

## TITLE II

### TRADE IN GOODS

#### CHAPTER 1

#### NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

##### SECTION A

##### GENERAL PROVISIONS

##### ARTICLE 80

##### Objective

The Parties shall progressively liberalise trade in goods in accordance with the provisions of this Agreement and in conformity with Article XXIV of GATT 1994.

## ARTICLE 81

### Scope

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

## SECTION B

### ELIMINATION OF CUSTOMS DUTIES

## ARTICLE 82

### Classification of Goods

The classification of goods in trade between the Parties shall be that set out in each Party's respective tariff nomenclature in conformity with the Harmonized System.

## ARTICLE 83

### Elimination of Customs Duties

1. Each Party shall eliminate customs duties on goods originating in the other Party in accordance with the Schedules set out in Annex I (Elimination of Customs Duties). For the purposes of this Chapter, "originating" means qualifying under the rules of origin set out in Annex II (Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation).<sup>2</sup>
2. For each good, the base rate of customs duties, to which the successive reductions are to be applied under paragraph 1, shall be that specified in the Schedules.
3. If, at any moment, a Party reduces its applied most favoured nation customs duty rates after the date of entry into force of this Agreement, that duty rate shall apply if and for as long as it is lower than the customs duty rate calculated in accordance with that Party's Schedule.
4. After five years of the entry into force of this Agreement, on the request of either Party, the Parties shall consult to consider accelerating and broadening the scope of the elimination of customs duties on imports between the Parties. An agreement by the Parties on the acceleration of the pace of elimination or the elimination of a customs duty on a good shall supersede any duty rate or staging category determined pursuant to their Schedules for that good.

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<sup>2</sup> For the purposes of this Agreement, unless otherwise specified, the terms "good" and "product" shall be considered equivalent.

## ARTICLE 84

### Standstill

Neither Party shall increase any existing customs duty, or adopt any new customs duty, on a good originating in the other Party<sup>3</sup>. This shall not preclude either Party from:

- (a) raising a customs duty to the level established in its Schedule following a unilateral reduction;
- (b) maintaining or increasing a customs duty as authorised by the Dispute Settlement Body of the WTO; or
- (c) increasing the base rates of excluded goods with a view to reaching a common external tariff.

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<sup>3</sup> For goods which do not benefit from preferential treatment, "customs duty" shall be understood as the "base rate" indicated in each of the Party's schedules.

## SECTION C

### NON-TARIFF MEASURES

#### ARTICLE 85

##### National Treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994, including its interpretative notes. To this end, Article III of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement<sup>4</sup>.

#### ARTICLE 86

##### Import and Export Restrictions

Neither Party shall adopt or maintain any prohibition nor restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined to the territory of the other Party, except as otherwise provided in this Agreement or in accordance with Article XI of GATT 1994 and its interpretative notes. To this end, Article XI of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement<sup>5</sup>.

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<sup>4</sup> The Parties recognise that Article 158 of Chapter 6 (Exceptions Related to Goods) of Title II also applies to this Article.

<sup>5</sup> The Parties recognise that Article 158 of Chapter 6 (Exceptions Related to Goods) of Title II also applies to this Article.

## ARTICLE 87

### Fees and Other Charges on Imports and Exports

Each Party shall ensure in accordance with Article VIII.1 of GATT 1994 and its interpretative notes that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charges applied consistently with Article 85 of this Chapter, and antidumping and countervailing duties applied pursuant to a Party's domestic law and consistently with Chapter 2 (Trade Remedies) of this Title), 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.

## ARTICLE 88

### Duties or Taxes on Exports

Except as otherwise provided for in this Agreement, neither Party shall maintain or adopt any duties or taxes imposed on or in connection with the exportation of goods to the other Party.

## SECTION D

### AGRICULTURE

#### ARTICLE 89

##### Agricultural Export Subsidies

1. For the purposes of this Article, "export subsidies" shall have the meaning assigned to that term in Article 1(e) of the WTO Agreement on Agriculture (hereinafter referred to as "Agriculture Agreement"), including any amendment of that Article.
2. The Parties share the objective of working jointly in the WTO to ensure the parallel elimination of all forms of export subsidies and the establishment of disciplines on all export measures with equivalent effect. For this purpose, export measures with equivalent effect comprise export credits, export credit guarantees or insurance programmes, exporting state trading enterprises and food aid.

3. No Party shall maintain, introduce or reintroduce export subsidies on agricultural goods, which are destined to the territory of the other Party and are either:
- (a) fully and immediately liberalised in accordance with Annex I (Elimination of Customs Duties); or
  - (b) fully but not immediately liberalised and benefit from a duty free quota at entry into force of this Agreement in accordance with Annex I (Elimination of Customs Duties); or
  - (c) subject to preferential treatment as established under this Agreement for products falling under headings 0402 and 0406, and benefitting from a duty free quota.
4. In the cases described under paragraph 3(a) to 3(c), if a Party maintains, introduces or reintroduces export subsidies, the affected/importing Party may apply an additional tariff that would increase customs duties for imports of such good up to the level of either the Most Favoured Nation (MFN) applied duty or the base rate set out in Annex I (Elimination of Customs Duties), whichever is lower, for the period established for retaining the export subsidy.
5. For products fully liberalised over a transition period in accordance with Annex I (Elimination of Customs Duties) and not benefitting from duty free quota at entry into force, no Party shall maintain, introduce or reintroduce export subsidies at the end of that transition period.



## SECTION E

### FISHERIES, AQUACULTURE, ARTISANAL GOODS AND ORGANIC PRODUCTS

#### ARTICLE 90

##### Technical Cooperation

Technical cooperation assistance measures to enhance trade in fisheries, aquaculture, artisanal goods and organic products between the Parties are established in Articles 59, 60 and 61 of Title VI (Economic and Trade Development) of Part III of this Agreement.

## SECTION F

### INSTITUTIONAL PROVISIONS

#### ARTICLE 91

##### Sub-Committee on Market Access for Goods

1. The Parties hereby establish a Sub-Committee on Market Access for Goods, in accordance with Article 348 and as set out in Annex XXI (Sub-Committees).
2. The functions of the Sub-Committee shall include:
  - (a) monitoring the correct application and administration of this Chapter;
  - (b) serving as a forum for consultations concerning the interpretation and application of this Chapter;
  - (c) examining the proposals presented by the Parties regarding acceleration of tariff dismantling and inclusion of goods in the Schedules;
  - (d) making any relevant recommendations to the Association Committee with regards to matters of its competence; and
  - (e) any other issue instructed by the Association Committee.