

CHAPTER 3

TRADE IN GOODS

Article 5: Definitions

For the purposes of this Chapter, unless otherwise specified:

base rate of customs duty means the most-favored-nation (MFN) import customs duty rate applied on 1 January 2014 provided by each Party;

goods mean domestic products as these are understood in GATT 1994 and includes originating goods;

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

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

Article 6: Scope

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

Article 7: National Treatment

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

Article 8: Elimination of Customs Duties

1. Except as otherwise provided in this Agreement, no Party may increase any base rate of 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 progressively

eliminate its customs duties on originating goods of the other Party in accordance with Annex 1.

Article 9: Accelerated Elimination of Customs Duties

1. At the request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties on originating goods as set out in their Schedules in Annex 1.
2. 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 for such good and shall enter into force following approval by each Party in accordance with their respective applicable legal procedures.
3. 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 1. A Party considering doing so shall inform the other Party as early as practicable before the new rate of customs duty takes effect.

Article 10: Import and Export Restrictions

The rights and obligations of the Parties in respect of import and export restrictions shall be governed by Article XI of GATT 1994, which is hereby incorporated into and made part of this Agreement.

Article 11: Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of GATT 1994 and its interpretative notes, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III:2 of 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 on imports or exports for fiscal purposes.
2. Each Party shall make available through the Internet or a comparable computer-based telecommunications network a current list of the fees and charges it imposes in connection with importation or exportation.

Article 12: Non-Tariff Measures

1. No Party shall adopt or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its WTO rights and obligations or in accordance with other provisions of this Agreement.
2. Each Party shall ensure the transparency of its non-tariff measures permitted in paragraph 1 and that any such measures are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.
3. Each Party shall ensure that import licensing regimes applied to goods originating in the other Party are applied in accordance with the WTO Agreement, and in particular, with the provisions of the *WTO Agreement on Import Licensing Procedures*.
4. Promptly after the date of entry into force of this Agreement, each Party shall notify the other Party of its existing import licensing regimes and related licensing procedures. Thereafter each Party shall notify the other Party of any new import licensing procedure and any modification to its existing import licensing procedures before it takes effect.

Article 13: State Trading Enterprises

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

Article 14: Contact Points

Each Party shall designate one or more contact points to facilitate communications between the Parties on any matter covered by this Chapter, and shall provide details of such contact points to the other Party. The Parties shall notify each other promptly of any amendments to the details of their contact points.

Article 15: Committee on Trade in Goods

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

2. The Committee shall meet on the request of a Party to consider any matter arising under this Chapter, Chapters 6 (Technical Barriers to Trade and Sanitary and Phytosanitary Measures) and 7 (Trade Remedies).

3. The Committee's functions shall include:

- (a) promoting trade in goods between the Parties, including through consultations on accelerating elimination of customs duties under this Agreement and other issues as appropriate; and
- (b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures.