

CHAPTER 2

TRADE IN GOODS

Article 1

Scope

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

Article 2

Reduction and/or Elimination of Customs Duties

Except as otherwise provided in this Agreement, each Party shall progressively reduce and/or eliminate customs duties on originating goods of the other Parties in accordance with its schedule of tariff commitments in Annex 2-1 (Schedules of Tariff Commitments).

Article 3

Standstill

Except as otherwise provided in this Agreement, no Party shall increase customs duty on an originating good of any other Party in a manner inconsistent with its schedule of tariff commitments in Annex 2-1 (Schedules of Tariff Commitments).

Article 4

Acceleration of Commitments

Nothing in this Agreement shall preclude the Parties from negotiating and entering into arrangements to accelerate the implementation of commitments made under this Agreement, provided that such arrangements are mutually agreed and implemented by all the Parties.

Article 5

National Treatment on Internal Taxation and Regulation

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

Article 6

Fees and Charges Connected with Importation and Exportation

1. Each Party shall ensure that fees and charges connected with importation and exportation shall be consistent with its rights and obligations under Article VIII of GATT 1994.

2. Each Party shall make available details of the fees and charges that it imposes in connection with importation and exportation and, to the extent possible and in accordance with its internal law, make such information available on the internet.

3. Each Party shall not require legalisation or authentication of customs documentation, including related fees and charges, in connection with the importation of any good of any other Party

Article 7

Measures to Safeguard the Balance of Payments

Nothing in this Chapter shall be construed to prevent a Party from taking any measure for balance-of-payments purposes in accordance with Article XII of GATT 1994 and the *Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994* in Annex 1A to the WTO Agreement.

Article 8

Publication and Administration of Trade Regulations

1. Article X of GATT 1994 is incorporated into and shall form part of this Agreement, *mutatis mutandis*.

2. In accordance with its internal law and to the extent possible, each Party shall make its laws, regulations, decisions and rulings of the kind referred to in paragraph 1 available on the internet.

Article 9

Quantitative Restrictions and Non-Tariff Measures

1. No Party shall adopt or maintain any prohibition or quantitative restriction on the importation of any good of any other Party or on the exportation of any good destined for the Area of any other Party, except

in accordance with its WTO rights and obligations or in accordance with this Agreement. To this end, Article XI of GATT 1994 is incorporated into and shall form part of this Agreement, *mutatis mutandis*.

2. Except as otherwise provided in this Agreement, a Party shall not adopt or maintain any non-tariff measure on the importation of any good of any other Party or on the exportation of any good destined for the Area of any other Party except in accordance with its WTO rights and obligations.

3. Each Party shall ensure transparency of its non-tariff measures permitted under paragraph 2 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 among the Parties.

Article 10

Import Licensing

1. Each Party shall ensure that all automatic and non-automatic import licensing measures are implemented in a transparent and predictable manner, and applied in accordance with the *Agreement on Import Licensing Procedures* in Annex 1A to the WTO Agreement.

2. Upon request of another Party, a Party shall, promptly and to the extent possible, respond to the request of that Party for information on import licensing requirements of general application.

Article 11

Modification of Concessions

1. Each Party shall not nullify or impair any of its concessions under this Agreement, except as otherwise provided in this Agreement.

2. In exceptional circumstances where a Party faces unforeseen difficulties in implementing its tariff commitments, that Party may, by negotiation and agreement with any Party to which it has made a concession under this Agreement, modify or withdraw its concession contained in its schedule of tariff commitments in Annex 2-1 (Schedules of Tariff Commitments). In such negotiations and agreement, which may include compensatory adjustment with respect to other goods, the Parties concerned shall maintain a general level of reciprocal and mutually advantageous concessions not less favourable to the trade than that provided for in this Agreement prior to such negotiations.

Article 12

Contact Points and Consultations

1. Each Party shall designate a contact point to facilitate communication among the Parties on any matter relating to this Chapter. A Party shall notify the other Parties promptly of any amendment to the details of its contact point.

2. Where a Party considers that any proposed or actual measure of another Party or Parties may materially affect trade in goods among the Parties, that Party may, through the contact points, request detailed information relating to that measure and, if necessary,

request consultations with a view to resolving any concern about the measure. The requested Party or Parties shall respond promptly to such requests for information and consultations.

3. Any action taken pursuant to paragraph 2 shall be without prejudice to the rights and obligations of the Parties under Chapter 13 (Consultations and Dispute Settlement) or under the WTO Dispute Settlement Understanding.