

CHAPTER 2 TRADE IN GOODS

ARTICLE 2.1: SCOPE

This Chapter applies to trade in goods between the Parties.

ARTICLE 2.2: DEFINITIONS

For the purposes of this Chapter:

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

ARTICLE 2.3: NATIONAL TREATMENT ON INTERNAL TAXATION AND REGULATION

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994. To this end, Article III of the GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 2.4: ELIMINATION OF CUSTOMS DUTIES

1. Except as otherwise provided in this Agreement, each Party shall eliminate its customs duties on originating goods of the other Party, as from the date of entry into force of this Agreement in accordance with the terms and conditions set out in its Schedule to Annex I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)).
2. Neither Party shall increase any customs duty bound in its Schedule to Annex I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)) or introduce a new customs duty on imports of an originating good of the other Party other than in accordance with this Agreement.
3. For each product the base rate of customs duty, to which the successive reductions set out in its Schedule to Annex I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)) are to be applied, shall be the most-favoured nation (hereinafter referred to as “MFN”) customs duty rate applied on 1st January 2017. 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 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 I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)).

ARTICLE 2.5: CLASSIFICATION OF GOODS

The classification of goods traded between the Parties shall be in conformity with the Harmonized System, as adopted and implemented by the Parties in their respective tariff laws.

ARTICLE 2.6: NON-TARIFF MEASURES

1. Unless otherwise provided in this Agreement, neither Party shall adopt or maintain any prohibition, restriction, or measure having equivalent effect, including any quantitative restrictions, on the importation of a good originating in the territory of the other Party, or on the exportation or sale for export of a good destined for the territory of the other Party except in accordance with Article XI of the GATT 1994. To this end, Article XI of the GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Each Party shall not adopt or maintain any non-tariff measure on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its rights and obligations under the WTO Agreement or this Agreement.

ARTICLE 2.7: IMPORT LICENSING

Each Party shall ensure that import licensing regimes applied to the goods originating in the territory of the other Party are applied in accordance with the WTO Agreement, and in particular, with the provisions of *the Agreement on Import Licensing Procedures*.

ARTICLE 2.8: ADMINISTRATIVE FEES AND FORMALITIES

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

2. Neither Party shall require consular transactions, including related fees and charges, in connection with the importation of any good of the other Party.

ARTICLE 2.9: ADMINISTRATION OF TRADE REGULATIONS

1. In accordance with Article X of the GATT 1994, each Party shall administer in a uniform, impartial and reasonable manner all its laws, regulations, judicial decisions and administrative rulings pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges, or to requirements, restrictions or prohibitions on imports or exports or on the transfer of payments therefor, or affecting their sale, distribution, transportation, insurance, warehousing, inspection, exhibition, processing, mixing or other use.

2. In accordance with Article VIII of the GATT 1994, neither Party shall impose substantial penalties for minor breaches of customs regulations or procedural requirements. In particular, no penalty in respect of any omission or mistake in customs documentation which is easily rectified and obviously made without fraudulent intent or gross negligence, shall be greater than necessary to serve merely as a warning.

ARTICLE 2.10: STATE TRADING ENTERPRISES

Nothing in this Agreement shall prevent a Party from maintaining or establishing a state trading enterprise as provided in Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994.

ARTICLE 2.11: TRADE FACILITATION

1. To facilitate trade between China and Mauritius, the Parties shall:

- (a) simplify, to the greatest extent possible, procedures for trade in goods;
- (b) promote multilateral cooperation in order to enhance their participation in the development and implementation of international conventions and recommendations on trade facilitation; and
- (c) cooperate on trade facilitation within the framework of the China-Mauritius Free Trade Area Joint Commission (hereinafter referred to as “the FTA Joint Commission”) as referred to in Article 14.1 (Establishment of the China-Mauritius Free Trade Area Joint Commission), including on the implementation of the *WTO Trade Facilitation Agreement*.

ARTICLE 2.12: CUSTOMS COOPERATION AND MUTUAL ADMINISTRATIVE ASSISTANCE

The Parties will seek to make arrangements regarding customs cooperation and mutual administrative assistance within their respective domestic laws and regulations.

ARTICLE 2.13: COUNTRY SPECIFIC TARIFF QUOTA

1. For products in respect of which China establishes a Country Specific Tariff Quota (hereinafter referred to as “CSTQ”) in its Schedule to Annex I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)), China shall apply in-quota tariff rates at a level equal to that of its global tariff rate quotas (hereinafter referred to as “TRQ”) to imports of such products of Mauritius origin up to the quantity for each year as specified in Chapter 2-Annex (Country Specific Tariff Quota) after the entry into force of this Agreement or starting from 1 January 2021, whichever is the later.
2. Imports of such products of Mauritius origin in excess of the specified quantity in Chapter 2-Annex (Country Specific Tariff Quota) in any given calendar year shall be subject to the MFN applied rate.
3. The quantities of the CSTQ beyond the last year specified in Chapter 2-Annex (Country Specific Tariff Quota) shall remain at the same level as the last year.

**CHAPTER 2-ANNEX
COUNTRY SPECIFIC TARIFF QUOTA**

1. Table 1 specifies the products in respect of which China establishes a CSTQ in its Schedule to Annex I (Schedules in Relation to Article 2.4 (Elimination of Customs Duties)).

2. In normal circumstances, for the products specified in Table 1, the quantity of the CSTQ for each complete calendar year to which China shall apply in-quota tariff rates at a level equal to that of its global TRQ is specified in Table 2. In the year of the CSTQ taking effect as provided for in paragraph 1 of Article 2.13 of this Agreement, where there will remain more than nine calendar months, the year 1 quantity shall apply, prorated for the percentage of the year remaining from the date of the CSTQ taking effect. In that case China shall have three full calendar months from the date of the CSTQ taking effect to prepare for opening the quantity for application. In the year of the CSTQ taking effect, where there will remain less than nine calendar months, the year 1 quantity shall not apply until the start of the first complete calendar year after the CSTQ taking effect, and the quantities in subsequent years shall be the full quantities for subsequent years specified in Table 2.

3. In exceptional circumstances where the existing safeguard measure for sugar scheduled to end on 21 May 2020 is extended, the quantity of the CSTQ shall instead be set at a fixed level of 8,000 metric tons for each of the calendar years in which the CSTQ will have applied and the extended safeguard measure will be implemented, as specified in Table 2. The CSTQ for the calendar year following the year of termination of the safeguard measure shall be the quantity to be provided in normal circumstances.

Table 1: Products

HS Code	Description of Product
17011200	Raw beet sugar
17011300	Raw cane sugar
17011400	Other cane sugar
17019100	Cane or beet sugar containing added flavouring or colouring matter
17019910	Granulated sugar
17019920	Superfine sugar
17019990	Other refined sugar

Table 2: Quantity of the Country Specific Tariff Quota

Year	Quantity of the Country Specific Tariff Quota (metric tons)	
	Normal circumstance	Exceptional circumstance
1	15,000	8,000 metric tons for each of the calendar years until the extended safeguard measure is terminated, and the quantity for the next calendar year shall be the quantity to be provided under the normal circumstance.
2	20,000	
3	25,000	
4	30,000	
5	35,000	
6	40,000	
7	45,000	
8	50,000	