FREE TRADE AGREEMENT
BETWEEN
THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF
THE REPUBLIC OF ECUADOR

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Annexes

Preamble

The Government of the People's Republic of China ("China") and the Government of the Republic of Ecuador ("Ecuador"), hereinafter referred to as "the Parties";

Committed to strengthening the bonds of friendship and cooperation as well as comprehensive strategic partnership between their countries;

Sharing the belief that a free trade agreement shall produce mutual benefits to each Party and contribute to the expansion and development of world trade under the multilateral trading system embodied in the *Marrakesh Agreement Establishing the World Trade Organization* ("the WTO Agreement");

Building on their respective rights and obligations under the WTO Agreement and other multilateral, regional and bilateral instruments of cooperation;

Resolved to promote reciprocal trade through the establishment of clear and mutually advantageous trade rules, the avoidance of trade barriers, and strengthening cooperation in digital economy and electronic commerce;

Sharing their consent to strengthen and enhance the global and regional supply chains, particularly in the Asia-Pacific area;

Recognizing that this Agreement should be implemented with a view toward raising the standard of living, creating new job opportunities, and promoting sustainable development in a manner consistent with environmental protection and conservation; and

Committed to promoting the public welfare within each of their countries;

Have agreed as follows:

Chapter 1 Initial Provisions

Article 1.1 Establishment of a Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994*, hereby establish a free trade area.

Article 1.2 Objectives

1. The objectives of this Agreement, as elaborated more specifically through its principles and rules, including national treatment, most-favored-nation (hereinafter referred to as "MFN") treatment, and transparency, are to:

(a) encourage expansion and diversification of trade between the Parties;

(b) eliminate barriers to trade in, and facilitate the cross-border movement of, goods between the Parties;

(c) promote conditions of fair competition in the free trade area;

(d) establish comprehensible rules in order to ensure a regulated and transparent environment for the trade of goods between the Parties;

(e) create new employment opportunities;

(f) create effective procedures for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and

(g) establish a framework for further bilateral, regional, and multilateral cooperation to expand and enhance the benefits of this Agreement.

2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objectives set out in paragraph 1 and in accordance with customary rules of interpretation of public international law.

Article 1.3 Geographical Scope

For China, this Agreement shall apply to the entire customs territory of the People's Republic of China, including land territory, territorial airspace, internal waters, territorial sea as well as their bed and subsoil, and any area beyond its territorial sea within which it may exercise sovereign rights and/or jurisdiction in accordance with international law and its domestic law.

For Ecuador, the mainland and adjacent islands; the Galapagos Islands; the subsoil; the territorial sea and other maritime spaces; and, the respective airspace, over which it exercises sovereignty and jurisdiction in accordance with international law and its domestic law.

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 one Party is a Party.

2. If any provision of the WTO Agreement that the Parties have incorporated to this Agreement is amended and accepted by the Parties at the WTO, such amendment shall be deemed incorporated automatically to this Agreement.

Article 1.5 Extent of Obligations

The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement in their respective territories.

Chapter 2 General Definitions

Article 2.1 Definitions of General Application

For purposes of this Agreement, unless otherwise specified:

Commission means the Free Trade Commission established under Article 14.1 (The Free Trade Commission);

customs authorities means the competent authority, which is responsible for the enforcement of national customs legislation;

days mean calendar days;

existing means in effect on the date of entry into force of this Agreement;

GATT 1994 means the *General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement;

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

Harmonized System (HS) means the *Harmonized Commodity Description and Coding System*, adopted by World Customs Organization;

heading means the first four digits in the tariff classification number under the Harmonized System;

subheading means the first six digits in the tariff classification number under the Harmonized System;

customs duty includes any duty or charge of any kind imposed in connection with the importation of a good, but does not include:

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

(b) any anti-dumping or countervailing duty applied consistently with the provisions of Article VI of GATT 1994, the *WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*, or the *WTO Agreement on Subsidies and Countervailing Measures*, any duty applied consistently with Article XIX of GATT 1994 and *WTO Agreement on Safeguards*; and

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

base rate of customs duty means the MFN customs duty rate applied on January 1, 2021 provided by each Party;

goods and products shall be understood to have the same meaning, unless the context otherwise requires;

measure includes any law, regulation, procedure, requirement, or practice;

originating means qualifying under the Rules of Origin set out in Chapter 4 (Rules of Origin and Implementation Procedures);

person means a natural person or a legal person, or any other entity established in accordance with domestic law;

preferential tariff means the import customs duty rate applicable under this Agreement to an originating good;

SPS Agreement means the *Agreement on the Application of Sanitary and Phytosanitary Measures* which is a part of the WTO Agreement;

TBT Agreement means the *Agreement on Technical Barriers to Trade* which is a part of the WTO Agreement;

WTO means the World Trade Organization; and

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

Chapter 3 National Treatment and Market Access for Goods

Article 3.1 Scope of Application

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

Article 3.2 Classification of Goods

The classification of goods in trade between the Parties shall be in conformity with the Harmonized System.

Article 3.3 National Treatment

1. Each Party shall accord National Treatment to the goods of the other Party, in accordance with Article III of the GATT 1994, including its interpretative notes.

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

2. Paragraph 1 shall not apply to the measures set out in Annex 1 (Exceptions to National Treatment, and Import and Export Restrictions) including the measure's continuation, prompt renewal or amendment.

Article 3.4 Reduction or Elimination of 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 of the other Party.

2. Except as otherwise provided in this Agreement, each Party shall reduce or eliminate its customs duties on originating goods of the other Party, in accordance with its Schedule in Annex 2 (Schedule of Tariff Commitments).

3. For each product the base rate of customs duties, to which the successive elimination set out in Annex 2 (Schedule of Tariff Commitments) is to be applied, shall be the MFN customs duty rate applied on January 1, 2021.

4. If at any moment a Party reduces its applied MFN customs duty rate after the entry into force of this Agreement, that duty rate shall apply as regards to trade covered by this Agreement if and for as long as it is lower than the customs duty rate calculated in accordance with its Schedule to Annex 2 (Schedule of Tariff Commitments).

5. At the request of either Party, the Parties shall consult to consider accelerating or improving the customs duties elimination and reduction on originating goods as set out in their Schedules in Annex 2 (Schedule of Tariff Commitments).

6. Notwithstanding Article 14.1 (The Free Trade Commission), an agreement by the Parties to accelerate the elimination of customs duties on originating goods shall supersede any duty rate determined pursuant to their Schedules in Annex 2 (Schedule of Tariff Commitments) for such goods and shall enter into force following approval by each Party in accordance with their respective applicable legal procedures.

7. A Party may at any time accelerate unilaterally the elimination of customs duties on originating goods of the other Party set out in its Schedule in Annex 2 (Schedule of Tariff Commitments). A Party considering doing so shall inform the other Party as early as practicable before the new rate of customs duty takes effect.

8. For greater certainty, a Party may:

(a) raise a customs duty to the level established in its Schedule in Annex 2 (Schedule of Tariff Commitments) following a unilateral reduction, for the respective year; or

(b) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO or in accordance with Chapter 13 (Dispute Settlement).

9. The Tariff Reduction Program established in this Chapter shall not apply to used goods, even those that are identified as such under headings or subheadings of the HS. Used goods also include those goods rebuilt, repaired, remanufactured or any other similar name given to goods that after having been used have undergone some process to restore their original characteristics or specifications, or to return them to the functionality they had when new.

Article 3.5 Import and Export Restrictions

1. Except as otherwise provided in this Agreement, neither Party shall adopt or maintain any non-tariff measures that prohibit or restrict the importation of any good of

the other Party, or the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes. To this end, Article XI of the GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.

2. The Parties understand that the GATT 1994 rights and obligations incorporated in paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:

(a) export and import price requirements, except as permitted in enforcement of countervailing and anti-dumping duty orders and undertakings; or

(b) voluntary export restraints inconsistent with Article VI of the GATT 1994, as implemented under Article 18 of the SCM Agreement and Article 8.1 of the AD Agreement.

3. Paragraphs 1 and 2 shall not apply to the measures set out in Annex 1 (Exceptions to National Treatment and Import and Export Restrictions).

Article 3.6 Import Licensing Procedures

1. Each Party shall ensure that all automatic and non-automatic import licensing procedures are implemented in a transparent and predictable manner and are applied in accordance with the Import Licensing Agreement. Neither Party shall adopt or maintain a measure that is inconsistent with the Import Licensing Agreement.

2. Each Party shall notify the other Party of any new import licensing procedure and any modification it makes to its existing import licensing procedures, to the extent possible 30 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. A notification provided under this paragraph shall include the information specified in Article 5 of the Import Licensing Agreement. A Party shall be deemed to be in compliance with this paragraph if it notifies a new import licensing procedure or a modification to an existing import licensing procedure to the WTO Committee on Import Licensing provided for in Article 4 of the Import Licensing Agreement (hereinafter referred to as "WTO Committee on Import Licensing" in this Chapter) in accordance with paragraphs 1, 2, or 3 of Article 5 of the Import Licensing Agreement.

3. Each Party shall, promptly after the date of entry into force of this Agreement for that Party, notify the other Party of its existing import licensing procedures. The notification shall include the information specified in paragraph 2 of Article 5 of the Import Licensing Agreement. A Party shall be deemed to be in compliance with this

paragraph if:

(a) it has notified the procedures to the WTO Committee on Import Licensing, together with the information specified in paragraph 2 of Article 5 of the Import Licensing Agreement; and

(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 paragraph 3 of Article 7 of the Import Licensing Agreement, it has provided, with respect to those existing import licensing procedures, the information requested in that questionnaire.

4. Before applying any new or modified import licensing procedure, a Party shall publish the new procedure or modification on an official government website. To the extent possible, the Party shall do so at least 21 days before the new procedure or modification takes effect.

5. Each Party shall, to the extent possible, answer within 60 days all reasonable enquiries from the other Party regarding the criteria employed by its respective licensing authorities in granting or denying import licences. The importing Party shall publish sufficient information for the other Parties and traders to know the basis for granting or allocating import licences.

Article 3.7 Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of the GATT 1994 and its interpretive notes, that all fees and charges of whatever character (other than import customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III:2 of the GATT 1994, and anti-dumping and countervailing duties) 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. Neither Party shall require consular transactions, including related fees and charges, in connection with the importation of any good of the other Party.

3. Each Party shall make available and maintain, through the Internet or on a comparable computer-based telecommunications network, a current list of fees and charges it imposes in connection with importation or exportation.

Article 3.8 Temporary Admission or Importation of Goods

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:

(a) professional equipment, such as equipment used for scientific research, pedagogical or medical activities, press or television and cinematographic purposes, necessary for a person who qualifies for temporary entry pursuant to the laws of the importing Party;

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

(c) commercial samples; and

(d) goods admitted for sports purposes.

2. Each Party shall, on the request of the person concerned and for reasons its customs administration considers valid, extend the time limit for temporary admission beyond the period initially fixed in accordance with its domestic law.

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

(a) be used solely by or under the personal supervision of a national or resident of the other Party in the exercise of the business activity, trade, profession, or sport of that person;

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

(c) be accompanied by the deposit of a bond or security in an amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;

(d) be capable being identified when exported;

(e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within 6 months, unless extended;

(f) be admitted in no greater quantity than is reasonable for its intended use; and

(g) be otherwise admissible into the Party's territory under its domestic law.

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

5. Each Party shall permit a good temporarily admitted under this Article to be re-exported through a customs port other than that through which it was admitted.

6. Each Party shall provide that its customs administration or other competent authority shall relieve the importer or another person responsible for a good admitted under this Article from any liability for failure to re-export the good on presentation of proof to the satisfaction of the customs administration of the importing Party that the good has been destroyed by reason of force majeure.

Article 3.9 Duty-Free Entry of Samples of No Commercial Value

Each Party shall grant duty-free entry to samples of no commercial value imported from the territory of the other Party, subject to its laws and regulations, regardless of their origin.

Article 3.10 Scope and Coverage of Trade in Agricultural Goods.

For the purposes of this Agreement, agricultural goods are those goods referred to in Article 2 of the WTO Agreement on Agriculture.

Article 3.11 Export Subsidies on Agricultural Products.

1. The Parties reaffirm their commitments made in the Ministerial Decision of 19 December 2015 on Export Competition (WT/MIN(15)/45, WT/L/980), adopted in Nairobi on 19 December 2015, including elimination of scheduled export subsidy entitlements for agricultural goods.

2. Neither Party shall maintain, introduce, or reintroduce export subsidies on any agricultural good destined for the territory of the other Party.

3. If a Party considers that the other Party has not fulfilled its obligations under this Agreement by maintaining, introducing or reintroducing an export subsidy, that Party may request consultations with the other Party in accordance with Chapter 13 (Dispute Settlement) with the aim of achieving a mutually satisfactory solution.

Article 3.12 Domestic Support Measures for Agricultural Products

In order to establish a fair and market-oriented agriculture trading system, the Parties agree to cooperate in the WTO agricultural negotiations on domestic support

measures to provide for substantial and progressive reduction in agriculture support and protection, resulting in correcting and preventing restrictions and distortions in world agricultural markets.

Article 3.13 Andean Price Band System

Ecuador will continue to apply the Andean Price Band System established in Andean Community Decision No. 371 and its amendments, or successor systems for agricultural goods listed in Annex 3 (Andean Price Band System).

Article 3.14 Committee on Trade in Goods

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

2. The Committee on Trade in Goods shall be coordinated by:

(a) In the case of China, the Ministry of Commerce, or its successor, and

(b) In the case of Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries or its successor.

3. The agreements of the Committee shall be adopted by consensus and reported to the appropriate bodies.

4. The Committee shall meet at least once a year. When special circumstances arise, the Parties shall meet at any time at the request of a Party after having agreed upon it.

5. The Committee's functions shall include, *inter alia*:

(a) monitoring compliance, application, and correct interpretation of the provisions of this Chapter and its Annexes, to ensure each Party's obligations under this Agreement;

(b) reviewing the future amendments to the HS to ensure that each Party's obligations under this Agreement are not altered, and consulting to resolve any conflicts between:

(i) subsequent amendments to Harmonized System 2021 and Annex 2 (Schedules of Tariff Commitments); or

(ii) the Annex 2 (Schedules of Tariff Commitments) and national nomenclatures;

(c) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement and other issues as appropriate;

(d) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures and, if appropriate, referring such matters to the Free Trade Commission for consideration;

(e) coordinating the exchange of information on trade in goods between the Parties;

(f) consulting on and endeavoring to resolve any difference that may arise between the Parties on matters related to the classification of goods under the HS;

(g) establishing ad-hoc working groups with specific mandates; and

(h) The Committee shall establish an Ad-Hoc Working Group on Trade in Agricultural and Fishery Goods. With the aim of resolving any obstacles to trade in agricultural and fishery goods between the Parties, the Working Group shall meet within 30 days after the Parties agree to it.

Article 3.15 Transposition of Schedules of Tariff Commitments

Each Party shall ensure that the transposition of its Schedule in Annex 2 (Schedules of Tariff Commitments), undertaken in order to implement Annex 2 (Schedules of Tariff Commitments) in the nomenclature of the revised HS following periodic amendments to the HS, is carried out without impairing the tariff commitments set out in Annex 2 (Schedules of Tariff Commitments)

Article 3.16 Definitions

For the purposes of this Chapter:

Import Licensing Agreement means the WTO Agreement on Import Licensing Procedures;

SCM Agreement means the WTO Agreement on Subsidies and Countervailing Measures;

goods temporarily admitted for sports purposes means sports requisites for use in sports contests, demonstrations, or training in the territory of the Party into whose territory such goods are admitted;

consular transactions means any requirements that goods of a Party intended for

export to the territory of the other Party must first be submitted to the supervision of the consul of the importing Party in the territory of the exporting Party for the purpose of obtaining consular invoices or consular visas for commercial invoices, certificates of origin, manifests, shippers' export declarations, or any other customs documentation required on or in connection with importation;

export subsidies shall have the meaning assigned to that term in Article 1(e) of the WTO Agreement on Agriculture, including any amendment of that Article;

import licensing procedure 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 of the importing Party as a prior condition for importation into the territory of the importing Party;

duty-free means free of customs duty; and

originating good means a good that qualifies as an originating good in accordance with Chapter 4 (Rules of Origin and Implementation Procedures).

Chapter 4 Rules of Origin and Implementation Procedures

Section A Rules of Origin

Article 4.1 Definitions

For the purposes of this Chapter:

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

authorized body means any government authority or other entity authorized under the laws or regulations of a Party or recognized by a Party as competent to issue a Certificate of Origin;

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the GATT 1994, which is part of the WTO Agreement;

CIF means the value of the imported good, inclusive of the cost of insurance and freight up to the port or place of entry in the country of importation;

competent authority means:

For China: General Administration of Customs;

For Ecuador: The Ministry of Production, Foreign Trade, Investment and Fisheries, or the authority designated by the domestic law;

FOB means the value of the exported good free on board inclusive of the cost of transport to the port or site of final shipment abroad;

fungible materials means materials which are interchangeable for commercial purposes, whose properties are essentially identical, and between which it is impractical to differentiate by a mere visual examination;

generally accepted accounting principles means the recognized accounting

standards 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. Those standards may encompass broad guidelines of general applications as well as detailed standards, practices, and procedures;

good means a product or material;

materials means ingredients, parts, components, assemblies, and/or goods that were physically incorporated into another product or were subject to a process in the production of another product;

originating materials means materials which qualify as originating in accordance with this Chapter;

product means a product being produced, even if it is intended for later use in another production operation; and

production means any method of obtaining goods, including, but not limited to, growing, raising, mining, harvesting, fishing, aquaculture, farming, trapping, hunting, capturing, gathering, collecting, breeding, extracting, manufacturing, processing, or assembling a good.

Article 4.2 Originating Goods

Except as otherwise provided in this Chapter and subject to the condition that a good meets all the other applicable requirements of this Chapter, the following goods shall be considered as originating in a Party:

(a) goods wholly obtained or produced in a Party as defined in Article 4.3 (Goods Wholly Obtained);

(b) goods produced in a Party exclusively from originating materials of one Party or both Parties; or

(c) goods produced in a Party, using non-originating materials, that conform to a regional value content not less than 40%, except for the goods listed in Annex 4 (Product Specific Rules of Origin), which must comply with the requirements specified therein.

Article 4.3 Goods Wholly Obtained

For the purposes of Article 4.2(a), the following goods shall be considered as wholly obtained or produced in a Party:

(a) live animals born and raised in a Party;

(b) goods obtained from live animals referred to in sub-paragraph (a) in a Party;

(c) plants and plant products grown, and harvested, picked, or gathered in a Party;

(d) goods obtained from hunting, trapping, fishing, aquaculture, gathering, or capturing conducted in a Party;

(e) minerals and other naturally occurring substances not included in sub-paragraphs (a) through (d), extracted or taken from its soil, waters, seabed, or subsoil beneath the seabed;

(f) goods extracted from the waters, seabed, or subsoil beneath the seabed outside the territorial waters of a Party, provided that the Party has the right to exploit such waters, seabed, or subsoil beneath the seabed in accordance with international law and its domestic law;

(g) goods of sea fishing and other marine products taken from the sea outside the territorial waters of a Party by a vessel registered in a Party and flying the flag of that Party;

(h) goods processed or made on board factory ships registered in a Party and flying the flag of that Party, exclusively from goods referred to in sub-paragraph (g);

(i) scrap and waste derived from processing operations in a Party, which fit only for the recovery of raw materials;

(j) used goods consumed and collected there which fit only for the recovery of raw materials; or

(k) goods produced entirely in a Party exclusively from the goods referred to in sub-paragraphs (a) to (j).

Article 4.4 Regional Value Content

1. The Regional Value Content (RVC) criterion shall be calculated as follows:

$$RVC = \frac{V - VNM}{V} \times 100\%$$

where:

RVC is the regional value content, expressed as a percentage;

V is the value of the product, as defined in the Customs Valuation Agreement, adjusted on an FOB basis; and

VNM is the value of the non-originating materials, including materials of undetermined origin, as provided in paragraph 2.

2. The value of the non-originating materials shall be:

(a) the value of the materials, as defined in the Customs Valuation Agreement, adjusted on a CIF basis; or

(b) the earliest ascertained price paid or payable for the non-originating materials in a Party where the working or processing takes place. When the producer of a product acquires non-originating materials within that Party, the value of such materials shall not include freight, insurance, packing costs, and any other costs incurred in transporting the material from the supplier's warehouse to the producer's location.

3. The value of the non-originating materials used by the producer in the production of a product shall not include, for the purposes of calculating the regional value content of the product, pursuant to paragraph 1, the value of non-originating materials used to produce originating materials that are subsequently used in the production of the product.

Article 4.5 De Minimis

A product that does not meet tariff classification change requirements, pursuant to Annex 4 (Product Specific Rules of Origin), shall nonetheless be considered to be an originating product, provided that:

(a) the value of all non-originating materials, determined pursuant to Article 4.4 (Regional Value Content), including materials of undetermined origin, that do not meet the tariff classification change requirement, does not exceed 10% of the FOB value of the given product; and

(b) the product meets all the other applicable criteria of this Chapter.

Article 4.6 Accumulation

Originating materials from a Party, used in the production of a good in the other Party, shall be considered to be originating in the latter Party.

Article 4.7 Minimal Operations or Processes

1. Notwithstanding Article 4.2 (c), a good shall not be considered as originating, if

it has only undergone one or more of the following operations or processes:

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

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

(c) packing, unpacking, or repacking operations for the purposes of sale or presentation;

(d) slaughtering of animals;

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

(f) ironing or pressing of textiles;

(g) simple painting and polishing operations;

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

(i) operations to color sugar or form sugar lumps;

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

(k) sharpening, simple grinding or simple cutting;

(l) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles), cutting, slitting, bending, coiling, or uncoiling;

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

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

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

(p) mere dilution with water or another substance that does not materially alter the characteristics of the goods; or

(q) operations whose sole purpose is to ease port handling.

2. All operations in the production of a given good carried out in a Party shall be taken into account when determining whether the working or process undergone by that good is considered as minimal operations or processes referred to in paragraph 1.

Article 4.8 Fungible Materials

Where originating and non-originating fungible materials are used in the production of a good, the following methods shall be adopted in determining whether the materials used are originating:

(a) physical separation of the materials; or

(b) an inventory management method recognized in the generally accepted accounting principles of the exporting Party, provided that the inventory management method selected is used for at least 12 continuous months.

Article 4.9 Neutral Elements

1. In determining whether a good is an originating good, any neutral elements as defined in paragraph 2 shall be disregarded.

2. **Neutral elements** means a good used in the production, testing, or inspection of another good but not physically incorporated into that good by itself, including:

(a) fuel, energy, catalysts, and solvents;

(b) plant, equipment, and machine, including devices and supplies used for testing or inspecting the goods;

(c) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(d) tools, dies, and moulds;

(e) spare parts and materials used in the maintenance of equipment and buildings;

(f) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment and buildings; and

(g) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production.

Article 4.10 Packing, Packages and Containers

1. Containers and packing materials used for the transport of goods shall not be taken into account in determining the originating status of the goods.

2. The originating status of the packaging materials and containers in which goods are packaged for retail sale shall be disregarded in determining the originating status of the goods, provided that the packaging materials and containers are classified with the goods.

3. Notwithstanding paragraph 2, where goods are subject to a regional value content requirement, the value of the packaging materials and containers used for retail sale shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating the regional value content of the goods.

Article 4.11 Accessories, Spare Parts and Tools

1. Accessories, spare parts, or tools presented and classified with the good shall be considered as part of the good, provided that:

(a) they are invoiced together with the good; and

(b) their quantities and values are commercially customary for the good.

2. Where a good is subject to change in tariff classification criterion set out in Annex 4 (Product Specific Rules of Origin), accessories, spare parts, or tools described in paragraph 1 shall be disregarded when determining the origin of the good.

3. Where a good is subject to a regional value content requirement, the value of the accessories, spare parts, or tools described in paragraph 1 shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating the regional value content of the good.

Article 4.12 Sets

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15% of the total value of the set, determined pursuant to Article 4.4 (Regional Value Content).

Article 4.13 Direct Consignment

1. Preferential tariff treatment under this Agreement shall only be granted to originating goods that are transported directly between the Parties.

2. Notwithstanding paragraph 1, goods whose transport involves transit through one or more non-Parties, with or without trans-shipment or temporary storage of up to 6 months in such non-Parties, shall still be considered as directly transported between the Parties, provided that:

(a) the transit entry of the goods is justified for geographical reason or by consideration related exclusively to transport requirements;

(b) the goods do not undergo any other operation there other than unloading and reloading, or any operation required to keep them in good condition; and

(c) the goods remain under customs control during transit in those non-Parties.

3. Compliance with paragraph 2 shall be evidenced by presenting the customs authority of the importing Party either with customs documents of the non-Parties, or with any other documents to the satisfaction of the customs authority of the importing Party.

Section B Implementation Procedures

Article 4.14 Certificate of Origin

1. A Certificate of Origin, as set out in Annex 5 (Certificate of Origin), shall be issued by the authorized bodies of a Party on application by the exporter or producer, provided that the goods can be considered as originating in that Party in accordance with this Chapter.

2. The Certificate of Origin shall:

(a) contain a unique certificate number;

(b) cover one or more goods under one consignment;

(c) state the basis on which the goods are deemed to qualify as originating for the purposes of this Chapter;

(d) contain security features, such as specimen signatures or stamps, as advised to the importing Party by the exporting Party; and

(e) be completed in English.

3. The Certificate of Origin shall be issued before or at the time of shipment. It shall be valid for 1 year from the date of issuance in the exporting Party.

4. Each Party shall inform the customs authority of the other Party of the name of each authorized body, as well as relevant contact details, and shall provide details of security features for relevant forms and documents used by each authorized body, prior to the issuance of any Certificate of Origin by that body. Any change in the information provided above shall be promptly notified to the customs authority of the other Party.

5. A Certificate of Origin may be issued retrospectively within 1 year from the date of shipment, bearing the words “ISSUED RETROSPECTIVELY” and remains valid for 1 year from the date of shipment, if it is not issued before or at the time of shipment due

to force majeure, involuntary errors, omissions or other valid causes.

6. In cases of theft, loss, or accidental destruction of a Certificate of Origin, the exporter or producer may make a written request to the authorized bodies of the exporting Party for issuing a certified copy. The certified copy shall bear the words "CERTIFIED TRUE COPY of the original Certificate of Origin number ___ dated ___". The certified copy shall be valid during the term of validity of the original Certificate of Origin.

Article 4.15 Retention of Origin Documents

1. Each Party shall require its producers, exporters, and importers to retain documents in any medium that allows for prompt retrieval, including in digital or written form, that prove the originating status of the goods as well as the fulfillment of the other requirements of this Chapter for at least 3 years or any longer time in accordance with that Party's domestic law.

2. Each Party shall require that its authorized bodies retain copies of Certificates of Origin and other related supporting documents in any medium that allows for prompt retrieval, including in digital or written form, for at least 3 years or any longer time in accordance with that Party's domestic law.

Article 4.16 Obligations Regarding Importations

Unless otherwise provided in this Chapter, the importer claiming for preferential tariff treatment shall:

(a) indicate in the customs declaration that the good qualifies as an originating good;

(b) possess a valid Certificate of Origin at the time the import customs declaration referred to in sub-paragraph (a) is made; and

(c) submit the valid Certificate of Origin and other documentary evidence related to the importation of the goods, upon request of the customs administration of the importing Party.

Article 4.17 Refund of Import Customs Duties or Deposit

1. Where a Certificate of Origin is not submitted to the import customs at the time of importation pursuant to Article 4.16 (Obligation Regarding Importations), upon the

request of the importer, the customs authorities of the importing Party may impose the applied non-preferential customs duties, or require a guarantee equivalent to the full amount of the customs duties on that good, provided that the importer formally declares to the customs authority at the time of importation that the good in question qualifies as an originating good.

2. The importer may apply for a refund of any excess customs duties imposed or guarantee paid provided that they can present all the necessary documentation required in Article 4.16 (Obligations Regarding Importations) and within the period specified in the legislation of the importing Party.

Article 4.18 Verification of Origin

1. For the purposes of determining the authenticity or accuracy of the Certificate of Origin, the originating status of the products concerned, or the fulfillment of the other requirements of this Chapter, the customs authority of the importing Party may conduct origin verification based on risk analysis and at random or whenever the customs authority of the importing Party has reasonable doubts, by means of**:**

(a) requests for additional information from the importer;

(b) requests to the customs authority of the exporting Party to verify the origin of a product;

(c) such other procedures as the customs authorities of the Parties may jointly decide; or

(d) conducting verification visit to the exporting Party, when necessary, in a manner to be jointly determined by the customs authorities of the Parties.

2. The customs authority of the importing Party requesting verification to the exporting Party shall specify the reasons, and provide any documents and information justifying the verification.

3. The importer or the exporting Party referred to in paragraph 1 receiving a request for verification, shall respond to the request promptly and reply within 3 months, from the date of raising of the verification request. Upon request of the exporting Party, the above-mentioned period can be extended for another 3 months.

4. If the customs authority of the importing Party decides to suspend the granting of preferential treatment to the goods concerned while awaiting the results of the verification, the goods shall be released upon submission of guarantee, unless otherwise provided in the domestic legislation of the importing Party.

5. If no reply is received within 6 months, or if the reply does not contain sufficient information to determine the authenticity of the documents or the originating status of the products in question, the requesting customs authority may deny preferential tariff treatment.

6. The exporter, producer, or manufacturer, who applied for the Certificate of Origin related to the concerned goods, shall not deny any request for a verification visit agreed upon by the Parties. Any failure to consent to a verification visit shall be liable for a denial of preferential benefits claimed in accordance with this Agreement.

Article 4.19 Denial of Preferential Tariff Treatment

Except as otherwise provided in this Chapter, the importing Party may deny claim for preferential tariff treatment, if:

(a) the goods do not meet the requirements of this Chapter;

(b) the importer, exporter, or producer fails to comply with the relevant requirements of this Chapter;

(c) the Certificate of Origin does not meet the requirements of this Chapter; or

(d) in case stipulated in Article 4.18 (Verification of Origin).

Article 4.20 Electronic Origin Data Exchange System

For the purposes of the effective and efficient implementation of this Chapter, both Parties may establish Electronic Origin Data Exchange System to ensure real-time exchange of origin related information between customs administrations upon mutually agreed time framework.

Article 4.21 Committee on Rules of Origin

1. The Parties hereby establish a Committee on Rules of Origin under the Free Trade Commission, composed of government representatives of each Party.

2. The Committee shall meet as necessary to consider any matter arising under this Chapter including but not limited to disputes in connection with the verification procedures of Article 4.18 (Verification of Origin) between the competent authorities or customs authorities and questions regarding the interpretation of this Chapter, and consult

regularly to ensure that this Chapter is administered effectively, uniformly, and consistently in order to achieve the objectives of this Agreement.

Article 4.22 Contact Points

1. Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Chapter.

2. Each Party shall notify the other Party in writing of its designated contact point no later than 60 days after the date of entry into force of this Agreement.

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

Chapter 5 Customs Procedures and Trade Facilitation

Article 5.1 Definitions

For the purposes of this Chapter:

customs administration means:

(a) for China, the General Administration of Customs of the People's Republic of China; and

(b) for Ecuador, the National Customs Service of Ecuador.

customs law means the statutory and regulatory provisions relating to the importation, exportation, movement, or storage of goods, the administration and enforcement of which are charged to the customs administration, and any regulations made by the customs administration under its statutory powers;

customs procedures means the treatment applied by each customs administration to goods and the means of transport that are subject to customs control;

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the GATT 1994, which is a part of the WTO Agreement; and

means of transport means various types of vessels, vehicles, and aircrafts which enter or leave the customs territory carrying persons and/or goods.

Article 5.2 Scope and Objectives

1. This Chapter shall apply, in accordance with the international obligations and domestic laws and regulations of the Parties, to customs procedures applied to goods traded between the Parties and to the movement of means of transport between the Parties.

2. For the purposes of this Chapter, the Parties shall:

(a) promote the simplification and harmonization of their customs procedures;

(b) to ensure the efficient and expeditious clearance of goods and movement of

means of transport;

(c) to ensure predictability, consistency, and transparency in the application of customs law, including administrative procedures of the Parties;

(d) facilitate trade between them; and

(e) promote cooperation between their customs administrations.

Article5.3 Facilitation

1. Each Party shall ensure that its customs procedures and practices are predictable, consistent, transparent, and trade facilitating.

2. Each Party shall, where possible and to the extent permitted by their respective customs laws, conform its customs procedures with the standards and recommended practices of the World Customs Organization (WCO) to which that Party is a contracting party, in particular those of the International Convention on the Simplification and Harmonization of Customs Procedures (as amended), known as the Revised Kyoto Convention.

3. The customs administrations of the Parties shall facilitate the clearance, including the release of goods, in administering their procedures.

4. Each Party shall provide a focal point, electronic or otherwise, through which its traders may submit required regulatory information in order to obtain clearance, including the release of goods.

Article 5.4 Customs Valuation

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

Article 5.5 Tariff Classification

The Parties shall apply the *International Convention on the Harmonized Commodity Description and Coding System* to goods traded between them.

Article 5.6 Customs Cooperation

1. The customs administrations of the Parties shall provide mutual cooperation and assistance to ensure the proper application of customs law, the review of customs procedures, the prevention, investigation, and combating of customs offenses as to achieve a satisfactory balance between effective control and facilitation.

2. The customs administrations of the Parties shall assist each other, in relation to:

(a) the implementation and operation of this Chapter;

(b) the application of the Customs Valuation Agreement;

(c) simplifying and harmonizing customs procedures;

(d) developing and implementing customs best practices and risk management techniques;

(e) exchanging of information, best practices, experiences, training skills, and any related support suitable for strengthening customs management;

(f) establishing or maintaining channels of communication to strengthen the efficient exchange of information and improve coordination regarding customs matters;

(g) enhancing the use of technologies that lead to improve compliance with the laws and regulations governing importations, exportations, and transit; and

(h) such other issues as the Parties mutually determine.

3. The customs administrations of the Parties shall push forward cooperation based on "Smart Customs, Smart Borders, and Smart Connectivity" in order to enhance mutual trust and promote trade facilitation to achieve a high level connectivity between the Parties.

4. The customs administrations of the Parties shall provide mutual cooperation and assistance in customs matters in accordance with the provisions of this Chapter and shall consider developing an agreement concerning cooperation and mutual administrative assistance that will cover relevant customs issues.

Article 5.7 Transparency

1. Each Party shall promptly publish, including on the Internet, its laws, regulations, and, where applicable, administrative rules or procedures of general application relevant to trade in goods between the Parties.

2. Each Party shall designate one or more enquiry points to address enquiries from interested persons on customs matters and shall make available on the Internet information concerning the procedures for making such enquiries.

3. To the extent practicable and in a manner consistent with its domestic law and legal system, each Party shall publish, in advance on the Internet, draft laws and regulations of general application relevant to trade between the Parties, with a view to affording traders and other interested persons an opportunity to provide comments.

4. To the extent practicable and in a manner consistent with its domestic law and legal system, each Party shall ensure that a reasonable interval is provided between the publication and the entry into force of new or amended laws and regulations of general application relevant to trade between the Parties.

Article 5.8 Advance Rulings

1. The customs administration of each Party shall issue an advance ruling, prior to the importation of a good into its customs territory, at the written request containing all necessary information, on an application of the exporter, importer, or any person with a justifiable cause or a representative thereof[1], with respect to:

(a) origin of a good in accordance with Chapter 4 (Rules of Origin and Implementation Procedures);

(b) tariff classification of a good; and

(c) such other matters as the Parties may agree.

2. The customs administration of the importing Party shall issue an advance ruling within 90 days on receipt of all necessary information and the completion of the requirements.

3. Each Party shall provide that an advance ruling shall be valid from the date it is issued, or another date specified in the advance ruling, provided that the laws, regulations, administrative rules, and the facts or circumstances, on which the advance ruling is based remain unchanged.

4. The customs administration of the importing Party may modify, revoke, or invalidate an advance ruling:

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[1] An applicant for an advance ruling from China shall be registered with China Customs.

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

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

(c) if incorrect information was provided or relevant information was withheld; or

(d) to conform with a change in its domestic laws, a judicial decision, or a modification of this Chapter.

Article 5.9 Review and Appeal

Each Party shall, in accordance with its laws and regulations, provide that the importer, exporter, or any other person affected by those administrative determinations or decisions have access to:

(a) a level of administrative review of determinations by its customs administration, independent of the official or office responsible for the decision under review; and

(b) judicial review of the administrative determinations subject to its laws and regulations.

Article 5.10 Application of Information Technology

1. The customs administrations of the Parties shall use information technology to support customs operations, including sharing best practices with each other for the purpose of improving their customs procedures where it is cost-effective and efficient, particularly in the paperless trading context, taking into account developments of the WCO in this area.

2. The customs administrations of the Parties are encouraged to focus on the application of new technologies, including the development of hardware facilities and software systems, as to accelerate customs operations and increase the accuracy and impartiality of customs control.

Article 5.11 Risk Management

1. The customs administration of each Party shall focus measures of control on high-risk goods and facilitate the clearance of low-risk goods in administering customs procedures.

2. The customs administration of each Party shall design and apply risk

management in a manner as to avoid arbitrary or unjustifiable discrimination or disguised restrictions on international trade.

Article 5.12 Release of Goods

1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties. This paragraph shall not require a Party to release a good where its requirements for release have not been met.

2. In accordance with paragraph 1, each Party shall adopt or maintain procedures that:

(a) provide for the release of goods as rapidly as possible after arrival, provided all other regulatory requirements have been met; and

(b) as appropriate, provide for advance electronic submission and processing of information before the physical arrival of goods with a view to expediting the release of goods.

3. Each Party shall adopt or maintain procedures allowing the release of goods prior to the final determination of customs duties, taxes, fees, and charges if such determination is not done prior to, or upon arrival or as rapidly as possible after arrival and provided that all other regulatory requirements have been met. As a condition for such release, a Party may require a guarantee in accordance with its laws and regulations that does not exceed the amount the Party requires to ensure payment of customs duties, taxes, fees, and charges ultimately due for the goods covered by the guarantee.

4. Nothing in this Article shall affect the right of a Party to examine, detain, seize, confiscate, or deal with the goods in any manner consistent with its laws and regulations.

5. 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 a prompt release of perishable goods, and under normal circumstances within the shortest possible time.

6. For the purposes of this provision, perishable goods are goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.

Article 5.13 Authorized Economic Operator

1. The customs administrations of the Parties shall establish the program of Authorized Economic Operators (AEO) to promote informed compliance and efficiency of customs control and to share best practices between the Parties.

2. The customs administrations of the Parties shall work towards mutual recognition of AEO.

Article 5.14 Penalties

Each Party shall adopt or maintain measures that allow for the imposition of administrative penalties and, where appropriate, criminal sanctions for violations of its customs laws and regulations, including those governing tariff classification, customs valuation, rules of origin, and claims for preferential tariff treatment under this Agreement.

Article 5.15 Confidentiality

Each Party's customs administration shall maintain the confidentiality of the information and protect it from use or disclosure that could prejudice the competitive position of the person providing the information.

Article 5.16 Consultation

1. The customs administration of each Party may at any time request consultations with the customs administration of the other Party on any matter arising from the operation or implementation of this Chapter, in cases where there are reasonable grounds provided by the requesting Party. Such consultations shall be conducted through the relevant contact points and shall take place within 30 days of the request, unless the customs administrations of both Parties mutually determine otherwise.

2. In the event that such consultations fail to resolve any such matter, the requesting Party may refer the matter to the Committee on Customs Procedures and Trade Facilitation set forth in Article 5.17 (Committee on Customs Procedures and Trade Facilitation) of this Chapter for consideration.

3. Each customs administration shall designate one or more contact points for the purposes of this Chapter and provide details of such contact points to the other Party. The customs administrations of the Parties shall notify each other promptly of any amendments to the details of their contact points.

Article 5.17 Committee on Customs Procedures and Trade Facilitation

1. The Parties, with the view to an effective implementation and operation of this Chapter, hereby establish a Committee on Customs Procedures and Trade Facilitation (Committee on CPTF), under the Free Trade Commission.

2. The Committee on CPTF shall be composed of representatives from customs administrations and, upon mutual agreement, relevant government authorities of the Parties.

3. The functions of the Committee on CPTF shall be as follows:

(a) ensure the proper functioning of this Chapter and resolve all issues arising from its application;

(b) review the operation and implementation of this Chapter, as well as revise this Chapter as appropriate;

(c) identify areas related to this Chapter to be improved for facilitating trade between the Parties;

(d) make recommendations and report to the Free Trade Commission; and

(e) address any issues presented by each customs administration in conformity with Article 5.16 (Consultation) of this Chapter, notwithstanding the rights and obligations set out in Chapter 13 (Dispute Settlement) of this Agreement.

4. The Committee on CPTF shall meet at such venues and times as agreed by the Parties.

Chapter 6 Trade Remedies

Section I Global Safeguards, Anti-dumping and Countervailing

Article 6.1 Global Safeguard Measures

1. The Parties maintain their rights and obligations under Article XIX of GATT 1994 and the Safeguards Agreement as defined in Article 6.9 (Definitions).

2. Actions taken pursuant to Article XIX of GATT 1994 and the Safeguards Agreement as defined in Article 6.9 (Definitions) shall not be subject to Chapter 13 (Dispute Settlement) of this Agreement.

Article 6.2 Anti-Dumping and Countervailing Duty Matters

1. The Parties maintain their rights and obligations under the Agreement on Implementation of Article VI of the GATT 1994 and the Agreement on Subsidies and Countervailing Measures, which are parts of the WTO Agreement.

2. Anti-dumping actions taken pursuant to Article VI of GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994 or countervailing actions taken pursuant to Article VI of GATT 1994 and the Agreement on Subsidies and Countervailing Measures shall not be subject to Chapter 13 (Dispute Settlement) of this Agreement.

3. Both Parties confirm that there shall be no practice between the two Parties to use a methodology based on the surrogate value of a third country, including the use of a surrogate price or surrogate cost in determining normal value and export price when determining dumping margin during an anti-dumping procedure.[2]

Section II Bilateral Safeguards

Article 6.3 Imposition of a Bilateral Safeguard Measure

[2] This paragraph refers to the measure described in paragraph 15, subparagraph (a), on "Price Comparability in Determining Subsidies and Dumping" of the Protocol on Accession of the People's Republic of China to the WTO, which expired in 2016.

1. If, as a result of the reduction or elimination of a duty provided for in this Agreement, a product benefiting from preferential tariff treatment under this Agreement is being imported into the territory of a Party in such increased quantities, in absolute terms or relative to the domestic production, and under such conditions as to substantially cause serious injury or threat thereof to a domestic industry producing a like or directly competitive product, the importing Party may impose a safeguard measure described in paragraph 2 during the transition period only.

2. If the conditions in paragraph 1 are met, a Party may, to the extent as may be necessary to prevent or remedy serious injury, or threat thereof, and to facilitate adjustment:

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

(b) increase the rate of duty on the product to a level not to exceed the lesser of

(i) the MFN applied rate of duty in effect at the time the action is taken; or

(ii) the MFN applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement.[3]

Article 6.4 Standards for a Definitive Bilateral Safeguard

1. A Party may apply a definitive bilateral safeguard measure for an initial period of three years, with an extension not exceeding one year. Regardless of its duration, such measure shall terminate at the end of the transition period determined in Article 6.9 (Definitions).

2. No safeguard measure shall be applied to the import of a product that has previously been subject to such a measure unless a period equivalent to half the total duration of the measure applied has elapsed.

3. Neither Party may impose a safeguard measure on a product that is subject to a measure that the Party has imposed pursuant to Article XIX of GATT 1994 and the Safeguards Agreement, and neither Party may continue maintaining a safeguard measure on a product that becomes subject to a measure that the Party imposes pursuant to Article XIX of GATT 1994 and the Safeguards Agreement.

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[3] The Parties understand that neither tariff rate quotas nor quantitative restrictions would be permissible forms of a safeguard measure.

4. On the termination of a safeguard measure, the rate of duty shall be the duty set out in the Party's schedule to Annex 2 (Schedule of Tariff Commitments) of this Agreement as if the measure had never been applied.

Article 6.5 Investigation Procedures and Transparency Requirements

1. The importing Party may take a safeguard measure under this Section only following an investigation by its competent authorities and in accordance with Article 3 and Article 4.2 of the Safeguards Agreement, and to this end, Article 3 and Article 4.2 of the Safeguards Agreement are incorporated into and made a part of this Agreement, *mutatis mutandis*.

2. Each Party shall ensure that its competent investigating authorities complete any bilateral safeguard investigation without exceeding 12 months from the date of its initiation.

Article 6.6 Provisional Measures

1. In critical circumstances where any delay would cause damage that would be difficult to repair, a Party may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The duration of the provisional measure shall not exceed 200 days. Such a measure should take the form of the suspension of the further reduction of any rate of duty provided for under this Agreement on the product or an increase in the customs duties to a rate not exceeding the lesser of the rates in subparagraph (b) of paragraph 2 of Article 6.3 (Imposition of a Bilateral Safeguard Measure).

2. Any additional customs duties or guarantees collected shall be promptly refunded if the subsequent investigation does not determine that increased imports have caused or threatened to cause serious injury to a domestic industry. The duration of any such provisional measure shall be counted as a part of the initial period and any extension of a definitive measure.

Article 6.7 Notification and Consultation

1. A Party shall promptly notify the other Party, in writing, of the following:

(a) initiating an investigation;

(b) taking a provisional safeguard measure;

(c) making a finding of serious injury or threat thereof caused by increased imports;

(d) taking a decision to impose or extend a definitive measure; and

(e) taking a decision to modify a measure previously undertaken.

2. In making the notifications referred to in sub-paragraphs (d) and (e) of paragraph 1, the Party applying the measure shall provide the other Party all pertinent information, such as a precise description of the product involved, the proposed measure, the grounds for introducing such a measure, the proposed date of introduction, and its expected duration. The notifying Party shall provide a courtesy, non-official English translation of the notification.

3. A Party applying a provisional or definitive measure or extending a safeguard measure shall provide adequate opportunity for prior consultations with the other Party, with a view to, inter alia, reviewing the information provided in accordance with paragraph 2, exchanging views on the bilateral safeguard measure, and reaching an agreement on compensation in accordance with Article 6.8 (Compensation).

Article 6.8 Compensation

1. The Party applying a safeguard measure for a period beyond 3 years shall, upon the request of the Party whose product is subject to a safeguard measure, hold consultations in order to provide to the other Party mutually agreed trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the measure.

2. If the Parties are unable to reach agreement on compensation within 45 days after the request under paragraph 1, the exporting Party shall be free to suspend the application of substantially equivalent concessions to the trade of the Party applying the safeguard measure.

3. A Party shall notify the other Party in writing at least 30 days before suspending concessions under paragraph 2.

4. The obligation to provide compensation under paragraph 1 and the right to suspend substantially equivalent concessions under paragraph 2 shall terminate on the date of the termination of the safeguard measure.

Article 6.9 Definitions

For purposes of this Section:

competent authority means:

(a) in the case of China, Ministry of Commerce, or its successor; and

(b) in the case of Ecuador, Trade Remedies Directorate of the Ministry of Production, Foreign Trade, Investment, and Fisheries, or its successor;

domestic industry means, with respect to an imported product, the producers as a whole of the like or directly competitive product or those producers whose collective production of the like or directly competitive product constitutes a major proportion of the total domestic production of such product;

Safeguards Agreement means the *Agreement on Safeguards*, which is part of the WTO Agreement;

safeguard measure means a safeguard measure described in paragraph 2 of Article 6.3 (Imposition of a Bilateral Safeguard Measure);

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 on allegation, conjecture or remote possibility, is clearly imminent; and

transition period: means the eight-year period beginning on the date of entry into force of this Agreement, except in the case of a product where the liberalization process lasts five or more years, in which case the transition period shall be equal to the period in which such a product reaches zero tariff according to the Schedule to Annex 2 (Schedule of Tariff Commitments) of this Agreement plus a period of five years.

Section III Cooperation

Article 6.10 Cooperation

The Parties shall establish a cooperation mechanism between the investigating authorities

of each Party to ensure each Party has a clear understanding of the practices adopted by the other Party in trade remedies investigations.

Chapter 7 Sanitary and Phytosanitary Measures

Article 7.1 Objectives

The objectives of this Chapter are to:

(a) promote and facilitate the trade of animals, products of animal origin, plants and products of vegetal origin between the Parties, protecting at the same time public health, animal and vegetable health;

(b) improve between the Parties the implementation of the SPS Agreement;

(c) provide a forum to address bilateral sanitary and phytosanitary measures, to solve the problems of trade that from them derives, and to expand trade opportunities;

(d) provide mechanisms of communication and cooperation to resolve sanitary and phytosanitary issues in a prompt and efficient manner; and

(e) ensure that procedures for the establishment of sanitary and phytosanitary measures between the Parties are transparent and are applied without undue delay.

Article 7.2 Scope and Definitions

1. This Chapter shall apply to all SPS measures of a Party that may, directly or indirectly, affect trade between the Parties.

2. For the purposes of this Chapter, the definitions in Annex A to the SPS Agreement shall apply.

Article 7.3 Affirmation

Except as otherwise provided for in this Chapter, the SPS Agreement shall apply between the Parties and is hereby incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 7.4 Risk Analysis

1. The Parties recognize that risk analysis is an important tool for ensuring that SPS measures have scientific basis. The Parties shall ensure that their SPS measures are based on an assessment of the risks to human, animal or plant life or health as provided in Article 5 of the SPS Agreement, taking into account the risk assessment techniques

developed by the relevant international organizations.

2. The importing Party shall give priority consideration to market access requests of the exporting Party by undertaking as soon as possible the risk analysis in a manner consistent with the domestic legislation of the importing Party. For this purpose, the competent authorities of the Parties will maintain close communications and good working relationships at each stage of the risk analysis process in order to facilitate it and to avoid undue delay. The exporting Party shall provide the necessary information required by the importing Party for the risk assessment.

3. At the end of the risk analysis process, evidence supporting the risk analysis, remaining uncertainties, and risk management proposals shall be communicated to the exporting Party.

4. If an exporting Party submits multiple market access requests to the importing Party, the exporting Party should identify its priority among these requests, and this will be taken into account by the importing Party.

5. If a protocol of sanitary and/or phytosanitary requirements is needed based on risk analysis, the competent authorities of the Parties shall enter into negotiations as soon as possible, with the aim of adopting the protocol. The establishment, review and amendment of the protocol by the competent authorities will be in accordance with the provisions of this Chapter and the SPS Agreement. In this sense, the protocol shall be scientifically justified, and shall not constitute a disguised restriction on trade.

Article 7.5 Regionalisation

1. The Parties shall accept the principle of regionalisation provided for in the SPS Agreement.

2. The Parties take note of the Guidelines to further the Practical Implementation of Article 6 of the Agreement on the Application of Sanitary and Phytosanitary Measures (G/SPS/48) adopted by the WTO Committee on Sanitary and Phytosanitary Measures and of relevant standards developed by World Organization for Animal Health (WOAH) and International Plant Protection Convention (IPPC).

Article 7.6 Harmonization

In accordance with Article 3 of the SPS Agreement and the Decisions for the implementation of the said Article adopted by the WTO/SPS Committee, the Parties shall work on the harmonization of their respective sanitary and phytosanitary measures, taking into account standards, guidelines and recommendations developed by the relevant international organizations.

Article 7.7 Equivalence

1. Each Party shall accept the sanitary or phytosanitary measures of the other Party as equivalent, if the other Party objectively demonstrates to the Party that its measures achieve the Party's appropriate level of sanitary and phytosanitary protection.

2. For the recognition of equivalence, the Parties should take into account international standards, guidelines and recommendations developed by the relevant international organizations and decisions adopted by the WTO/SPS Committee, where relevant to the particular case.

Article 7.8 Control, Inspection and Approval Procedures

Control, inspection and approval procedures shall be carried out in accordance with the provisions of Article 8 and Annex C of the SPS Agreement.

Article 7.9 Transparency

1. The Parties agree the full implementation of Article 7 of the SPS Agreement in accordance with the provisions of Annex B of the SPS Agreement.

2. The Parties shall make endeavor to exchange information on, including but not limited to, SPS measures, pest status and noncompliance cases. The English version of the full text of the adopted SPS measures, when available, should be provided.

3. The sanitary and phytosanitary enquiry points of the Parties established under the SPS Agreement shall set up a bilateral mechanism for further communication and transparency. The Parties shall provide upon request a copy of the full text of the proposed regulation notified and allow at least 60 days for comments.

4. The Parties shall communicate, upon request of a Party, the status of the procedure for the authorization of the import of specific products.

Article 7.10 Technical Cooperation

The Parties agree to strengthen bilateral technical cooperation on sanitary and phytosanitary issues, with a view to enhancing the mutual understanding of the regulatory systems of the Parties and facilitating access to each other's markets.

Article 7.11 Committee on Sanitary and Phytosanitary Measures

1. A Committee on sanitary and phytosanitary measures (hereinafter referred to as the "SPS Committee") is hereby established under the Free Trade Commission.

2. The functions of the SPS Committee shall be:

(a) monitoring the implementation of this Chapter;

(b) coordinating technical cooperation activities;

(c) facilitating technical consultations;

(d) identifying areas for enhanced cooperation, including giving favorable consideration to any specific proposal made by either Party;

(e) establishing a dialogue between competent authorities in accordance with the objectives of this Chapter;

(f) consulting on any issue prior to meetings of relevant international organizations, if appropriate; and

(g) carrying out other functions mutually agreed by the Parties.

3. The SPS Committee shall meet once a year, unless otherwise agreed by the Parties. The SPS Committee meetings may be conducted by any agreed method on a case by case basis.

4. The SPS Committee may establish ad-hoc working groups to accomplish specific tasks.

Article 7.12 Technical Consultations

1. When a Party considers that a sanitary or phytosanitary measure is affecting trade with the other Party, it may request that technical consultations to be held under the SPS Committee, with a view to sharing information and increasing mutual understanding

about the specific sanitary or phytosanitary measure under consultation and to identify a practical solution that would facilitate trade. The other Party shall respond as early as possible to any request for technical consultations.

2. The technical consultations shall be held, in a term of 30 working days after the date of receipt of the request, unless the Parties agree otherwise, and may be conducted via teleconference, video conference, or through any other means mutually agreed by the Parties.

Article 7. 13 Contact Points and Competent Authorities

1. Each Party shall establish a contact point which shall have responsibility for coordinating the implementation of this Chapter. The contact points will be:

(a) for China, the Department of International Cooperation of the General Administration of Customs; and

(b) for Ecuador, Ministry of Production, Foreign Trade, Investment and Fisheries.

2. For the purposes of this Chapter, the competent authorities on Sanitary and Phytosanitary Measures are:

For China:

The General Administration of Customs, or its successor.

For Ecuador:

a) Agency for Plant and Animal Health Regulation and Control (AGROCALIDAD), or its successor;

b) National Agency for Sanitary Regulation, Control and Surveillance (ARCSA), or its successor; and

c) Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP), or its successor through the Undersecretary for Quality and Safety.

Chapter 8 Technical Barriers to Trade

Article 8.1 Objectives

The objectives of this Chapter are to increase and facilitate trade, and to fulfill the objectives of this Agreement, through the improvement of the implementation of the TBT Agreement, the elimination of unnecessary technical barriers to trade, and the enhancement of bilateral cooperation.

Article 8.2 Scope and Coverage

1. This Chapter applies to all technical regulations, national standards, and conformity assessment procedures that may, directly or indirectly, affect trade in goods except as provided in paragraph 2.

2. This Chapter does not apply to sanitary and phytosanitary measures which are covered by Chapter 7 (Sanitary and Phytosanitary Measures) of this Agreement.

Article 8.3 Affirmation of the Agreement on Technical Barriers to Trade

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

Article 8.4 Standards

1. Each Party shall encourage the standardizing body or bodies in its territory to cooperate with the standardizing body or bodies of the other Party. Such cooperation shall include, but is not limited to, information and experience on standards.

2. The Parties shall use international standards, or the relevant parts of international standards, as a basis for their technical regulations and related conformity assessment procedures where relevant international standards exist or their completion is imminent, except when such international standards or their relevant parts are ineffective or inappropriate to fulfill legitimate objectives.

3. In determining whether an international standard in the sense of Article 2.4 of the TBT Agreement exists, the Parties shall apply the principles set out in the "Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5 and Annex 3 of the Agreement", adopted by the WTO Committee on Technical Barriers to Trade since 1 January 1995, G/TBT/1/Rev.14, 24 September 2019, Annex 2 to Part 1. Such international standards may include, but are not limited to, those developed by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Telecommunication Union (ITU) and Codex Alimentarius Commission (CAC).

Article 8.5 Equivalency of Technical Regulations

1. Each Party will give favorable consideration to the possibility of accepting as equivalent technical regulations of the other Party, even if these regulations differ from their own, provided that they are satisfied that these regulations adequately fulfill the objectives of their own regulations.

2. A Party shall, upon request of the other Party, explain the reasons why it has not accepted a technical regulation of that Party as equivalent.

3. At the request of a Party that has an interest in developing a similar technical regulation, the Parties may conduct relevant communication to provide, to the extent practicable, information, or other documents, except for confidential information, on which it has relied in the development of a technical regulation.

Article 8.6 Conformity Assessment

1. The Parties recognize that a broad range of mechanisms exists to facilitate the acceptance of conformity assessment procedures and results thereby, including:

(a) voluntary arrangements between conformity assessment bodies from each Party's territory;

(b) agreements on mutual acceptance of the results of conformity assessment procedures with respect to specified regulations conducted by bodies located in the other Party's territory;

(c) recognition by one Party of the results of conformity assessments performed in the other Party's territory;

(d) accreditation procedures for qualifying conformity assessment bodies and promotion of the recognition of accreditation and certification bodies under international mutual recognition arrangements; and

(e) government designation of conformity assessment bodies.

2. The Parties shall intensify their exchange of information on the range of mechanisms to facilitate the acceptance of conformity assessment results.

3. Before accepting the results of a conformity assessment procedure, and to enhance confidence in the continued reliability of each other's conformity assessment results, the Parties may consult on such matters as the technical confidence of the conformity assessment bodies involved, as appropriate.

4. A Party shall, on the request of the other Party, explain its reasons for not accepting the results of a conformity assessment procedure performed in the other Party's territory.

5. Where a Party declines a request from the other Party to engage in or conclude negotiations to reach an agreement on facilitating recognition in its territory from the results of conformity assessment procedures conducted by bodies located in the other Party's territory, it shall, on request, explain its reasons.

Article 8.7: Measures at the Border

Where a Party detains, at a port of entry, goods exported from the other Party due to a perceived failure to comply with a technical regulation or a conformity assessment procedure, the reasons for the detention shall be promptly notified to the importer or his or her representative.

Article 8.8 Transparency

1. Each Party shall allow a period of at least 60 days following the notification of its proposed technical regulations and conformity assessment procedures to WTO to solicit comments from the other Party except where urgent problems of safety, health, environmental protection, or national security arise or threaten to arise.

2. Each Party shall, upon request of the other Party, provide information on the objectives of, and rationale for, a technical regulation or conformity assessment procedure that the Party has adopted or is proposing to adopt.

3. Each Party shall ensure that all adopted technical regulations and conformity

assessment procedures are promptly published or otherwise made available.

4. Each Party shall provide and keep updated information about the competent authorities and will communicate any significant change in their structure, organization and division.

5. The period between publication and entry into force of technical regulations and conformity assessment procedures shall not be less than 6 months, unless within that period it is impracticable to achieve the legitimate objectives of the technical regulations and conformity assessment procedures.

Article 8.9 Technical Cooperation

1. Each Party shall, upon request of the other Party:

(a) provide to that Party technical advice, information and assistance on mutually agreed terms and conditions to enhance that Party's standards, technical regulation and conformity assessment procedures, and related activities, processes and systems;

(b) take measures to prevent and correct risk situations in bilateral trade of products, including encouraging their competent authorities to enhance cooperation and sign cooperative agreements if needed;

(c) exchange information and experiences on port inspection and market surveillance; and

(d) cooperate in capacity building activities, aimed at strengthening the national quality infrastructure and other related issues.

2. The Parties shall, upon request of one Party, work towards increasing the information exchange, particularly regarding bilateral non-compliance with technical regulations and conformity assessment procedures.

3. The Parties agree to strengthen information exchange cooperation, including sharing, when available, translated English versions of the full texts of the adopted technical regulations and conformity assessment procedures.

Article 8.10 Committee on Technical Barriers to Trade

1. The Parties hereby establish the Committee on Technical Barriers to Trade, comprising representatives of each Party.

2. For purposes of this Article, the Committee shall be coordinated by:

(a) in the case of China, Department of International Cooperation, State Administration for Market Regulation of China (SAMR), or its successor; and

(b) in the case of Ecuador, Ministry of Production, Foreign Trade, Investment and Fisheries, through its Direction of Negotiations of Sanitary and Phytosanitary Measures and Technical Barriers to Trade, or its successor.

3. In order to facilitate the communication and ensure the proper functioning of the Committee, the Parties will designate a contact person no later than 2 months following the date of entry into force of this Agreement.

4. The Committee's functions shall include:

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

(b) promptly addressing any issue that a Party raises related to the development, adoption, application, or enforcement of technical regulations and conformity assessment procedures;

(c) enhancing cooperation in the development and improvement of technical regulations and conformity assessment procedures;

(d) where appropriate, facilitating sectorial cooperation among governmental and non-governmental conformity assessment bodies in the Parties' territories;

(e) exchanging information on developments in non-governmental, regional, and multilateral fora engaged in activities related to standardization, technical regulations, and conformity assessment procedures;

(f) taking any other steps which the Parties consider to assist them in implementing the TBT Agreement and in facilitating trade in goods between them;

(g) consulting on any matter arising under this Chapter, upon a Party's request;

(h) reviewing this Chapter in light of any developments under the TBT Agreement, and developing recommendations for amendments to this Chapter in light of those developments; and

(i) reporting to the Free Trade Commission on the implementation of this Chapter, as it considers appropriate.

5. Where the Parties have had recourse to consultations under subparagraph (g) of paragraph 4, such consultations shall, upon agreement by the Parties, constitute consultations under Article 13.4 (Consultations).

6. A Party shall endeavor to, upon request, give favorable consideration to any

sector-specific proposal the other Party makes for further cooperation under this Chapter.

7. The Committee shall convene its first meeting not later than 1 year after the date of entry into force of this Agreement and meet once every 2 years or at any time agreed by the Parties. These meetings may be held via teleconference, video conference, or through any other means, as mutually determined by the Parties. By mutual agreement, ad hoc working groups may be established if necessary.

Article 8.11 Information Exchange

Any information or explanation provided upon request of a Party pursuant to the provisions of this Chapter, shall be provided in print or electronically within a term of 60 days.

Article 8.12 Definitions

For purposes of this Chapter:

(a) TBT Agreement means the Agreement on Technical Barriers to Trade, which is part of the WTO Agreement; and

(b) the definitions of Annex I of the TBT Agreement shall apply.

Chapter 9 Investment Cooperation

Article 9.1 Promotion of Investment

1. The Parties recognize the importance of promoting cross-border investment flows as a means for achieving economic growth and development. Subject to their laws and regulations, the Parties shall cooperate to promote investments between China and Ecuador through, among others:

(a) identifying investment opportunities;

(b) intensifying investment promotion campaign;

(c) sharing information on measures to promote investment abroad;

(d) exchanging of information on investment laws, regulations and policies;

(e) assisting investors to understand the investment regulations and the investment environment in both Parties;

(f) improving environment conducive to increased investment flows; and

(g) promoting linkages between China and Ecuador's agencies with a view to promoting bilateral investment.

2. Recognizing that facilitating the "Go Global" efforts of Chinese enterprises is a key pillar of bilateral cooperation, the Parties shall intensify their collaboration in this area. To this effect, the Parties shall endeavour to identify and share information on potential outgoing investment sectors and activities and encourage such enterprises to invest in the other Party.

Article 9.2 Facilitation of Investment

1. Subject to its laws and regulations, each Party shall facilitate investments from the other Party through, among others:

(a) improving transparency and efficiency of their domestic investment environment, with the aim of facilitating quality investment between the Parties.

(b) creating the necessary environment for all forms of investment including but not limited to the creation of favorable condition for money transfer for any investment project;

(c) simplifying procedures for investment applications and approvals;

(d) promoting the dissemination of investment information, including, but not limited to, investment rules, regulations, policies, other bilateral and multilateral trade agreements, and procedures; and

(e) enhancing one-stop investment arrangement in the respective host Parties to provide assistance and advisory services to the business sectors including facilitation of operating licences and permits.

2. Subject to its domestic laws and regulations, the Party shall make available the measures prescribing the formalities of establishing an investment to investors and their investments of the other Party. The Party shall protect any confidential business information from any disclosure that would prejudice the competitive position of the investor or the investment. Nothing in this paragraph shall be construed to prevent a Party from otherwise obtaining or disclosing information in connection with the equitable and good-faith application of its domestic law.

3. Parties shall facilitate investors and their investments to comply with required standards on environmental impact assessment and social impact assessment and assessment processes applicable to their proposed investments prior to their establishment, as required by the laws of the host Party for such an investment.

Article 9.3 Environmental Measures

Recognizing the importance of promoting investment for green growth, the Parties shall refrain from encouraging investment by investors of the other Party by relaxing environmental measures. To this effect, each Party should not waive or otherwise derogate from such environmental measures as an encouragement for the establishment, acquisition, or expansion of investments in its territory.

Article 9.4 Corporate Social Responsibility

1. The Parties reaffirm that investors and their investments shall comply with domestic laws and regulations of the host State on corporate social responsibility or responsible business conduct.

2. Each Party confirms the importance of internationally recognized standards, guidelines, and principles of corporate social responsibility or responsible business conduct that have been endorsed by that Party.

3. Each Party agrees to encourage investors and enterprises operating within its territory or subject to its jurisdiction to incorporate these standards, guidelines, and principles provided for under paragraph 2 into their business practices and internal policies in a voluntary manner.

4. The Parties shall cooperate on and facilitate joint initiatives, through the Commission provided for in Article 14.1 (The Free Trade Commission), to promote corporate social responsibility or responsible business conduct.

Article 9.5 Non-Application of Dispute Settlement

No Parties shall have recourse to Chapter 13 (Dispute Settlement) for any issue arising from or relating to this Chapter.

Chapter 10 Electronic Commerce

Article 10.1 Definitions

For the purposes of this Chapter:

digital certificates are electronic documents or files that are issued or otherwise linked to a Party, in an electronic communication or transaction, for the purposes of establishing the Party's identity;

electronic authentication means the process or act of providing authenticity and reliability verification for the Parties involved in an electronic signature; to ensure the integrity and security of an electronic communication or transaction;

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

data message means information generated, sent, received, or stored by electronic, optical, or similar means;

electronic version of a document means a document in electronic format prescribed by a Party, including a document sent by facsimile transmission;

trade administration documents means forms issued or controlled by a Party which must be completed by or for an importer or exporter in relation to the import or export of goods;

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;

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

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

Article 10.2 General Provisions

1. The Parties recognise the economic growth and opportunities provided by electronic commerce, and the importance of avoiding unnecessary barriers to its use and development consistent with this Agreement.

2. The purposes of this Chapter are to promote electronic commerce between the Parties and the wider use of electronic commerce globally.

3. Considering the potential of electronic commerce as an instrument of social and economic development, the Parties recognise the importance of:

(a) the clarity, transparency, and predictability of their national regulatory frameworks to facilitate, to the extent possible, the development of electronic commerce;

(b) encouraging self-regulation in the private sector to promote confidence in electronic commerce, considering the interests of users, through initiatives such as industry guidelines, model contracts, codes of conduct, and seals of confidence;

(c) interoperability, to facilitate electronic commerce;

(d) innovation and digitization in electronic commerce;

(e) ensuring that international and national electronic commerce policies consider the interests of their actors;

(f) facilitating access to electronic commerce by Small and Medium Enterprises (hereinafter referred to as "SMEs")[4], and

(g) guaranteeing the security of electronic commerce users, as well as their right to personal data protection.

4. The Parties shall, in principle, endeavour to ensure that bilateral trade in electronic commerce shall be no more restricted than comparable non-electronic bilateral trade.

Article 10.3 Transparency

[4] For the purposes of this Chapter, for Ecuador, “small and medium enterprises” includes micro enterprises as well as the social and solidarity economies as defined in Ecuador’s domestic legislation.

1. Each Party shall publish as promptly as possible, or where that is not practicable, otherwise make publicly available, including on the Internet where feasible, all relevant measures of general application pertaining to or affecting the operation of this Chapter.

2. Each Party shall respond as promptly as possible to a relevant request from the other Party for specific information on any of its measures of general application pertaining to or affecting the operation of this Chapter.

Article 10.4 Domestic Electronic Transactions Framework

1. Each Party shall maintain a legal framework governing electronic transactions consistent with the principles of the *UNCITRAL Model Law on Electronic Commerce of 1996*.

2. Each Party shall adopt or maintain measures regulating electronic transactions based on the following principles:

(a) a transaction, including a contract, shall not be denied legal effect, validity or enforceability solely on the grounds that it is in the form of an electronic communication; and

(b) Parties should not arbitrarily discriminate between different forms of electronic transactions.

3. Nothing in Paragraphs 1 and 2 prevents a Party from making exceptions in its domestic law to the general principles outlined in Paragraphs 1 and 2.

4. Each Party shall endeavour to:

(a) minimise the regulatory burden on electronic commerce; and

(b) ensure that regulatory frameworks support the development of electronic commerce.

Article 10.5 Electronic Authentication and Electronic Signatures

1. No Party may adopt or maintain legislation for electronic signature that would deny the legal validity of a signature solely on the basis that the signature is in electronic form.

2. Each Party shall maintain domestic legislation for electronic signature that permits:

(a) parties to an electronic transaction to mutually determine the appropriate electronic signature and authentication method unless there is a domestic or international legal requirement to the contrary; and

(b) electronic authentication agencies to have the opportunity to prove before

judicial or administrative authorities a claim that their electronic authentication of electronic transactions complies with legal requirements with respect to electronic authentication.

3. Each Party shall work towards the mutual recognition of digital certificates and electronic signatures.

4. Each Party shall encourage the use of digital certificates in the business sector.

Article 10.6 Online Consumer Protection

1. Each Party shall, to the extent possible and in a manner considered appropriate, adopt or maintain measures which provide protection for consumers using electronic commerce that are at least equivalent to measures which provide protection for consumers of other forms of commerce.

2. The Parties recognise the importance of adopting and maintaining transparent and effective consumer protection measures for electronic commerce as well as other measures conducive to the development of consumer confidence.

3. Each Party shall adopt or maintain laws or regulations to provide protection for consumers using electronic commerce against fraudulent and misleading practices that cause harm or potential harm to such consumers.

4. The Parties recognise the importance of cooperation between their respective competent authorities in charge of consumer protection on activities related to electronic commerce in order to enhance consumer protection.

Article 10.7 Online Personal Information Protection

1. Recognizing the importance of protecting personal information in electronic commerce, each Party shall adopt or maintain domestic laws and other measures which ensure the protection of the personal information of the users of electronic commerce.

2. The Parties shall encourage juridical persons to publish, including on the Internet, their policies and procedures related to the protection of personal information.

3. The Parties shall cooperate, to the extent possible, for the protection of personal information transferred from a Party.

Article 10.8 Paperless Trading

1. Each Party shall endeavour to accept electronic versions of trade administration documents used by the other Party as the legal equivalent of paper documents, except where:

(a) there is a domestic or international legal requirement to the contrary; or

(b) doing so would reduce the effectiveness of the trade administration process.

2. Each Party shall endeavor to work towards developing a single window to government incorporating relevant international standards for the conduct of trade administration, recognising that each Party will have its own unique requirements and conditions.

Article 10.9 Unsolicited Commercial Electronic Messages

The Parties shall adopt or maintain measures to protect users from unsolicited commercial electronic messages.

1. Each Party shall adopt or maintain measures with respect to unsolicited commercial electronic communications that:

(a) require providers of unsolicited commercial electronic communications to provide the ability for recipients to prevent continued receipt of such messages; or

(b) will require the consent of the recipients, as applied in accordance with the legal system of each Party, to receive commercial electronic communications.

2. Each Party shall endeavor to establish mechanisms in place against providers of unsolicited commercial electronic communications that have failed to comply with measures adopted or maintained pursuant to paragraph 1.

3. The Parties shall endeavor to cooperate in appropriate cases of mutual interest related to the regulation of unsolicited commercial electronic messages.

Article 10.10 Network Equipment

1. Both Parties recognise the importance of network equipment, and products related to electronic commerce to the safeguarding of the healthy development of electronic commerce.

2. Both Parties should endeavour to create beneficial environment for public telecommunications networks, service providers or value-added service providers to independently choose the network equipment, products and technologies.

Article 10.11 Cooperation

1. The Parties shall encourage cooperation in research and training activities that would enhance the development of electronic commerce, including by sharing best practices on electronic commerce development.

2. The Parties shall encourage cooperative activities to promote electronic commerce, including those that would improve the effectiveness and efficiency of electronic commerce.

3. The cooperative activities referred to in paragraphs 1 and 2 may include, but are not limited to:

(a) sharing best practices about regulatory frameworks;

(b) sharing best practices about online consumer protection, including unsolicited commercial electronic messages;

(c) working together to assist small and medium enterprises to overcome obstacles to the use of electronic commerce; and

(d) further areas as agreed between the Parties.

4. The Parties shall endeavour to undertake forms of cooperation that build on and do not duplicate existing cooperation initiatives pursued in international forums.

5. The Parties shall endeavour to provide technical assistance, share information and experiences on laws, regulations and programs in the field of electronic commerce, including those related to:

(a) protection of personal information, particularly in order to strengthen international mechanisms for cooperation in compliance with the personal data protection legislation of each Party, to natural persons who participate in electronic commerce, for the exercise of the rights and resources for the protection of personal data contemplated in the legislation of each Party;

(b) online consumer protection;

(c) security in electronic communications;

(d) electronic authentication; and

(e) digital government.

6. The parties will endeavor to share and disseminate market alerts in order to prevent fraudulent business practices to the detriment of the consumer, in accordance

with each Parties' legislation.

Article 10.12 Cooperation on Cybersecurity Matters

The Parties recognise the importance of:

(a) building the capabilities of their national entities responsible for cybersecurity incident response; and

(b) using existing collaboration mechanisms to cooperate to identify and mitigate malicious intrusions or dissemination of malicious codes that affect the electronic networks of the Parties.

The Parties shall endeavor to promote actions for the prevention and protection against various types of cybersecurity incidents.

Article 10.13 Data Innovation

1. The Parties recognise that digitalisation and the use of data in the digital economy promote economic growth. To support the cross-border transfer of information by electronic means and promote data-driven innovation in the digital economy, the Parties further recognise the need to create an environment that enables and supports, and is conducive to, experimentation and innovation.

2. The Parties shall endeavour to support data innovation through:

(a) collaborating on data-sharing projects, including projects involving researchers, academics and industry;

(b) cooperating on the development of policies and standards for data portability; and

(c) sharing research and industry practices related to data innovation.

Article 10.14 SMEs and Start-ups

1. The Parties recognise the fundamental role of SMEs and Start-ups in maintaining dynamism and enhancing competitiveness in the digital economy.

2. With a view towards enhancing trade and investment opportunities for SMEs in the digital economy, the Parties shall endeavour to:

(a) exchange information and best practices in leveraging digital tools and technology to improve the capabilities and market reach of SMEs and Start-ups;

(b) encourage participation by SMEs, and Start-ups in online platforms and other mechanisms that could help SMEs and Start-ups link with international suppliers, buyers and other potential business partners; and

(c) foster close cooperation in digital areas that could help SMEs and Start-ups adapt and thrive in the digital economy.

Article 10.15 Non-Application of Dispute Settlement

No Party shall have the recourse to Chapter 13 (Dispute Settlement) of this Agreement for any matter arising under this Chapter.

Chapter 11 Competition

Article 11.1 Objectives

Each Party understands that proscribing anti-competitive business conduct, implementing competition policies and cooperating on competition issues contribute to preventing the benefits of trade and investment liberalization from being undermined and to promoting economic efficiency and consumer welfare.

Article 11.2 Competition Laws and Authorities

1. Each Party shall maintain or adopt competition laws[5] that promote and protect the competitive process in its market by proscribing at least the anti-competitive business practices listed in Article 11.13 (Definitions).

2. Each Party shall maintain an authority or authorities responsible for the enforcement of its national competition laws.

3. Each Party shall also take appropriate actions, according to each Party's relevant laws with respect to anti-competitive business practices, which will prevent the benefits of trade liberalization from being undermined.

Article 11.3 Principles in Law Enforcement

1. Each Party shall be consistent with the principles of rule of law, transparency, non-discrimination, and procedural fairness in competition law enforcement.

2. Each Party shall treat persons of the other Party no less favorably than persons of the Party in like circumstances in competition law enforcement.

3. Each Party shall ensure that before it imposes a sanction or remedy against a person for an alleged violation of its national competition laws, it affords that person a reasonable opportunity to present an opinion or evidence in its defense.

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[5] The Parties understand that the term “Law” includes all domestic regulations.

4. Each party shall provide a person that is subject to the imposition of a sanction or remedy for violation of its national competition laws with the opportunity to seek review of the sanction or remedy through administrative reconsideration and/or before an independent judicial authority of that Party in accordance with its laws.

Article 11.4 Transparency

1. Each Party shall make public its competition laws, including procedural rules for the investigation.

2. Each Party shall ensure that a final administrative decision finding a violation of its national competition laws is in writing and sets out relevant findings of fact and legal basis on which the decision is based.

3. Each Party shall make public a final decision and any order implementing the decision in accordance with its national competition laws. Each Party shall ensure that the version of the decision or order that is made available to the public does not include business confidential information[6] that is protected from public disclosure by its national laws.

Article 11.5 Cooperation in Law Enforcement

1. The Parties recognize the importance of cooperation and coordination in the field of competition, between their respective national competition authorities to promote effective competition law enforcement in the free trade area. Accordingly, each Party shall cooperate through notification, consultation, exchange of information, and technical cooperation.

2. The Parties agree to cooperate in a manner compatible with their respective laws and important interests and within their reasonably available resources.

Article 11.6 Notification

1. Each Party, through its competition authority or authorities, shall endeavor to notify the other Party of an enforcement activity if it considers that such enforcement

[6] For each Party, the term confidential information includes reserved information or any other information defined as "confidential" according to its laws.

activity may substantially affect the other Party's important interests.

2. Provided that it is not contrary to the Parties' competition laws and does not affect any investigation being carried out, the Parties shall endeavor to notify at an early stage and in a detailed manner which is enough to permit an evaluation in the light of the interests of the other Party.

Article 11.7 Consultation

1. In order to foster understanding between the Parties, or to address specific matters that arise under this Chapter, upon the request of the other Party, a Party shall enter into consultations with the requesting Party, provided that it is not contrary to the Parties' laws and does not affect any investigation being carried out.

2. In its request, the requesting Party shall indicate, if relevant, how the matter affects trade or investment between the Parties. The Party addressed shall accord full and sympathetic consideration to the concerns of the requesting Party.

3. To facilitate discussion of the subject matter of the consultations, the national competition authorities of each Party shall endeavor to provide relevant non-confidential and non-privileged information to the other Party.

Article 11.8 Exchange of Information

1. Each Party shall endeavor to, upon request of the other Party, provide information to facilitate effective enforcement of their respective competition laws, provided that it does not affect any ongoing investigation and is compatible with the laws and regulations governing the competition authorities possessing the information.

2. Each Party shall maintain the confidentiality of any information provided as confidential by the competition authority of the other Party and shall not disclose such information to any entity that is not authorized by the Party providing the information.

Article 11.9 Technical Cooperation

1. The Parties may promote technical cooperation, including the exchange of experiences, capacity building through training programs, workshops and research collaborations, for the purpose of enhancing each Party's capacity related to competition

policy and law enforcement.

2. The Parties agree to cooperate in a manner compatible with their respective laws, and within their reasonably available resources.

Article 11.10 Consumer Protection

1. Each Party shall adopt or maintain national consumer protection or other laws, recognizing that compliance with such laws is in the public interest. The laws that a Party adopts or maintains to prohibit such activities may be of administrative, civil or criminal nature.

2. The Parties may cooperate on matters of mutual interest related to consumer protection. Such cooperation shall be carried out in a manner compatible with the Parties' respective laws and within their available resources.

3. Each Party also recognizes the importance of improving awareness of, and access to, consumer redress mechanisms.

Article 11.11 Independence of Competition Law Enforcement

This chapter should not intervene with each Party's independence in enforcing its respective competition laws.

Article 11.12 Dispute Settlement

Neither Party shall have recourse to dispute settlement under this Agreement for any matters arising under this Chapter.

Article 11.13 Definitions

For purposes of this Chapter:

anti-competitive business conduct means business conduct or transactions that adversely affect competition in the territory of a Party, such as:

(a) agreements between enterprises, decisions by associations of enterprises and

concerted practices, that have as their object or effect the prevention, restriction or distortion of competition in the territory of either Party as a whole or in a substantial part thereof;

(b) any abuse by one or more enterprises of a dominant position in the territory of either Party as a whole or in a substantial part thereof;

(c) concentrations between enterprises, which significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position in the territory of either Party as a whole or in a substantial part thereof; or

(d) acts of unfair competition.

competition laws means:

(a) for China, the Anti-monopoly Law, the Anti-unfair Competition Law and the implementing regulations and amendments; and

(b) for Ecuador, the Law of Regulation and Control of Market Power, Regulation to the Organic Law of Regulation and Control of Market Power and the implementing regulations and amendments.

Chapter 12 Transparency

Article 12.1 Contact Points

1. Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement.

2. Upon request of the other Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

Article 12.2 Publication

1. Each Party shall ensure that its measures respecting any matter covered by this Agreement are promptly published or otherwise made available in such a manner as to enable interested persons of the other Party and the other Party to become acquainted with them.

2. To the extent possible, each Party shall provide a reasonable period for the other Party and interested persons of the other Party to comment to the appropriate authorities before the aforementioned measures are implemented.

Article 12.3 Notification and Provision of Information

1. To the extent possible, each Party shall notify the other Party of any actual measure or proposed measure that the Party considers might materially affect the operation of this Agreement or otherwise substantially affect the other Party's legitimate interests under this Agreement.

2. Upon request of the other Party, to the extent possible, a Party shall promptly provide information and respond to questions pertaining to any actual or proposed measure that the other Party considers might materially affect the operation of this Agreement or otherwise substantially affect its legitimate interests under this Agreement, whether or not the other Party has been previously notified of that measure.

3. Any notification or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.

4. The information referred to under this Article shall be considered to have been provided when it has been made available by appropriate notification to the WTO or when it has been made available on the official, public, and fee-free accessible website of the Party concerned.

Article 12.4 Administrative Proceedings

With a view to administering in a consistent, impartial, and reasonable manner all measures of general application affecting matters covered by this Agreement, each Party shall ensure that in its administrative proceedings applying measures referred to in Article 12.2 (Publication) to particular persons or goods of the other Party in specific cases that:

(a) wherever possible, persons of the other Party that are directly affected by a proceeding are provided reasonable notice, in accordance with domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated, and a general description of any issues in controversy;

(b) such persons are afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding, and the public interest permit; and

(c) its procedures are in accordance with domestic law.

Article 12.5 Review and Appeal

1. Each Party shall establish or maintain tribunals or procedures for the purpose of the prompt review and, where warranted, correction of final administrative actions relating to the implementation of laws, regulations, procedures, and administrative rulings of general application respecting any matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:

(a) a reasonable opportunity to support or defend their respective positions; and

(b) a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided in its

domestic law, that such decisions shall be implemented by and shall govern the practice of, the office or authority with respect to the administrative action that is the subject of the decision.

Article 12.6 Relation with other Chapters

1. This Chapter will not apply to Chapter 16 (Economic Cooperation).

2. In the event of any inconsistency between this Chapter and another Chapter in this Agreement, the other Chapter shall prevail to the extent of the inconsistency.

Article 12.7 Definitions

For purposes of this Chapter:

administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and fact situations that fall generally within its ambit and that establishes a norm of conduct but does not include:

(a) a determination or ruling made in an administrative or quasi-judicial proceeding, where applicable, that applies to a particular person, good, or service of the other Party in a specific case; or

(b) a ruling that adjudicates with respect to a particular act or practice; and

measures mean laws, regulations, procedures, and administrative rulings of general application.

Chapter 13 Dispute Settlement

Article 13.1 Cooperation

The Parties shall at all times endeavor to agree on the interpretation and application of this Agreement and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation when a dispute occurs.

Article 13.2 Scope of Application[7]

Unless otherwise provided in this Agreement, wherever a Party considers that a measure of the other Party is inconsistent with its obligations under this Agreement or the other Party has otherwise failed to carry out its obligations under this Agreement, and with respect to the avoidance or settlement of all disputes between the Parties regarding the interpretation or application of this Agreement, the dispute settlement provisions of this Chapter shall apply.

Article 13.3 Choice of Forum

1. Where a dispute arises under this Agreement and under any other 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.

2. Once the complaining Party has requested establishment of, or otherwise referred a matter to, a panel or tribunal under an agreement referred to in paragraph 1, the forum selected shall be used to the exclusion of other fora.

Article 13.4 Consultations

1. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of any dispute through consultations under this Article or other consultative provisions of this Agreement.

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[7] The Parties agree that this Chapter does not apply to proposed measures and/or non violation complaints (nullification or impairment of a benefit in cases where there is no violation of the Agreement's provisions).

2. A Party may request consultations with the other Party with respect to any measure, or other matter that it considers may affect the interpretation or application of this Agreement. The request for consultations shall be made in writing and shall set out the reasons for the request, including the identification of the measure at issue and an indication of the legal basis for the complaint. The complaining Party shall deliver the request to the responding Party.

3. If a request for consultations is made, the responding Party shall reply to the request within 10 days after the date of its receipt and shall enter into consultations in good faith, with a view to reaching a mutually satisfactory solution, within a period of:

(a) 15 days after the date of receipt of the request for urgent matters concerning perishable goods; or

(b) 30 days after the date of receipt of the request for all other matters.

4. In a consultation, each Party shall provide sufficient information to enable a full examination of how the measure in force or other matter at issue might affect the operation and application of this Agreement.

5. If the responding Party does not reply or enter into consultations within the timeframe specified in paragraph 3, then the complaining Party may proceed directly to request the establishment of an arbitral tribunal pursuant to Article 13.6 (Request for Establishment of an Arbitral Tribunal).

6. Consultations may be held in person or by any technological means available to the Parties. Unless otherwise agreed by the Parties, if in person, consultations shall be held in a rotating basis between cities of each Party. The city for such meetings will be identified by the hosting Party. In person meetings will begin to be held in a city of the responding Party.

7. The consultations shall be confidential and are without prejudice to the rights of either Party in any further proceedings.

Article 13.5 Good Offices, Conciliation and Mediation

1. The Parties may at any time voluntarily agree to good offices, conciliation and mediation. These procedures may begin at any time and be terminated at any time.

2. Proceedings involving good offices, conciliation and mediation, and in particular positions taken by the Parties during those proceedings, shall be confidential and without

prejudice to the rights of either Party in any further or other proceedings.

Article 13.6 Request for Establishment of an Arbitral Tribunal

1. If the consultation referred to in the Article 13.4 (Consultations) fails to resolve a matter within 60 days, or 30 days in relation to urgent matters concerning perishable goods, after receipt of the request for consultations, the complaining Party may request in writing the establishment of an arbitral tribunal to consider the matter and shall nominate an arbitrator.

2. The complaining Party shall indicate in the request whether consultations were held, identify the specific measures at issue and provide a brief summary of the legal basis of the complaint, sufficient to present the problem clearly, and shall deliver the request to the responding Party. An arbitral tribunal is established upon receipt of a request.

3. Unless otherwise agreed by the disputing Parties, the tribunal shall be established, selected and perform its functions in a manner consistent with this Chapter.

Article 13.7 Composition of an Arbitral Tribunal

1. The Parties shall apply the following procedures in selecting a Tribunal:

(a) An arbitral tribunal shall comprise three members;

(b) Within 15 days after the establishment of an arbitral tribunal, the responding Party shall nominate an arbitrator;

(c) The Parties shall appoint by common agreement the third arbitrator, who shall serve as chair, within 30 days after the establishment of the arbitral tribunal;

(d) If any arbitrator of the arbitral tribunal has not been designated or appointed within 30 days after the establishment of the arbitral tribunal, either Party may request that the Director-General of the WTO designates an arbitrator within 30 days of that request. If one or more arbitrators are designated according to this paragraph, the Director-General of the WTO shall be authorized to designate the chair of the arbitral tribunal. The date of composition of the tribunal shall be the date on which the chairperson is appointed.

2. Unless the Parties agree otherwise, the chair of the arbitral tribunal shall:

(a) not be a national of either Party;

(b) not have his or her usual place of residence in the territory of either Party;

(c) not be employed by either Party; and

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

3. All arbitrators shall:

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

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

(c) be independent of, and not be affiliated with or take instructions from, either Party;

(d) comply with a code of conduct in conformity with the rules established in the document WT/DSB/RC/1 of the WTO.

4. If an arbitrator appointed under this Article resigns or becomes unable to act, a successor arbitrator shall be appointed within 30 days in accordance with the selection procedure as prescribed for the appointment of the original arbitrator. The successor shall have all the powers and duties of the original arbitrator. The work of the arbitral tribunal shall be suspended during the replacement of the successor.

5. If a Party believes that an arbitrator is in violation of the code of conduct referred to in paragraph 3 (d), both Parties shall consult and, if they agree, the arbitrator shall be removed, and a new arbitrator shall be appointed in accordance with this Article.

Article 13.8 Functions of an Arbitral Tribunal

1. The function of an arbitral tribunal is to make an objective assessment of the matter before it, including an examination of the facts of the case and the applicability of and conformity with this Agreement.

2. Unless the Parties otherwise agree within 20 days from the date of the establishment of the arbitral tribunal, the terms of reference shall be:

"To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitral tribunal pursuant to Article 13.6 (Request for Establishment of an Arbitral Tribunal) and to make findings of law and fact together with the reasons as well as recommendations, if any, for the resolution of the dispute."

3. Where the Parties have agreed on different terms of reference they shall notify them to the tribunal within 2 days of its composition.

4. Where an arbitral tribunal concludes that a measure is inconsistent with this Agreement, it shall recommend that the responding Party bring the measure into conformity with this Agreement.

5. The arbitral tribunal shall consider this Agreement in accordance with the customary rules of interpretation of public international law. The arbitral tribunal, in its findings and recommendations, cannot add to or diminish the rights and obligations provided in this Agreement.

Article 13.9 Rules of Procedure of an Arbitral Tribunal

1. Unless the Parties agree otherwise, the arbitral tribunal shall follow the rules of procedure set out in Annex 6 (Rules of Procedure of Arbitral Tribunal) and may, after consulting with the Parties, adopt additional rules of procedure not inconsistent with Annex 6.

2. The remuneration of the arbitrators and other expenses of the arbitral tribunal shall be borne by the Parties in equal shares.

Article 13.10 Suspension or Termination of Proceedings

The Parties may agree that the arbitral tribunal suspends its work at any time for a period not exceeding 12 months from the date of such agreement. If the work of the arbitral tribunal has been suspended for more than 12 months, the authority for establishment of the arbitral tribunal shall lapse unless the Parties agree otherwise, without prejudice of the complaining Party's right to request consultations and subsequently request the establishment of a tribunal on the same matter at a later stage. This paragraph shall not apply where the suspension is the result of attempts in good faith at reaching a mutually satisfactory solution pursuant to Article 13.5 (Good Offices, Conciliation and Mediation).

The Parties may agree to terminate the proceedings of an arbitral tribunal prior to the notification of the tribunal report.

Article 13.11 Report of the Arbitral Tribunal

1. The arbitral tribunal shall base its report on the relevant provisions of this Agreement, the submissions and arguments of the Parties, and other information, if any, it has obtained pursuant to paragraph 14 of Annex 6 (Rules of Procedure of Arbitral Tribunal).

2. Unless the Parties to the dispute otherwise agree, the arbitral tribunal shall present to the Parties an initial report:

(a) within 120 days after the date of its composition; or

(b) in case of urgent matters concerning perishable goods, within 60 days after the date of the composition of the arbitral tribunal.

3. The initial report shall contain:

(a) findings of fact and law; and

(b) its conclusions as to whether a Party has not conformed with its obligations under this Agreement, or any other determination if requested in the terms of reference.

4. In exceptional cases, if the arbitral tribunal considers it cannot issue its initial report within 120 days, or within 60 days in case of urgent matters concerning perishable goods, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will issue its report. Any delay shall not exceed a further period of 30 days unless the Parties otherwise agree.

5. Unless the Parties otherwise agree, each Party may submit written comments to the arbitral tribunal within 15 days of the issuance of the initial report.

6. The arbitral tribunal shall make every effort to make its decisions by consensus. If the arbitral tribunal is unable to reach consensus, it may make its decision by majority vote. Arbitrators may furnish separate opinions on matters not unanimously agreed. All opinions expressed in the arbitral tribunal's report by individual arbitrators shall be anonymous.

7. After considering any written comments on the initial report, the arbitral tribunal may reconsider its report and make any further examination it considers appropriate.

Article 13.12 Final Report

1. After considering the written comments submitted by the Parties, and making any further examination it considers appropriate, the arbitral tribunal shall present to the Parties its final report, including any separate opinions on matters not unanimously agreed, within 30 days of issuance of the initial report, or 15 days in case of urgent matters concerning perishable goods.

2. Unless either Party disagrees, the final report shall be made available to the public no later than 15 days after its issuance to the Parties, subject to the protection of confidential information.

3. The final report of the arbitral tribunal is final and binding on the Parties.

Article 13.13 Request for Clarification of the Report

1. Within 15 days of the notification of the report, either Party may submit a written request to the tribunal for clarification of any items the Party considers require further explanation or definition. The arbitral tribunal shall send a copy of the requirement to the other Party.

2. The tribunal shall respond the request within 15 days following the submission of such request. The clarification of the tribunal shall only be a more precise explanation of the contents of the report, and not an amendment of such report.

3. The filing of this request for clarification will not postpone the effect of the tribunal report or the compliance of the adopted decision, unless the tribunal decides otherwise.

Article 13.14 Implementation of Arbitral Tribunal's Final Report

1. Where the arbitral tribunal concludes that a Party has not conformed to its obligations under this Agreement, the resolution, whenever possible, shall be to eliminate the non-conformity.

2. Unless the Parties reach an agreement on compensation or other mutually satisfactory solution, the responding Party shall implement the recommendations contained in the final report of the arbitral tribunal within a reasonable period of time if it is not practicable to comply immediately.

Article 13.15 Reasonable Period of Time

1. The reasonable period of time referred to in Article 13.14: (Implementation of Arbitral Tribunal's Final Report) shall be mutually determined by the Parties. Where the Parties fail to agree on the reasonable period of time within 45 days after the issuance of the arbitral tribunal's final report, either Party may, to the extent possible, refer the matter to the original arbitral tribunal, which shall determine the reasonable period of time.

2. The arbitral tribunal shall provide its determination to the Parties within 60 days after the date of the referral of the matter to it. When the arbitral tribunal considers that it cannot provide its report within this timeframe, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will provide its determination. Any delay shall not exceed a further period of 30 days unless the Parties otherwise agree.

3. The reasonable period of time normally should not exceed 15 months from the date of issuance of the arbitral tribunal's final report. The reasonable period of time may be extended by mutual agreement of the Parties.

Article 13.16 Compliance Review

1. Without prejudice to the procedures in Article 13.17 (Suspension of Concessions or Other Obligations), if the responding Party considers that it has eliminated the non-conformity that the arbitral tribunal has found, it may provide written notice to the complaining Party with a description of how the non-conformity has been removed. If the complaining Party disagrees, it may refer the matter to the original arbitral tribunal within 45 days after receipt of such written notice, and the matter will be decided through recourse to the dispute settlement procedures under this Chapter. Otherwise, the complaining Party shall promptly stop the suspension of concessions or other obligations as referred in Article 13.17 (Suspension of Concessions or Other Obligations).

2. The arbitral tribunal shall provide its report to the Parties within 60 days after the date of the referral of the matter to it. When the arbitral tribunal considers that it cannot provide its report within this timeframe, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will provide its report. Any delay shall not exceed a further period of 30 days unless the Parties otherwise agree.

3. The provisions in this Chapter concerning the procedure of arbitral tribunal shall apply *mutatis mutandis* to the procedure under this Article.

Article 13.17 Suspension of Concessions or Other Obligations

1. If the arbitral tribunal under Article 13.16 (Compliance Review) finds that the responding Party fails to bring the measure found to be inconsistent with this Agreement into compliance with the recommendations and rulings of the arbitral tribunal within the reasonable period of time established, or the responding Party expresses in writing that it will not implement the recommendations and rulings, such Party shall, if so requested by the complaining Party, enter into negotiations with the complaining Party, with a view to agreeing on a mutually acceptable compensation. If the Parties fail to reach an agreement on compensation within 20 days after entering into negotiations for compensation, or if no such request has been made, the complaining Party may suspend the application of concessions or other obligations to the responding Party. The complaining Party shall notify the responding Party 30 days before suspending concessions or other obligations. The notification shall indicate the level and scope of the suspension of concessions or other obligations.

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

3. The suspension of concessions or other obligations shall be temporary measures, and shall only be applied until the measure found to be inconsistent with this Agreement has been removed, or otherwise a mutually satisfactory solution is reached.

4. In considering what concessions or other obligations to suspend:

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

(b) if the complaining Party considers that it is not practicable or effective to suspend concessions or other obligations in the same sector(s), it may suspend concessions or other obligations in other sectors. The communication in which it announces such a decision shall indicate the reasons on which it is based.

5. Upon written request of the responding Party, the original arbitral tribunal shall determine whether the level of concessions or other obligations to be suspended by the complaining Party is excessive pursuant to paragraph 2 and/or whether paragraph 3 has not been followed. If the arbitral tribunal cannot be established with its original members, it shall be composed in accordance with the procedures set out in Article 13.7 (Composition of an Arbitral Tribunal).

6. The arbitral tribunal shall present its determination within 60 days from the request made pursuant to paragraph 5, or if an arbitral tribunal cannot be established with its original members, from the date on which the last arbitrator is appointed.

7. The complaining Party may not suspend the application of concessions or other obligations before the issuance of the arbitral tribunal's determination pursuant to this Article.

Article 13.18 Post Suspension

1. Without prejudice to the procedures in Article 13.17 (Suspension of Concessions or Other Obligations), if the responding Party considers that it has complied with the arbitral tribunal's final report, it may provide written notice to the complaining Party to request the end of the suspension of concessions or other obligations.

2. If the complaining Party agrees, it shall reinstate any concessions or other obligations suspended under Article 13.17 (Suspension of Concessions or Other Obligations). If the complaining Party disagrees, it may refer the matter to the original arbitral tribunal within 60 days after receipt of such written notice. Otherwise, the complaining Party shall promptly stop the suspension of concessions or other obligations.

3. The arbitral tribunal shall issue its report within 60 days after the referral of the matter by the complaining Party pursuant to paragraph 1. If the arbitral tribunal concludes that the responding Party has eliminated the non-conformity, the complaining Party shall promptly stop the suspension of concessions or other obligations.

Article 13.19 Private Rights

Neither Party may provide for a right of action under its domestic law against the other Party on the ground that a measure of the other Party is inconsistent with this Agreement.

Article 13.20: Time Limits

Any period referred to in this Chapter and in the Annex 6 (Rules of Procedure of Arbitral Tribunal) may be modified by mutual agreement of the Parties.

Chapter 14 Administration

Article 14.1 The Free Trade Commission

1. The Parties hereby establish the Free Trade Commission (Commission), comprising representatives of the Parties as follows:

(a) in the case of China, the Ministry of Commerce (MOFCOM); and

(b) in the case of Ecuador, the Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP).

2. The Commission shall:

(a) supervise the implementation of this Agreement;

(b) oversee the further elaboration of this Agreement;

(c) seek to resolve disputes that may arise regarding the interpretation or application of this Agreement;

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

(e) establish the amounts of remuneration and expenses that will be paid to panelists; and

(f) consider any other matter that may affect the operation of this Agreement.

3. The Commission may:

(a) establish and delegate responsibilities to committees and working groups;

(b) further the implementation of the Agreement's objectives by consulting any modifications of:

(i) the Schedules attached to Annex 2 (Schedules of Tariff Commitment), by accelerating tariff elimination,

(ii) the Chapter 4 (Rules of Origin and Implementation Procedures),

(c) take such other action in the exercise of its functions as the Parties may agree.

4. The Commission shall establish its rules and procedures. All decisions of the Commission shall be taken by mutual agreement.

5. The Commission shall convene once a year in regular session, or as otherwise mutually determined by the Parties. Regular sessions of the Commission shall be hosted

and chaired alternatively by each Party.

Article 14.2 Administration of Dispute Settlement Proceedings

1. Each Party shall designate an office that shall provide administrative assistance to arbitral panels established under Chapter 13 (Dispute Settlement) and perform such other functions as the Commission may direct.

2. Each Party shall be responsible for the operation and costs of its designated office, and shall notify the Commission of the coordinates of its office.

Chapter 15 Exceptions

Article 15.1 General Exceptions

For the purpose of this Agreement, Article XX of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XX (b) of GATT 1994 include environmental measures necessary to protect human, animal, or plant life or health, and that Article XX (g) of GATT 1994 applies to measures relating to the conservation of living and nonliving exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in goods.

Article 15.2 Security Exceptions

For the purpose of this Agreement, Article XXI of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 15.3 Taxation

1. For the purposes of this Article:

tax convention means a convention for the avoidance of double taxation or other international taxation agreement or arrangement in force between the Parties; and

taxation measures do not include a "customs duty" as defined in Article 2.1 (Definitions of General Application).

2. Except as provided in this Article, nothing in this Agreement shall apply to taxation measures.

3. This Agreement shall only grant rights or impose obligations with respect to taxation measures where corresponding rights or obligations are also granted or imposed under Article III of GATT 1994.

4. Nothing in this Agreement shall affect the rights and obligations of the Parties under any tax convention in force between the Parties. In the event of any inconsistency relating to a taxation measure between this Agreement and such tax convention, the latter shall prevail to the extent of the inconsistency. In the case of a tax convention between the Parties, the competent authorities under that convention shall have sole responsibility for determining whether any inconsistency exists between this Agreement and that convention.

Article 15.4 Measures to Safeguard the Balance of Payments

Where the Party is in serious balance of payments and external financial difficulties or threat thereof, it may, in accordance with the WTO Agreement and consistent with the *Articles of Agreement of the International Monetary Fund*, adopt measures deemed necessary.

Article 15.5 Disclosure of Information

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information, the disclosure of which would:

(a) impede law enforcement; or

(b) be contrary to public interests, the Party's law protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions; or

(c) prejudice legitimate commercial interests of particular enterprises, whether public or private.

Chapter 16 Economic Cooperation

Article 16.1 General Objectives

1. The Parties shall establish close cooperation aimed, inter alia, at:

(a) promoting economic and social development;

(b) increasing the level of and deepening cooperation actions while taking into account the association relation between the Parties;

(c) increasing the level of and deepening collaboration activities between the Parties in areas of mutual interest;

(d) strengthening the capabilities and competitiveness of the Parties to maximize the opportunities and benefits derived from this Agreement;

(e) stimulating productive synergies, creating new opportunities for trade and investment, and promoting competitiveness and innovation;

(f) accomplishing a greater impact in scientific and technological knowledge transfer, research and development, innovation, and entrepreneurship;

(g) increasing the export capabilities of the small and medium enterprises (hereinafter "SMEs")[8]; and

(h) generating a greater and deeper level of supply chain linkages.

2. The Parties agree that the economic and technical cooperation in this agreement, taking into account the national capacities of each Party, aims to maximize mutual benefits from the implementation and utilization of this Agreement.

Article 16.2 Scope

1. The Parties reaffirm the importance of all forms of cooperation as a means to contribute to implementing the objectives and principles derived from this Agreement.

2. Cooperation between the Parties under this Chapter will supplement the cooperation and cooperative activities between the Parties set out in other Chapters of this Agreement.

[8] For the purposes of this chapter, for Ecuador, "small and medium enterprises" includes micro enterprises as well as the social and solidarity economies as defined in Ecuador's domestic legislation.

Article 16.3 Economic Cooperation

1. The aims of economic cooperation will be:

(a) to build on existing agreements or arrangements already in place for trade and economic cooperation; and

(b) to advance and strengthen trade and economic relations between the Parties, taking into account all forms and levels of cooperation.

2. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties will encourage and facilitate, as appropriate, the following activities, including, but not limited to:

(a) providing capacity building and technical assistance;

(b) conferences, seminars, expert dialogues, training programs and workshops;

(c) technology transfer in the areas of mutual interest;

(d) mutual access to academic, industrial, and business networks;

(e) the design of models of technological innovation based on public and/or private cooperation;

(f) policy dialogue and regular exchanges of information and views on ways to promote and expand trade between the Parties;

(g) keeping each other informed of important economic and trade issues, and any impediments to furthering their economic cooperation;

(h) supporting dialogue and exchanges of experience among the respective business communities of the Parties;

(i) stimulating and facilitating actions of public and /or private sectors in areas of economic interest;

(j) joint elaboration of studies and technical projects of economic interest in accordance with the economic development needs identified by the Parties;

(k) providing assistance and facilities to businesspersons and trade missions that visit the other Party with the knowledge and support of the relevant agencies; and

(l) other forms of cooperation as may be agreed by the Parties.

Article 16.4 Agricultural Cooperation

The Parties recognize that agriculture constitutes a core activity for both Parties, and that enhancing this economic field will improve quality of life and social and economic development in their territories.

To accomplish these objectives, and in accordance with their domestic laws, regulations and relevant procedures, the Parties shall cooperate, among others, in activities to:

(a) promote sustainable rural development through the exchange of experience, generation of partnerships and the execution of projects in areas of mutual interest such as: agricultural innovation and technology transfer for the development of small farming, the conservation and management of water resources for agricultural use, the application of good agricultural and agro-industrial practices, including a gender approach in development policies and strategies, among others;

(b) promote the exchange of relevant information for agricultural exports between the two markets;

(c) develop a training program addressed to leader producers, technicians, and professionals for the application of innovative technologies to increase and improve agriculture and animal husbandry productivity and competitiveness, in particular of value-added products;

(d) strengthen the institutional capabilities of government agencies, research institutions, universities, and businesses, in the areas of scientific investigation and transfer and validation of technologies including, among others, soil management and nutrition, irrigation and drainage, animal nutrition, horticulture under protected environments, traceability and safety, bio-fuels, and control of best manufacturing practices, food safety, diagnostic protocols (diseases) and control systems in the agriculture and livestock sectors;

(e) develop and validate technologies for agriculture and livestock production of higher quality and lower environmental impact;

(f) support, through market access, the production of non-traditional crops with an important level of biodiversity components;

(g) assist, through the improvement of laboratories and the construction of industrial and technological parks, the innovation of agro-industrial products as well as the traceability systems; and

(h) strengthen bilateral cooperation on sanitary and phytosanitary issues between each Party's relevant institutions with a view to facilitating access to each other's markets.

Article 16.5 Fishery and Aquaculture Cooperation

The Parties, recognizing the social and economic importance of fish and fishery products, shall endeavor to cooperate in the field of fishery and aquaculture, through:

(a) strengthening the research and productive capacities for the development of new products with the aim of increasing direct human consumption, as well as to facilitate information exchange and the conservation of natural resources, under the approach of responsible fishing;

(b) strengthening public and private institutions related to fishery and aquaculture development;

(c) combating illegal, unreported, and unregulated fishing through the implementation of more efficient and effective monitoring systems;

(d) exchanging experiences and best practices to strengthen the responsible development of artisanal and small-scale fisheries and aquaculture and the diversification of their products and activities; and

(e) exchanging of knowledge and technical assistance in the field of epidemiological surveillance of specific diseases in aquatic animals, animal health, and the development of contingency plans.

Article. 16.6 Small and Medium Enterprises

1. The Parties recognize that SMEs contribute significantly to economic growth, employment, and innovation, and therefore seek to promote information sharing and cooperation in increasing the ability of small and medium enterprises to utilise and benefit from the opportunities created by this Agreement

2. Each Party shall promote the sharing of information related to this Agreement that is relevant to SMEs, including through the establishment and maintenance of a publicly accessible information platform and information exchange to share knowledge, experiences, and best practices among the Parties.

3. Cooperation shall include, among others, activities to:

(a) share information and experience in the development of policies and programs to support SMEs;

(b) improve SMEs' access to markets and participation in global value chains, including promoting and facilitating partnerships among businesses;

(c) develop human resources and management skills to increase the knowledge of the Chinese and Ecuadorian markets;

(d) promote the use of electronic commerce by SMEs;

(e) explore opportunities for exchanges of experiences among Parties' entrepreneurial programs;

(f) define technological transference: programs oriented to transfer technological innovation to SMEs and to improve their productivity;

(g) design and execute mechanisms to encourage partnerships and the development of productive linkage processes;

(h) encourage partnerships and information exchanges between financial agents

(credits, banks, guarantee organizations, angel networks and venture capital firms) to support SMEs;

(i) support new exporting SMEs (sponsorship, exporters' club); and

(j) support the participation of SMEs in fairs, commercial and trade missions, and other mechanisms of promotion.

Art. 16.7 Export Promotion

1. With the aim of obtaining greater benefits from this Agreement, the Parties recognize the importance of supporting the existing programs related to export and investment promotion, and of launching new ones.

2. Cooperation shall include, among others, activities to:

(a) strengthen export capabilities, through training and technical assistance programs;

(b) establish and develop mechanisms related to market research, including exchange of information and access to international data bases, among others;

(c) create exchange programs for exporters aiming to provide knowledge of the Chinese or Ecuadorian market;

(d) link national producers to international markets, through the promotion of productive linkages to the export activity; and

(e) promote the implementation of research and development and technological and innovation programs, with the objective of increasing the export supply and encouraging investment.

Article 16.8 Tourism Cooperation

1. In this field, the objective of the cooperation will be to strengthen the promotion of the tourist potentialities of the Parties, as well as to facilitate information exchange and the conservation of natural and cultural attractions.

2. The Parties will develop tourism through:

(a) strengthening of public and private institutions related to the development of tourism;

(b) promotion of the main tourist destinations of each Party; and

(c) language exchange programs for tourism students and professionals.

Article 16.9 Science, Technology, and Innovation Cooperation

1. The Parties recognize the importance of conducting cooperation in science, technology, and innovation, in compliance with their national policies, as means for developing and furthering productivity and trade. Consequently, both Parties aim to:

(a) build upon their existing agreements already in place for cooperation on research, science, and technology;

(b) encourage, where appropriate, government agencies, research institutions, universities, private companies, and other research organizations in the Parties to conclude direct arrangements in support of cooperative activities, programs, or projects within the framework of this Agreement, specially related to trade and commerce; and

(c) focus cooperative activities towards sectors where mutual and complementary interests exist, with special emphasis on information and communication technologies, software development to facilitate trade between the Parties; as well as on big data technology, information security, cybersecurity, and artificial intelligence.

2. The Parties will encourage and facilitate, as appropriate, the following activities including, but not limited to:

(a) identifying strategies, in consultation with universities and research centers, to encourage joint postgraduate studies and research visits;

(b) exchange of technical and scientific personnel with the purpose of training and improvement in scientific and technical institutes, universities, factories, government agencies, and other institutions of each Party;

(c) exchange of experts of each Party with a view to provide technical and scientific know-how, providing services specialized in certain fields of science and technology;

(d) exchange and supply of non-confidential scientific and technical data, as well as exchange of scientific samples;

(e) promotion of advanced science and technology studies and projects that contribute to the long-term sustainable development of the Parties;

(f) promoting public/private sector partnerships in support of the development of innovative products and services and study joint efforts to enter new markets;

(g) scientific and technical cooperation for the software industry of the Parties and encouraging cooperation in software development for populations with specific needs;

(h) enhancing research, technology, and innovation capacities by facilitating technological equipment and infrastructure; and

(i) organizing workshops and seminars in matters of interest for both parties related to the innovation, science, technology, and ICT.

Article 16.10 Education

1. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties shall endeavor to build on existing agreements or arrangements already in place for cooperation in education; and promote networking, mutual understanding, and close working relationships in education between the Parties.

2. The Parties shall encourage and facilitate, as appropriate, exchanges between and among their respective education-related agencies, institutions, and organizations in fields such as:

(a) education quality assurance processes;

(b) pre-school, primary and secondary education systems;

(c) higher education;

(d) technical education; and

(e) enterprise and industry collaboration for technical training.

3. The Parties shall encourage cooperation in education focusing on:

(a) exchange of information, teaching aids, and demonstration materials;

(b) joint planning and implementation of programs and projects, and joint coordination of targeted activities in agreed fields;

(c) development of collaborative training, exchange of experiences, joint research, and development, across graduate and postgraduate studies;

(d) cooperation between the institutions of higher education of the Parties through the exchange of teaching staff, researchers, and students in relation to academic programs;

(e) developing a better understanding of each Party's education systems and policies including information on evaluation of qualifications;

(f) development of innovative quality assurance resources;

(g) means and methods to support learning and assessment, as well as the professional development of teachers and trainers;

(h) collaboration between higher education institutions and enterprises, to develop the level of specialized knowledge and skills on labor market;

(i) development of an information system on educational statistics;

(j) language teaching; and

(k) scholarships and internships.

Article 16.11 Cultural Cooperation

1. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties shall endeavor to build on existing agreements or arrangements already in place for cultural cooperation; as well as to promote information and cultural exchanges between the Parties.

2. The Parties shall encourage and facilitate, as appropriate, the following activities, including, but not limited to:

(a) dialogue on cultural policies and promotion of local culture;

(b) exchange of cultural events and promote awareness of artistic works;

(c) exchange of experience in conservation and restoration of national heritage;

(d) exchange of experience on management for the arts;

(e) protecting archaeological monuments and cultural heritage;

(f) having a consultation mechanism between the Parties' culture authorities; and

(g) generating programs for digitizing historic documents aimed at preserving national heritage.

Article 16.12 Traditional Medicine Cooperation

1. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties shall endeavor to build on existing agreements or arrangements already in place for Traditional Medicine cooperation; as well as to promote information exchanges on Traditional Medicine between the Parties.

2. The Parties will encourage and facilitate, as appropriate, the following activities, including, but not limited to:

(a) encouraging dialogue on Traditional Medicine policies and promotion of respective Traditional Medicine;

(b) raising awareness of active effects of Traditional Medicine;

(c) encouraging exchange of experience in the conservation and restoration of Traditional Medicine;

(d) encouraging exchange of experience on management, research, and development for Traditional Medicine;

(e) encouraging cooperation in the Traditional Medicine education field, through training programs and means of communication;

(f) encouraging cooperation in Traditional Medicine therapeutic services and products manufacturing; and

(g) encouraging cooperation in research in the fields of Traditional Medicine to contribute to efficacy and safety assessments of natural resources and products used in health care.

Art. 16.13 Environmental Cooperation

The Parties will promote the establishment of joint actions to promote green development.

The Parties will take the energy transition as an opportunity to stimulate new impulses of growth in green development, through the exchange of knowledge and cooperation in bio-economy and clean energy, strengthening environmental control and monitoring, and comprehensive repair.

The Parties will encourage and facilitate, as appropriate, the following activities, including, but not limited to:

(a) cooperation in green development and bio-economy, including clean energy-related areas such as photovoltaic, wind, nuclear, hydrogen, and biomass energy;

(b) technological transfer and technical assistance for the fuel-powered industry vehicle, new energy sources such as, but not exclusively, the electric battery, the smart charging service, and the battery recycling and final disposal service, as well as energy storage systems;

(c) encouraging green finance programs;

(d) designing and executing strategies and programs for single-use plastic manufacturing alternatives and circular economy; and

(e) construction of infrastructure with low environmental impact.

Article 16.14 Other Areas for Cooperation

The Parties may agree to cooperate in other areas of mutual interest other than the ones set out in this Agreement. Cooperation in these areas shall be conducted through the relevant authorities of each Party and upon agreement.

Article 16.15 Mechanisms for Cooperation

1. In order to administrate this Chapter and to facilitate the management of cooperation activities, the Parties hereby establish a Committee on Cooperation (hereinafter, “the Committee”).

2. The Committee shall comprise representatives of the Ministry of Commerce of China, and representatives of the Ministry of Production, Trade, Investment and Fisheries of Ecuador (MPCEIP), or their successors.

3. The Parties will designate nationals contact points to facilitate communication on possible cooperation activities. The contact points will work with government agencies, business sector representatives and educational and research institutions for the operation of this Chapter.

4. This Committee shall meet at least once every year, unless otherwise agreed by the Parties. When special circumstances arise, the Committee shall meet at any time upon the request of either Party or the Commission.

5. For the purposes of this Chapter, the Committee shall have the following functions:

(a) to oversee the implementation of the cooperation framework agreed by the Parties;

(b) to encourage the Parties to undertake cooperation activities under the cooperation framework agreed by the Parties;

(c) to make recommendations on the cooperation activities under this Chapter, in accordance with the strategic priorities of the Parties; and

(d) to review through regular reporting from each Party the operation of this Chapter and the application and fulfillment of its objectives between the relevant institutions of the Parties to help foster closer cooperation in thematic areas.

Art. 16.16 Dispute Settlement

No Party shall have recourse to Chapter 13 (Dispute Settlement) for any issue arising from or relating to this Chapter.

Chapter 17 Final Provisions

Article 17.1 Annexes and Footnotes

The annexes and footnotes to this Agreement constitute an integral part of this Agreement.

Article 17.2 Amendments

1. The Parties may agree on any modification of or addition to this Agreement.

2. When so agreed and entered into force according to Article 17.4 (Entry into Force and Termination), a modification or addition shall constitute an integral part of this Agreement.

3. Such modification or addition shall enter into force 60 days after the date on which the Parties have exchanged written notifications confirming the completion of their respective applicable legal procedures for its entry into force[9].

Article 17.3 Amendment of the WTO Agreement

If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended, the Parties shall consult on whether to amend this Agreement.

Article 17.4 Entry into Force and Termination

1. The entry into force of this Agreement is subject to the completion of necessary domestic legal procedures by each Party.

2. This Agreement shall enter into force 60 days after the date on which the Parties exchange written notification that such procedures have been completed, or after such other period as the Parties may agree.

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[9] In the case of Ecuador, amendments to the agreement shall be carried out through a Resolution of the Committee on Foreign Trade (COMEX) or its successor.

3. Either Party may terminate this Agreement by written notification to the other Party. This Agreement shall expire 180 days after the date of such notification.

4. Within 30 days of a notification under paragraph 3, either Party may request consultations regarding whether the termination of any provision of this Agreement should take effect on a later date than provided under paragraph 3. Such consultations shall commence within 30 days of a Party's delivery of such request.

Article 17.5 Future Work Program

The Parties shall consider and mutually agree on future negotiations to expand the scope of the agreement through the inclusion of interested areas at an appropriate time agreed by both Parties.

Article 17.6 Authentic Texts

This Agreement shall be done in Chinese, Spanish and English. The three texts of this Agreement are equally authentic. In the event of divergence, the English text shall prevail.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate respectively in Beijing on May 11th 2023 and in Quito on May 10th 2023.

For the Government of the Peoples' Republic of China	**For the Government of the Republic of Ecuador**