facilitating nature, the Party proposing a sanitary or phytosanitary measure shall normally allow at least 60 days for the other Party to provide written comments on the proposed measure, other than proposed legislation, after it makes a notification under paragraph 3. If feasible and appropriate, the Party proposing the measure should allow more than 60 days. The Party shall consider any reasonable request from the other Party to extend the comment period. On request of the other Party, the Party proposing the measure shall respond to the written comments of the other Party in an appropriate 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. The Parties encourage the publication, by electronic means in an official journal or on a website, the proposed sanitary or phytosanitary measure notified under paragraph 3 and the legal basis for the measure, and the written comments or a summary of the written comments that the Party has received from the public on the measure.

7. 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 in an official journal or website.

8. An exporting Party shall notify the importing Party through the contact points referred to in Article 5.5 in a timely and appropriate manner:

- (a) if it has knowledge of a significant sanitary or phytosanitary risk related to the export of a good from its territory;
- (b) of urgent situations where a change in animal or plant health status in the territory of the exporting Party may affect current trade;
- (c) of significant changes in the status of a regionalised pest or disease;
- (d) of new scientific findings of importance which affect the regulatory response with respect to food safety, pests, or diseases; and
- (e) of significant changes in food safety, pest or disease management, control or eradication policies, or practices that may affect current trade.

9. 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.

#### **Article 5.12: Cooperation**

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

2. The Parties shall cooperate and may jointly identify work on sanitary and phytosanitary matters with the goal of eliminating unnecessary obstacles to trade between the Parties.

3. 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

1. The definitions of the terms contained in Annex 1 of the TBT Agreement, including the chapeau and explanatory notes of Annex 1, are incorporated into this Chapter and shall form part of this Chapter, *mutatis mutandis*.

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

**good regulatory practice** means a practice that: (i) serves clearly identified policy goals, and is effective in achieving those goals; (ii) has a sound legal and empirical basis; (iii) takes into consideration the distribution of a regulation's effects across society, taking economic, environmental, and social effects into account; (iv) minimises costs and market distortions; (v) promotes innovation through market incentives and goal-based approaches; (vi) is clear, simple, and practical for users; (vii) is consistent with the Party's other regulations and policies; and (viii) is compatible as far as possible with domestic and international competition, trade, and investment principles;

**international conformity assessment systems** means systems that facilitate voluntary recognition or acceptance of the results of conformity assessment or accreditation bodies by the authorities of another Party based on compliance with international standards for conformity assessment;

**international standard** means a standard that is consistent with the TBT Committee Decision on International Standards;

**mutual recognition agreement** means a binding government-to-government agreement for recognition of the results of conformity assessment conducted against the appropriate technical regulations or standards in one or more sectors;

**mutual recognition arrangement** or **multilateral recognition arrangement** means an international or regional arrangement among accreditation bodies in the territories of the Parties, in which the accreditation bodies, on the basis of peer evaluation, accept the results of each other's accredited conformity assessment bodies, or among conformity assessment bodies in the territories of the Parties recognising the results of conformity assessment;

**proposed technical regulation** or **conformity assessment procedure** means the entirety of the text setting forth: (a) a proposed technical regulation or conformity assessment procedure; or (b) a significant amendment to an existing technical regulation or conformity assessment procedure;

**TBT Committee Decision on International Standards** means Annex 2 to Part 1 (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) in the *Decisions and Recommendations adopted by the WTO Committee on Technical Barriers to*

*Trade Since 1 January 1995 (G/TBT/1/Rev.13)*, as may be revised, issued by the WTO Committee on Technical Barriers to Trade; and

**verify** means to take action to confirm the veracity of individual conformity assessment results, such as requesting information from the conformity assessment body or the body that accredited, approved, licensed, or otherwise recognised the conformity assessment body, but does not include requirements that subject a product to conformity assessment in the territory of the importing Party that duplicate the conformity assessment procedures already conducted with respect to the product in the territory of the exporting Party or a third party, except on a random or infrequent basis for the purpose of surveillance, or in response to information indicating non-compliance.

## **Article 6.2: Objective**

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 practice.

## **Article 6.3: Scope**

1. This Chapter shall apply to the preparation, adoption, and application of all technical regulations, standards, and conformity assessment procedures of central level government bodies that may affect trade in goods between the Parties, except as provided in paragraphs 3 and 4.
2. All references in this Chapter to technical regulations, standards, and conformity assessment procedures shall be construed to include any amendments<sup>1</sup> to them and any addition to the rules or the product coverage of those technical regulations, standards, and conformity assessment procedures, except amendments and additions of an insignificant nature.
3. This Chapter shall not apply to technical specifications prepared by a governmental entity for its production or consumption requirements. These specifications are covered by Chapter 8 (Government Procurement).
4. This Chapter shall not apply to sanitary and phytosanitary measures. These are covered by Chapter 5 (Sanitary and Phytosanitary Measures).

## **Article 6.4: Incorporation of the TBT Agreement**

1. The following provisions of the TBT Agreement are incorporated into and made part of this Agreement, *mutatis mutandis*:

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<sup>1</sup> “Any amendment” includes the elimination of a technical regulation.

- (a) Articles 2.1 through 2.5, and 2.9 through 2.12;
  - (b) Articles 3.1, 4.1, and 7.1;
  - (c) Articles 5.1 through 5.4, and 5.6 through 5.9; and
  - (d) Paragraphs D through F of Annex 3.
2. A Party shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter if the dispute concerns:
- (a) exclusively claims made under the provisions of the TBT Agreement incorporated under paragraph 1; or
  - (b) a measure that a Party alleges to be inconsistent with this Chapter that:
    - (i) was referred or is subsequently referred to a WTO dispute settlement panel;
    - (ii) was taken to comply in response to the recommendations or rulings from the WTO Dispute Settlement Body; or
    - (iii) bears a close nexus, such as in terms of nature, effects, and timing, with respect to a measure described in subparagraph (ii).
3. The Parties reaffirm their rights and obligations with respect to each other under the TBT Agreement.

#### **Article 6.5: International Standards, Guides, and Recommendations**

1. The Parties recognise the important role that international standards, guides, and recommendations can play in supporting greater regulatory alignment and good regulatory practices, and in reducing unnecessary barriers to trade.
2. To determine whether there is an international standard, guide, or recommendation within the meaning of Articles 2 and 5 and Annex 3 of the TBT Agreement, each Party shall apply the TBT Committee Decision on International Standards.
3. Each Party shall apply no additional principles or criteria other than those in the TBT Committee Decision on International Standards in order to recognise a standard as an international standard.
4. The Parties shall cooperate with each other in appropriate circumstances to ensure that international standards, guides, and recommendations that are likely to become a basis for technical regulations and conformity assessment procedures do not create unnecessary obstacles to international trade.

5. Neither Party shall accord any preference to the consideration or use of standards that are developed through processes that:

- (a) are inconsistent with the TBT Committee Decision on International Standards; or
- (b) treat persons of either Party less favourably than persons whose domicile is the same as the standardisation body.

6. With respect to any agreement or understanding establishing a customs union or free trade area or providing trade-related technical assistance, each Party shall encourage the adoption, and use as the basis for standards, technical regulations, and conformity assessment procedures, of any relevant standards, guides, or recommendations developed in accordance with the TBT Committee Decision on International Standards.

7. Each Party shall ensure that any obligation or understanding it has with a non-Party does not facilitate or require the withdrawal or limitation on the use or acceptance of any relevant standard, guide, or recommendation developed in accordance with the TBT Committee Decision on International Standards or the relevant provisions of this Chapter.

## **Article 6.6: Technical Regulations**

### *Preparation and Review of Technical Regulations*

1. Each Party shall:

- (a) periodically review technical regulations and conformity assessment procedures in order to:
  - (i) examine increasing alignment with relevant international standards, including by reviewing any new developments in the relevant international standards, and whether the circumstances that have given rise to divergences from any relevant international standard continue to exist; and
  - (ii) consider the existence of any less trade-restrictive approaches; or
- (b) maintain a process whereby a person of another Party may directly petition the Party's regulatory authorities to review a technical regulation or conformity assessment procedure on the grounds that:
  - (i) circumstances that were relevant to the content of the technical regulation have changed; or
  - (ii) a less trade-restrictive method to fulfill the technical regulation's objective exists, such as a technical regulation based on the international standard.

### *Use of Standards in Technical Regulations*

2. If there are multiple international standards that would be effective and appropriate to fulfil the legitimate objectives of a Party's technical regulation or conformity assessment procedure, the Party shall:

- (a) consider using as a basis for the technical regulation or conformity assessment procedure each of the international standards that fulfil the legitimate objectives of the technical regulation or conformity assessment procedure; and
- (b) if the Party has rejected an international standard that was brought to its attention, issue a written explanation wherever practicable.

The written explanation provided for in subparagraph (b) must include the reasons for the Party's decision to reject an international standard and shall be provided directly to the person that proposed a particular international standard or in a document that is published at the same time that the Party publishes the final technical regulation or conformity assessment procedure.

3. If no international standard is available that fulfils the legitimate objectives of the technical regulation or conformity assessment procedure, each Party shall consider whether a standard developed by a standardising body domiciled in the other Party can fulfil its legitimate objectives. To that end, each Party shall:

- (a) consider and decide whether to accept the standard developed by a standardising body domiciled in the other Party fulfils its legitimate objectives; and
- (b) if the Party has rejected a standard that was brought to its attention, issue a written explanation wherever practicable.

The written explanation provided for in subparagraph (b) must include the reasons for the Party's decision to reject an international standard and shall be provided directly to the person that proposed a particular standard or in a document that is published at the same time the Party publishes the final technical regulation or conformity assessment procedure.

#### *Information Exchange*

4. If a Party has not used an international standard as a basis for a technical regulation, a Party shall, on request from the other Party, explain why it has not used a relevant international standard or has substantially deviated from an international standard. The explanation shall address why the standard has been judged inappropriate or ineffective for the objective pursued, and identify the scientific or technical evidence on which this assessment is based.

5. In addition to Article 2.7 of the TBT Agreement, a Party shall, on request of the other Party,<sup>2</sup> provide the reasons why it has not or cannot accept a technical regulation of that Party as equivalent

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<sup>2</sup> The Party's request should identify with precision the respective technical regulations it considers to be equivalent and any data or evidence that supports its position.

to its own. The Party to which the request is made should provide its response within a reasonable period of time.

### *Labeling*

6. Consistent with the obligations of the TBT Agreement incorporated in Article 6.4, each Party shall ensure that its technical regulations concerning labels:

- (a) accord treatment no less favourable than that accorded to like goods of national origin; and
- (b) do not create unnecessary obstacles to trade between the Parties.

### **Article 6.7: Conformity Assessment**

1. The Parties recognise that 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) recognising existing international multilateral recognition agreements and arrangements;
- (b) promoting mutual recognition of conformity assessment results by the other Party, through recognising 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) harmonisation of criteria for the designation of conformity assessment bodies, including accreditation procedures; or
- (f) other mechanisms as mutually agreed by the Parties.

2. The Parties shall strengthen the exchange of information in relation to these and other similar mechanisms, in order to facilitate the acceptance of the results of the conformity assessment procedures. The Parties acknowledge that the choice of the appropriate mechanisms in a given regulatory context depends on a variety of factors, such as the product and sector involved, the volume and direction of trade, the relationship between the respective regulators of the Parties, the legitimate objectives pursued and the risks of non-compliance with said objectives.

3. If a Party does not accept the results of conformity assessment procedures carried out in the territory of the other Party, it shall, at the request of the other Party, explain the reasons for its decision.

4. Each Party shall accord to conformity assessment bodies located in the territory of the other Party treatment no less favourable than that which it accords to conformity assessment bodies located in its own territory. In order to ensure that it grants such treatment, each Party shall apply the same procedures, criteria, and other equivalent conditions to accredit, approve, authorise, or otherwise recognise conformity assessment bodies located in the territory of the other Party that may apply to conformity assessment bodies in their own territory.

5. 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.

6. In order to enhance confidence in the consistent reliability of each one of the conformity assessment results, the Parties may consult on matters such as the technical competence of the conformity assessment bodies involved. Where a Party considers that a conformity assessment body of the other Party does not fulfill its requirements, it shall explain to the other Party its considerations.

7. The Parties 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.

8. 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: Transparency**

1. Each Party shall allow persons of the other Party to participate in the development of technical regulations, standards, and conformity assessment procedures by its central government bodies on terms no less favourable than those that it accords to its own persons.

2. A Party satisfies the obligation in paragraph 1 by, for example, providing interested persons a reasonable opportunity to provide comments on the measure it proposes to develop and by taking those comments into account in the development of the measure.

3. If appropriate, each Party shall encourage non-governmental bodies in its territory to observe the obligations in paragraphs 1 and 2.

4. Each Party shall publish online and make freely accessible, preferably on a single website, all proposed and final technical regulations and mandatory conformity assessment procedures, except with respect to any standards that are:

- (a) developed by non-governmental organisations; and
  - (b) have been incorporated by reference into a technical regulation or conformity assessment procedure.
5. Each Party shall ensure that its central government standardising body's work program, containing the standards it is currently preparing and the standards it has adopted, is published:
- (a) on the central government standardising body's website;
  - (b) in its official gazette; or
  - (c) on the website referred to in paragraph 4.
6. If a Party requests a body within its territory to develop a standard for use as a technical regulation or conformity assessment procedure, the Party shall require the body to allow persons of the other Party to participate on no less favourable terms than its own persons in groups or committees of the body that is developing the standard, and apply Annex 3 of the TBT Agreement.
7. Each Party shall take such reasonable measures as may be available to it to ensure proposed and final technical regulations and conformity assessment procedures of regional governments are published.

#### **Article 6.9: Cooperation and Trade Facilitation**

1. The Parties shall strengthen their exchange and collaboration on mechanisms to facilitate the acceptance of conformity assessment results, to support greater regulatory alignment and to eliminate unnecessary technical barriers to trade in the region.
2. A Party shall, on request of the other Party, give due consideration to any sector-specific proposal for cooperation under this Chapter.
3. The Parties shall encourage cooperation between their respective organisations responsible for standardisation, conformity assessment, accreditation and metrology, whether they are public or private, with a view to facilitating trade.

#### **Article 6.10: Information Exchange and Technical Discussions**

1. A Party may request the other Party to provide information on any matter arising under this Chapter. A Party receiving a request under this paragraph shall provide that information within a reasonable period of time, and if possible, by electronic means.
2. A Party may request technical discussions with the other Party with the aim of resolving any matter that arises under this Chapter.

3. For greater certainty, a Party may request technical discussions with the other Party regarding technical regulations or conformity assessment procedures of regional or local governments on a level directly below that of the central government that may have a significant effect on trade.

4. Unless the Parties that participate in the technical discussions agree otherwise, the discussions and any information exchanged in the course of the discussions shall be confidential and without prejudice to the rights and obligations of the Parties under this Agreement, the WTO Agreement or any other agreement to which both Parties are party.

5. Requests for information or technical discussions and communications shall be conveyed through the respective contact points designated pursuant to Article 6.11.

#### **Article 6.11: Contact Points**

1. Within 60 days of the date of entry into force of this Agreement, each Party shall designate a contact point for matters arising under this Chapter and under Chapter 5 (Sanitary and Phytosanitary Measures).

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

3. The responsibilities of each contact point shall include:

- (a) communicating with the other Party's contact points, including facilitating discussions, requests, and the timely exchange of information on matters arising under this Chapter;
- (b) communicating with and coordinating the involvement of relevant government agencies, including regulatory authorities, in its territory on relevant matters pertaining to this Chapter; and
- (c) consulting and if appropriate, coordinating with interested persons in its territory on relevant matters pertaining to this Chapter.

## **CHAPTER 7 TRADE REMEDIES**

### **Article 7.1: Scope**

1. With respect to the UAE, this Chapter shall apply to investigations and measures that are taken under the authority of the Minister of Economy pursuant to Articles (2) through (4) and (8) of *Federal Law No. (1) of 2017 on Anti-dumping, Countervailing and Safeguard Measures*.
2. With respect to Colombia, the investigative authority will be the Ministry of Trade, Industry, and Tourism pursuant to the law related to Anti-dumping, Countervailing and Safeguard Measures.

### **Article 7.2: Anti-Dumping and Countervailing Measures**

#### *General Provisions*

1. The Parties recognise the right to apply measures consistent with Article VI of the GATT 1994, the Anti-Dumping Agreement, and the SCM Agreement, and the importance of promoting transparency in anti-dumping and countervailing duty proceedings and of ensuring the opportunity of all interested parties to participate meaningfully in such proceedings.
2. Except for paragraph 4, no provision of this Agreement shall be construed to impose any rights or obligations on a Party with respect to anti-dumping or countervailing duty measures.
3. A Party shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Article.<sup>1</sup>

#### *Practices Relating to Anti-dumping and Countervailing Duty Proceedings*

4. The Parties recognise the following practices as promoting the goals of transparency and due process in anti-dumping and countervailing duty proceedings:
  - (a) Upon receipt by a Party's investigating authorities of a properly documented anti-dumping or countervailing duty application with respect to imports from another Party, and no later than 10 days before initiating an investigation, the Party provides written notification of its receipt of the application to the other Party;
  - (b) As soon as possible after a Party accepts a countervailing application, and in any event before the Party initiates an investigation, the Party shall invite the Party the

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<sup>1</sup> Although recourse to dispute settlement is not available with respect to paragraph 4, the Parties reaffirm that this paragraph create binding rights and obligations.

products of which are subject to the application for consultations with the aim of clarifying the situation as to the matters referred to in the application and arriving at a mutually agreed solution;

- (c) Without prejudice to the obligation to afford reasonable opportunity for consultation in countervailing duties, these provisions regarding consultations are not intended to prevent the authorities of a Party from proceeding expeditiously with regard to initiating the investigation, reaching preliminary or final determinations, whether affirmative or negative, or from applying provisional or final measures, in accordance with their national laws;
- (d) In any proceeding in which the investigating authorities determine to conduct on the spot verification of information that is provided by a respondent,<sup>2</sup> and that is pertinent to the calculation of anti-dumping duty margins or the level of a countervailable subsidy, the investigating authorities promptly notify each respondent of their intent, and:
  - (i) provide to each respondent at least 10 working days advance notice of the dates on which the authorities intend to conduct on the spot verification of the information; and
  - (ii) at least five working days prior to the on-the-spot verification, provide to the respondent a document that sets out the topics the respondent should be prepared to address during the verification and that describes the types of supporting documentation to be made available for review;<sup>3</sup>
- (e) If, in an anti-dumping or countervailing duty action that involves imports from the other Party, a Party's investigating authorities determine that a timely response to a request for information does not comply with the request, the investigating authorities shall inform the interested Party that submitted the response of the nature of the deficiency and, to the extent practicable in light of time limits established to complete the anti-dumping or countervailing duty action, provide that interested Party with an opportunity to remedy or explain the deficiency. If that interested Party submits further information in response to that deficiency and the investigating authorities find that the response is not satisfactory, or that the response is not submitted within the applicable time limits, and if the investigating authorities disregard all or part of the original and subsequent responses, the investigating authorities shall explain in the determination or other written document the reasons for disregarding the information;

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<sup>2</sup> For the purposes of this paragraph, "respondent" means a producer, manufacturer, exporter, importer, and, where appropriate, a government or government entity, that is required by a Party's investigating authorities to respond to an anti-dumping or countervailing duty questionnaire.

<sup>3</sup> For the procedures regarding the verifications, the provisions of Annexes I of the Anti-Dumping Agreement and VI of the SCM Agreement will be taken into account.

- (f) Before a final determination is made, the investigating authorities inform Parties participating in the investigation of the essential facts that form the basis of the decision whether to apply definitive measures. Subject to the protection of confidential information, the investigating authorities may use any reasonable means to disclose the essential facts. Such disclosure shall be made in writing, and should take place in sufficient time for interested parties to defend their interests;
- (g) The disclosure of the essential facts shall contain in particular:
  - (i) in the case of an anti-dumping investigation, the margins of dumping established, a sufficiently detailed explanation of the basis and methodology upon which normal values and export prices were established, and of the methodology used in the comparison of the normal values and export prices including any adjustments;
  - (ii) in the case of a countervailing duty investigation, the determination of countervailable subsidisation, including sufficient details on the calculation of the amount and methodology followed to determine the existence of subsidisation; and
  - (iii) information relevant to the determination of injury, including information concerning the volume of the dumped or subsidised imports and the effect of the dumped or subsidised imports on prices in the domestic market for like goods, the detailed methodology used in the calculation of price undercutting, the consequent impact of the dumped or subsidised imports on the domestic industry, and the demonstration of a causal relationship including the examination of factors other than the dumped or subsidised imports.

### **Article 7.3: Bilateral Safeguard Measures**

#### *Definitions*

1. For the purposes of this Article:

**bilateral safeguard measure** means a measure described in paragraph 0;

**domestic industry** means, with respect to an imported good, the producers as a whole of the like or directly competitive good operating within the territory of a Party, or those producers whose collective production of the like or directly competitive good constitutes a major proportion of the total domestic production of that good;

**originating goods** as referred to in Chapter 3 (Rules of Origin);

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

**threat of serious injury** means serious injury that, on the basis of facts and not merely allegation, conjecture or remote possibility, is clearly imminent; and

**transition period** means, in relation to a particular good the period of the staged tariff elimination for that good.

#### *General Provisions*

2. 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 the other 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 cause serious injury, or threat thereof, to a domestic industry producing a like or directly competitive good, the Party may:

- (a) suspend the further reduction of any rate of customs duty on the good provided for under this Agreement;
- (b) increase the rate of customs duty on the good to a level not to exceed the lesser of:
  - (i) the most-favoured-nation (MFN) applied rate of duty on the good in effect at the time the action is taken; and
  - (ii) the MFN applied rate of duty on the good in effect on the day immediately preceding the date this Agreement enters into force.

3. The Party that applies a bilateral safeguard measure may establish tariff quota for the product concerned under the agreed preference/concession established in this Agreement. If a quota is applied, such a measure shall not reduce the quantity of imports to a level below the average of imports before the existence of serious injury.

#### *Notification and Consultation*

4. A Party shall notify the other Party in writing or by electronic communication:

- (a) immediately on initiation of an investigation described in paragraph 9;
- (b) immediately upon making a finding of serious injury or threat thereof caused by increased imports;
- (c) before applying provisional measures pursuant to paragraph 16; and
- (d) no less than 20 days in advance of applying a definitive bilateral safeguard measure or extending a bilateral safeguard measure.

5. A Party shall consult with the other Party as far in advance of applying a bilateral safeguard measure as practicable, with a view to reviewing the information arising from the investigation and exchanging views on the measure.

6. In making the notification referred, to in subparagraph 4(b) the Party shall provide the other Party with a copy of the public version of its competent investigating authority's report under paragraph 4(b).

7. If a Party whose goods are subject to a bilateral safeguard proceeding under this Chapter requests to hold consultations within 10 days from receipt of a notification as specified in subparagraphs 4(c) and (d), the Party conducting that proceeding shall enter into consultations with the requesting Party with a view to finding an appropriate and mutually satisfactory solution.

8. The consultations under paragraph 7 shall take place in the Trade in Goods Subcommittee. In the absence of a decision or if no satisfactory solution is reached within 20 days of the notification being made, the Party may apply bilateral safeguard measures. The results of the discussions shall be reported to the Joint Committee.

#### *Conditions and Limitations*

9. A Party shall apply a safeguard measure only following an investigation by the Party's competent authorities in accordance with Articles 3 and 4.2(c) of the Safeguards Agreement, and 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*.

10. In the investigation described in paragraph 9, the Party shall comply with the requirements of Article 4.2(a) of the Safeguards Agreement, and to this end, Article 4.2(a) of the Safeguards Agreement is incorporated into and made a part of this Agreement, *mutatis mutandis*.

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

12. A Party shall not apply a bilateral safeguard measure:

- (a) except to the extent, and for such time, as may be necessary to prevent or remedy serious injury and to facilitate adjustment;
- (b) for a period exceeding two years, except that the period may be extended by up to two years if the competent authorities of the importing Party determine, in conformity with the procedures specified in this Article, 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 bilateral safeguard measure, including the period of initial application and any extension thereof, shall not exceed three years; or
- (c) beyond the expiration of the transition period, except with the consent of the other Party.

13. No bilateral safeguard measure shall be applied again to the import of a product which has been previously subject to such measure for a period of time equal to the period during which the previous measure was applied.

14. Where the expected duration of the bilateral safeguard measure is over one year, the importing Party shall progressively liberalise it at regular intervals.

15. When a Party terminates a bilateral safeguard measure, the rate of customs duty shall be the rate that, according to the Party's Schedule to Annex 2B (Reduction or Elimination of Customs Duties), would have been in effect but for the measure.

#### *Provisional Measures*

16. In critical circumstances where delay would cause damage that would be difficult to repair, a Party may apply a bilateral safeguard measure on a provisional basis pursuant to a preliminary determination by its competent 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 such imports have caused serious injury, or threat thereof, to the domestic industry.

17. If a Party's competent authorities make a preliminary determination, the Party shall make such determination available to interested parties, and shall provide interested parties at least 15 days after such disclosure to comment and submit their arguments with respect to such determinations. A Party may not apply a provisional measure until at least 45 days after the date its competent authorities initiate an investigation.

18. The duration of any provisional measure shall not exceed 200 days, during which time the Party shall comply with the requirements of paragraphs 9 and 10.

19. The Party applying the provisional safeguard measure shall promptly refund any tariff increases if the investigation described in paragraph 9 does not result in a finding that the requirements of paragraph 0 are met. The duration of any provisional measure shall be counted as part of the period described in paragraph 11(b) .

#### *Compensation*

20. No later than 30 days after it applies a bilateral safeguard measure, a Party shall afford an opportunity for the other Party to consult with it regarding appropriate trade liberalising 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 bilateral safeguard measure. The applying Party shall provide such compensation as the Parties mutually agree.

21. 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. The Party exercising the right of suspension may suspend the application of concessions only for the minimum period necessary to achieve the substantially equivalent effects.

22. A Party against whose good the bilateral safeguard measure is applied shall notify the Party applying the bilateral safeguard measure in writing at least 30 days before it suspends concessions in accordance with paragraph 21.

23. The right of suspension referred in paragraph 21 shall not be exercised for the first 24 months during which a bilateral safeguard measure is in effect, provided that the safeguard measure has been applied as a result of an absolute increase in imports and conforms to the provisions of this Agreement.

24. The applying Party's obligation to provide compensation under paragraph 20 and the other Party's right to suspend concessions under paragraph 21 shall terminate on the date the bilateral safeguard measure terminates.

#### **Article 7.4: Global Safeguard Measures**

1. Each Party retains its rights and obligations under Article XIX of GATT 1994 and the Safeguards Agreement. This Agreement does not confer any additional rights or obligations on the Parties with regard to actions taken under Article XIX of GATT 1994 and the Safeguards Agreement, except that a Party taking a global safeguard measure may exclude imports of an originating good of the other Party if such imports are not a substantial cause<sup>4</sup> of serious injury or threat thereof.<sup>5</sup>

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. The following conditions and limitations shall apply to a proceeding that may result in global safeguard measures under paragraph 1:

- (a) the Party initiating such a proceeding shall, without delay, deliver to the other Party written notice thereof;
- (b) upon termination of the measure, the rate of a customs duty or tariff quota shall be the rate which would have been in effect had the measure not been imposed.

4. A Party shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Article.

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<sup>4</sup> For purposes of this paragraph, "substantial cause" means a cause that is important and not less than any other cause.

<sup>5</sup> For clarity, with respect to the UAE, this Article applies to global safeguard measures conducted by the Ministry of Economy under its authority pursuant to Articles 2 through 4, and 8 (2) of *Federal Law No. (1) of 2017 on Anti-dumping, Countervailing and Safeguard Measures*.

## **CHAPTER 8**

### **GOVERNMENT PROCUREMENT**

#### **Article 8.1: Government Procurement**

1. The Parties recognise the importance of cooperation in the area of Government Procurement in accordance with their respective laws and regulations.
2. Either Party may request the other Party to enter into discussions to negotiate a new chapter on Government Procurement, which if successfully negotiated and finalised, shall form an integral part of this Agreement. In the course of such negotiations, the Parties shall give due consideration to their respective laws, regulations, and best practices.

## **CHAPTER 9 INVESTMENT**

### **Article 9.1: UAE-Colombia Bilateral Investment Treaty**

The Parties commit to intensify, to their mutual benefit, economic cooperation between them with respect to investments made by investors of a Party in the territory of the other Party. The Parties further recognise the importance of promoting such investments through favourable and transparent conditions, including under future agreements between the Parties.

### **Article 9.2: Promotion of Investment**

The Parties affirm their commitment to promote an attractive investment climate.

### **Article 9.3: Technical Council**

The Parties shall establish a UAE-Colombia Technical Council on Investment (hereinafter referred to as the “Council”), which shall be composed of representatives of both Parties. The side of the UAE will be chaired by the Under Secretary of the UAE Ministry of Finance, or their authorised representative, and the side of Colombia will be chaired by the Viceminister of Trade of Colombia, or their authorised representative.

### **Article 9.4: Objectives of the Council**

The objectives of the Council are to:

- (a) promote and enhance investment cooperation and facilitation between the Parties;
- (b) monitor investment and trade relations, to identify opportunities for expanding investment, and to identify issues relevant to investment that may be appropriate for further discussion in the Council;
- (c) hold consultations on specific investment matters of interest to the Parties;
- (d) work toward the promotion of investment flows;
- (e) identify and work toward the removal of impediments and facilitate investment flows; and
- (f) seek the views of the private sector, where appropriate, on matters related to the work of the Council.

### **Article 9.5: Role of the Council**

The Council shall meet at such venue and time-period as the Parties agree. A Party may refer a specific investment matter to the Council by delivering a written request to the other Party that includes a description of the matter concerned. The Council shall take up the matter promptly after the request is delivered, unless the requesting Party agrees to postpone the discussion of the matter. The Parties shall avail themselves of the opportunity to discuss the matter and shall endeavour to resolve the matter amicably in the Council keeping in mind the objective of promoting and facilitating investment.

### **Article 9.6: Non-Application of Dispute Settlement**

A Party shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter.

## **CHAPTER 10**

### **TRADE IN SERVICES**

#### **Article 10.1: Definitions**

For the purposes of this Chapter:

**aircraft repair and maintenance services** mean 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 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** mean services provided by computerised systems that contain information about air carriers' schedules, availability, fares, and fare rules, through which reservations can be made or tickets may be issued;

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

**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; or
- (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;

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

- (a) constituted or otherwise organised under the law of that other Party, and is engaged in substantive business operations in the territory of:
  - (i) that 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 Party; or
  - (ii) juridical persons of that other Party identified under subparagraph (a) or State entities of the other Party;

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

**measures by a Party** means measures taken 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 the 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;

**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; and
- (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 authorised or established formally or in effect by that Party as the sole supplier of that service;

**natural person of the other Party** means a national or a permanent resident<sup>1</sup> of the UAE or Colombia;

**person** means either a natural person or a juridical person;

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<sup>1</sup> 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.

**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; or
- (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;

**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 that other Party, or in the case of maritime transport, by a vessel registered under the laws of that other Party, or by a person of that 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 that other Party;

**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;

**service supplier of a Party** means any natural or juridical person of a Party that seeks to supply or supplies a service;<sup>2</sup>

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

**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;

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<sup>2</sup> Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (i.e., the juridical person) shall, nonetheless, through such presence be accorded the treatment provided for service suppliers under the Agreement. Such treatment shall be extended to the presence through which the service is supplied and need not be extended to any other parts of the supplier located outside the territory where the service is supplied.

- (b) 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; and

**traffic rights** mean 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 10.2: Scope

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

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.

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;<sup>3</sup> 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;

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<sup>3</sup> The sole fact of requiring a visa for natural persons of certain countries and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

- (ii) the selling and marketing of air transport services; or
- (iii) computer reservation system services.

### **Article 10.3: Schedules of Specific Commitments**

1. Each Party shall set out in a schedule, called its Schedule of Specific Commitments, the specific commitments it undertakes in accordance with Articles 10.5, 10.6, and 10.7.
2. With respect to sectors where such commitments are undertaken, each Schedule of Specific Commitments shall specify:
  - (a) terms, limitations, and conditions on market access;
  - (b) conditions and qualifications on national treatment;
  - (c) undertakings relating to additional commitments;
  - (d) where appropriate, the time-frame for implementation of such commitments; and
  - (e) the date of entry into force of such commitments.
3. Measures inconsistent with both Articles 10.5 and 10.6 shall be inscribed in the column relating to Article 10.5. In this case the inscription will be considered to provide a condition or qualification to Article 10.6 as well.
4. The Parties' Schedules of Specific Commitments are set forth in Annex 10F (Offer of Specific Commitments of Colombia) and Annex 10G (Offer of Specific Commitments of UAE).

### **Article 10.4: Most-Favoured Nation Treatment**

1. Except as provided for in its List of MFN Exemptions contained in Annex 10A (List of MFN Exemptions of Colombia) and Annex 10B (List of MFN Exemptions of UAE), 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 that 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 a Party 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 prudential measures in accordance with the GATS 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); or
  - (c) treatment granted by Colombia to services and service suppliers from Members of the Andean Community (CAN) and other Latin American Integration Agreements.
3. The rights and obligations of the Parties in respect of advantages accorded to adjacent countries shall be governed by Article II:3 of the GATS, which is hereby incorporated into and made part of this Agreement.
4. If, after the entry into force of this Agreement, a Party enters into any agreement on trade in services with a non-Party, it shall negotiate, upon request by the other Party, the incorporation into this Agreement of a treatment no less favourable than that provided under the agreement with the non-Party. The Parties shall take into consideration the circumstances under which a Party enters into any agreement on trade in services with a non-Party.

#### **Article 10.5: Market Access**

1. With respect to market access through the modes of supply identified in the definition of “trade in services” contained in Article 10.1 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.<sup>4</sup>
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;<sup>5</sup>

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<sup>4</sup> 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 10.1 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 the definition of “trade in services” paragraph (c) contained in Article 10.1, it is thereby committed to allow related transfers of capital into its territory.

<sup>5</sup> Subparagraph 2(c) does not cover measures of a Party which limit inputs for the supply of services.

- (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.

#### **Article 10.6: 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.<sup>6</sup>
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 10.7: Additional Commitments**

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 10.5 and 10.6, including those regarding qualifications, standards, or licensing matters. Such commitments shall be inscribed in that Party's Schedule of Specific Commitments.

#### **Article 10.8: Modification of Schedules**

The Parties shall, at any time after three years have elapsed from the date on which that commitment entered into force upon written request by a Party, hold consultations to consider any modification or withdrawal of a specific commitment in the requesting Party's Schedule of Specific Commitments. The consultations shall be held within three months after the requesting Party made

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<sup>6</sup> 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.

its request. In the consultations, the Parties 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. Modifications of Schedules are subject to the procedures set out under the Joint Committee framework as established in Article 16.3 (Joint Committee).

#### **Article 10.9: 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, on request of an affected service supplier, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review; and
  - (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 for the supply of a service on which a specific commitment under this Agreement has been made, the competent authorities of each Party shall:
  - (a) within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application;
  - (b) in the case of an incomplete application, on request of the applicant, identify all the additional information that is required to complete the application and provide the opportunity to remedy deficiencies within a reasonable timeframe;
  - (c) on request of the applicant, provide without undue delay information concerning the status of the application; and
  - (d) if an application is terminated or denied, to the maximum extent possible, inform the applicant in writing and without delay the reasons for such action. The applicant will have the possibility of resubmitting, at its discretion, a new application.
4. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, in sectors where specific commitments are undertaken, the Parties shall aim to ensure that such requirements are:

- (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 its obligations under paragraph 4, account shall be taken of international standards of relevant international organisations applied by that Party.<sup>7</sup>
6. In sectors where specific commitments regarding professional services are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party.
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 10.10: 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, and subject to paragraph 3, a Party may recognise, or encourage its relevant competent bodies to recognise, the education or experience obtained, requirements met, or licences or certifications granted in the other Party. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties or their relevant competent bodies, or may 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, experience, licences or certifications obtained or requirements met in that other Party's territory should also be recognised.
3. A Party shall not accord recognition in a manner which would constitute a means of discrimination between the other Party and non-parties in the application of its standards or criteria

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<sup>7</sup> The term “relevant international organisations” refers to international bodies whose membership is open to the relevant bodies of the Parties to this Agreement.

for the authorisation, licensing or certification of service suppliers, or a disguised restriction on trade in services.

4. 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.

5. The Parties or their relevant professional bodies, as appropriate, may negotiate agreements for mutual recognition of education, or experience obtained, requirements met or licences 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. The Parties shall report periodically to the Joint Committee on progress and on impediments experienced. Any delay or failure by the Parties or their relevant 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 17 (Dispute Settlement).

#### **Article 10.11: Payments and Transfers**

1. Except under the circumstances envisaged in Article 17.4, a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties as members of the International Monetary Fund under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 17.4 or at the request of the International Monetary Fund.

#### **Article 10.12: Monopolies and Exclusive Service Suppliers**

The rights and obligations of the Parties in respect of monopolies and exclusive service suppliers shall be governed by Article VIII:1, VIII:2, and VIII:5 of the GATS, which is hereby incorporated into and made part of this Agreement.

#### **Article 10.13: Business Practices**

The rights and obligations of the Parties in respect of business practices shall be governed by Article IX of the GATS, which is hereby incorporated into and made part of this Agreement.

#### **Article 10.14: Review**

1. With the objective of further liberalising trade in services between them, the Parties agree to jointly review, at least every two years, their Schedules of Specific Commitments, and their Lists of MFN Exemptions taking into account any services liberalisation developments as a result of on-going work under the auspices of the WTO.
2. The first such review shall take place no later than two years after the entry into force of this Agreement.

#### **Article 10.15: Annexes**

The following Annexes form part of this Chapter:

- Annex 10A List of MFN Exceptions of Colombia
- Annex 10B List of MFN Exceptions of UAE
- Annex 10C Financial Services
- Annex 10D Movement of Persons
- Annex 10E Telecommunications Services
- Annex 10F Offer of Specific Commitments of Colombia
- Annex 10G Offer of Specific Commitments of EAU

## **CHAPTER 11**

### **DIGITAL TRADE**

#### **Article 11.1: Definitions**

For the purposes of this Chapter:

**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;

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

- (a) charge equivalent to an internal tax imposed in conformity with Article III of the GATT 1994;
- (b) anti-dumping or countervailing duty that is applied consistently with the provisions of Article VI of the GATT 1994, the Agreement on the Implementation of Article VI of the GATT 1994, and the SCM Agreement; or
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered and which does not represent a direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes;

**digital or electronic signature** means data in digital or electronic form that is in, affixed to, or logically or cryptographically 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;

**identity based information** encompasses any data or facts that are collected, stored, processed, or transmitted in any form or medium. This can include digital files, physical documents, verbal conversations, or any other means of communication. The parties acknowledge that information can be both tangible and intangible and may exist in various forms, such as text, images, audio recordings, video footage, or any other format that contains identifiable data about an individual;

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

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

**personal data** means any identity-based information or data that pertains to an identified or identifiable natural person. An identifiable person is someone whose identity may be determined, either directly or indirectly, with the help of an identifier such as a name, identification or telephone number, location data, an online identifier, or one or more elements of the physical, physiological, genetic, mental, economic, cultural, or social identity of that person;

**trade administration documents** mean forms issued or controlled by a Party 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 to an electronic address, 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 11.2: Objectives**

1. The Parties recognise the economic growth and opportunity that digital trade provides, the importance of avoiding unnecessary barriers to its use and development, the importance of frameworks 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.
3. The Parties agree that the administration and development of digital trade must be subject to their respective laws and compatible with the international standards of data protection and consumer protection, in order to ensure the confidence of users of digital trade.

**Article 11.3: 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 10 (Trade in Services) and its Annexes, including any exceptions or limitations set out in this Agreement that are applicable to such provisions.

#### **Article 11.4: 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 another 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 11.5: Domestic Electronic Transactions Framework**

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.

#### **Article 11.6: Authentication**

1. Except in the circumstances provided for in its legislation, a Party shall not deny the legal validity of a digital or electronic signature generated with digital certificates mutually recognized by certification authorities registered in the territories of the Parties.

2. Neither Party shall adopt or maintain measures regarding 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 11.7: Paperless Trading**

Each Party shall endeavour to:

- (a) make trade administration documents available to the public in digital or electronic form; and
- (b) Recognise electronically submitted trade administration documents as having the same legal standing as paper versions of those documents, provided that the operators accepted by the Parties have properly authenticated the documents.

**Article 11.8: Online Consumer Protection**

- 1. The Parties recognise the importance of the reinforcement of consumer protection and of cooperation between national consumer protection authorities in activities relating to digital trade.
- 2. Each Party shall endeavour to adopt or maintain transparent, effective measures and consumer protection laws to proscribe misleading, deceptive, and fraudulent commercial activities that cause harm or potential harm to consumers engaged in digital trade.

**Article 11.9: 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 the users of digital trade.<sup>1</sup> 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. 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 the laws, and regulations of that Party.

**Article 11.10: Principles on Access to and Use of the Internet for Digital Trade**

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

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<sup>1</sup> For greater certainty, a Party may comply with the obligation in this paragraph by adopting or maintaining measures such as a 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) Access and use services and applications of their choice, unless prohibited by the Party's laws or regulations;
- (b) Run services and applications of their choice, subject to the Party's laws or regulations, including the needs of legal and regulatory enforcement activities; and
- (c) 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 laws or regulations.

#### **Article 11.11: Unsolicited Commercial Electronic Messages**

1. Each Party shall endeavour to adopt or maintain measures regarding unsolicited commercial electronic messages sent to an electronic mail address that:
  - (a) require a supplier of unsolicited commercial electronic messages to facilitate the ability of a recipient to prevent ongoing reception of those messages;
  - (b) require the consent, as specified in the laws and regulations of each Party, of recipients to receive commercial electronic messages; or
  - (c) otherwise provide for the minimisation of unsolicited commercial electronic messages.
2. Each Party shall endeavour to 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 11.12: Cross-Border Flow of Information**

1. The Parties recognise that each Party may have its own regulatory requirements concerning the transfer of information by electronic means.
2. Recognising 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 11.13: Open Government Data**

1. The Parties recognise that facilitating public access to and use of open government data contributes to stimulating economic and social benefit, competitiveness, productivity improvements, and innovation. To the extent that a Party chooses to make available open government 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 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 government data, with a view to enhancing and generating business and research opportunities.

#### **Article 11.14: 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 enables 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; and

- (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, including through exchange of officials, to assist the other Party in building digital government capacity.

#### **Article 11.15: 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. Each Party also recognises the benefits of ensuring that the systems used for digital and electronic invoicing within its territory are interoperable with the systems used in the other Party's territory.

2. Each Party shall endeavour to ensure that the implementation of measures related to digital and electronic invoicing in its territory supports cross-border interoperability between the Parties' digital and electronic invoicing frameworks. To this end, each Party shall endeavour to base its measures relating to digital and electronic invoicing on international frameworks.

3. 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 endeavour to:

- (a) promote, encourage, support, or facilitate the adoption of digital and electronic invoicing by enterprises;
- (b) promote the existence of policies, infrastructure, and processes that support digital and electronic invoicing;
- (c) generate awareness of, and build capacity for, digital and electronic invoicing; and
- (d) share best practices and promote the adoption of interoperable international digital and electronic invoicing systems.

#### **Article 11.16: Digital and Electronic Payments**

1. Recognising the rapid growth of digital and electronic payments, in particular those provided by regulated non-banks, non-financial and fintech entities, the Parties shall endeavour to support 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) facilitate the use of open platforms and architectures such as tools and protocols provided for through Application Programming Interfaces (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;
- (d) 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; and
- (e) provide effective and secure methods to facilitate the interoperability in electronic invoicing between the parties.

#### **Article 11.17: 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 within the party's legal framework;
- (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;
- (c) supporting the development of international frameworks on digital identity regimes;
- (d) exchanging knowledge and expertise on best practices relating to digital identity policies and regulations, technical implementation and security standards, and the promotion of the use of digital identities.

#### **Article 11.18: Artificial Intelligence**

1. The Parties recognise that the use and adoption of Artificial Intelligence (AI) technologies are becoming increasingly important to digital trade, offering significant social and economic benefits to natural persons and enterprises. In view of this, the Parties shall endeavour to cooperate, in accordance with their respective laws and policies, through:

- (a) sharing research and industry practices related to AI technologies and their governance;
- (b) promoting and sustaining the responsible use and adoption of AI technologies by businesses and across the community;
- (c) encouraging commercialisation opportunities and collaboration between researchers, academics, and industry; and
- (d) collaborating with the other Party to identify AI technologies within a framework that meets their cultural and commercial needs.

2. The Parties also recognise the importance of developing ethical governance frameworks for the trusted, safe, sustainable, and responsible use of AI technologies that will help realise the benefits of AI. In view of the cross-border nature of digital trade, the Parties further acknowledge the benefits of ensuring that such frameworks are internationally aligned as far as possible. To this end, the Parties shall endeavour to:

- (a) collaborate on and promote the development and adoption of ethical governance frameworks that support the trusted, safe, and responsible use of AI technologies, including through relevant international fora; and
- (b) take into consideration internationally recognised principles or guidelines when developing such frameworks.

### **Article 11.19: Cooperation**

1. Recognising the importance of digital trade to their collective 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) intellectual property concerns with respect to digital trade;
- (g) challenges for small and medium-sized enterprises in digital trade; and
- (h) digital government.

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 dissemination of malicious code that affect 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 12**

### **SMALL AND MEDIUM-SIZED ENTERPRISES**

#### **Article 12.1: General Principles**

1. The Parties, recognising the fundamental role of small and medium-sized enterprises (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 recognise the integral role of the private sector in the SME cooperation to be implemented under this Chapter.
3. The Parties agree to strengthen cooperation that will contribute to the implementation of this Agreement with the aim of optimising its results, expanding opportunities, and obtaining the greatest benefits for the Parties.

#### **Article 12.2: 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, each Party shall seek to increase trade and investment opportunities, and in particular shall:

- (a) Promote cooperation between the Parties' small business support infrastructure, including dedicated SME centres, incubators and accelerators, export assistance centres, and other centres as appropriate, to create an international network for sharing best practices, exchanging market research, and promoting SME participation in international trade, as well as business growth in local markets;
- (b) Strengthen its collaboration with the other Parties on activities to promote SMEs owned by women and youth, as well as start-ups, and promote partnership among these SMEs and their participation in international trade;
- (c) Enhance its cooperation with the other Parties to exchange information and best practices in areas including improving SME access to capital and credit, SME participation in covered government procurement opportunities, and helping SMEs adapt to changing market conditions;
- (d) Encourage participation in purpose-built mobile or web-based platforms, for business entrepreneurs and counsellors to share information and best practices to help SMEs link with international suppliers, buyers, and other potential business partners;
- (e) Promote the development of SMEs;

- (f) Support the role of the private sector, with special emphasis on SMEs, in promoting and building strategic alliances to encourage mutual economic growth and development;
- (g) Design and develop mechanisms in order to foster partnerships and strengthen the development of productive linkages, by supporting SMEs to overcome barriers and gaps that impede their insertion to the value chains and to fulfil the requirements for the access to the external and internal markets;
- (h) Design and develop mechanisms in order to foster partnerships to improve quality standards in SMEs;
- (i) Design and develop mechanisms in order to foster partnerships for enhancing commercial relations between SMEs interested in exporting to each country. These mechanisms may include, but are not limited to, logistics, digital transformation, product adjustment, and commercial strategies in the market;
- (j) Design initiatives to foster low carbon technologies and sustainable chemistry that enables industrial conversion plans to face the climate change and biodiversity protection challenges; and
- (k) Promote the exchange of information on good practices in the free trade zones.

### **Article 12.3: 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;
- (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 relevant 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 links or information through automated electronic transfer to:

- (a) the equivalent websites of the other Parties; 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,

investing, or doing business in that Party's territory.

3. Subject to each Party's laws and regulations, the information described in paragraph 2(b) may include:

- (a) customs regulations, procedures, or enquiry points;
- (b) regulations or procedures concerning intellectual property, trade secrets, and patent protection rights;
- (c) technical regulations, standards, quality, or conformity assessment procedures;
- (d) sanitary or phytosanitary measures relating to importation or exportation;
- (e) foreign investment regulations;
- (f) business registration;
- (g) trade promotion programs;
- (h) competitiveness programs;
- (i) SME investment and financing programs;
- (j) taxation, accounting;
- (k) government procurement opportunities; and
- (l) other information which the Party considers to be useful for SMEs.

4. Each Party shall regularly review the information and links on the website referred to in paragraphs 1 and 2 to ensure the information and links are up-to-date and accurate.

5. To the extent possible, each Party shall make the information in this Article available in English. If this information is available in another authentic language of this Agreement, the Party shall endeavour to make this information available, as appropriate.

#### **Article 12.4: Subcommittee on SME Issues**

1. The Parties hereby establish the Subcommittee on SME Issues (SME Subcommittee), comprising national and local government representatives of each Party.

2. The SME Subcommittee shall:

- (a) identify ways to assist SMEs in the Parties' territories to take advantage of the commercial opportunities resulting from this Agreement and to strengthen SME competitiveness;

- (b) identify and recommend ways for further cooperation between the Parties to develop and enhance partnerships between SMEs of the Parties;
- (c) exchange and discuss each Party's experiences and best practices in supporting and assisting SME exporters with respect to, among other things, training programs, trade education, trade finance, trade missions, trade facilitation, digital trade, identifying commercial partners in the territories of the Parties, and establishing good business credentials;
- (d) promote seminars, workshops, webinars, mentorship sessions, or other activities to inform SMEs of the benefits available to them under this Agreement;
- (e) explore opportunities for capacity building to facilitate each Party's work in developing and enhancing SME export counselling, assistance, and training programs;
- (f) recommend additional information that a Party may include on the website referred to in Article 12.3;
- (g) review and coordinate its work program with the work of other subcommittees, working groups, and other subsidiary bodies established under this Agreement, as well as of other relevant international bodies, to avoid duplication of work programs and to identify appropriate opportunities for cooperation to improve the ability of SMEs to engage in trade and investment opportunities resulting from this Agreement;
- (h) collaborate with and encourage subcommittees, working groups and other subsidiary bodies established under this Agreement to consider SME-related commitments and activities into their work;
- (i) review the implementation and operation of this Chapter and SME-related provisions within this Agreement and report findings and make recommendations to the Commission that can be included in future work and SME assistance programs as appropriate;
- (j) facilitate the development of programs to assist SMEs to participate and integrate effectively into the Parties' regional and global supply chains;
- (k) 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;
- (l) facilitate the exchange of information on entrepreneurship education and awareness programs for youth and women to promote the entrepreneurial environment in the territories of the Parties;
- (m) submit on an annual basis, unless the Parties decide otherwise, a report of its activities and make appropriate recommendations to the Joint Committee; and

- (n) consider any other matter pertaining to SMEs as the SME Subcommittee may decide, including issues raised by SMEs regarding their ability to benefit from this Agreement.
- 3. The SME Subcommittee shall convene within one year after the date of entry into force of this Agreement and thereafter meet annually, unless the Parties decide otherwise.
- 4. The SME Subcommittee may seek to collaborate with appropriate experts and international donor organizations in carrying out its programs and activities.
- 5. In order to implement this Chapter in an efficient and effective way, and to facilitate communication for any matter covered by this Chapter, the Parties hereby establish the following contact points:
  - (a) for Colombia: Ministry of Trade, Industry and Tourism; Chief of Sectorial Planning Advisory Office; and
  - (b) for the UAE: Foreign Trade Sector, Ministry of Economy, or its successor.
- 6. The contact points shall be responsible for:
  - (a) receiving and channelling the project proposals presented by the Parties;
  - (b) informing on the project proposals status;
  - (c) monitoring and assessing the progress in the implementation of trade related cooperation initiatives; and
  - (d) other tasks on which the Parties may agree.

#### **Article 12.5: Non-Application of Dispute Settlement**

A Party shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter.

## **CHAPTER 13 ECONOMIC COOPERATION**

### **Article 13.1: Objectives**

1. The Parties shall promote cooperation under this Agreement for their mutual benefit in order to liberalise and facilitate trade and investment between the Parties and foster economic growth.
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, supporting pathways to trade and investment facilitation, and further improving market access and openness to contribute to the sustainable inclusive economic growth and prosperity of the Parties.

### **Article 13.2: Scope**

1. Economic cooperation under this Chapter shall support the effectiveness and efficiency of the implementation and utilisation of this Agreement through activities that relate to trade and investment.
2. Economic cooperation under this Chapter shall initially focus on the following areas:
  - (a) manufacturing industries;
  - (b) agriculture, forestry, and fisheries;
  - (c) trade and investment promotion;
  - (d) human resource development;
  - (e) tourism;
  - (f) information and communications technology;
  - (g) the promotion of electronic commerce;
  - (h) intellectual property rights;
  - (i) financial services; and
  - (j) trade in environmental goods and services.
3. The Parties may agree in the Annual Work Program on Economic Cooperation Activities to modify the above list, including by adding other areas for economic cooperation.

### **Article 13.3: Annual Work Program on Economic Cooperation Activities**

1. The Subcommittee on Economic Cooperation shall adopt an Annual Work Program on Economic Cooperation Activities (Annual Work Program) based on proposals submitted by the Parties.
2. Each activity in an Annual Work Program developed under this Chapter shall:
  - (a) be guided by the objectives agreed in Article 13.1;
  - (b) be related to trade or investment and support the implementation of this Agreement;
  - (c) involve both Parties;
  - (d) address the mutual priorities of the Parties; and
  - (e) avoid duplicating existing economic cooperation activities.

### **Article 13.4: Competition Policy**

1. The Parties recognise the importance of general cooperation in the area of competition policy. The Parties may cooperate to exchange 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.
2. The Parties may consult matters related to anti-competitive practices and their adverse effects to trade. The consultations shall be without prejudice to the autonomy of each Party to develop, maintain and enforce its domestic competition laws and regulations.

### **Article 13.5: Resources**

1. Resources for economic cooperation under this Chapter shall be provided in a manner as agreed by the Parties and in accordance with the laws and regulations of the Parties.
2. The Parties, on the basis of mutual benefit, may consider cooperation with, and contributions from, external parties to support the implementation of the Annual Work Program.

### **Article 13.6: Additional Bilateral Instruments**

The activities undertaken under this chapter shall not affect other cooperation initiatives based on bilateral instruments between the Parties.

### **Article 13.7: Subcommittee on Economic Cooperation**

1. For the purposes of the effective implementation and operation of this Chapter, the Parties hereby establish a Subcommittee on Economic Cooperation (the Subcommittee).
2. The Subcommittee shall undertake the following functions:
  - (a) monitor and assess the implementation of this Chapter;
  - (b) identify new opportunities and agree on new ideas for prospective cooperation or capacity building activities;
  - (c) formulate and develop Annual Work Programme proposals and their implementation mechanisms;
  - (d) coordinate, monitor, and review progress of the Annual Work Programme to assess its overall effectiveness and contribution to the implementation and operation of this Chapter;
  - (e) suggest amendments to the Annual Work Programme through periodic evaluations;
  - (f) share information and coordinate with such mechanisms to ensure effective and efficient implementation of cooperative activities and projects;
  - (g) cooperate with other Subcommittees and/or subsidiary bodies established under this Agreement to perform stocktaking, monitoring, and benchmarking on any issues related to the implementation of this Agreement, as well as to provide feedback and assistance in the implementation and operation of this Chapter; and
  - (h) report to and, if deemed necessary, consult with the Joint Committee in relation to the implementation and operation of this Chapter.

### **Article 13.8: Non-application of Chapter 18 (Dispute Settlement)**

A Party shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter.

## **CHAPTER 14**

### **RESPONSIBLE TOURISM**

#### **Article 14.1: Tourism Responsibility**

1. Parties undertake to promote and facilitate initiatives that contribute to:
  - (a) improving education and responsibility of tourists and tourism professionals regarding:
    - (i) respect for local religion and customs;
    - (ii) protection of the environment, wildlife, and ecologically sensitive areas; and
    - (iii) preservation of natural, cultural, and archaeological sites, including, when that implies, self-restraint, and a lesser or less intensive use of relevant sites;
  - (b) adequately informing incoming and outgoing tourists about applicable laws and regulations regarding trafficking of protected species, antiques, and other cultural property, drugs, and prohibited substances; and
  - (c) preventing abuse of human beings and infringements of personal integrity, including when committed by its tourists abroad, and to raise awareness of outgoing and incoming tourists of the offensive nature of such behaviour.
2. The Parties shall cooperate to contribute to the work of international organisations on the issues covered by paragraph 1.
3. Each Party to facilitate that its suppliers of tourism and travel services to adopt codes of conduct, guidelines, self-regulation, and related enforcement mechanisms to promote non-discriminatory practices regarding the issues addressed in paragraph 1.

#### **Article 14.2: Tourism Infrastructure and Sites**

Parties shall cooperate with a view to promote design and management practices of tourism infrastructure in such a way as to protect natural, cultural, and archaeological heritage and preserve wildlife, endangered species and landscape, particularly in sensitive areas such as coastal areas, mountain areas, arid areas, wetlands, forests, and lakes.

#### **Article 14.3: Travel Security Information and Warnings**

1. A Party issuing travel security information and warnings to its natural persons in respect of the security situation in another Party shall endeavour, with a view to be as specific as possible according to best practices, to, *inter alia*:

- (a) limit the scope of warnings, if applicable, to specific regions or locations;
- (b) describe the type of risk; and
- (c) recommend appropriate security measures to be taken.

2. A Party that has issued a travel security warning in respect of another Party shall, upon request by that other Party, review the security situation in that other Party and update its warning accordingly. When the former Party considers that the circumstances that motivated the issuance of its warning do not longer exist, it shall withdraw the warning.

3. For the purposes of this Article, “travel security warning” means an announcement via Internet sites or other mass media by an authority of a Party to its natural persons.

## **CHAPTER 15**

### **TRADE AND ENVIRONMENT**

#### **Article 15.1: General Provisions**

1. The Parties affirm their commitment to promote sustainable development and climate change management.
2. The Parties underline the benefit of bilateral cooperation on aspects of environmental issues as part of a global approach to climate change management and food sovereignty.
3. The Parties reaffirm their goal of protecting their respective environment by:
  - (a) ensuring that their respective laws and policies covered by this Chapter provide for and encourage the protection of their environment;
  - (b) striving to continue to improve their respective laws and policies on the protection of the environment;
  - (c) recognising the crucial role of water in sustainable development and the need to protect water resources;
  - (d) prioritizing climate change management and food sovereignty policies; and
  - (e) according importance of balance between economic development, international and domestic trade, investment, the preservation and management of natural resources, and the achievement of food sovereignty in view of the urgent need for the effective implementation of the national climate change management policy.
4. The term “protection of the environment” means:
  - (a) the prevention, abatement, or control of the release, discharge, or emission of pollutants or environmental contaminants, including greenhouse gases;
  - (b) the management of chemicals and waste or the dissemination of information related thereto;
  - (c) the conservation and protection of wild flora or fauna, including endangered species and their habitats, as well as protected areas;
  - (d) the prevention of a danger to life or health from environmental impacts; and
  - (e) especial protection to vulnerable areas such as moorlands (*páramos*), rivers, oceanic and sea reserves, national parks, and jungles.

## **Article 15.2: Transparency**

In accordance with their respective law, policies and practices, the Parties undertake to ensuring transparency within their respective jurisdictions in the context of this Chapter, on their national policies related to food sovereignty, climate change management, and protection of the environment in a manner that suits the national interest of each Party.

## **Article 15.3: Right to Regulate**

1. The Parties reaffirm the right of each Party on the following:
  - (a) set its own policies and priorities for the protection of the environment, food sovereignty, and climate change management; and
  - (b) establish its own levels of protection relating to the environment, food sovereignty, and climate change management.
2. The Parties agree that each party fully retains its own right to regulate and impose appropriate measures with respect to mining, as well as exploring, and producing minerals, gas, or petroleum, in moorlands (*páramos*) rivers, oceanic and sea reserves, national parks, jungles, and other vulnerable ecosystems and their buffer zones.

## **Article 15.4: Cooperation**

1. The Parties recognise the importance of cooperation on environmental issues in order to achieve the objectives of this Chapter. Accordingly, the Parties agree to dialogue and to consult with each other with regard to environmental issues of mutual interest. Each Party may, as appropriate, invite the participation of its social partners or other relevant stakeholders in relevant cooperation projects and in identifying potential areas of cooperation.
2. In implementing paragraph 1, the Parties may cooperate on issues of mutual interest in areas such as:
  - (a) improved understanding of the effects of responsible and sustainable practices that protect the environment;
  - (b) dialogue and information-sharing on national policies related to food sovereignty and climate change management;
  - (c) dialogue and information-sharing on preserving natural habitats and resources for future generation; and
  - (d) monitoring and reviewing the impact of the implementation of this Agreement on the protection of the environment.

3. The Parties shall strive to strengthen their cooperation on environmental issues of mutual interest in relevant bilateral and multilateral fora in which they participate under multilateral environmental agreements.

#### **Article 15.5: Means of Cooperation**

The Parties may cooperate on issues of mutual interest to promote the objectives of this Chapter through actions such as:

- (a) the exchange of information on best practices, events, activities, and initiatives;
- (b) technical exchanges, research projects, studies, reports, conferences, and workshops; and
- (c) other forms of cooperation that the Parties deem appropriate.

#### **Article 15.6: Promotion of Trade and Investment Favouring the Environment**

Recognising the importance of promoting the protection of the environment, the Parties endeavour to:

- (a) promote and facilitate foreign investment and trade in, and dissemination of, goods and services that contribute to the protection of the environment, including those goods and services subject to ecological schemes;
- (b) promote trade and investment in goods and services that contribute to the protection of the environment, such as renewable energy and energy-efficient products and services;
- (c) promote a more resource-efficient and circular economy;
- (d) promote life-cycle management of goods and of environmentally friendly product value chains, including end-of-life management, recycling, and reduction of waste; and
- (e) encourage cooperation between enterprises in relation to goods, services and technologies that contribute to the protection of the environment.

#### **Article 15.7: Water and Related Natural Resources**

In accordance with their national law,<sup>1</sup> the Parties recognise the crucial role of water in sustainable development and the need to protect water resources for the well-being of their citizens. By incorporating water management into land management policies, the Parties aim to ensure that water sources are preserved and accessible to all in light of the food sovereignty policy.

#### **Article 15.8: Exclusions**

1. This Agreement does not apply, in any part of it, to the following subjects:
  - (a) the subsoil, mining, and hydrocarbon industries, water sources and resources, and environmentally protected areas like jungles, moorlands (*páramos*) rivers, oceanic, sea reserves, and national parks. By excluding the subsoil and mining industries, this Agreement recognizes the importance of responsible and sustainable practices that protect the environment;
  - (b) national policies related to food sovereignty and climate change management. The exclusion of national policies related to food sovereignty and climate change management underscores the recognition of the Parties' right to prioritise their food security and address the global climate crisis in a manner that suits their national interests; or
  - (c) measures adopted or maintained by the Parties for the protection of the environment or their natural resources, including those necessary to comply with greenhouse gas emissions targets as set out in international environmental agreements entered into by the Parties.

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<sup>1</sup> In the case of Colombia, Article 79 of the *Colombian Constitution* states that all persons have the right to enjoy a healthy environment, and the law shall guarantee the participation of the community in decisions that may affect it. Constitutional Article 332 provides that the Colombian government owns subsoil and non-renewable natural resources, and sustainable development and management are mandatory under Colombian law. In addition, water is a basic need and a fundamental “right of everyone to have access to sufficient, safe, acceptable, accessible, and affordable water for personal or domestic uses” (*Colombian Constitutional Court Decision T-740-2011*). Besides, the *National Developing Plan for 2022-2026*, Colombia World Power of Life (*Law 2294/2023*), Chapter II, Section II, provides that land management shall occur bearing water and water sources. The *National Developing Plan* also provides that climate change management and food sovereignty must be granted as a national policy priority (Art. 3 of *Law 2294/2023*).

In the case of UAE, Article 23 of the *Constitution* that states the natural resources and wealth in each Emirate shall be considered the public property of that Emirate. Society shall be responsible for the protection and proper exploitation of such natural resources and wealth for the benefit of the national economy. In addition to the UAE *Federal Law No. 24 of 1999 on the Protection and Development of the Environment*, specifically Chapter 4 of the Law, and its subsequent amendments shall apply.

2. All aspects pertaining to the above-mentioned excluded matters are within the exclusive jurisdiction of each Party. The decisions adopted by the Parties on these matters cannot be challenged under this Agreement.

**Article 15.9: Non-application of Chapter 18 (Dispute Settlement)**

A Party shall not have recourse to Chapter 18 (Dispute Settlement) for any issue arising from or relating to this Chapter.



**H.E. Dr. Thani bin Ahmed Al Zeyoudi**

Minister of State for Foreign Trade

Ministry of Economy

United Arab Emirates

**Your Excellency,**

I have the honor to acknowledge the receipt of your letter dated 18 of April 2024 which reads as follows:

“In connection with the signing on this date of the Comprehensive Economic Partnership Agreement (the “Agreement”), between the United Arab Emirates (“UAE”) and the Republic of Colombia (“Colombia”), I have the honour to confirm UAE’s understanding as follows:

The UAE is an independent, sovereign, federal State, with seven sovereign Member Emirates (“Member Emirates”), and pursuant to its Constitution, each Member Emirate retains full sovereignty, sovereign rights and exclusive jurisdiction over its natural resources and wealth of which the Energy Resources Sector is the subject matter of this letter. For the purposes of this letter, “Energy Resources Sector” shall mean all hydrocarbons such as oil, gas, and condensates, derivatives and primary by-products thereof with respect to ownership, management, exploration, development and production, exploitation (including reservoir management), transportation, storage, refining and processing, and distribution up to and including retail distribution.

In recognition of the foregoing, the Agreement shall not grant any rights to Colombia or create any obligations for the UAE or any of its Member Emirates with regard to the Energy Resources Sector. Accordingly, the Energy Resources Sector is excluded from all aspects and provisions of the Agreement, including the Chapter on Dispute Settlement (Chapter 18). All matters pertaining to the Energy Resources Sector of any of the Member Emirates are within the exclusive jurisdiction of the Member Emirates, and all determinations and decisions of each Member Emirate made by such Member Emirate’s competent authorities pertaining to the Energy Resources Sector (“Competent Authorities”) that are the subject of its jurisdiction shall be final, binding and not subject to review or challenge.

Subsequent to the date of entry into effect of the Agreement and in the event that the UAE with the concurrence of the Member Emirates' Competent Authorities grants any rights excluded by this letter to a third country with respect to the Energy Resources Sector by a Free Trade Agreement, such rights shall be granted to Colombia.

Notwithstanding the above, in the event of a difference in the interpretation or application of this letter, the UAE and Colombia commit to have recourse to consultations at the request of either Party to this letter. For the purpose of such consultation, Article 6 (consultations) of the Dispute Settlement (Chapter 18) except paragraph 8, shall apply mutatis mutandis. The Parties shall make every attempt through consultation to arrive at a mutually satisfactory resolution within 60 days from the request.

In the event that the UAE and Colombia have failed to achieve a mutually agreed solution within 60 days following recourse to consultations, or if the UAE fails to comply with the mutually agreed solution within the agreed timeframe, the only recourse of Colombia shall be that it may suspend benefits under the Agreement proportionate to the trade effects which the measure in question causes or threatens to cause. Moreover, Colombia shall repeal its compensatory measure to the extent that the UAE's measure in question ceases to apply. The above-mentioned procedure shall also apply in case of any dispute relating to whether Colombia's compensatory measure is proportionate, with the UAE likewise ultimately having the right to suspend benefits proportionately.

The UAE and Colombia further agree that this letter shall constitute an integral part of the Agreement and that, in the unlikely event of any inconsistency between this letter and any provisions of the Agreement, this letter shall prevail to the extent of that inconsistency."

I am pleased to further confirm that the proposed understanding of the United Arab Emirates with regards to the Energy Resources Sector as specified in the letter is accepted by the Republic of Colombia and shall constitute an integral part of the Comprehensive Economic Partnership Agreement between the Republic of Colombia and the United Arab Emirates.

Please accept, Your Excellency, the assurances of my highest consideration.

**Yours Sincerely,**

**H.E. Germán Umaña Mendoza**  
Minister of Trade, Industry and Tourism  
The Republic of Colombia



18 April 2024

**H.E. Germán Umaña Mendoza**

Minister of Trade, Industry and Tourism  
Republic of Colombia

**Your Excellency,**

In connection with the signing on this date of the Comprehensive Economic Partnership Agreement (the “**Agreement**”), between the United Arab Emirates (“**UAE**”) and the Republic of Colombia (“**Colombia**”), I have the honour to confirm UAE’s understanding as follows:

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In recognition of the foregoing, the Agreement shall not grant any rights to Colombia or create any obligations for the UAE or any of its Member Emirates with regard to the Energy Resources Sector. Accordingly, the Energy Resources Sector is excluded from all aspects and provisions of the Agreement, including the Chapter on Dispute Settlement (Chapter 18). All matters pertaining to the Energy Resources Sector of any of the Member Emirates are within the exclusive jurisdiction of the Member Emirates, and all determinations and decisions of each Member Emirate made by such Member Emirate’s competent authorities pertaining to the Energy Resources Sector (“**Competent Authorities**”) that are the subject of its jurisdiction shall be final, binding and not subject to review or challenge.

Subsequent to the date of entry into effect of the Agreement and in the event that the UAE with the concurrence of the Member Emirates’ Competent Authorities grants any rights excluded by this letter to a third country with respect to the Energy Resources Sector by a Free Trade Agreement, such rights shall be granted to Colombia.

Notwithstanding the above, in the event of a difference in the interpretation or application of this letter, the UAE and Colombia commit to have recourse to consultations at the request of either



Party to this letter. For the purpose of such consultation, Article 6 (consultations) of the Dispute Settlement (Chapter 18) except paragraph 8, shall apply *mutatis mutandis*. The Parties shall make every attempt through consultation to arrive at a mutually satisfactory resolution within 60 days from the request.

In the event that the UAE and Colombia have failed to achieve a mutually agreed solution within 60 days following recourse to consultations, or if the UAE fails to comply with the mutually agreed solution within the agreed timeframe, the only recourse of Colombia shall be that it may suspend benefits under the Agreement proportionate to the trade effects which the measure in question causes or threatens to cause. Moreover, Colombia shall repeal its compensatory measure to the extent that the UAE's measure in question ceases to apply. The above-mentioned procedure shall also apply in case of any dispute relating to whether Colombia's compensatory measure is proportionate, with the UAE likewise ultimately having the right to suspend benefits proportionately.

The UAE and Colombia further agree that this letter shall constitute an integral part of the Agreement and that, in the unlikely event of any inconsistency between this letter and any provisions of the Agreement, this letter shall prevail to the extent of that inconsistency.

I would be grateful for your confirmation that Colombia agrees with this understanding.

Sincerely yours,

**H.E. Dr. Thani bin Ahmed Al Zeyoudi**

Minister of State for Foreign Trade

Ministry of Economy

United Arab Emirates

## **CHAPTER 16**

### **ADMINISTRATION OF THE AGREEMENT & INSTITUTIONAL PROVISIONS**

#### **Article 16.1: Joint Committee**

1. The Parties hereby establish a Joint Committee.
2. The Joint Committee:
  - (a) shall be composed of representatives of both Parties. Unless otherwise agreed, the principal representative of each Party shall be the cabinet-level officer or Minister primarily responsible for international trade, or a person designated by the cabinet-level officer or Minister;
  - (b) shall be co-chaired by a representative of the Ministry of Trade, Industry and Tourism (*Ministerio de Comercio, Industria y Turismo*) on the Colombian side, and by a representative of the Ministry of Economy on the UAE side, or their successors; and
  - (c) may establish standing or *ad hoc* sub-committees or working groups and assign any of its powers thereto.

#### **Article 16.2: Joint Committee Procedures**

1. The Joint Committee shall meet within one year from the entry into force of this Agreement. Thereafter, it shall meet every two years unless the Parties agree otherwise, to consider any matter relating to this Agreement. The regular sessions of the Joint Committee shall be held alternately in the territories of the Parties.
2. The Joint Committee shall also hold special sessions without undue delay from the date of a request thereof from either Party.
3. All decisions of the Joint Committee shall be taken by mutual agreement.
4. The Joint Committee shall establish its own rules of working procedures.
5. Meetings of the Joint Committee and of any standing or *ad hoc* sub-committees or working groups may be conducted in person or by any other means as determined by the Parties.

#### **Article 16.3: Joint Committee Functions**

1. The functions of the Joint Committee shall be as follows:

- (a) to administer this Agreement and ensure its proper implementation;
- (b) to review and assess the results and overall operation of this Agreement in the light of the experience gained during its application and its objectives;
- (c) to consider any amendments to this Agreement that may be proposed by either Party, including the modification of concessions made under this Agreement;
- (d) to endeavour to amicably resolve disputes between the Parties arising from the interpretation or application of this Agreement, without prejudice of what the Agreement provides in Chapter 18 (Dispute Settlement);
- (e) to supervise and coordinate the work of all sub-committees and working groups established under this Agreement;
- (f) to consider any other matter that may affect the operation of this Agreement;
- (g) to propose mutually agreed interpretation to be given to the provisions of this Agreement, if requested by either Party;
- (h) to adopt decisions or make recommendations as envisaged by this Agreement;
- (i) to review the possibility of further removal of obstacles to trade between the Parties and the further development of the trade relationship; and
- (j) to carry out any other functions as may be agreed by the Parties.

2. The Joint Committee may:

- (a) agree to initiate negotiations, with the aim of deepening the liberalisation already achieved;
- (b) consider, recommend, and approve the adoption of any amendment or modification to the provisions of this Agreement. Any such amendment or modification shall enter into force in accordance with the procedures set forth in Article 19.2 (Amendments);
- (c) modify by a Joint Committee decision:
  - (i) the Annex 2B (Reduction or Elimination of Customs Duties), with the purposes of adding one or more goods excluded in the Schedule of a Party;
  - (ii) the phase-out periods established in Annex 2B (Reduction or Elimination of Customs Duties), with the purposes of accelerating the tariff reduction;
  - (iii) the specific rules of origin established in Annex 3A (List of Product Specific Rules of Origin), Certificate of Origin contained in Annex 3B (Certificate of

Origin), Procedures for the Issuance of Electronic Certificates of Origin as specified in Article 3.22 (Electronic Data Origin Exchange System), Invoice Declaration contained in Annex 3C (Invoice Declaration), Procedures for the Issuance of Paper Certificates of Origin in Article 3.21 (Certificate of Origin in Paper Format);

- (iv) the Schedules to Annex 10A (List of Commitments in Services); and
  - (v) the Rules of Procedure for the Panel established in Annex 17A and the Code of Conduct for Panelists, Conciliators, Mediators, and Experts established in Annex 17B.
- (d) Each Party shall implement, subject to the completion of its applicable internal legal procedures and upon notification of such, any modification referred to in the previous subparagraph, within such period as the Parties may agree;
- (e) adopt interpretations of the provisions of this Agreement. Such interpretations shall be taken into consideration by Panels established under Chapter 18 (Dispute Settlement). However, interpretations adopted by the Joint Committee shall not constitute an amendment or modification to the provisions of this Agreement; and
- (f) take such other action in the exercise of its functions as the Parties may agree.

#### **Article 17.4: The Agreement Coordinators**

1. Each Party shall designate a coordinator to receive and facilitate official communications and handle any bilateral matter related to the administration of this Agreement.

2. The coordinators shall:

- (a) work jointly to develop agendas;
- (b) make other preparations for the Joint Committee meetings;
- (c) follow-up on the Joint Committee's decisions as appropriate;
- (d) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided for in this Agreement;
- (e) receive any notifications and information submitted under this Agreement, unless otherwise provided for in this Agreement; and
- (f) assist the Joint Committee in any other matter referred to them by the Joint Committee.

3. The coordinators of this Agreement may meet as necessary.

4. All official communications in relation to this Agreement shall be in the English language

#### **Article 16.5: Establishment of Subcommittees and Working Groups**

1. The Parties hereby establish the following Subcommittees:
  - (a) Subcommittee on Customs, Trade Facilitation, and Rules of Origin; and
  - (b) Subcommittee on Trade in Goods.
2. Any Subcommittee, or working group, established under this Agreement shall comprise representatives from Colombia and the UAE.
3. The respective scope of competence and duties of the Subcommittees provided for in this Agreement are defined in the relevant provisions of each Chapter.
4. The Joint Committee may establish other Subcommittees, working groups, or any other specialised bodies and delegate responsibilities to them 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 specialised bodies.
5. The Subcommittees, working groups, and specialised 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 specialised bodies shall submit summaries of their meetings to the Joint Committee.

## CHAPTER 17 EXCEPTIONS

### Article 17.1: General Exceptions

1. For the purposes of Chapter 2 (Trade in Goods), Chapter 3 (Rules of Origin) and Chapter 4 (Customs Procedures and Trade Facilitation), Article XX of the GATT 1994 and its interpretative note are incorporated into and form part of this Agreement, *mutatis mutandis*.
2. For the purposes of Chapter 10 (Trade in Services) and Chapter 11 (Digital Trade), Article XIV of the GATS, including its footnotes, is incorporated into and forms part of this Agreement, *mutatis mutandis*.

### Article 17.2: Security Exceptions

In light of Article XXI of the GATT 1994 and Article XIV *bis* of GATS, nothing in this Agreement shall be construed:

- (a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;
- (b) to prevent any Party from taking any action or measures which it considers necessary for the protection of its essential security interests;<sup>1</sup> or
- (c) to prevent any Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security, or for the protection of its own essential security interests, in accordance with international law.

### Article 17.3: Taxation

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.
2. Notwithstanding paragraph 1, Article 2.3 (National Treatment) shall apply to taxation

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<sup>1</sup> Such actions or measures should include *inter alia*:

- (i) relating to the supply of services as carried out directly or indirectly for the purpose of provisioning a military establishment;
- (ii) relating to the protection of critical public infrastructure, including, but not limited to, critical communications infrastructures, power infrastructures and water infrastructures, from deliberate attempts intended to disable or degrade such infrastructures;
- (iii) taken in time of domestic emergency, or war or other emergency in international relations.

measures to the same extent as Article III of the GATT 1994 and its interpretative notes.

3. Nothing in this Agreement shall be construed to prevent a Party from adopting or enforcing any measure which:

- (a) aims at ensuring the effective and equitable imposition and collection of direct taxes;
- (b) distinguishes in the application of the relevant provisions of domestic fiscal legislation, including those aimed at ensuring the progressive taxation and collection of taxes, between taxpayers who are not in the same situation, in particular with regard to their place of residence or with regard to the place where their capital is invested; or
- (c) aims at preventing the avoidance or evasion of taxes pursuant to tax conventions, tax provisions of other agreements, or domestic fiscal legislation.

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

5. For the purposes of this Article:

- (a) **tax convention** means conventions, agreements, or arrangements relating wholly or mainly to taxation, including the avoidance of double taxation; and
- (b) **taxes and taxation** measures do not include a customs duty as defined in Article 1.1 (General Definitions).

#### **Article 17.4: Restriction to Safeguard the Balance of Payments**

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

2. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining restrictive measures with regard to transfers or payments from the current account in the event of a serious balance of payments and external financial difficulties or a threat thereof.

3. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining restrictive measures with regard to the transfers or payments related to capital movements. The latter shall be deemed applicable in the events that cause, or threaten to cause, serious balance of payments difficulties,<sup>2</sup> external financial difficulties, or serious difficulties in macro-economic management, in particular in monetary or foreign exchange policy.

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<sup>2</sup> For the Republic of Colombia, serious balance of payments difficulties will be established in accordance with the provisions of Law 9 of 1991, particularly Articles 6 and 15 thereof.

4. Any measure that is adopted or maintained in accordance with paragraphs 1 or 2 shall:
- (a) be applied in a non-discriminatory manner so that no Party receives a less favourable treatment than any other Party to the Pacific Alliance or non-Party;
  - (b) be consistent with the *Articles of Agreement of the International Monetary Fund*;
  - (c) avoid unnecessary damage to the commercial, economic, and financial interests of the other Party;
  - (d) not exceed those necessary to deal with the circumstances set out in paragraphs 1 or 2, and
  - (e) be temporary and be phased out progressively as soon as the circumstances set out in paragraphs 1 or 2 improve.
5. With regard to the trade in goods, no provision of this Agreement shall be construed as preventing a Party from adopting measures to restrict importations in order to safeguard its external financial position or balance of payments. These measures which restrict importations must be consistent with the GATT 1994 and the Understanding of the Balance of Payments Provisions of the GATT 1994.
6. With regard to the trade in services, no provision in this Agreement shall be construed to prevent a Party from taking restrictive trade measures in order to safeguard its external financial position or balance of payments. These restrictive measures must be consistent with the GATS.
7. A Party that adopts or maintains measures in accordance with paragraphs 1, 2, 4, or 5 shall:
- (a) provide prompt notice of the measures adopted or maintained to the other Party, including any modification thereof; and
  - (b) promptly commence consultations with the other Party to review the measures maintained or adopted by it:
    - (i) in the case of capital movements, respond to the other Party that makes an enquiry on the measures adopted by it, provided that the said enquiry is not otherwise taking place outside of this Agreement; and
    - (ii) in the case of current account transactions, provided that consultations related to the adopted measures are not carried out before the WTO, a Party shall, if requested to, promptly commence consultations with the other Party.

#### **Article 17.5: Confidential Information**

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of information designated as confidential by the other Party.
2. Nothing in this Agreement shall require a Party to disclose confidential information, the disclosure of which would impede law enforcement of the Party, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of any economic operator.<sup>3</sup>

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<sup>3</sup> Economic operator means individuals or of particular enterprises, public or private, including any service supplier as defined in Article 10.1 (Definitions).

## **CHAPTER 18 DISPUTE SETTLEMENT**

### **Section A: Objective and Scope**

#### **Article 18.1: Objective**

The objective of this Chapter is to establish an effective and efficient mechanism for preventing and settling disputes between the Parties concerning the interpretation and application of this Agreement with a view to reaching, where possible, a mutually agreed solution.

#### **Article 18.2: Cooperation**

The Parties shall endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultation to arrive at a mutually satisfactory resolution of any matter that might affect its operation and application.

#### **Article 18.3: Scope of Application**

1. Unless otherwise provided in this Agreement, the provisions of this Chapter shall apply to the settlement of disputes between the Parties regarding the interpretation and application of the provisions of this Agreement, and 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, resulting in a violation of the Agreement.

2. This Chapter shall not cover non-violation complaints or other situation complaints.

#### **Article 18.4: Contact Points**

1. Each Party shall designate a contact point to facilitate communications between the Parties with respect to any dispute initiated under this Chapter.

2. Any request, notification, written submission, or other document made in accordance with this Chapter shall be delivered to the other Party through its designated contact point.

### **Section B: Consultations, Good Offices, Conciliation, and Mediation**

### **Article 18.5: Request for Information**

Before a request for consultations, good offices, conciliation, and mediation is made pursuant to Articles 18.6 or 18.7 respectively, a Party may request in writing any relevant information with respect to a measure at issue. The Party to which that request is made shall make all efforts to provide the requested information in a written response to be submitted no later than 20 days after the date of receipt of the request.

### **Article 18.6: Consultations**

1. The Parties shall endeavour to resolve any dispute referred to in Article 18.3 by entering into consultations in good faith with the aim of reaching a mutually agreed solution.
2. A Party shall seek consultations by means of a written request delivered to the other Party identifying the reasons for the request, including the measure at issue and a description of its factual basis and the legal basis specifying the covered provisions that it considers applicable.
3. The Party to which the request for consultations is made shall reply to the request promptly, but no later than 10 days after the date of receipt of the request. 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. Consultations on matters of urgency, including those regarding perishable or seasonal goods shall be held within 15 days of the date of receipt of the request. The consultations shall be deemed to be concluded within those 15 days unless the Parties agree otherwise.
5. During consultations each Party shall provide sufficient information to enable a full examination of how the actual or proposed measure, or other matter might affect the operation and application of this Agreement.
6. Consultations, including all information disclosed and positions taken by the Parties during consultations, shall be confidential, and without prejudice to the rights of either Party in any further proceedings.
7. Consultations may be held in person or by any other means of communication agreed by the parties. Unless the Parties agree otherwise, consultations, if held in person, shall take place in the territory of the Party to which the request is made.
8. If the Party to which the request is made does not respond to the request for consultations within 10 days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article 18.8.

### **Article 18.7: Good Offices, Conciliation and Mediation**

1. The Parties may at any time agree to enter into procedures for good offices, conciliation, or mediation. They may begin at any time and be terminated by either Party at any time.
2. Proceedings involving good offices, conciliation or mediation and the particular positions taken by the Parties in these proceedings, shall be confidential and without prejudice to the rights of either Party in any further proceedings under this chapter or any other proceedings before a forum selected by the Parties.
3. If the Parties agree, procedures for good offices, conciliation, or mediation may continue while the panel procedures set out in Section C proceed. Those procedures would be determined as mutually agreed by the Parties.

### **Section C: Panel Procedures**

#### **Article 18.8: 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 time frames provided in Article 18.6.3;
  - (b) consultations are not held within the period provided in Article 18.6.3 or 18.6.4 on matter of urgencies; or
  - (c) the Parties have failed to settle the dispute through consultations within the period provided in Article 18.6.3 or 18.6.4 on matter of urgencies.
2. The request for the establishment of a panel shall be made by means of a written request delivered to the other Party and shall identify the measure at issue and indicate the legal basis specifying the relevant covered provisions in a manner sufficient to present how such measure is inconsistent, as such or/and in its application, with those provisions.
3. When a request is made by the complaining party in accordance with paragraph 1, a panel shall be established.
4. The request to establish the panel referred to in this Article shall form part of the terms of reference of the panel unless otherwise agreed by the Parties.

#### **Article 18.9: Composition of a panel**

1. Unless the Parties agree otherwise, a panel shall consist of three panelists.
2. Within 20 days after the establishment of a panel, each party shall appoint a panelist. The parties shall, by common agreement, appoint the third panelist, who shall serve as the chairperson of the panel, within 40 days after the establishment of a panel.

3. If either Party fails to appoint a panelist within the time period established in paragraph 2, the other party may request that the Secretary General of the Permanent Court of Arbitration designate a panelist within 20 days of that request.

4. If the Parties do not agree on the chairperson of the panel within the time period established in paragraph 2, they shall within the next 10 days, exchange their respective lists comprising three nominees each who shall not be nationals of either party. The chair shall then be appointed by draw of lot from the lists within 10 days after the expiry of the time period during which the parties shall exchange their respective lists of nominees. The selection by lot of the chairperson of the panel shall be made by the Secretary General of the Permanent Court of Arbitration.

5. If a Party fails to submit its list of three nominees within the time period established in paragraph 4, the chairperson shall be appointed by draw of lot from the list submitted by the other Party.

6. The date of composition of the panel shall be the date on which the last of the three selected panelists has notified to the Parties the acceptance of his or her appointment.

#### **Article 18.10: Requirements for Panelists**

1. Each panelist shall:

- (a) have demonstrated expertise in law, international trade, and other matters covered by this Agreement, or the resolution of disputes arising under international trade agreements;
- (b) be independent of, and not be affiliated with or take instructions from, either Party;
- (c) serve in their individual capacities and not take instructions from any organization or government with regard to matters related to the dispute;
- (d) comply with the Code of Conduct established in Annex 18B (Code of Conduct for Panelists, Conciliators, Mediators, and Experts);
- (e) be chosen strictly on the basis of objectivity, impartiality, reliability, and sound judgment;

2. The chairperson shall also have experience in dispute settlement procedures.

3. Persons who provided good offices or mediation to the Parties, pursuant to Article 18.7 in relation to the same or a substantially equivalent matter, shall not be eligible to be appointed as panelists in that matter.

#### **Article 18.11: Replacement of Panelists**

If any of the panelists of the original panel becomes unable to act, withdraws, or needs to be replaced because that panelist does not comply with the requirements of the Code of Conduct established in Annex 18B (Code of Conduct for Panelists, Conciliators, Mediators, and Experts), a successor panelist shall be appointed in the same manner as prescribed for the appointment of the original panelist and the successor shall have the powers and duties of the original panelist. The work of the panel shall be suspended during the appointment of the successor panelist.

#### **Article 18.12: Functions of the Panel**

Unless the Parties otherwise agree, the panel:

- (a) shall make an objective assessment of the matter before it, including an objective assessment of the facts of the case and the applicability of and conformity of the measure at issue with the covered provisions. If the panel determines that a measure is inconsistent with this Agreement, it shall recommend that the responding Party bring the measure into conformity with this Agreement;
- (b) shall set out, in its decisions and reports, the findings of fact and law and the rationale behind any findings and conclusions that it makes;
- (c) shall base its reports on the relevant provisions of this Agreement and on the information provided during the proceedings including submissions, evidence and arguments made at the hearings; and
- (d) should consult regularly with the Parties and provide adequate opportunities for the development of a mutually agreed solution.

#### **Article 18.13: Terms of Reference**

1. Unless the Parties otherwise agree within 15 days after the date of composition of the panel, the terms of reference of the panel shall be: “to examine, in the light of the relevant covered provisions of this Agreement cited by the Parties, the matter referred to in the request for the establishment of the panel, to make findings on the conformity of the measure at issue with the relevant covered provisions of this Agreement as well as recommendations, if any, on the means to resolve the dispute, and to deliver a report in accordance with Articles 18.18 and 18.19.”

2. If the Parties agree on other terms of reference than those referred to in paragraph 1, they shall notify the agreed terms of reference to the panel no later than 5 days after their agreement.

#### **Article 18.14: Decision on Urgency**

1. If a Party so requests, the panel shall decide, within 15 days of its composition, whether the dispute concerns matters of urgency.
2. In cases of urgency, the applicable time periods set out in Articles 18.18 and 18.19 shall be half of the time prescribed therein.

#### **Article 18.15: Rules of Interpretation**

1. The panel shall interpret the covered provisions in accordance with customary rules of interpretation of public international law, including those codified in the *Vienna Convention on the Law of Treaties*. In its findings and recommendations, the panel cannot add to or diminish the rights and obligations provided in this Agreement.
2. When appropriate, the panel may also take into account relevant interpretations in reports of prior panels established under this Chapter and reports of panels and the Appellate Body adopted by the Dispute Settlement Body of the WTO.

#### **Article 18.16: Rules of Procedure of the Panel**

1. Unless the Parties otherwise agree, the panel shall follow the model rules of procedure set out in Annex 18A (Rules of Procedure for the Panel) that shall ensure:
  - (a) confidentiality of the proceedings and all written submissions to, and communications with, the panel;
  - (b) that the deliberations, hearings, sessions and meetings of the panel shall be held in closed sessions;
  - (c) a right to at least one hearing before the panel;
  - (d) an opportunity for each Party to provide initial and rebuttal submissions;
  - (e) the ability of the panel to seek information, technical advice and expert opinions; and
  - (f) the protection of confidential information.
2. A panel shall adopt its decisions by consensus. In the event that a panel is unable to reach consensus, it shall adopt its decisions by majority vote.
3. The panel shall not meet or contact a Party in the absence of the other Party. No panelist may discuss any aspect of the subject matter of the proceedings with one or both Parties in the absence of the other panelists.

4. The panel may, after consulting with the Parties, adopt additional rules of procedure not inconsistent with the model rules of procedures.

#### **Article 18.17: Receipt of Information**

1. Upon the request of a Party, or on its own initiative, the panel may seek from the Parties relevant information it considers necessary and appropriate. The Parties shall respond promptly and fully to any request by the panel for information.

2. Upon the request of a Party or on its own initiative, the panel may seek from any source any information it considers appropriate. The panel also has the right to seek the opinion of experts, as it considers appropriate, and subject to any terms and conditions agreed by the Parties, where applicable.

3. Any information obtained by the panel under this Article shall be made available to the Parties and the Parties may provide comments on that information.

#### **Article 18.18: Interim Report**

1. The panel shall deliver an interim report to the Parties within 90 days after the date of composition of the panel. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to deliver its report. Under no circumstances shall the delay exceed 30 days after the deadline.

2. The interim report shall set out a descriptive part and the panel's findings and conclusions.

3. Each Party may submit to the panel written comments and a written request to review precise aspects of the interim report within 15 days of the date of issuance of the interim report. A Party may comment on the others Party's request within 6 days of the delivery of the request.

4. After considering any written comments and requests by each party on the interim report, the panel may modify the interim report and make any further examination it considers appropriate.

#### **Article 18.19: Final Report**

1. The panel shall deliver its final report to the Parties within 120 days of the date of composition of the panel. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to deliver its final report. Under no circumstances shall the delay exceed 30 days after the deadline.

2. The final report may include a discussion of any written comments and requests made by the Parties on the interim report.

3. The final report shall include the findings and reasoning thereof, recommendations and/or rulings, as the case may be, and shall exclude payment of monetary compensation. It shall contain the following details and any other element as the Panel may consider appropriate:

- (a) the Parties to the dispute;
- (b) the name of each of the panelists and the date of establishment of the panel;
- (c) the names of the representatives of the Parties;
- (d) the measures subject to the proceedings;
- (e) a report on the development of the panel procedure, including a summary of the arguments of each of the Parties;
- (f) the decision reached, indicating its factual and legal grounds;
- (g) the suggestions on the ways in which the final report could be implemented;
- (h) the date and place of issuance; and
- (i) the signature of all the panelists.

4. The final report shall be made public within 15 days of its delivery to the Parties unless the Parties otherwise agree to publish the final report only in parts or not to publish the final report.

5. The final report shall be binding on the Parties.

#### **Article 18.20: Implementation of the Final Report**

1. Where the panel finds that the respondent Party has acted inconsistently with a covered provision, the respondent Party shall take any measure necessary to comply promptly and in good faith with the findings and conclusions in the final report.

2. The respondent Party shall, no later than 30 days after delivery of the final report, notify the complaining Party of the length of the reasonable period of time necessary for compliance with the final report and the Parties shall endeavour to agree on the reasonable period of time required for compliance with the final report.

#### **Article 18.21: Reasonable Period of Time for Compliance**

1. If the Parties have not agreed on the length of the reasonable period of time, the complaining Party may, no later than 20 days after the date of receipt of the notification made by the respondent Party in accordance with paragraph 2 of Article 18.20, request in writing the original panel to determine the length of the reasonable period of time. Such request shall be notified simultaneously

to the respondent Party. The 20-day period referred to in this paragraph may be extended by mutual agreement of the parties.

2. The original panel shall deliver its decision to the Parties on the above referenced reasonable period of time within 20 days of the date of submission of the request.

3. The length of the reasonable period of time for compliance with the final report may be extended by mutual agreement of the parties.

#### **Article 18.22: Compliance**

1. The respondent Party shall deliver a written notification of its progress in complying with the final report to the complaining Party at least one month before the expiry of the reasonable period of time for compliance with the final report unless the Parties agree otherwise.

2. The respondent Party shall, no later than at the date of expiry of the reasonable period of time, deliver a notification to the complaining Party of any measure that it has taken to comply with the final report.

3. Where the Parties disagree on the existence of measures to comply with the final report, or their consistency with the covered provisions, the complaining Party may request in writing the original panel to decide on the matter. Such request shall be notified simultaneously to the respondent Party.

4. The request shall provide the factual and legal basis for the complaint, including the identification of the specific measures at issue and an indication of why any measures taken by the respondent fail to comply with the final report or are otherwise inconsistent with the covered provisions.

5. The panel shall deliver its decision to the Parties within 60 days of the date of delivery of the request.

#### **Article 18.23: Temporary Remedies in Case of Non-Compliance**

1. If the respondent Party:

- (a) fails to notify any measure taken to comply with the final report before the expiry of the reasonable period of time;
- (b) notifies the complaining party in writing that it is not possible to comply with the final report within the reasonable period of time; or
- (c) the original panel finds that no measure taken to comply exists or that the measure taken to comply with the final report as notified by the Party complained against is inconsistent with the covered provisions,

the respondent Party shall, on request of the complaining Party, enter into consultations with a view to agreeing on a mutually satisfactory agreement or any necessary compensation.

2. If the Parties fail to reach a mutual satisfactory agreement or to agree on compensation within 20 days after the date of receipt of the request made in accordance with paragraph 1, the complaining Party may deliver a written notification to the respondent Party and the Joint Committee that it intends to suspend the application to that Party of benefits or other obligations under this Agreement. The notification shall specify the level of intended suspension of benefits or other obligations.

3. The complaining Party may begin the suspension of benefits or other obligations referred to in the preceding paragraph 20 days after the date when it served notice on the responding Party, unless the respondent Party made a request under paragraph 7.

4. The suspension of benefits or other obligations:

- (a) shall be at a level equivalent to those affected by a measure found inconsistent with this Agreement;
- (b) shall be restricted to benefits accruing to the respondent Party under this Agreement.

5. In considering what benefits to suspend in accordance with paragraph 2, the complaining Party shall apply the following principles:

- (a) 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;<sup>1</sup> and
- (b) the complaining party may suspend benefit in other sectors, if it considers that it is not practicable or effective to suspend benefits or other obligations in the same sector.

6. The suspension of benefits or other obligations shall be temporary and be applied by the complaining Party, only:

- (a) until the measure found to violate this Agreement has been withdrawn or amended so as to comply with the final report and with the provisions of this Agreement;

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<sup>1</sup>For purposes of this paragraph, “sector” means: (i) with respect to goods, all goods; (ii) with respect to services, a principal sector as identified in the current “Services Sectoral Classification List” which identifies such sectors.

- (b) until the original panel decides that the compliance measure is compatible with the final report and with the provisions of this Agreement; or
- (c) until the Parties have agreed on a mutually satisfactory solution, any necessary compensation, or otherwise settled the dispute.

7. To terminate a suspension of benefits, the respondent Party shall notify the complaining Party of any measure adopted to comply with the final report and the provisions of this Agreement or of its compliance with the agreement on compensation. Such notification shall be accompanied by a request to terminate the suspension of benefits.

8. The suspension of benefits shall not be applied during the course of the proceedings initiated pursuant to Article 18.22.3.

9. If the respondent Party considers that the suspension of benefits does not comply with paragraphs 4 and 5 or is under the case described in paragraph 7, that party may request in writing the original panel to examine the matter no later than 15 days after the date of receipt of the notification referred to in paragraph 2. That request shall be notified simultaneously to the complaining Party. The original panel shall notify to the parties its decision on the matter no later than 30 days of the receipt of the request from the respondent Party. Benefits or other obligations shall not be suspended until the original panel has delivered its decision. The suspension of benefits or other obligations shall be consistent with this decision.

#### **Article 18.24: Review of any Measure Taken to Comply After the Adoption of Temporary Remedies**

1. Upon the notification by the respondent Party to the complaining Party of the measure taken to comply with the final report:

- (a) in a situation where the right to suspend benefits or other obligations has been exercised by the complaining Party in accordance with Article 18.23, the complaining Party shall terminate the suspension of benefits or other obligations no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2; or
- (b) in a situation where, necessary compensation has been agreed, the respondent Party may terminate the application of such compensation no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2.

2. If the Parties do not reach an agreement on whether the measure notified in accordance with paragraph 1 is consistent with the relevant covered provisions within 30 days after the date of receipt of the notification, the complaining Party shall request in writing the original panel to examine the matter. That request shall be notified simultaneously to the respondent Party. The decision of the panel shall be notified to the Parties no later than 45 days after the date of submission

of the request. If the panel decides that the measure notified in accordance with paragraph 1 is consistent with the relevant covered provisions, the suspension of benefits or other obligations, or the application of the compensation, shall be terminated no later than 15 days after the date of the decision. If the panel determines that the notified measure achieves only partial compliance with the covered provisions, the level of suspension of benefits or other obligations, or of the compensation, shall be adapted in light of the decision of the panel.

#### **Article 18.25: Suspension and Termination of Proceedings**

If both Parties so request, the panel shall suspend for a period agreed by the Parties and not exceeding 12 consecutive months. In the event of a suspension of the work of the panel, the relevant time periods under this Section shall be extended by the same period of time for which the work of the panel was suspended. The panel shall resume its work before the end of the suspension period at the written request of both Parties. If the work of the panel has been suspended for more than 12 consecutive months, the authority of the panel shall lapse and the dispute settlement procedure shall be terminated unless the Parties agree otherwise.

### **Section D: General Provisions**

#### **Article 18.26: Choice of Forum**

1. Unless otherwise provided in this Article, this Chapter is without prejudice to the rights of the Parties to have recourse to dispute settlement procedures available under other international trade agreements to which they are both Parties.
2. When a dispute arises with regard to the alleged inconsistency of a particular measure with an obligation under this Agreement and a substantially equivalent obligation under another international trade agreement to which both Parties are party, including the WTO agreements, the complaining Party may select the forum in which to settle the dispute.
3. Once a Party has selected the forum and initiated dispute settlement proceedings under this Chapter or under the other international agreement with respect to the particular measure referred to in paragraph 2, that Party shall not initiate dispute settlement proceedings in another forum with respect to that particular measure unless the forum selected first fails to make findings on the issues in dispute for jurisdictional or procedural reasons.
4. For the purposes of paragraph 3:
  - (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 18.8;

- (b) dispute settlement proceedings under the WTO Agreements are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 6 of the DSU; 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 18.27: Remuneration and Expenses**

1. Unless the Parties otherwise agree, the remuneration and expenses of the panel and other expenses associated with the conduct of its proceedings shall be borne in equal parts by both Parties.
2. Each Party shall bear its own expenses and legal costs in the panel proceedings.

#### **Article 18.28: Mutually Agreed Solution**

1. The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time.
2. If a mutually agreed solution is reached during the panel procedure, the Parties shall jointly notify that solution to the chairperson of the panel and to the Joint Committee. Upon such notification, the panel procedure shall be terminated.
3. Each Party shall take measures necessary to implement the mutually agreed solution within the agreed time period.
4. No later than at the expiry of the agreed time period, the implementing Party shall inform the other Party, in writing, of any measure that it has taken to implement the mutually agreed solution.

#### **Article 18.29: Time Periods**

1. All time periods laid down in this Chapter shall be counted in calendar days from the day following the act to which they refer.
2. Any time period referred to in this Chapter may be modified by mutual agreement of the Parties.

**Article 18.30: Request for Clarification of the Final Report**

1. Within 10 days after the issuance of the final report, a Party may submit a written request to the panel for clarification of any determinations or recommendations in the final report that the Party considers ambiguous. The panel shall respond to the request within 10 days after the presentation of such request.
2. The submission of a request pursuant to paragraph 1 shall not affect the time periods referred to in Articles 18.20 and 18.23 unless the panel decides otherwise.

## **Annex 18A**

### **Rules of Procedure for the Panel**

#### **Definitions**

1. For the purposes of this Annex:

**adviser** means a person retained by a Party to advise or assist that Party in connection with the Panel proceeding;

**assistant** means a person who, under the terms of appointment of a panelist, conducts research or provides other professional or administrative support to any panelist;

**chapter** means Chapter 18;

**complaining Party** means a Party that requests the establishment of a panel;

**expert** means a person or group that provides information, technical advice, or expert opinion to a panel;

**holiday** means every Saturday, Sunday, and any other day designated by a Party as an official holiday;

**panel** means a panel established under Article 18.8;

**panelist** means a member of a panel established under Article 18.8;

**proceedings** means a panel proceeding;

**respondent Party** means a Party that receives the request for the establishment of a panel;

**representative of a Party** means an employee or any person appointed by a government department or agency or any other public entity of a Party; and

**staff** means persons under the direction and control of the panelist, or of the panel, other than assistants.

#### **Timetable**

2. After consulting the Parties, the panel shall, whenever possible, within 7 days of the composition of the panel, fix the timetable for the panel process. The indicative timetable included in this Annex should be used as a guide.

3. The panel process shall, as a general rule, not exceed 120 days from the date of composition of the panel until the date of the final report, unless the Parties otherwise agree.

4. Should the panel consider there is a need to modify the timetable, it shall inform the Parties in writing of the proposed modification and the reason for it.

### **Written Submissions and other Documents**

5. The Parties and the panel shall deliver any written submission, request, notification, or other document by delivery against receipt, registered post, courier, facsimile transmission, e-mail, or any other means of telecommunication that provides a record of the sending thereof. Where a Party or a panel delivers physical copies of written submissions or any other documents related to the panel proceeding, it shall deliver at the same time an electronic version of such submissions or documents.

6. The Parties shall deliver simultaneously a copy of their written submissions and any other document to the other Party and to each one of the panelists.

7. Unless the panel otherwise decides, the complaining Party shall deliver its first written submission to the panel no later than 15 days after the date of the composition of the panel. The Party complained against shall deliver its first written submission to the panel no later than 30 days after the date of delivery of the complaining Party's first written submission.

8. At any time a Party may correct minor errors of a clerical nature in any written submission, request, notification or other document related to the proceedings by delivery of a new document clearly indicating the changes.

9. Written submissions, requests, notifications, or other documents of all types shall be deemed to be received, on the date upon which the electronic version of them is received.

10. The deadlines are counted from the day following the date of the receipt of such submission or documents. When a term referred to in this Chapter or in this Annex begins or ends on a holiday observed by a Party or on any other day on which the government offices of that Party are closed by order of the government or by *force majeure*, it shall be regarded as having begun or ended on the next business day. Upon request of the Party, the other Party shall make available by any means the list of dates of its official holidays.

11. Whenever a Party fails to submit in due time its initial written submission or is absent from a scheduled hearing, the panel shall, upon assessment of the aforesaid circumstances, decide on their effect on the future course of the proceedings.

12. Within 10 days of the conclusion of the hearing, each Party may deliver to the panel and the other Party a supplementary written submission responding to any matter that arose during the hearing.

### **Operation of the Panel**

13. The chair of the panel shall preside at all of its meetings. The panel may delegate to the chair the authority to make administrative and procedural decisions.

14. Pursuant to Article 18.16.1.(a), panel deliberations shall be confidential. Only panelists may take part in the deliberations of the panel. The reports of panels shall be drafted without the presence of the Parties in the light of the information provided and the statements made.

15. Opinions expressed in the panel report by individual panelists shall be anonymous.

16. Unless provided otherwise in these rules, the panel may conduct its activities by any appropriate means, including technological means such as telephone, computer connections, or video-conference, provided that the right of a Party to effectively participate in the proceedings is maintained.

17. The panel shall record minutes of the meetings held during each proceeding, which shall be kept in the files of the dispute.

18. Only panelists may take part in the deliberations of the panel. The panel may permit assistants, interpreters, translators, or stenographers to be present during such deliberations.

19. The panel in consultation with the Parties, may employ, (a) an assistant, interpreter, translator and stenographer as it requires to carry out its functions; and (b) an additional reasonable number of such persons as it deems necessary for the proceeding.

20. Where a procedural question arises that is not covered by these rules, the panel, after consulting the Parties, may adopt an appropriate procedure that is consistent with this Agreement.

21. The panel, upon mutual agreement of the Parties, may modify a time period applicable to the proceedings and make other procedural or administrative adjustments as may be required during the proceeding.

## **Hearings**

22. Each Party shall have a right to at least one hearing before the panel. The panel may convene additional hearings if the Parties so agree.

23. The Panel, in consultation with the Parties, will decide on the logistical administration of the hearings, particularly the venue, the assistance of interpreters, and other staff as necessary.

24. The chair shall fix the date and time of the hearings in consultation with the Parties and the other panelists, and then notify the Parties in writing of those dates and times, no later than 15 days prior to the hearings.

25. All panelists shall be present during the entirety of all hearings.

26. Hearings shall be held in closed sessions. Nevertheless, the following persons may attend the hearings: (a) representatives; (b) advisers; (c) staff and translators; (d) assistants; and (e) court stenographers. Only the representatives and advisers may address the panel. Any such arrangements established by the panel may be modified with the agreement of the Parties.

27. No later than five days before the date of a hearing, each Party shall deliver a list of the names of those persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.

28. Each hearing shall be conducted by the panel in a manner that ensures that the complaining Party and the Respondent Party are afforded equal time for arguments, rebuttals, and counter-rebuttals. The panel shall conduct the hearing in the following manner: argument of the complaining Party; argument of the respondent Party; the reply of the complaining Party; the counter-reply of the respondent; closing statement of the complaining Party; and closing statement of the respondent Party. The chair may set time limits for oral arguments to ensure that each Party is afforded equal time.

29. The panel may direct questions to either Party at any time during the hearing.

30. The panel shall arrange for a transcript of each hearing to be prepared and shall, as soon as possible, deliver a copy to each Party.

31. Each Party may deliver a supplementary written submission concerning any matter that arose during the hearing within 10 days from the date of the conclusion of the hearing.

### **Questions**

32. The panel may at any time during the proceedings address questions in writing to one or both Parties and set a time-limit for submission of the responses. The Parties shall receive a copy of any question put by the panel.

33. A Party shall submit its response to the panel in writing and shall provide a copy of its response to the other Party. A Party shall be given the opportunity to provide written comments on the other Party's response within 10 days after the date of receipt thereof.

### **Confidentiality**

34. The panel's hearings and the documents submitted to it shall be confidential. Each Party shall treat as confidential information submitted to the panel by the other Party which that Party has designated as confidential.

35. Where a Party designates as confidential its written submissions to the panel, it shall, on request of the other Party, provide the panel and the other Party with a non-confidential summary of the information contained in its written submissions that could be disclosed to the public no later

than 10 days after the date of request. Nothing in these Rules shall prevent a Party from disclosing statements of its own positions to the public.

### **Role of experts**

36. On request of a Party, or on its own initiative, the panel may seek information and technical advice from any individual or body that it deems appropriate, provided that the Parties agree and subject to such terms and conditions as the Parties agree. The panel shall provide the Parties with any information so obtained for comment.

### **Working language**

37. The working language of the panel proceedings, including for written submissions, oral arguments or presentations, the report of the panel, and all written and oral communications between the Parties and with the panel, shall be English.

### **Venue**

38. The venue for the hearings of the panel shall be decided by agreement between the Parties. If there is no agreement, the first hearing shall be held in the territory of the respondent Party, and any additional hearings shall alternate between the territories of the Parties.

### **Remuneration and Expenses**

39. The panel shall keep a record and render a final account of all general expenses incurred in connection with the proceedings, including those paid to its assistants, designated note-takers, or other individuals that it retains.

### **Evidence**

40. All the evidence submitted by the Parties shall be kept in the files of the dispute to be maintained by the chair of the panel.

41. In case the Parties so request, the panel shall hear witnesses or experts, in the presence of the Parties, during the hearings.

### **Burden of Proof**

42. A Party asserting that a measure of the other Party is inconsistent with the provisions of this Agreement, or that the other Party has otherwise failed to fulfill its obligations under this Agreement shall have the burden of proving its assertions.

43. A Party complained against asserting that a measure is subject to an exception under this Agreement shall have the burden of proving that the exception applies.

### **Commencing of the Panel proceedings**

44. Unless the Parties agree otherwise, the panel within seven days from its composition shall contact the Parties in order to determine procedural matters that the Parties or the panel deem appropriate.

### **Urgency Cases**

45. In cases of urgency, referred to in Article 18.14, the panel shall, after consulting the Parties, modify the time-limits referred to in these rules as appropriate and shall notify the Parties of any such adjustments.

### **Indicative Timetable for the Panel**

Panel established on xx/xx/xxxx.

1. Receipt of first written submissions of the Parties:
  - (i) complaining Party: 15 days after the date of the composition of the panel
  - (ii) respondent Party: 30 days after (i);
2. Date of the first hearing with the Parties: within 20 days after receipt of the first submission of the respondent Party against;
3. Receipt of written supplementary submissions of the Parties: 10 days after the date of the first hearing;
4. Issuance of interim report to the Parties: 90 days after the date of composition of the panel;
5. Deadline for the Parties to provide written comments on the interim report: 15 days after the issuance of the interim report; and
6. Issuance of final report to the Parties: within 120 days of the date of composition of the panel.

**Annex 18B**  
**Code of Conduct for Panelists, Conciliators, Mediators, and Experts**

**Definitions**

1. The definitions established in Annex 18A will also apply to this Annex. In addition, for the purposes of this Annex:

(a) **candidate** means:

- (i) a person whose name appears in the list established pursuant to Article 18.9; or
- (ii) a person who is under consideration for appointment as a panelist, conciliator, mediator, or expert;

(b) **family members** means:

- (i) the spouse or permanent companion of the panelist or candidate;
- (ii) the following relatives of the panelist or candidate: parents, grandparents, great grandparents, children, grandchildren great grandchildren, brothers, sisters, nephews, nieces, uncles, aunts, first cousins, great uncles and great aunts or the spouse of such persons; and
- (iii) the following relatives of the spouse of the panelist or candidate: parents, grandparents, brothers, sisters, children and grandchildren.

2. Unless otherwise provided in this Annex, reference to panelists shall also apply to conciliators, mediators, and experts.

**Responsibilities to the Process**

3. Every panelist shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement process are preserved. Former panel shall comply with the obligations established in this Annex, *mutatis mutandis*.

**Disclosure Obligations**

4. Prior to confirmation of his or her selection as a panelist under this Agreement, a candidate shall disclose any interest, relationship, or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests,

relationships and matters. The candidate shall disclose such interests, relationships and matters by completing and providing the undertaking Form attached to this Annex to the Joint Committee for consideration by the Parties.

5. Pursuant to the obligation provided in paragraph 3, candidates shall disclose, *inter alia*, the following interests, relationships and matters:

- (a) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate:
  - (i) in the proceeding or in its outcome; and
  - (ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;
- (b) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate's employer, partner, business associate or family member:
  - (i) in the proceeding or in its outcome; and
  - (ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;
- (c) any past or existing financial, business, professional, family or social relationship with a person or entity that has an interest in the proceeding, or the Party's counsel, representative or adviser, or any such relationship involving a candidate's employer, partner, business associate or family member; and
- (d) public advocacy, including statements of personal opinion, or legal or other representation concerning an issue in dispute in the proceeding or involving the same type of goods, services, investments, or government procurement.

6. Once selected, a panelist shall continue to make all reasonable efforts to become aware of any interests, relationships and matters referred to in paragraph 3 and 4 and shall disclose them by communicating them in writing to the Joint Committee for consideration by the Parties. The obligation to disclose is a continuing duty, which requires a panelist to disclose any such interests, relationships and matters that may arise during any stage of the proceeding.

7. This Annex does not determine whether or under what circumstances the Parties will disqualify a candidate or a panelist from being appointed to or serving as a member of a panel, on the basis of disclosures made.

### **Performance of Duties by Panelists**

8. A panelist shall comply with the provisions of this Chapter and the applicable rules of procedure.
9. On selection, a panelist shall perform his or her duties thoroughly and expeditiously throughout the course of the proceeding with fairness and diligence.
10. A panelist shall not deny other panelists the opportunity to participate in all aspects of the proceeding.
11. A panelist shall consider only those issues raised in the proceeding and necessary to rendering decision and shall not delegate any of his or her duties to any other person.
12. A panelist shall take all appropriate steps to ensure that the panelist's assistant and staff are aware of, and comply with, this Annex, *mutatis mutandis*.
13. A panelist shall not engage in *ex parte* contacts concerning the proceeding.
14. A panelist shall not communicate matters concerning actual or potential violations of this Annex by another panelist unless the communication is to both Parties or is necessary to ascertain whether that panelist has violated or may violate this Annex.

#### **Independence and Impartiality of Panelists**

15. A panelist shall be independent and impartial. A panelist shall act in a fair manner and shall avoid creating an appearance of impropriety or bias.
16. A panelist shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party, or fear of criticism.
17. A panelist shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of the panelist's duties.
18. A panelist shall not use his or her position on the panel to advance any personal or private interests. A panelist shall avoid actions that may create the impression that others are in a special position to influence the panelist. A panelist shall make every effort to prevent or discourage others from representing themselves as being in such a position.
19. A panelist shall not allow past or existing financial, business, professional, family or social relationships or responsibilities to influence the panelist's conduct or judgment.
20. A panelist shall avoid entering into any relationship, or acquiring any financial interest, that is likely to affect the panelist's impartiality or that might reasonably create an appearance of impropriety or bias.

21. A panelist shall exercise his or her position without accepting or seeking instructions from any international, governmental or non-governmental organization or any private source, and shall not have been involved in any previous stage of the dispute assigned to him or her, unless otherwise agreed by the Parties.

### **Duties in Certain Situations**

22. A panelist or former panelist shall avoid actions that may create the appearance that the panelist was biased in carrying out the panelist's duties or would benefit from the final report of the panel.

### **Maintenance of Confidentiality**

23. A panelist or former panelist shall not at any time disclose or use information not in the public domain concerning the proceeding or acquired during the proceeding including the Panel's deliberations or any panelist's view except for the purposes of the proceeding or except as required by law, and shall not, in any case, disclose or use any such information not in the public domain to gain personal advantage, or advantage for others, or to affect adversely the interest of others.

24. In case disclosure is required by law the panelist 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.

25. A panelist or former panelist shall not disclose panel report or decisions or parts thereof prior to their publication in accordance with Article 18.19.

### **Assistants and Staff**

26. The provisions included in this Annex as applying to panelists shall apply, *mutatis mutandis*, to assistants and staff.

27. The provisions included in paragraphs 10 and 24 of this Annex shall apply to staff.

### **Reasoned objection against a panelist**

28. Where a Party raises a reasoned objection against a panelist or a chair regarding his or her compliance with the Code of Conduct, it shall send a written notice to the other Party providing its reasons based on clear evidence regarding the violation of the Code of Conduct.

29. The Parties shall consult on the matter and come to a conclusion within seven days from receipt of such notice:

- (a) if the Parties agree, that there exists proof of a violation of the Code of Conduct, they shall remove that panelist or chair and select a replacement in accordance with Article 18.11;

- (b) if the Parties fail to agree that there exists proof of a violation of the Code of Conduct by a panelist, either Party may request the chair of the panel to consider and settle this matter. If the challenge is being raised against the chair of the panel, the matter shall be considered by the other two panelists. If no agreement is reached between the two panelists, the chair shall be removed. The decision adopted pursuant to this rule is definitive. The selection of the new panelist or chair shall be done in accordance with Article 18.11.

**Undertaking**  
**IN THE MATTER OF PROCEEDING (TITLE)**

I have read the Code of Conduct for Dispute Settlement Proceedings under the United Arab Emirates – Colombia Free Trade Agreement (the “Code of Conduct”), and I undertake all the obligations specified in the Code of Conduct.

To the best of my knowledge there is no reason why I should not accept appointment as a panelist/mediator/conciliator/assistant/expert in this proceeding.

According to paragraphs 3 and 4 of the Code of Conduct, 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 3 and 4 of the Code of Conduct]

I recognise that, once appointed, I have a continuing duty to uphold all obligations specified in the Code of Conduct including to make all reasonable efforts to become aware of any interest, relationship, or matter referred to in the Code of Conduct that may arise during any stage of the proceeding. I will disclose in writing any relevant interest, relationship, or matter to the Joint the Committee as soon as I become aware of it.

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Date \_\_\_\_\_

## **CHAPTER 19 FINAL PROVISIONS**

### **Article 19.1: Annexes, Side Letters and Footnotes**

The annexes, side letters, and footnotes to this Agreement constitute an integral part of this Agreement.

### **Article 19.2: Amendments**

1. Either Party may submit proposals for amendments to this Agreement to the Joint Committee for consideration and approval.
2. Amendments to this Agreement shall, after approval by the Joint Committee, be submitted to the Parties for ratification, acceptance, or approval in accordance with the constitutional requirements or legal procedures of the respective Parties.
3. Amendments to this Agreement shall enter into force and constitute an integral part of this Agreement in the same manner as provided for in Article 19.5, unless otherwise agreed by the Parties.

### **Article 19.3: Accession**

1. Any country or group of countries may accede to this Agreement upon acceptance by the Parties, and subject to such terms and conditions as may be agreed to between the country or group of countries and the Parties.
2. The accession shall enter into the force in the same manner as provided in Article 19.5.

### **Article 19.4: Duration and Termination**

1. This Agreement shall be valid for an indefinite period.
2. Either Party may terminate this Agreement by means of a written notification to the other Party through diplomatic channels. Termination shall take effect six months after the date of receipt of such notification by the other Party. The date of the notification receipt by the receiving Party shall be promptly notified to the other Party.

### **Article 19.5: Entry into Force**

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

2. Unless the Parties agree otherwise, this Agreement shall enter into force on the first day of the second month following the date of receipt of the later written notification to the other Party through diplomatic channels by which the Parties notify each other that their internal legal procedures for the entry into force of the Agreement have been completed. The date of the notification receipt by the receiving Party shall be promptly notified to the other Party.

#### **Article 19.6: Modifications to the WTO Agreements**

If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended, the Parties shall consult to consider applying the relevant amendment to this Agreement, as appropriate.

#### **Article 19.7: Authentic Languages**

1. The Arabic, English, and Spanish texts of this Agreement are equally authentic. In case of inconsistency, the English version shall prevail.

2. In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed this agreement.

Done at Bogotá, in the Arabic, English and Spanish Languages.