

The attached draft text was shared by the UK negotiating team with the Task Force for Relations with the United Kingdom as a draft negotiating document, that is, to be shared among negotiating teams only, in line with the provisions of the Terms of Reference.

The text is now being made public.

**DRAFT WORKING TEXT FOR A COMPREHENSIVE FREE TRADE AGREEMENT
BETWEEN THE UNITED KINGDOM AND THE EUROPEAN UNION**

Disclaimer

The UK proposes the following legal text (including annexes in a separate document) to form the basis for discussions with the EU on a comprehensive free trade agreement. In putting forward this proposal, the UK reserves the right to amend, supplement or withdraw proposals in the light of negotiations and the proposals put forward by the European Union. The general and final provisions in this text, including appropriate exemptions may require further adjustment or amendment in light of the negotiations.

The UK proposal has taken account of relevant international precedents, including the EU's own agreements with other major economies in developing these texts, and remains open to considering other appropriate international precedents including from the EU's FTAs with countries such as Japan or South Korea, or indeed the positions the EU has proposed for agreements with countries such as Australia, New Zealand or the US. These would of course need to be consistent with the principles set out in The Future Relationship with EU: UK's Approach to Negotiations (CP211 of February 2020).

The UK recalls that it acts in these negotiations on behalf of all the territories for whose international relations it is responsible and in negotiating this draft agreement the UK Government will seek outcomes which support the territories' security and economic interests, reflecting their unique characteristics. The UK reserves its position on the application of these principles to the draft text.

This draft text and annexes are being shared by the UK negotiating team with the Task Force for Relations with the United Kingdom as a draft negotiating document. As agreed in the Terms of Reference, the receiving party should not share this material outside of negotiating teams without the consent of the sending party.

COMPREHENSIVE FREE TRADE AGREEMENT (CFTA)

**between the United Kingdom of Great Britain and Northern Ireland, of the one part,
and the European Union, of the other part**

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, (hereinafter referred to as “the United Kingdom”)

OF THE ONE PART,

AND THE EUROPEAN UNION, (hereinafter referred to as “the Union”)

OF THE OTHER PART, (hereinafter jointly referred to as “the Parties” and each a “Party”)

[PLACEHOLDER: RECITALS]

HAVE AGREED as follows:

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CHAPTER 1: GENERAL DEFINITIONS AND INITIAL PROVISIONS

ARTICLE 1.1

Definitions of general application

For the purposes of this Agreement and unless otherwise specified:

“Agreement on Agriculture” means the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement;

“Agreement on Safeguards” means the Agreement on Safeguards, contained in Annex 1A to the WTO Agreement;

“Anti-dumping Agreement” means the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement;

“consignment” means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;

“CPC” means the provisional Central Product Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC prov, 1991;

“customs authority” or “customs authorities” means:

- (a) for the United Kingdom, Her Majesty’s Revenue and Customs and any other authority responsible for customs matters within the customs territory of the United Kingdom; and
- (b) for the Union, the services of the European Commission responsible for customs matters and the customs administrations and any other authorities empowered in the Member States of the Union to apply and enforce customs legislation;

“customs duty” means a duty or charge of any kind imposed on or in connection with the importation of a good, including a form of surtax or surcharge imposed on or in connection with that importation, but does not include:

- (a) a charge equivalent to an internal tax imposed consistently with Article 2.5;
- (b) a measure applied in accordance with the provisions of Articles VI or XIX of the GATT 1994, the Anti-dumping Agreement, the SCM Agreement, the Agreement on Safeguards, or Article 22 of the DSU; or
- (c) a fee or other charge imposed consistently with Article VIII of the GATT 1994;

“Customs territory” means []

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"customs value" means the value as determined in accordance with the Customs Valuation Agreement;

"Customs Valuation Agreement" means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement;

"days" means calendar days, including weekends and holidays;

"DSU" means the Understanding on Rules and Procedures Governing the Settlement of Disputes, contained in Annex 2 to the WTO Agreement;

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

"GATS" means the General Agreement on Trade in Services, contained in Annex 1B to the WTO Agreement;

"GATT 1994" means the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to 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 decide, and includes originating goods of that Party;

"GPA" means the Agreement on Government Procurement in Annex 4 to the WTO Agreement as amended by the Protocol Amending the Agreement on Government Procurement, done at Geneva on 30 March 2012;

"Harmonized System" or "(HS)" means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes, Chapter Notes and subheading notes;

"heading" means a four-digit number or the first four digits of a number used in the nomenclature of the HS;

"Import Licensing Agreement" means the Agreement on Import Licensing Procedures, contained in Annex 1A to the WTO Agreement;

"legitimate objective" has the same meaning as under Article 2.2 of the TBT Agreement;

"measure" includes a law, regulation, rule, procedure, decision, administrative action, requirement, practice or any other form of measure by a Party;

"national" means a natural person who is a citizen as defined in Article 1.2, or is a permanent resident of a Party;

"OECD" means the Organisation for Economic Co-operation and Development;

"originating" means qualifying under the rules of origin set out in Chapter 3;

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“person” unless the context otherwise requires, includes natural and legal persons;

“preferential tariff treatment” means the treatment accorded to an originating good pursuant to Article 2.6;

“sanitary or phytosanitary measure” or “SPS measure” means a measure referred to in Annex A, paragraph 1 of the SPS Agreement;

“SCM Agreement” means the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement;

“SPS Agreement” means the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement;

“subheading” means a six-digit number or the first six digits of a number used in the nomenclature of the HS;

“TBT Agreement” means the Agreement on Technical Barriers to Trade, contained in Annex 1A to the WTO Agreement;

“territory” means the territory where this Agreement applies as set out under Article 34.6;

“TFEU” means the Treaty on the Functioning of the European Union;

“TRIPS Agreement” means the Agreement on Trade-Related Aspects of Intellectual Property Rights, contained in Annex 1C to the WTO Agreement;

“Vienna Convention on the Law of Treaties” means the Vienna Convention on the Law of Treaties, done at Vienna on 23 May 1969;

“WCO” means the World Customs Organization;

“Withdrawal Agreement” means the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, which entered into force at 23.00 GMT on 31 January 2020;

“WTO” means the World Trade Organization; and

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

ARTICLE 1.2

Party-specific definitions

For the purposes of this Agreement and unless otherwise specified:

“citizen” means:

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(a) for the United Kingdom, a natural person who is a national of the United Kingdom; and

(b) for the Union, a natural person holding the nationality of a Member State; and

“central government” means:

(a) for the United Kingdom, Her Majesty’s Government of the United Kingdom of Great Britain and Northern Ireland; and

(b) for the Union, the Union or the national governments of its Member States.

ARTICLE 1.3

Establishment of a free trade area

The Parties hereby establish a free trade area in conformity with Article XXIV of GATT 1994 and Article V of GATS.

ARTICLE 1.4

Relation to the WTO Agreement and other agreements

1. The Parties affirm their rights and obligations with respect to each other under the WTO Agreement and other agreements to which they are party.
2. Nothing in this Agreement shall require either Party to act in a manner inconsistent with its obligations under the WTO Agreement.
3. In the event of any inconsistency between this Agreement and any agreement other than the WTO Agreement to which both Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution.
4. Where international agreements¹ are referred to in or incorporated into this Agreement, in whole or in part, they shall be understood to include amendments thereto or their successor agreements entering into force for both Parties on or after the date of signature of this Agreement. If any matter arises regarding the implementation or application of the provisions of this Agreement as a result of such amendments or successor agreements, the Parties may, on request of either Party, consult with each other with a view to finding a mutually satisfactory solution to this matter as necessary.

ARTICLE 1.5

Reference to other agreements

¹ The international agreements referred to in or incorporated into this Agreement shall be understood to include their most recent amendments having entered into force for both Parties before the date of signature of this Agreement.

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When this Agreement refers to or incorporates by reference other agreements or legal instruments in whole or in part, those references include:

- (a) related annexes, protocols, footnotes, interpretative notes and explanatory notes; and
- (b) successor agreements to which the Parties are party or amendments that are binding on the Parties, except where the reference affirms existing rights.

ARTICLE 1.6

Reference to laws

When this Agreement refers to laws, either generally or by reference to a specific statute, regulation or directive, the reference is to the laws, as they may be amended, unless otherwise indicated.

ARTICLE 1.7

Extent of obligations

1. Each Party is fully responsible for the observance of all provisions of this Agreement.
2. Each Party shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement, including their observance at all levels of government.

ARTICLE 1.8

Persons exercising delegated governmental authority

Unless otherwise specified in this Agreement, each Party shall ensure that a person that has been delegated regulatory, administrative or other governmental authority by a Party, at any level of government, acts in accordance with the Party's obligations as set out under this Agreement in the exercise of that authority.

ARTICLE 1.9

Interpretation

This Agreement shall be interpreted in accordance with the customary rules of public international law, including those in the Vienna Convention on the Law of Treaties.

CHAPTER 2: NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

ARTICLE 2.1

Definitions

For the purposes of this Chapter:

“consular transactions” means the procedure of obtaining from a consul of the importing Party in the territory of the exporting Party, or in the territory of a third party, a consular invoice or a consular visa for a commercial invoice, certificate of origin, manifest, shipper’s export declaration or other customs documentation in connection with the importation of the good;

“export licensing procedures” means administrative procedures, whether or not referred to as licensing, used by a Party for the operation of export licensing regimes requiring the submission of an application or other documentation, other than that required for customs procedures, to the relevant administrative body as a prior condition for exportation from that Party; and

“import licensing procedure” means an administrative procedure, howsoever called in each Party’s procedures or referred to by each Party’s customs authority, requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body or bodies as a prior condition for importation into the territory of the importing Party.

ARTICLE 2.2

Objective

The objective of this Chapter is to facilitate trade in goods between the Parties and to maintain liberalised trade in goods in accordance with the provisions of this Agreement in conformity with Article XXIV of GATT 1994.

ARTICLE 2.3

Scope

This Chapter applies to trade in goods of a Party, unless otherwise provided for in this Agreement.

ARTICLE 2.4

Classification of goods

The classification of goods in trade between the Parties under this Agreement is set out in each Party’s respective tariff nomenclature in conformity with the Harmonized System.

ARTICLE 2.5

National treatment

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

ARTICLE 2.6

Elimination of customs duties on imports

Except as otherwise provided for in this agreement, each Party shall eliminate customs duties on all goods originating in either Party.

ARTICLE 2.7

Duties, taxes or other charges on exports

A Party may not adopt or maintain any duties, taxes or other fees and charges imposed on, or in connection with, the export of a good to the other Party, or any internal taxes or fees and charges on a good exported to the other Party, that is in excess of those that would be imposed on those goods when destined for internal sale. For the purpose of this Article, fees or other charges of any kind shall not include fees or other charges imposed in accordance with Article 2.8 that are limited to the amount of the approximate cost of services rendered.

ARTICLE 2.8

Fees and other charges

1. Each Party shall ensure, in accordance with Article VIII of GATT 1994, that all fees and charges of whatever character, other than customs duties, export duties and taxes in accordance with Article III of GATT 1994, imposed by that Party on or in connection with importation or exportation are limited to the amount of the approximate cost of services rendered, which shall not be calculated on an ad valorem basis, and shall not represent an indirect protection to domestic goods or a taxation of imports for fiscal purposes.
2. A Party shall not require consular transactions, including related fees and charges.

ARTICLE 2.9

Special Agricultural Safeguards

Neither Party may apply a special safeguard pursuant to Article 5 of the Agreement on Agriculture on a good originating in the Parties.

ARTICLE 2.10

Temporary suspension of preferential tariff treatment

1. A Party may temporarily suspend, in accordance with paragraphs 2 to 5, the preferential tariff treatment under this Agreement with respect to a good exported or produced by a person of the other Party if the Party:
 - (a) as a result of an investigation based on objective, compelling and verifiable information, makes a finding that the person of the other Party has committed systematic breaches of customs legislation in order to obtain preferential tariff treatment under this Agreement; or
 - (b) makes a finding that the other Party systematically and unjustifiably refuses to cooperate with respect to the investigation of breaches of customs legislation under Article 7.22, and the Party requesting cooperation, based on objective, compelling and verifiable information, has reasonable grounds to conclude that the person of the other Party has committed systematic breaches of customs legislation in order to obtain preferential tariff treatment under this Agreement.
2. A Party that has made a finding referred to in paragraph 1 shall:
 - (a) notify the customs authority of the other Party and provide the information and evidence upon which the finding was based;
 - (b) engage in consultations with the authorities of the other Party with a view to achieving a mutually acceptable resolution that addresses the concerns that resulted in the finding; and
 - (c) provide written notice to that person of the other Party that includes the information that is the basis of the finding.
3. If the authorities have not achieved a mutually acceptable resolution after 30 days, the Party that has made the finding shall refer the issue to the Customs Committee.
4. If the Customs Committee has not resolved the issue after 60 days, the Party that has made the finding may temporarily suspend the preferential tariff treatment under this Agreement with respect to that good of that person of the other Party. The temporary suspension does not apply to a good that is already in transit between the Parties on the day that the temporary suspension comes into effect.
5. The Party applying the temporary suspension under paragraph 1 shall only apply it for a period commensurate with the impact on the financial interests of that Party resulting from the situation responsible for the finding made pursuant to paragraph 1, to a maximum of 90 days. If the Party has reasonable grounds based on objective, compelling and verifiable information that the conditions that gave rise to the initial suspension have not changed after the expiry of the 90 day period, that Party may renew the suspension for a further period of no longer than 90 days. The original suspension and any renewed suspensions are subject to periodic consultations within the Customs Committee.

ARTICLE 2.11

Import and export restrictions

Except as otherwise provided in this Agreement, a Party shall not adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of GATT 1994. To this end Article XI of GATT 1994 is incorporated into and made a part of this Agreement.

ARTICLE 2.12

Import licensing

1. Each Party shall adopt and administer any import licensing procedures in accordance with Articles 1 to 3 of the Import Licensing Agreement.
2. Each Party shall notify to the other Party any new import licensing procedure and any modifications to existing import licensing procedures within 60 days of its publication and if possible no later than sixty days before the new procedure or modification takes effect. The notification shall include the information specified in Article 5(2) of the Import Licensing Agreement, as well as the electronic addresses of the relevant internet sites, referred in paragraph 4. A Party shall be deemed to be in compliance with this provision if it notifies the relevant new import licensing procedure, or any modifications thereof, to the Committee on Import Licensing provided for in Article 4 of the Import Licensing Agreement in accordance with Article 5.1 to 5.3 of the Import Licensing Agreement.
3. Upon request of a Party, the other Party shall promptly provide any relevant information, including the information specified in Article 5(2) of the Import Licensing Agreement, regarding any import licensing procedure that it has adopted or maintains, or changes to existing licensing procedures.
4. Each Party shall publish on the relevant internet sites the information required to be published under Article 1.4(a) of the Import Licensing Agreement and it shall ensure that the information established in Article 5(2) of the Import Licensing Agreement is publicly available.
5. For greater certainty, nothing in this Article requires a Party to grant an import licence, or prevents a Party from implementing its obligations or commitments under United Nations Security Council Resolutions, as well as multilateral non-proliferation regimes and import control arrangements.

ARTICLE 2.13

Export licensing

1. Each Party shall publish any new export licensing procedure, or any modification to an existing export licensing procedure. Such publication shall take place, whenever practicable, 45 days

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before the procedure or modification takes effect, and in all events no later than the date such procedure or modification takes effect and, where appropriate, on any relevant government websites.

2. Within 60 days of the date of entry into force of this Agreement, each Party shall notify the other Party of its existing export licensing procedures. Each Party shall notify to the other Party any new export licensing procedures and any modifications to existing export licensing procedures, within 60 days of their publication. These notifications shall include the reference to the sources where the information required in paragraph 3 is published and include, where appropriate, the address of the relevant government websites.
3. The publication of export licensing procedures shall include the following information:
 - (a) the texts of its export licensing procedures, or of any modifications it makes to those procedures;
 - (b) the goods subject to each licensing procedure;
 - (c) for each procedure, a description of the process for applying for a licence and any criteria an applicant must meet to be eligible to apply for a licence, such as possessing an activity licence, establishing or maintaining an investment, or operating through a particular form of establishment in a Party's territory;
 - (d) a contact point or points from which interested persons can obtain further information on the conditions for obtaining an export licence;
 - (e) the administrative body or bodies to which an application or other relevant documentation should be submitted;
 - (f) a description of any measure or measures being implemented through the export licensing procedure;
 - (g) the period during which each export licensing procedure will be in effect, unless the procedure will remain in effect until withdrawn or revised in a new publication;
 - (h) if the Party intends to use a licensing procedure to administer an export quota, the overall quantity, the opening and closing dates of the quota and, if applicable, the value of the quota; and
 - (i) any exemptions or exceptions that replace the requirement to obtain an export licence, how to request or use those exemptions or exceptions, and the criteria for granting them.
4. For greater certainty, nothing in this Article requires a Party to grant an export licence, or prevents a Party from implementing its obligations or commitments under United Nations Security Council Resolutions, as well as multilateral non-proliferation regimes and export control arrangements or from adopting, maintaining or implementing independent export control and sanctions regimes.

ARTICLE 2.14

Remanufactured goods

1. Unless otherwise provided for in this Agreement, each Party shall provide that remanufactured goods are treated as new goods. Each Party may require that remanufactured goods be identified as such for distribution or sale.
2. For the purposes of this Agreement, "remanufactured goods" means goods that:
 - (a) are entirely or partially composed of parts obtained from used goods;
 - (b) have a similar life expectancy and performance compared to such goods, when new; and
 - (c) have a factory warranty similar to that applicable to such goods, when new.

ARTICLE 2.15

Data sharing on preference utilisation

1. For the purpose of monitoring the functioning of this Agreement and calculating preference utilisation rates, the Parties shall annually exchange import statistics for a period of 10 years starting one year after the entry into force of this Agreement. Unless the Committee on Trade in Goods decides otherwise, this period shall be automatically extended for five years, and thereafter that Committee may decide to subsequently extend it.
2. The exchange of import statistics shall cover data pertaining to the most recent year available, including value and, where applicable, volume, at the tariff line level for imports of goods of the other Party benefiting from preferential tariff treatment under this Agreement and those that received non-preferential treatment.

ARTICLE 2.16

Committee on trade in goods

1. The functions of the Committee on Trade in Goods include:
 - (a) promoting trade in goods between the Parties;
 - (b) recommending to the Joint Committee a modification of or an addition to any provision of this Agreement related to the Harmonized System; and
 - (c) promptly addressing issues related to movement of goods through the Parties' ports of entry.

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2. The Committee on Trade in Goods may present to the Joint Committee draft decisions for consideration.

CHAPTER 3: RULES OF ORIGIN

SECTION 1

GENERAL PROVISIONS

ARTICLE 3.1

Definitions

For the purposes of this Chapter:

"aquaculture" means the farming of aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants from seed stock such as eggs, fry, fingerlings, larvae, parr, smolts or other immature fish at a post-larval stage by the intervention in the rearing or growth processes to enhance production such as regular stocking, feeding or protection from predators;

"classified" means the classification of a product under a particular heading or subheading of the Harmonized System;

"de-consignment" means the splitting of goods that were previously sent in a single consignment;

"determination of origin" means a determination as to whether a product qualifies as an originating product in accordance with this Chapter;

"exporter" means a person, located in a Party, who, in accordance with the requirements laid down in the laws and regulations of that Party, exports or produces the originating product and makes out an origin declaration;

"ex-works price" means:

the price of the product paid or payable to the producer in whose undertaking the last production is carried out, provided that the price includes the value of all the materials used and all other costs incurred in the production of a product minus any internal taxes which are, or may be, repaid when the product obtained is exported; or

if there is no price paid or payable or if the actual price paid does not reflect all costs related to the production of the product which are actually incurred in the production of the product, the value of all the materials used and all other costs incurred in the production of the product in the exporting Party which:

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includes selling, general and administrative expenses, as well as profit, that can reasonably be allocated to the product; but

excludes the costs of freight, insurance, all other costs incurred in transporting the product and any internal taxes of the exporting Party which are, or may be, repaid when the product obtained is exported

Where the last production has been subcontracted to a producer, the term 'producer' in paragraph (a) refers to the person that has employed the subcontractor;

"fiscal year" means the fiscal year as defined in the exporting Party;

"identical products" means products that are the same in all respects, including physical characteristics, quality, and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those products under this Chapter;

"importer" means a person who imports the originating product and claims preferential tariff treatment for it;

"legal person" means any legal entity duly constituted or otherwise organised under the applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship, or association;

"material" means any matter or substance used in the production of a product, including any components, ingredients, raw materials or parts;

"net weight" means the weight of the material or product not including the weight of any packaging;

"origin declaration" means a declaration made in accordance with Article 3.16 of this Chapter, for the purpose of enabling the identification of an originating product;

"person of a Party" means a national or a legal person of a Party;

"producer" means a person who engages in any kind of production;

"product" means the result of production, even if it is intended for use as a material in the production of another product, and includes products that are remanufactured (as defined in Article 2.14 of this Agreement);

"production" means any kind of working or processing, including such operations as growing, mining, raising, harvesting, fishing, trapping, hunting, manufacturing, recycling, assembling or disassembling a product; and

"value of non-originating materials" means the value of non-originating materials used in the production of the product which is its customs value at the time of importation including freight,

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insurance where appropriate, packing and all the other costs incurred in transporting the materials to the importation port in the Party where the producer of the product is located. Where it is not known and cannot be ascertained, the first ascertainable price paid for the non-originating materials in either Party is used.

SECTION 2

RULES OF ORIGIN

ARTICLE 3.2

General requirements

1. For the purposes of this Agreement, a product is originating in the Party where the last production took place if, in the territory of a Party or in the territory of both the Parties in accordance with Article 3.3, the product:
 - (a) has been wholly obtained within the meaning of Article 3.4;
 - (b) has been produced exclusively from originating materials; or
 - (c) has undergone sufficient production within the meaning of Article 3.5.
2. Except as provided for in Article 3.3, the conditions set out in this Chapter relating to the acquisition of originating status must be fulfilled without interruption in the territory of one or both of the Parties.

ARTICLE 3.3

Cumulation of origin

1. A product that originates in:
 - (a) the other Party;
 - (b) a relevant partner country; or
 - (c) a GSP country,is considered originating in a Party when used as a material in the production of a product in that Party.
2. An exporter may take into account production carried out on a non-originating material in:
 - (a) the other Party;

(b) a relevant partner country; or

(c) a GSP country,

for the purposes of determining the originating status of a product.

3. Paragraphs 1 and 2 do not apply if the production carried out on a product in the exporting Party does not go beyond the operations referred to in Article 3.7 and the object of this production, as demonstrated on the basis of a preponderance of evidence, is to circumvent financial or fiscal legislation of the Parties.
4. If an exporter has completed an origin declaration for a product referred to in sub-paragraphs 2(a) or (b) the exporter must possess a completed and signed supplier's statement from the supplier of the non-originating materials used in the production of the product.
5. A supplier's statement may be the statement set out in Annex 3-A or an equivalent document that contains information describing the non-originating materials concerned in sufficient detail for their identification.
6. If a supplier's statement referred to in paragraph 4 is in electronic format, it does not need to be signed, provided that the supplier is identified to the satisfaction of the customs authorities in the exporting Party.
7. A supplier's statement applies to a single invoice or multiple invoices for the same material that is supplied within a period that does not exceed 12 months from the date set out in the supplier's statement.
8. Without prejudice to paragraph 11, for the purposes of sub-paragraph 1(b) the origin of materials from a relevant partner country shall be determined according to the rules of origin of:
 - (a) the United Kingdom's free trade agreement with that relevant partner country when used as a material in the production of a product in the United Kingdom; and
 - (b) the Union's trade arrangement with that relevant partner country when used as a material in the production of a product in the Union.
9. For the purposes of sub-paragraph 1(c):

the origin of materials exported from a GSP country to a Party shall be determined according to the rules of origin:

- (i) applicable to the United Kingdom's GSP when used as a material in the production of a product in the United Kingdom; and

- (ii) applicable to the Union's GSP when used as a material in the production of a product in the Union; and

the Parties may allow the establishment of a system that permits an origin declaration to be submitted electronically and directly from the exporter in the territory of a Party to an importer in the territory of the other Party, including the replacement of the exporter's signature on the origin declaration with an electronic signature or identification code.

10. A product originating in a relevant partner country or a GSP country shall be excluded from the cumulation provided for in paragraph 1(b) or 1(c) (as applicable) where:

- (a) each Party applies a different preferential tariff rate or GSP rate in relation to the product; and
- (b) the product would, through cumulation, be subject to a lower preferential tariff rate or GSP rate than the one to which it would have been subject if it had been directly exported from that relevant partner country or GSP country to the other Party.

11. The cumulation provided for in sub-paragraphs 1(b) and 2(b) shall be applied only provided that:

- (a) the United Kingdom applies a free trade agreement with that relevant partner country; and
- (b) the Parties apply equivalent rules of origin in their trade arrangement with that relevant partner country.

For greater certainty, for the purposes of this Article, the free trade agreements that have been signed by the United Kingdom and a relevant partner country before the expiry of the transition period shall be deemed to contain equivalent rules of origin to the trade arrangement which applied between the Union and that relevant partner country at the date that United Kingdom agreement was signed.

Each party shall publish a notice upon the fulfilment of the requirements set out in sub-paragraphs 11(a) and 11(b). The application of the cumulation provided for in sub-paragraphs 1(b) and 2(b) shall not be conditional upon the publication of such notices.

12. Without prejudice to sub-paragraphs 1(b) and 2(b) and subject to paragraph 13, if each Party has a free trade agreement with the same third country and that third country is not a country with which cumulation is applicable under sub-paragraphs 1(b) and 2(b):

- (a) a product of that third country shall be considered as originating in a Party when used as a material in the production of a product in that Party; and
- (b) production carried out on materials in that third country shall be considered as having been carried out in the exporting Party when the products obtained undergo subsequent production in the exporting Party.

13. A Party shall give effect to paragraph 12 upon agreement by the Parties on the applicable conditions.

14. In this Article:

“GSP” means preferential tariff treatment accorded to products originating in developing countries in accordance with the Generalized System of Preferences;

“GSP country” means a country granted preferences under the GSP of each Party;

“relevant partner country” means a country or territory which, before the end of the transition period:

- (i) has signed a free trade agreement with the Union which is being applied between the Union and that country or territory; or
- (ii) to which Regulation (EU) 2016/1076 applies; and

“transition period” means the period provided for in Article 126 of the Withdrawal Agreement.

ARTICLE 3.4

Wholly obtained products

1. For the purposes of Article 3.2 a product is wholly obtained in a Party if it is:

- (a) a plant or plant product, grown, cultivated, harvested, picked or gathered there;
- (b) a live animal born and raised there;
- (c) a product obtained from live animals there;
- (d) a product obtained from a slaughtered animal born and raised there;
- (e) an product obtained by hunting, trapping, fishing, gathering or capturing there;
- (f) a product obtained from aquaculture there;
- (g) a mineral or other naturally occurring substance, not included in sub-paragraphs (a) to (f), extracted or taken there;
- (h) fish, shellfish, and other marine life taken beyond the outer limits of any territorial sea by a Party’s vessel;
- (i) products made aboard a Party’s factory ship exclusively from products referred to in subparagraph (h);

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- (j) a product other than fish, shellfish and other marine life taken by a Party or a person of a Party from the seabed or subsoil beyond the territorial sea of each Party, and beyond areas over which third countries exercise jurisdiction provided that that Party or a person of that Party has the right to exploit that seabed or subsoil in accordance with international law;
 - (k) waste and scrap resulting from manufacturing operations conducted there;
 - (l) raw materials recovered from used products collected there, provided that these products are fit only for such recovery;
 - (m) materials recovered there from used products, provided that these products are fit only for such recovery, when that material is:
 - (i) incorporated into another product; or
 - (ii) further produced resulting in a product with a performance and life expectancy equivalent or similar to those of a new product of the same type;
 - (n) a product produced there, exclusively from products referred to in subparagraphs (a) to (m) or from their derivatives.
2. "A Party's vessel" in subparagraph 1(h) or "a Party's factory ship" in subparagraph 1(i) means respectively a vessel or a factory ship which:
- (a) is registered in the United Kingdom or in a Member State of the Union; and
 - (b) flies the flag of the United Kingdom or of a Member State of the Union; and
 - (c) satisfies one or more of the following requirements:
 - (i) it is at least 50 per cent owned by one or more nationals of a Party;
or
 - (ii) it is owned by one or more legal persons:
 - A. which have their head office and their main place of business in a Party; and
 - B. in which at least 50 per cent of the ownership belongs to nationals or legal persons of a Party.

ARTICLE 3.5

Sufficient production

1. Without prejudice to paragraph 3 and to Article 3.7, for the purposes of Article 3.2, products that are not wholly obtained shall be sufficiently worked or processed when the conditions set out in Annex 3-B are fulfilled.
2. If a product that has acquired originating status in accordance with paragraph 1 is used as a material in the production of another product, no account shall be taken of the non-originating materials that may have been used in its production.
3. The determination of whether the requirements of paragraph 1 are met shall be carried out for each product.

However, where a rule in Annex 3-B specifies a maximum value of non-originating materials, the customs authorities of the Parties may authorise exporters to calculate the ex-works price of the products and the value of the non-originating materials on an average basis as set out in paragraph 4, in order to take into account fluctuations in costs and currency rates.

4. In the case referred to in the second sub-paragraph of paragraph 3:
 - (a) the average ex-works price of the product shall be calculated on the basis of the sum of the ex-works prices charged for all sales of the products by the exporter carried out during the preceding fiscal year; and
 - (b) the average value of non-originating materials used shall be calculated on the basis of the sum of the value of all the non-originating materials used in the production of the products by the exporter over the preceding fiscal year.

Where figures for a complete fiscal year are not available, figures for a shorter period, which should not be less than three months, may be used as the basis of the calculation.

5. Exporters having opted for calculation on an average basis shall consistently apply such a method during the year following the fiscal year of reference, or, where appropriate, during the year following the shorter period used as a reference. An exporter may cease to apply such a method where during a given fiscal year, or a shorter representative period of no less than three months, it records that the fluctuations in costs or currency rates which justified the use of such a method have ceased.
6. The averages referred to in paragraph 4 shall be used as the ex-works price and the value of non-originating materials respectively, for the purpose of establishing compliance with the maximum value of non-originating materials.

ARTICLE 3.6

Tolerance

1. By way of derogation from Article 3.5 and subject to paragraph 4, if a product in Chapters 1 through 24 of the Harmonized System does not fulfil the conditions set out in Annex 3-B, the product shall nonetheless be considered an originating product provided that:
 - (a) the total value of the non-originating materials used in the production of the product does not exceed 15 per cent of the ex-works price of the product; or
 - (b) the total weight of the non-originating materials used in the production of the product does not exceed 15 per cent of the net weight of the product.
2. By way of derogation from Article 3.5 and subject to paragraph 4, if a product in Chapters 25 to 49 or 64 to 97 of the Harmonized System does not fulfil the conditions set out in Annex 3-B, the product shall nonetheless be considered an originating product provided that the total value of the non-originating materials used in the production of the product does not exceed 15 per cent of the ex-works price of the product.
3. Tolerance for products of Chapters 50 to 63 of the Harmonized System shall be determined in accordance with Annex 3-C.
4. Any of the percentages given in Annex 3-B for the maximum value or weight of non-originating materials may not be exceeded through the application of this Article.
5. In order for a product to be considered an originating product pursuant to this Article, the product must satisfy all other applicable requirements of this Chapter.
6. This Article does not apply to products wholly obtained in a Party within the meaning of Article 3.4. If the rule specified in Annex 3-B requires that the materials used in the production of a product be wholly obtained, the tolerance provided for in this Article or in Annex 3-C applies to the sum of those materials.

ARTICLE 3.7

Insufficient production

1. Without prejudice to paragraph 2, and regardless of whether the requirements of Articles 3.5 or 3.6 are satisfied, the performance of only the following production processes, either individually or in combination, is insufficient to confer origin on a product:
 - (a) operations exclusively intended to preserve products in good condition during storage and transport²;

² Preserving operations such as chilling, freezing or ventilating are considered insufficient within the meaning of subparagraph (a), whereas operations such as pickling, drying or smoking that are intended to give a product special or different characteristics are not considered insufficient.

- (b) breaking-up or assembly of packages;
 - (c) washing, cleaning, or removal of dust, oxide, oil, paint or other coverings;
 - (d) ironing or pressing of textiles;
 - (e) simple painting or polishing operations;
 - (f) husking, partial or total bleaching, polishing or glazing of cereals or rice;
 - (g) operations to colour or flavour sugar or form sugar lumps or the partial or total milling of crystal sugar;
 - (h) sharpening, simple grinding or simple cutting;
 - (i) sifting, screening, sorting, classifying, grading, or matching (including the making-up of sets);
 - (j) affixing or printing marks, labels, logos or other like distinguishing signs on products or their packaging;
 - (k) simple mixing of products, whether or not of different kinds;
 - (l) mixing of sugar with any material;
 - (m) peeling, stoning, or shelling of fruits, nuts or vegetables;
 - (n) simple packaging operations, such as placing in bottles, cans, flasks, bags, cases, boxes, or fixing on cards or boards;
 - (o) for Chapters 27 to 40 of the Harmonized System, simple addition of water or dilution with water or another substance that does not materially alter the characteristics of the good;
 - (p) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts; and
 - (q) slaughter of animals.
2. In accordance with Article 3.3, all production carried out on a product in the Parties, GSP countries and relevant partner countries (as applicable) is considered when determining whether the production undertaken on that product is insufficient within the meaning of paragraph 1.
 3. For the purpose of paragraph 1, an operation shall be considered simple if either of the following are satisfied:

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- (a) special skills or machines, apparatus or tools especially produced or installed for that operation are not required to perform that operation; or
- (b) special skills or machines, apparatus or tools especially produced or installed for that operation are required to perform that operation, but do not contribute to the product's essential characteristics or properties.

ARTICLE 3.8

Unit of qualification

For the purposes of this Chapter:

1. The unit of qualification shall be the particular product which is considered as the basic unit when classifying the product under the Harmonized System;
2. When a product composed of a group or assembly of articles or components is classified under a single heading or subheading of the Harmonized System, the whole shall constitute the particular product; and
3. When a shipment consists of a number of identical products classified under the same heading or subheading of the Harmonized System, each product shall be considered separately.

ARTICLE 3.9

Packaging, packing materials, and containers

1. Packaging materials and containers in which a product is packaged for retail sale, if classified with the product under General Rule 5 of the Harmonized System, shall be disregarded in determining whether the product is wholly obtained or satisfies a specific production process or change in tariff classification as set out in Annex 3-B.
2. If a product is subject to a rule set out in Annex 3-B that specifies a maximum value of non-originating materials, the value of the packaging materials and containers in which the product is packaged for retail sale, if classified with the product under General Rule 5 of the Harmonized System, shall be taken into account in determining whether the product meets that rule.
3. Packing materials and containers in which a product is packed for shipment shall be disregarded in determining the origin of that product.

ARTICLE 3.10

Accounting segregation

- 1.

- (a) If originating and non-originating fungible materials are used in the production of a product, the determination of the origin of the fungible materials does not need to be made through physical separation and identification of any specific fungible material, but may be determined on the basis of an inventory management system; or
 - (b) if originating and non-originating fungible products are physically combined or mixed in inventory in a Party before exportation to the other Party, the determination of the origin of the fungible products does not need to be made through physical separation and identification of any specific fungible product, but may be determined on the basis of an inventory management system.
2. The inventory management system must:
- (a) ensure that, at any time, no more products receive originating status than would have been the case if the fungible materials or fungible products had been physically segregated;
 - (b) specify the quantity of originating and non-originating materials or products, including the dates on which those materials or products were placed in inventory and, if required by the applicable rule of origin, the value of those materials or products;
 - (c) specify the quantity of products produced using fungible materials, or the quantity of fungible products, that are supplied to customers who require evidence of origin in a Party for the purpose of obtaining preferential treatment under this Agreement, as well as to customers who do not require such evidence; and
 - (d) indicate whether an inventory of originating products was available in sufficient quantity to support the declaration of originating status.
3. A Party may require that an exporter or producer within its territory that is seeking to use an inventory management system pursuant to this Article obtain prior authorisation from that Party in order to use that system. The Party may withdraw authorisation to use an inventory management system if the exporter or producer makes improper use of it.
4. For the purpose of paragraph 1, "fungible materials" or "fungible products" means materials or products that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another for origin purposes.

ARTICLE 3.11

Accessories, spare parts and tools

1. Accessories, spare parts, and tools delivered with a product that form part of the product's standard accessories, spare parts or tools, that are not invoiced separately from the product and are in a quantity and have value customary for the product, shall be:

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- (a) taken into account in determining whether a product meets a rule set out in Annex 3-B that specifies a maximum value of non-originating materials; and
 - (b) disregarded in determining whether a product is wholly obtained, or satisfies a production process or change in tariff classification as set out in Annex 3-B.
2. A product's accessories, spare parts, and tools shall have the originating status of the product with which they are delivered.

ARTICLE 3.12

Sets

1. A set, as referred to under General Rule 3 of the Harmonized System, is originating provided that:
- (a) all of the set's component products are originating; or
 - (b) the set is composed of originating and non-originating products, and:
 - (i) the value of the non-originating component products of Chapters 1 to 24 of the Harmonized System does not exceed 20 per cent ex-works price of the set;
 - (ii) the value of the non-originating component products of Chapters 25 to 97 of the Harmonized System does not exceed 25 per cent of the ex-works price of the set; and
 - (iii) the value of all the set's non-originating component products does not exceed 25 per cent of the ex-works price of the set.
2. For the purposes of paragraph 1:
- (a) the value of non-originating component products shall be calculated in the same manner as the value of non-originating materials;
 - (b) the ex-works price of the set shall be calculated in the same manner as the ex-works price of the product; and
 - (c) without prejudice to Article 3.9, packaging materials and containers in which the set as a whole is packaged for retail sale shall be disregarded in determining the origin of the set.

ARTICLE 3.13

Neutral elements

In order to determine whether a product is originating in a Party, it is not necessary to determine the origin of the following elements which might be used in its production:

- (a) fuel, energy, catalysts, and solvents;
- (b) equipment, plant, devices, and supplies used to test or inspect the product;
- (c) gloves, glasses, footwear, clothing, safety equipment, and supplies;
- (d) machines, 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 material that does not enter the final product, and that is not intended to enter the final product, but the use of which in the production of the product can reasonably be demonstrated to be part of that production.

ARTICLE 3.14

Non-alteration

1. A product that has undergone production that satisfies the requirements of Article 3.2 shall be considered originating only if, subsequent to that production, the product:
 - (a) does not undergo further production or any other operation outside the territories of the Parties, other than unloading, reloading, labelling, marking or any other operation necessary to preserve it in good condition or to transport the product to the territory of a Party; and
 - (b) remains under customs control while outside the territories of the Parties.
2. The storage of products and shipments or the splitting of shipments may take place where carried out under the responsibility of the exporter or of a subsequent holder of the products and the products remain under customs control in the country or countries of transit.
3. Each Party, through its customs authority, may require an importer to demonstrate that a product for which the importer claims preferential tariff treatment was shipped in accordance with paragraphs 1 and 2 of this Article by providing:
 - (a) carrier documents, including bills of lading or waybills, indicating the shipping route and all points of shipment and transshipment prior to the importation of the product; and
 - (b) when the product is shipped through or transhipped outside the territories of the Parties, a copy of the customs control documents indicating to that customs authority that the product remained under customs control while outside the territories of the Parties.

4. The customs authorities of the Parties shall co-operate to ensure secure methods of de-consignment and splitting of shipments under customs control are maintained.

ARTICLE 3.15

Returned originating products

If an originating product exported from a Party to a third country returns, it shall be considered as non-originating unless it can be demonstrated to the satisfaction of the customs authorities that the returning product:

- (a) is the same as that exported; and
- (b) has not undergone any operation beyond that necessary to preserve it in good condition.

SECTION 3

ORIGIN PROCEDURES

ARTICLE 3.16

Proof of origin

1. Products originating in the Union, on importation into the United Kingdom, and products originating in the United Kingdom, on importation into the Union, benefit from preferential tariff treatment of this Agreement on the basis of a declaration.
2. The declaration shall be provided on an invoice or any other commercial document that describes the originating product in sufficient detail to enable its identification.
3. The different linguistic versions of the text of the declaration are set out in Annex 3-D.

ARTICLE 3.17

Obligations regarding importations

1. For the purpose of claiming preferential tariff treatment, the importer shall:
 - (a) submit the origin declaration to the customs authority of the Party of import as required by and in accordance with the procedures applicable in that Party; and

- (b) if required by the customs authority of the Party of import, submit a translation of the origin declaration.
2. An importer that becomes aware or has reason to believe that an origin declaration for a product to which preferential tariff treatment has been granted contains incorrect information shall immediately notify the customs authority of the Party of import in writing of any change affecting the originating status of that product and pay any duties owing.
 3. When an importer claims preferential tariff treatment for a good imported from the territory of the other Party, the importing Party may deny preferential tariff treatment to the good if the importer fails to comply with any requirement under this Chapter.
 4. A Party shall, in conformity with its laws, provide that, if a product would have qualified as an originating product when it was imported into the territory of that Party but the importer did not have an origin declaration at the time of importation, the importer of the product may, within a period of time of no less than two years after the date of importation, apply for a refund of duties paid as a result of the product not having been accorded preferential tariff treatment.

ARTICLE 3.18

Obligations regarding exportations

1. An origin declaration as referred to in Article 3.16 shall be completed:
 - (a) in the Union, by an exporter in accordance with the relevant Union legislation; and
 - (b) in the United Kingdom, by an exporter in accordance with the relevant United Kingdom legislation.
2. The exporter completing an origin declaration shall at the request of the customs authority of the Party of export submit a copy of the origin declaration and all appropriate documents proving the originating status of the products concerned, including supporting documents or written statements from the producers or suppliers, and fulfil the other requirements of this Chapter.
3. An origin declaration shall be completed and signed by the exporter unless otherwise provided.
4. A Party may allow an origin declaration to be completed by the exporter when the products to which it relates are exported, or after exportation if the origin declaration is presented in the importing Party within two years after the importation of the products to which it relates or within a longer period of time if specified in the laws of the importing Party.
5. The customs authority of the Party of import may allow the application of an origin declaration to multiple shipments of identical originating products that take place within a period of time that does not exceed 12 months as set out by the exporter in that declaration.

6. An exporter that has completed an origin declaration and becomes aware or has reason to believe that the origin declaration contains incorrect information shall immediately notify the importer in writing of any change affecting the originating status of each product to which the origin declaration applies.
7. The Parties may allow the establishment of a system that permits an origin declaration to be submitted electronically and directly from the exporter in the territory of a Party to an importer in the territory of the other Party, including the replacement of the exporter's signature on the origin declaration with an electronic signature or identification code.

ARTICLE 3.19

Validity of the origin declaration

1. An origin declaration shall be valid for 12 months from the date it was completed by the exporter, or for such longer period of time as provided by the Party of import. A claim for preferential tariff treatment may be made, within this validity period, to the customs authority of the Party of import.
2. The Party of import may accept an origin declaration submitted to its customs authority after the validity period referred to in paragraph 1 for the purpose of preferential tariff treatment in accordance with that Party's laws.

ARTICLE 3.20

Importation by instalments

Each Party shall provide that if dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System falling within Section XV-XXI of the Harmonized System are imported by instalments at the request of the importer and on the conditions set out by the customs authority of the Party of import, a single origin declaration for these products shall be submitted, as required, to that customs authority upon importation of the first instalment.

ARTICLE 3.21

Exemptions from origin declarations

1. A Party may, in conformity with its laws, waive the requirement to present an origin declaration as for low value shipments of originating products from the other Party and for originating products forming part of the personal luggage of a traveller coming from the other Party.
2. A Party may exclude any importation from the provisions of paragraph 1 of this article when the importation is part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the requirements of this Chapter related to origin declarations.

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3. The Parties may set value limits for products referred to in paragraph 1 of this article, and shall exchange information regarding those limits.

ARTICLE 3.22

Supporting documents

1. The documents referred to in paragraph 2 of Article 3.18 may include documents relating to the following:
 - (a) the production processes carried out on the originating product or on materials used in the production of that product;
 - (b) the purchase of, the cost of, the value of, and the payment for the product;
 - (c) the origin of, the purchase of, the cost of, the value of, and the payment for all materials, including neutral elements, used in the production of the product; and
 - (d) the shipment of the product.

ARTICLE 3.23

Preservation of records

1. An exporter that has completed an origin declaration shall keep a copy of the origin declaration, as well as the supporting documents referred to in Article 3.22, for three years after the completion of the origin declaration or for a longer period of time as the Party of export may specify.
2. If an exporter has based an origin declaration on a written statement from the producer, the producer shall be required to maintain records in accordance with paragraph 1 of this Article.
3. When provided for in laws of the Party of import, an importer that has been granted preferential tariff treatment shall keep documentation relating to the importation of the product, including a copy of the origin declaration, for three years after the date on which preferential treatment was granted, or for a longer period of time as that Party may specify.
4. Each Party shall permit, in accordance with that Party's laws, importers, exporters, and producers in its territory to maintain documentation or records in any medium, provided that the documentation or records can be retrieved and printed.
5. A Party may deny preferential tariff treatment to a product that is the subject of an origin verification when the importer, exporter, or producer of the product that is required to maintain records or documentation under this Article
 - (i) fails to maintain records or documentation relevant to determining the origin of the product in accordance with the requirements of this Chapter; or

- (ii) denies access to those records or documentation.

ARTICLE 3.24

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the origin declaration and those made in the documents submitted to the customs authorities for the purpose of carrying out the formalities for importing the products shall not, because of that fact, render the origin declaration null and void if it is established that this document corresponds to the products submitted.
2. Obvious formal errors such as typing errors on an origin declaration shall not cause this document to be rejected if these errors do not create doubts concerning the correctness of the statements made in the document.
3. The customs authority of the importing Party shall not reject a claim for preferential tariff treatment for the sole reason that an invoice was issued in a third country.

ARTICLE 3.25

Cooperation

1. The Parties shall cooperate in the uniform administration and interpretation of this Chapter and, through their customs authorities, assist each other in verifying the originating status of the products on which an origin declaration is based.
2. For the purpose of facilitating the verifications or assistance referred to in paragraph 1, the customs authorities of the Parties shall provide each other, through the European Commission, with addresses of the responsible customs authorities.
3. It is understood that the customs authority of the Party of export assumes all expenses in carrying out the activities referred to in paragraph 1.
4. It is further understood that the customs authorities of the Parties will discuss the overall operation and administration of the verification process, including forecasting of workload and discussing priorities. If there is an unusual increase in the number of requests, the customs authorities of the Parties will consult to establish priorities and consider steps to manage the workload, taking into consideration operational requirements.
5. With respect to products considered originating in accordance with Article 3.3, the Parties may cooperate with a third country to develop customs procedures based on the principles of this Chapter.

ARTICLE 3.26

Verification

1. The Parties shall assist each other, through their customs authorities, in:
 - (a) verifying whether products are originating for the purposes of this Chapter;
 - (b) verifying and ensuring the accuracy of documentary information provided by producers in the Party of export concerning production carried out on non-originating material; and
 - (c) verifying and ensuring the accuracy of claims for preferential tariff treatment for the purposes of this Chapter.
2. A Party's request for a verification concerning the matters set out in paragraph 1 of this Article shall be:
 - (a) based on risk assessment methods applied by the customs authority of the Party of import, which may include random selection; or
 - (b) made when the Party of import has reasonable doubts about whether the product is originating, whether information referred to in paragraph 1(b) is accurate, or whether all other requirements of this Chapter have been fulfilled.
3. The customs authority of the Party of import may verify the matters set out in paragraph 1 of this Article by requesting, in writing, that the customs authority of the Party of export conduct a verification concerning those matters. When requesting a verification, the customs authority of the Party of import shall provide the customs authority of the Party of export with:
 - (a) the identity of the customs authority issuing the request;
 - (b) the name of the exporter or producer to be verified;
 - (c) the subject and scope of the verification; and
 - (d) a copy of the origin declaration, information referred to in paragraph 1(b) of this Article and any other relevant documentation (as applicable).
4. When appropriate, the customs authority of the Party of import may request, pursuant to paragraph 3, specific documentation and information from the customs authority of the Party of export.
5. A request made by the customs authority of the Party of import pursuant to paragraph 3 shall be provided to the customs authority of the Party of export by certified or registered mail or any other method that produces a confirmation of receipt by that customs authority.
6. The customs authority of the Party of export shall proceed to the verification. For this purpose, the customs authority may, in accordance with its laws:

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- (a) request documentation;
 - (b) call for any evidence; and
 - (c) visit the premises of an exporter or a producer to:
 - (i) review the records referred to in Article 3.22;
 - (ii) review the information referred to in sub-paragraph 1(b) of this Article; and
 - (iii) observe the facilities used in the production of the product.
7. If an exporter has based an origin declaration on a written statement from the producer or supplier, or has relied on information referred to in sub-paragraph 1(b), the exporter may arrange for the producer or supplier to provide documentation or information directly to the customs authority of the Party of export upon that Party's request.
8. As soon as possible and in any event within 10 months after receiving the request referred to in paragraph 3, the customs authority of the Party of export shall:
- (a) complete a verification of the matters referred to in paragraph 1 of this Article;
 - (b) provide to the customs authority of the Party of import a written report, by certified or registered mail or any other method that produces a confirmation of receipt by that customs authority, which enables the customs authority of the Party of import to determine whether:
 - (i) the product is originating; or
 - (ii) the information referred to in paragraph 1(b) of this Article is correct; and
 - (c) in accordance with its laws, notify the exporter of its decision concerning the matters referred to in paragraph 1 of this Article.
9. A report under paragraph 8(b)(i) shall contain:
- (a) the results of the verification;
 - (b) a description of the product subject to verification and the tariff classification relevant to the application of the rule of origin;
 - (c) a description and explanation of the rationale concerning the originating status of the product;
 - (d) if requested, a description of the production carried out on the product and information on the value of both originating and non-originating materials used in the production of the product;

- (e) information on the manner in which the verification was conducted; and
- (f) where appropriate, supporting documentation.

10. A report under paragraph 8(b)(ii) shall contain:

- (a) the results of the verification;
- (b) a description of the production carried out on the non-originating material;
- (c) information on the manner in which the verification was conducted; and
- (d) where appropriate, supporting documentation.

11. The period of time referred to in paragraph 8 may be extended by mutual consent of the customs authorities concerned.

12. Pending the results of an origin verification conducted pursuant to paragraph 8, or consultations under paragraph 15, the customs authority of the Party of import, subject to any precautionary measures it deems necessary, shall offer to release the product to the importer.

13. If the result of an origin verification has not been provided in accordance with paragraph 8, the customs authority of the importing Party may deny preferential tariff treatment to a product if it has reasonable doubt or when it is unable to determine whether the product is originating.

14. If there are differences in relation to the verification procedures of this Article or in the interpretation of the rules of origin in determining whether a product qualifies as originating, and these differences cannot be resolved through consultations between the customs authority requesting the verification and the customs authority responsible for performing the verification, and if the customs authority of the importing Party intends to make a determination of origin that is inconsistent with the written report provided under paragraph 8(b) by the customs authority of the exporting Party, the importing Party shall notify the exporting Party within 60 days of receiving the written report.

15. At the request of either Party, the Parties shall hold and conclude consultations within 90 days from the date of the notification referred to in paragraph 14 to resolve those differences. The period of time for concluding consultations may be extended on a case by case basis by mutual written consent between the Parties. The customs authority of the importing Party may make its determination of origin after the conclusion of these consultations. The Parties may also seek to resolve those differences within the Rules of Origin Committee referred to in Article 3.29.

16. In all cases, the settlement of differences between the importer and the customs authority of the Party of import shall be under the law of the Party of import.

17. This Agreement does not prevent a customs authority of a Party from issuing a determination of origin or an advance ruling relating to any matter under consideration by the Rules of Origin Committee, the Customs Committee or the Committee on Trade in Goods or from taking any other action that it considers necessary, pending a resolution of the matter under this Agreement.

ARTICLE 3.27

Confidentiality

1. This Chapter does not require a Party to furnish or allow access to information, the disclosure of which would impede law enforcement or would be contrary to that Party's law protecting business information.
2. Each Party shall maintain, in conformity with its law, the confidentiality of the information collected pursuant to this Chapter and shall protect that information from disclosure that could prejudice the competitive position of the person providing the information. If the Party receiving or obtaining the information is required by its laws to disclose the information, that Party shall notify the person or Party who provided that information.
3. Each Party shall ensure that the confidential information collected pursuant to this Chapter shall not be used for purposes other than the administration and enforcement of determination of origin and of customs matters, except with the permission of the person or Party who provided the confidential information.
4. Notwithstanding paragraph 3 of this Article, a Party may allow information collected pursuant to this Chapter to be used in any administrative, judicial, or quasi-judicial proceedings instituted for failure to comply with customs related laws implementing this Chapter. A Party shall notify the person or Party who provided the information in advance of such use.
5. The Parties shall exchange information on their respective laws for the purpose of facilitating the operation and application of paragraph 2 of this Article.

ARTICLE 3.28

Penalties

Each Party shall maintain measures imposing criminal, civil or administrative penalties for violations of its laws relating to this Chapter.

ARTICLE 3.29

Rules of Origin Committee

1. The Rules of Origin Committee may review this Chapter and recommend amendments to its provisions to the Joint Committee.

2. If each Party has a free trade agreement with the same third country, the Rules of Origin Committee may make recommendations to the Joint Committee about the matters referred to in paragraph 13 of Article 3.3.
3. The Rules of Origin Committee may hold joint meetings with the Customs Committee where such joint meetings are necessary to ensure consistency in the implementation and operation of the provisions in this Chapter and in Chapter 7.
4. The Rules of Origin Committee shall endeavour to decide upon:
 - (a) the uniform administration of the rules of origin, including tariff classification and valuation matters relating to this Chapter;
 - (b) technical, interpretative, or administrative matters relating to this Chapter; or
 - (c) the priorities in relation to origin verifications and other matters arising from origin verifications.

SECTION 1

GENERAL PROVISIONS

ARTICLE 4.1

Compliance with WTO
requirements

1. The Parties agree that trade remedies shall be used in full compliance with WTO requirements and shall be based on a fair and transparent system.
2. Recognising the benefits of legal certainty and predictability for the economic operators, the Parties shall ensure that, where applicable, their respective domestic legislation in the field of anti-dumping and countervailing measures is and shall remain fully compatible with WTO obligations.

ARTICLE 4.2

Exclusion from dispute settlement

Except for Article 4.7, Chapter 33 shall not apply to this Chapter.

SECTION 2

ANTI-DUMPING AND COUNTERVAILING MEASURES

ARTICLE 4.3

General provisions

The Parties reaffirm their rights and obligations under Article VI of GATT 1994, the Anti-Dumping Agreement and the SCM Agreement.

ARTICLE 4.4

Investigations

1.
 - (a) After receipt by a Party's investigating authority of a properly documented application for an anti-dumping or a countervailing investigation with respect to imports from the other Party, and, before initiating an investigation, the Party shall provide written notification to the other Party of its receipt of the application.

- (b) Before initiating a countervailing investigation, the Party shall also afford the other Party a meeting to consult with its investigating authority regarding the application.
2. Upon request of the interested parties, the Parties shall grant them the possibility to be heard in order to express their views during an anti-dumping or a countervailing investigation, provided that the granting of such request does not prevent the investigation from proceeding expeditiously.
 3. Each Party shall ensure, before a final determination is made, full disclosure of the essential facts under consideration which form the basis for the decision as to whether to apply definitive measures. The full disclosure of essential facts is without prejudice to the requirements on confidentiality referred to in Article 6.5 of the Anti-Dumping Agreement and Article 12.4 of the SCM Agreement. Such disclosure shall be made in writing, and should take place in sufficient time for interested parties to defend their interests.
 4. The disclosure of the essential facts, which is made in accordance with paragraph 3 shall contain in particular:
 - (a) in the case of an anti-dumping investigation, the margins of dumping established, a sufficiently detailed explanation of the basis and methodology upon which normal values and export prices were established, and of the methodology used in the comparison of the normal values and export prices including any adjustments;
 - (b) in the case of a countervailing duty investigation, the determination of countervailable subsidisation, including sufficient details on the calculation of the amount and methodology followed to determine the existence of subsidisation;
 - (c) in the case of an anti-dumping investigation, information relevant to the determination of injury, including information concerning the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for like products, the detailed methodology used in the calculation of price undercutting, the consequent impact of the dumped imports on the domestic industry, and the demonstration of a causal relationship including the examination of factors other than the dumped imports as referred to in Article 3.5 of the Anti-Dumping Agreement; and
 - (d) in the case of a countervailing duty investigation, information relevant to the determination of injury, including information on the volume of the subsidised imports and the effect of the subsidised imports on prices in the domestic market for like products, the consequent impact of the subsidised imports on the domestic industry, and the demonstration of a causal relationship including the examination of factors other than the subsidised imports as referred to in Article 15.5 of the SCM Agreement.
 5. In cases in which an investigating authority of a Party intends to make use of the facts available pursuant to Article 6.8 of the Anti-Dumping Agreement or Article 12.7 of the SCM Agreement, the investigating authority shall inform the interested party concerned of its

intentions and give a clear indication of the reasons which may lead to the use of the facts available. If, after having been given the opportunity to provide further explanations within a reasonable time period, the explanations given by the interested party concerned are considered by the investigating authority as not being satisfactory, the disclosure of essential facts shall contain a clear indication of the facts available that the investigating authority has used instead.

ARTICLE 4.5

Lesser duty rule and public interest

1. Each Party's investigating authority may consider whether the amount of the anti-dumping or countervailing duty to be imposed shall be the full margin of dumping or amount of subsidy or a lesser amount, in accordance with the Party's law.
2. Each Party's investigating authority shall consider information provided in accordance with the Party's law as to whether imposing an anti-dumping or a countervailing duty would not be in the public interest.

SECTION 3

SAFEGUARD MEASURES

ARTICLE 4.6

General provisions and transparency

1. The Parties reaffirm their rights and obligations concerning global safeguard measures under Article XIX of GATT 1994 and the Agreement on Safeguards.
2. At the request of the other Party, and provided it has a substantial interest, the Party intending to take safeguard measures shall provide immediately ad hoc written notification of all pertinent information on the initiation of a safeguard investigation, the provisional findings and the final findings of the investigation.
3. When imposing safeguard measures, the Parties shall endeavour to impose them in a way that least affects bilateral trade.

ARTICLE 4.7

Non-cumulation

A Party shall not apply or maintain, with respect to the same good, at the same time, multiple safeguard measures.

CHAPTER 5: TECHNICAL BARRIERS TO TRADE

ARTICLE 5.1

Objectives

1. The objectives of this Chapter are to facilitate and to increase trade in goods between the Parties by:
 - (a) ensuring that technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to trade;
 - (b) ensuring joint cooperation between the Parties, including on the implementation of the TBT Agreement; and
 - (c) pursuing appropriate ways to reduce unnecessary negative effects on trade by measures within the scope of this Chapter.

ARTICLE 5.2

Scope and definitions

1. This Chapter applies to the preparation, adoption, and application of technical regulations, standards and conformity assessment procedures, as defined in the TBT Agreement, that may affect trade in goods between the Parties.
2. The provisions of this Chapter (including where this Chapter relies on the TBT Agreement) shall apply insofar as there are no specific provisions with the same objective in the Annexes to this Chapter.
3. This Chapter does not apply to:
 - (a) purchasing specifications prepared by a governmental body for production or consumption requirements of governmental bodies; or
 - (b) a sanitary or phytosanitary measure.
4. For the purposes of this Chapter, the terms and definitions set out in Annex 1 to the TBT Agreement apply.

ARTICLE 5.3

Incorporation of certain provisions of the TBT Agreement

1. The Parties affirm their rights and obligations under the TBT Agreement.

2. The following provisions of the TBT Agreement are hereby incorporated into and made part of this Agreement:
 - (a) Article 2 (Preparation, Adoption and Application of Technical Regulations by Central Government Bodies);
 - (b) Article 3 (Preparation, Adoption and Application of Technical Regulations by Local Government Bodies and Non-Governmental Bodies);
 - (c) Article 4 (Preparation, Adoption and Application of Standards);
 - (d) Article 5 (Procedures for Assessment of Conformity by Central Government Bodies);
 - (e) Article 6 (Recognition of Conformity Assessment by Central Government Bodies), without limiting a Party's rights or obligations under the Annexes to this Chapter;
 - (f) Article 7 (Procedures for Assessment of Conformity by Local Government Bodies);
 - (g) Article 8 (Procedures for Assessment of Conformity by Non-Governmental Bodies);
 - (h) Article 9 (International and Regional Systems);
 - (i) Annex 1 (Terms and their Definitions for the Purpose of this Agreement); and
 - (j) Annex 3 (Code of Good Practice for the Preparation, Adoption and Application of Standards).
3. With respect to Articles 3, 4, 7, 8 and 9 of the TBT Agreement, Chapter 33 (Dispute settlement) can be invoked in cases where a Party considers that the other Party has not achieved satisfactory results under these Articles and its trade interests are significantly affected. In this respect, such results shall be equivalent to those as if the body in question were a Party.
4. Article 1.7.2 (Extent of obligations) does not apply to Articles 3, 4, 7, 8 and 9 of the TBT Agreement, as incorporated into this Agreement.

ARTICLE 5.4

Technical regulation

1. The Parties recognise the importance of good regulatory practices with regard to the preparation, adoption and application of technical regulations, in particular of the work carried out by the WTO Committee on Technical Barriers to Trade on good regulatory practices. In this context, each Party undertakes to:
 - (a) when developing a technical regulation:

- (i) assess, in accordance with its laws and regulations or administrative guidelines, the available regulatory or non-regulatory alternatives to the proposed technical regulation that may fulfil its legitimate objective, in order to ensure that the proposed technical regulation is not more trade-restrictive than necessary to fulfil its legitimate objective; nothing in this provision shall affect the rights of each Party to prepare, adopt and apply measures without delay where urgent problems arise or threaten to arise on matters of safety, health, environmental protection or national security;
 - (ii) endeavour to systematically carry out impact assessments for technical regulations with significant effect on trade, including an assessment of their impact on trade and ensuring that any actions taken are in accordance with Article 5.12 (Transparency);
 - (iii) specify, wherever appropriate, technical regulations based on product requirements in terms of performance rather than design or descriptive characteristics; and
- (b) maintain a mechanism to review, without prejudice to paragraph 3 of Article 2 of the TBT Agreement, adopted technical regulations at appropriate intervals. In undertaking this review, each Party shall, inter alia, take into account any new development in the relevant international standards and whether the circumstances giving rise to any divergences of that Party's technical regulations from any relevant international standard continue to exist. The outcome of any review shall be communicated and explained to the other Party on its request.
2. When a Party considers that its technical regulation and a technical regulation of the other Party that have compatible objectives and product scope are equivalent, that Party may request in writing, providing detailed reasons why the technical regulation should be considered equivalent, including reasons with respect to product scope, that the other Party recognise those technical regulations as equivalent. The requested Party shall accept those technical regulations as equivalent, even if they differ, provided that it is satisfied that the technical regulation of the requesting Party adequately fulfils the objectives of its own technical regulation. If the requested Party does not accept a technical regulation of the requesting Party as equivalent, the requested Party shall explain the reasons for its decision.
 3. On request of a Party that has an interest in developing a technical regulation equivalent or similar in scope to a technical regulation that exists or is being prepared by the other Party, the requested Party shall provide the requesting Party with all relevant information, including studies, documents or data, except for confidential information, on which it has relied in developing its technical regulation. The parties agree it may be necessary to clarify and agree on the scope of a specific request.

ARTICLE 5.5

Conformity assessment procedures

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1. Subparagraphs 1(a)(i), 1(a)(ii) and 1(b) of Article 5.4 also apply, mutatis mutandis, to conformity assessment procedures.
2. In conformity with paragraph 1.2 of Article 5 of the TBT Agreement, each Party shall ensure that conformity assessment procedures are not stricter or are not applied more strictly than is necessary to give the importing Party adequate confidence that products conform with the applicable technical regulations or standards, taking into account the risks associated with products, including the risks that non-conformity would create.
3. The Parties shall cooperate in the field of mutual recognition in accordance with the Annex on Mutual Acceptance of the Results of Conformity Assessment and the Annex on the Mutual Recognition of Certificates of Conformity for Marine Equipment. The Parties may also decide, in accordance with relevant provisions of those Agreements, to extend the coverage with regards to the products, the applicable regulatory requirements and the recognised conformity assessment bodies.
4. The Parties recognise that a broad range of additional mechanisms also exist to facilitate the acceptance of the results of conformity assessment procedures. Such mechanisms may include:
 - (a) cooperative and voluntary arrangements between conformity assessment bodies located in the territories of the Parties;
 - (b) plurilateral and multilateral recognition agreements or arrangements to which both Parties are participants;
 - (c) the use of accreditation to qualify conformity assessment bodies, where appropriate;
 - (d) government designation of conformity assessment bodies, including conformity assessment bodies located in the other Party;
 - (e) recognition by a Party of results of conformity assessment procedures conducted in the territory of the other Party; and
 - (f) manufacturer's or supplier's declaration of conformity.
5. The Parties shall exchange information regarding the mechanisms covered by paragraph 4. A Party shall, on request of the other Party, provide information on:
 - (a) the mechanisms referred to in paragraph 4 and similar mechanisms with a view to facilitating the acceptance of the results of conformity assessment procedures;
 - (b) factors, including assessment and management of risk, considered when selecting appropriate conformity assessment procedures for specific products; and
 - (c) accreditation policy, including on international standards for accreditation, and international agreements and arrangements in the field of accreditation, including those of

the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF), to the extent possible and used by a Party in a specific area.

6. With regard to those mechanisms each Party shall:
 - (a) use, whenever possible and in accordance with its laws and regulations, a supplier's declaration of conformity as assurance of conformity with the applicable technical regulations;
 - (b) use accreditation with authority derived from government or performed by government, as appropriate, as a means to demonstrate technical competence to qualify conformity assessment bodies;
 - (c) if accreditation is established by law as a necessary separate step to qualify conformity assessment bodies, ensure that accreditation activities are independent from conformity assessment activities and that there are no conflicts of interest between accreditation bodies and the conformity assessment bodies they accredit;
 - (d) the Parties may comply with this obligation by means of the separation of conformity assessment bodies from accreditation bodies;
 - (e) consider joining or, as applicable, not prohibit testing, inspection and certification bodies from joining, international agreements or arrangements for the facilitation of acceptance of conformity assessment results; and
 - (f) if two or more conformity assessment bodies are authorised by a Party to carry out conformity assessment procedures required for placing a product on the market, not prohibit economic operators from choosing among conformity assessment bodies.

ARTICLE 5.6

Cooperation

1. The Parties shall cooperate in the field of technical regulations, standards and conformity assessment procedures with a view to facilitating the mutual understanding of their respective systems and facilitating access to their respective markets. The Parties recognise that existing regulatory cooperation dialogues are important means of maintaining cooperation and may also establish regulatory dialogues at both the horizontal and sectoral levels.
2. The Parties shall seek to identify, develop and promote trade facilitating initiatives of mutual interest.
3. The initiatives referred to in paragraph 2 may in particular relate to:
 - (a) improving the quality and effectiveness of their respective technical regulations, standards and conformity assessment procedures, and promoting good regulatory practices through

regular dialogue and regulatory cooperation between the Parties, including the exchange of information, experience and data;

- (b) where appropriate, simplifying their respective technical regulations, standards and conformity assessment procedures;
 - (c) facilitating the convergence of their respective technical regulations, standards and conformity assessment procedures with relevant international standards, guides or recommendations;
 - (d) ensuring efficient interaction and cooperation of their respective regulatory authorities at international, regional or national level;
 - (e) promoting or enhancing cooperation between organisations in the Parties in charge of technical regulations, standardisation, certification and accreditation, conformity assessment procedures, metrology, market surveillance or monitoring and enforcement activities; and
 - (f) exchanging information, to the extent possible, about international agreements and arrangements regarding technical barriers to trade to which one or both Parties are party.
4. When a Party has requested information, the other Party shall provide the information, pursuant to the provisions of this Chapter, in print or electronically within a reasonable period of time. The Party shall endeavour to respond to each request for information within 60 days.

ARTICLE 5.7

Committee on Technical Barriers to Trade

1. The Committee on Technical Barriers to Trade shall be responsible for the effective implementation and operation of this Chapter.
2. The Committee on Technical Barriers to Trade shall have the following functions:
 - (a) reviewing and managing the implementation and operation of this Chapter;
 - (b) making recommendations to the Joint Committee to adopt decisions to amend this Chapter, including, for the avoidance of doubt, the Annexes;
 - (c) reviewing the cooperation in the development and improvement of technical regulations, standards and conformity assessment procedures as provided for in Article 5.6;
 - (d) reviewing this Chapter in light of any developments under the WTO Committee on Technical Barriers to Trade established under Article 13 of the TBT Agreement, and if necessary, developing recommendations for amendments to this Chapter;

- (e) taking any steps which the Parties may consider to be of assistance in their implementation of this Chapter and the TBT Agreement and in facilitating trade between the Parties;
 - (f) discussing any matter covered by this Chapter, on request of a Party;
 - (g) promptly addressing any issue that a Party raises related to the development, adoption or application of technical regulations, standards or conformity assessment procedures of the other Party under this Chapter and the TBT Agreement;
 - (h) establishing technical working groups, which may include or consult with non-governmental experts and stakeholders as mutually agreed by the Parties, to deal with issues arising from the sectoral Annexes established by this Agreement with a view to identifying a solution;
 - (i) establishing, if necessary to achieve the objectives of this Chapter, ad hoc technical working groups, which may include or consult with non-governmental experts and stakeholders as mutually agreed by the Parties, to deal with specific issues or sectors with a view to identifying a solution;
 - (j) exchanging information on the work in non-governmental regional and multilateral fora engaged in activities relating to technical regulations, standards and conformity assessment procedures and on the implementation and operation of this Chapter;
 - (k) carrying out other functions as may be delegated by the Joint Committee; and
 - (l) reporting to the Joint Committee, every six months on the implementation and operation of this Chapter, or where urgent problems of safety, health, environmental protection or national security arise or threaten to arise as it considers appropriate.
3. On request of a Party, the Committee on Technical Barriers to Trade and any technical working group under its auspices shall meet at least quarterly at such places to be agreed between the representatives of the Parties.

ARTICLE 5.8

Contact points

1. Each Party shall, upon the entry into force of this Agreement, designate a contact point for the implementation of this Chapter and notify the other Party of the contact details including information regarding the relevant officials. The Parties shall promptly notify each other of any change of those contact details.
2. The functions of the contact point shall include:
 - (a) exchanging information on technical regulations, standards and conformity assessment procedures of each Party or any other matters covered by this Chapter;

- (b) providing any information or explanation requested by a Party pursuant to this Chapter, in print or electronically, within a reasonable period of time agreed between the Parties and, if possible, within 60 days of the date of receipt of the request; and
- (c) promptly clarifying and addressing, where possible, any issue that a Party raises relating to the development, adoption or application of technical regulations, standards and conformity assessment procedures under this Chapter and the TBT Agreement.

ARTICLE 5.9

International standards

1. With a view to harmonising standards on as wide a basis as possible, the Parties shall encourage regional or national standardising bodies within their territories (including by cooperating with each other) to:
 - (a) play a full part, within the limits of their resources, in the preparation of international standards;
 - (b) use relevant international standards as a basis for the standards they develop, except where such international standards would be ineffective or inappropriate, for instance because of an insufficient level of protection or fundamental climatic or geographical factors or fundamental technological problems;
 - (c) avoid duplication of, or overlap with, the work of international standardising bodies;
 - (d) review their standards which are not based on relevant international standards at appropriate intervals, preferably not exceeding five years, with a view to increasing their convergence with relevant international standards;
 - (e) facilitate the harmonisation of standards based on mutual interest and reciprocity;
 - (f) exchange information between standardising bodies; and
 - (g) take any further action considered necessary by the Parties.
2. The Parties reaffirm their commitment under paragraph 4 of Article 2 and paragraph 4 of Article 5 of the TBT Agreement, that international standards shall be a basis for their technical regulations and conformity assessment procedures, and shall avoid deviations from the relevant international standards or additional requirements when compared to those standards, guides or recommendations.
3. If a Party does not use relevant international standards, guides or recommendations, or the relevant parts of them, as a basis for its technical regulations or conformity assessment procedures, that Party shall, on request of the other Party, explain the reasons why it considers such international standards to be ineffective or inappropriate for the fulfilment of

legitimate objectives pursued, as referred to in paragraph 2 of Article 2 and paragraph 4 of Article 5 of the TBT Agreement, and provide the relevant information, including available scientific or technical evidence on which this assessment is based, as well as identify the parts of the technical regulation or conformity assessment procedure concerned which in substance deviate from the relevant international standards, guides or recommendations. The other Party shall be given an opportunity to respond to the explanation provided and to request a dialogue be established through the Committee on Technical Barriers to Trade.

ARTICLE 5.10

Standards

1. The Parties affirm their obligations under paragraph 1 of Article 4 of the TBT Agreement to take such reasonable measures as may be available to them to ensure that regional or national standardising bodies within their territories accept and comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards in Annex 3 to the TBT Agreement.
2. The Parties recall that, pursuant to the definition of a standard in Annex 1 to the TBT Agreement, compliance with standards is not mandatory. Where compliance with a standard is required in a Party through incorporation of, or reference to, that standard in a technical regulation or conformity assessment procedure, the Party shall, in developing the draft technical regulation or conformity assessment procedure, comply with the transparency obligations set out in paragraph 9 of Article 2 or paragraph 6 of Article 5 of the TBT Agreement, and in Article 5.12.
3. Each Party shall encourage, subject to its laws and regulations, its regional or national standardising bodies to ensure adequate participation of interested persons within the territory of that Party in the standard development process and to allow persons of the other Party to participate in consultation procedures.
4. The Parties undertake to exchange information on:
 - (a) each Party's use of standards in support of demonstrating or facilitating compliance with technical regulations;
 - (b) their standard setting processes, in particular the manner and extent to which international standards are used as a basis for their regional or national standards; and
 - (c) cooperation agreements or arrangements on standardisation with third parties or international organisations.

ARTICLE 5.11

Marking and labelling

1. The Parties note that a technical regulation may include or deal exclusively with marking or labelling requirements. Accordingly, if a Party develops marking or labelling requirements in the form of a technical regulation, that Party shall ensure that such requirements are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade and are not more trade restrictive than necessary to fulfil legitimate objectives.
2. The Working Group on Marking and Labelling is responsible for sharing information, expertise and data on new marking and labelling requirements, and for discussions and collaboration on labelling for the purposes of public, consumer or environmental information.
3. During the development of a new marking or labelling requirement in the form of a technical regulation by one of the Parties, that Party shall on request provide to the other Party the relevant information, studies and data upon which it has relied in the preparation of the technical regulation. Such information, studies and data shall be shared by the Party at least 60 days before the Party intends to adopt the technical regulation. The other Party shall consider whether to adopt the same or a similar regulation.
4. The Parties agree that, if a Party requires marking or labelling of a product in the form of a technical regulation:
 - (a) a Party shall not require any prior approval, registration or certification of markings or the labels of products as a precondition for placing on its market products that otherwise comply with its mandatory technical requirements, unless necessary to fulfil a legitimate objective. This provision is without prejudice to the right of the Party to require prior approval of the specific information to be provided on the label or marking in the light of the relevant domestic regulation;
 - (b) if that Party requires the use of a unique identification number for marking or labelling of products, it shall issue such number to the persons concerned, including the manufacturer, the importer and the distributor, without undue delay and on a non-discriminatory basis;
 - (c) the Party shall accept that labelling and corrections to labelling take place in customs warehouses at the point of import as an alternative to labelling in the exporting Party unless such labelling is required to be carried out by approved persons for reasons of public health or safety;
 - (d) the Party shall, unless it considers that legitimate objectives under the TBT Agreement are compromised thereby, endeavour to accept non-permanent or detachable labels, or marking or labelling in the accompanying documentation rather than physically attached to the product;
 - (e) information required for such marking or labelling of products shall be limited to what is relevant for persons concerned, including consumers, users of the product or authorities, or for indicating the product's compliance with regulatory requirements; and

- (f) provided that it is not misleading, contradictory or confusing, or that the Party's legitimate objectives are not compromised, the Party shall permit the following in relation to the information required in the country of destination of the goods:
- (i) information in other languages in addition to the language required in the country of destination of the goods;
 - (ii) international nomenclatures, pictograms, symbols or graphics; and
 - (iii) information in addition to that required in the country of destination of the goods.

ARTICLE 5.12

Transparency

1. When developing a technical regulation or conformity assessment procedure which may have a significant effect on trade, each Party shall, to the extent consistent with relevant rules and procedures:
 - (a) carry out consultation procedures, which are available to the general public and make the results of such consultation procedures and any existing impact assessments publicly available electronically;
 - (b) allow economic operators and interested persons of the Parties to participate in any formal public consultation process at an early appropriate stage when amendments can still be introduced and comments taken into account, except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise;
 - (c) allow economic operators and persons of the other Party to participate in consultation procedures which are available to the general public on terms no less favourable than those accorded to its own persons;
 - (d) take into account the other Party's views when carrying out consultation procedures which are available to the general public and, on request of the other Party, provide written responses in a timely manner to the comments made by that Party;
 - (e) in addition to subparagraph 1(a)(ii) of Article 5.4, make publicly available the results of the impact assessment on a proposed technical regulation or conformity assessment procedure, if carried out, including of the impact on trade; and
 - (f) endeavour to provide, on request of the other Party, a summary in English of the impact assessment referred to in subparagraph (e).
2. Each Party shall, when making notifications in accordance with paragraph 9.2 of Article 2 or paragraph 6.2 of Article 5 of the TBT Agreement:

- (a) allow in principle at least 60 days from the date of notification for the other Party to provide written comments to the proposal, except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise and, where practicable, give positive consideration to reasonable requests for extending the comment period;
 - (b) provide the electronic version of the full notified text together with the notification;
 - (c) reply in writing to written comments received from the other Party on the proposal, no later than the date of publication of the final technical regulation or conformity assessment procedure;
 - (d) provide information on the adopted final text through an addendum to the original notification;
 - (e) allow a reasonable interval between the publication of technical regulations and their entry into force for economic operators of the other Party to adapt;
 - (f) ensure that the enquiry points established in accordance with Article 10 of the TBT Agreement provide information and answers in one of the official WTO languages to reasonable enquiries from the other Party or from interested persons of the other Party on adopted technical regulations and conformity assessment procedures; and
3. If a Party detains at a port of entry a good imported from the territory of the other Party on the grounds that the good has failed to comply with a technical regulation, it shall, without undue delay, notify the importer of the reasons for the detention of the good.
4. Each Party shall, on request of the other Party:
- (a) provide information regarding the objectives of, and rationale for, a technical regulation or conformity assessment procedure that the Party has adopted or is proposing to adopt; and
 - (b) produce, as appropriate, written guidance on compliance with their technical regulations to the other Party or its economic operators without undue delay.

ARTICLE 5.13

Market surveillance

1. For the purposes of this Article, “market surveillance” means the activities carried out and measures taken by market surveillance and enforcement authorities on the basis of procedures of a Party to ensure that products comply with and to enable that Party to monitor or address compliance of products with the requirements set out in its laws and regulations.
2. The Parties shall, via the technical working groups referred to in sub-paragraphs (h) and (i) of Article 5.7.2 above, cooperate and exchange information on market surveillance and

enforcement activities at regular intervals to be agreed by the Committee on Technical Barriers to Trade.

3. This cooperation or exchange of information may in particular relate to:
 - (a) scientific, technical and regulatory matters, to help improve product safety;
 - (b) emerging issues of significant health and safety relevance;
 - (c) standardisation related activities;
 - (d) risk assessment methods and product testing;
 - (e) exchanges of personnel between market surveillance authorities;
 - (f) information relating to the safety of products and on preventive, restrictive and corrective measures taken; and
 - (g) coordinated product recalls or other similar actions.
4. The Parties shall establish reciprocal arrangements for the exchange of information from networks, systems and databases on market surveillance and enforcement activities. In particular, the reciprocal arrangements may provide that:
 - (a) the United Kingdom may receive access to selected information with respect to products from the European Union Rapid Information Exchange System (RAPEX) alert system, or its successor; and
 - (b) the Union may receive access to selected information with respect to products from such market surveillance and product safety database as the UK maintains from time to time.
5. The reciprocal arrangements referred to in paragraph 4 may initially be done by Administrative Arrangement.
6. Before the Parties conduct the first exchange of information provided for under paragraph 4, they shall ensure that the Committee on Technical Barriers to Trade endorses the measures to implement these exchanges, save if using the Administrative Arrangement provided for in paragraph 5. The Parties shall ensure that these measures specify the type of information to be exchanged, the modalities for the exchange and the application of confidentiality and personal data protection rules.
7. Given that controls may represent a burden for economic operators, the Parties shall ensure that their authorities responsible for market surveillance, including those in charge of the control of products entering their respective territories, follow a risk-based approach to organising and conducting inspection activities, taking the interests of those economic operators and limiting said burden to what is necessary for the performance of efficient and effective controls.

8. In deciding on which checks to perform, on which types of products and on what scale, the Parties shall endeavour to ensure the authorities in question take into account:
- (a) possible hazards and non-compliance associated with the products and, where available, their occurrence on the market;
 - (b) activities and operations under the control of the economic operator;
 - (c) the economic operator's past record of non-compliance;
 - (d) if relevant, the risk profiling the authorities in question have performed; and
 - (e) consumer complaints and other information received from other authorities, economic operators, media and other sources that might indicate non-compliance.

CHAPTER 6: SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 6.1

Objectives

The objectives of this Chapter are to:

- (a) protect human, animal and plant life or health, and the environment while facilitating trade;
- (b) further the implementation of the SPS Agreement;
- (c) ensure that the Parties' sanitary and phytosanitary measures do not create unjustified barriers to trade;
- (d) promote greater transparency and understanding on the application of each Party's SPS measures;
- (e) enhance cooperation between the Parties on animal welfare and on the fight against antimicrobial resistance;
- (f) enhance cooperation in international standard-setting bodies to develop international standards, guidelines and recommendations on animal health, food safety and plant health, including international plant commodity standards; and
- (g) promote implementation by each Party of international standards, guidelines and recommendations.

ARTICLE 6.2

Scope

1. This Chapter applies to SPS measures that may, directly or indirectly, affect trade between the Parties.
2. This Chapter also applies to cooperation on animal welfare and antimicrobial resistance.

ARTICLE 6.3

Definitions

1. For the purposes of this Chapter, the following definitions apply:
 - (a) the definitions in Annex A of the SPS Agreement;

- (b) the definitions adopted under the auspices of the Codex Alimentarius Commission (the “Codex”);
 - (c) the definitions adopted under the auspices of the World Organisation for Animal Health (the “OIE”);
 - (d) the definitions adopted under the auspices of the International Plant Protection Convention (the “IPPC”);
 - (e) “competent authority” of a Party means an authority listed in Annex 6-I;
 - (f) “protected zone” for a specified regulated harmful organism means an officially defined geographical area in the Union in which that organism is not established in spite of favourable conditions for its establishment and its presence in other parts of the Union;
 - (g) “responsible authority” of a Party means an authority responsible for the organisation of official controls;
 - (h) “sanitary measures” means sanitary measures as defined in Annex A, paragraph 1, of the SPS Agreement falling within the scope of this Agreement; and
 - (i) the Joint Management Committee for Sanitary and Phytosanitary Measures (the “SPS Joint Management Committee”) means the committee comprising regulatory and trade representatives of each Party responsible for SPS measures.
2. Further to paragraph 1, the definitions under the SPS Agreement prevail to the extent that there is an inconsistency between the definitions adopted under the auspices of the Codex, the OIE, the IPPC and the definitions under the SPS Agreement.

ARTICLE 6.4

Rights and obligations

The Parties affirm their rights and obligations under the SPS Agreement.

ARTICLE 6.5

Trade conditions

1. The importing Party shall establish and communicate to the other Party SPS import requirements for all products.
2. Except as provided for in Article 6.9, each Party shall apply its sanitary or phytosanitary import conditions to the entire territory of the other Party.

3. Each Party shall ensure that all sanitary and phytosanitary control, inspection and approval procedures are initiated and completed without undue delay. Each Party shall in particular avoid unnecessary or unduly burdensome information requests.
4. Each Party shall promptly communicate to the other Party any changes to its approval procedures. Except in duly justified circumstances related to its level of protection, each Party shall provide a transition period between the publication of any changes to its approval procedures and their application to allow the other Party to become familiar with and adapt to such changes. Each Party shall not unduly prolong the approval process for applications submitted prior to publication of the changes.
5. If the importing Party maintains a list of authorised establishments or facilities for the import of a commodity, it shall approve an establishment or facility situated in the territory of the exporting Party without prior inspection of that establishment or facility if:
 - (a) the exporting Party has requested such an approval for the establishment or facility, accompanied by the appropriate guarantees; and
 - (b) the conditions and procedures set out in Annex 6-A are fulfilled.
6. Further to paragraph 5, the importing Party shall make its lists of authorised establishments or facilities publicly available.
7. When a risk assessment is required, each Party shall promptly, and normally within one year from the date of receipt of the required information for exporting the product, make available the risk assessment it conducts as part of an approval procedure.
8. Where one or more alternative SPS measures may be available to achieve the appropriate level of protection of the importing Party, the Parties shall, upon request of the exporting Party, establish a technical dialogue to avoid unnecessary trade disruption and with a view to selecting the most practicable solution.

ARTICLE 6.6

Import checks and fees

1. Annex 6-B sets out principles and guidelines for import checks and fees, including the frequency rate for import checks.
2. If import checks reveal non-compliance with the relevant import requirements, the action taken by the importing Party must be based on an assessment of the risk involved and not be more trade-restrictive than required to achieve the Party's appropriate level of sanitary or phytosanitary protection.
3. Whenever possible, the importing Party shall notify the importer of a non-compliant consignment, or its representative, of the reason for non-compliance, and provide them with

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an opportunity for a review of the decision. The importing Party shall consider any relevant information submitted to assist in the review.

4. A Party may collect fees for the costs incurred to conduct frontier checks, which should not exceed the recovery of the costs.

ARTICLE 6.7

Certification

1. In respect of the certification of plants, plant products and regulated commodities, the Parties shall apply the principles laid down in the Food and Agriculture Organization (“FAO”) International Standards for Phytosanitary Measures (“ISPM”) No. 7 “Export Certification System” and No. 12 “Guidelines for Phytosanitary Certificates”.
2. When an official health certificate is required to import a consignment of live animals or animal products, and if the importing Party has accepted the SPS measure of the exporting Party as equivalent to its own with respect to such animals or animal products, the Parties shall use a model health attestation prescribed in Annex 6-C for such certificate, unless the Parties decide otherwise. The Parties may also use a model attestation for other products if they so decide.
3. Annex 6-C sets out principles and guidelines for export certification, including electronic certification, withdrawal or replacement of certificates, language regimes and model attestations.

ARTICLE 6.8

Emergency measures

1. A Party shall notify the other Party of an emergency SPS measure as soon as possible after its decision to implement the measure and no later than 24 hours after the decision has been taken. If a Party requests technical consultations to address the emergency SPS measure, the technical consultations must be held within 10 days of the notification of the emergency SPS measure. The Parties shall consider any information provided through the technical consultations.
2. The importing Party shall consider the information that was provided in a timely manner by the exporting Party when it makes its decision with respect to a consignment that, at the time of adoption of the emergency SPS measure, is being transported between the Parties.

ARTICLE 6.9

Recognition of animal health and plant pest status and regional conditions

1. The Parties shall recognise the concept of zoning and compartmentalisation, including pests or disease free areas and low pest or disease prevalence area and agree to apply it in the

trade between the Parties, in accordance with the SPS Agreement, including the Guidelines to further the practical implementation of Article 6 of the SPS Agreement (WTO/SPS Committee Decision G/SPS/48) and the relevant recommendations, standards and guidelines of the OIE or IPPC.

2. When determining pest and disease-free areas, areas of low pest and disease prevalence and compartments, whether for the first time or after an outbreak of an animal disease or plant pest, the importing Party shall base its own determination of the animal and plant health status of the exporting Party or parts thereof, on the information provided by the exporting Party in accordance with the SPS Agreement and OIE and IPPC standards, and take into consideration the determination made by the exporting Party.
3. After finalisation of the procedure established in this article and in Annex 6-D and without prejudice to Article 6.8, the importing Party shall take the decision to approve the requested zones or compartments and shall allow trade on that basis, without undue delay.
4. The procedure for the recognition of zones, compartments and pest status in respect of animal health is established in paragraph 3 and in Part A of Annex 6-D. The SPS Joint Management Committee may define further details for this procedure, taking into account the SPS Agreement and OIE guidelines, standards and recommendations.
5. When establishing or maintaining the zones or compartments referred to in paragraph 4 the Parties shall consider factors such as geographical location, ecosystems, epidemiological surveillance and the effectiveness of sanitary controls.
6. Within 60 working days following the receipt of the information referred to in paragraph 2, the importing Party may raise an explicit objection or request additional information, consultation or verification. The importing Party shall assess any additional information within 30 working days following its receipt. Consultations shall take place in accordance with Article 6.15 and verifications shall be conducted in accordance with Article 6.13. In the case of verifications required by the importing Party, the deadline for assessing additional information will be interrupted.
7. The importing Party will expedite the procedure established in paragraph 6 when the zones proposed by the exporting Party have the status of disease-free officially recognised by the OIE or when the status has been recovered after an outbreak.
8. In the event that the importing Party does not approve the requested zones or compartments it shall notify its decision to the exporting Party and explain the reasons for the rejection and, upon request, hold consultations, in accordance with Article 6.15.
9. Where a Party considers that a specific region has a special status with respect to a specific disease other than those in Annex 6-E and which fulfils the criteria laid down in the OIE Terrestrial Code Chapter 1.2, it may request recognition of this status. The importing Party may request additional guarantees in respect of imports of live animals and animal products appropriate to the agreed status.

10. Each Party shall establish a list of regulated pests and regulated products. The importing Party shall make available to the other Party its list of regulated pests, regulated products and the phytosanitary import requirements. The SPS import requirements shall be limited to what is necessary to protect plant health and/or safeguard the intended use. The importing Party shall inform the other Party about any required additional declaration.
11. The phytosanitary requirements of the importing Party shall be established considering the phytosanitary status in the exporting Party and, if required by the importing Party, the result of a Pest Risk Analysis ("PRA"). The PRA shall be carried out in accordance with the relevant ISPM. Risk analysis shall take into account available scientific and technical information as well as the intended use of the plants under consideration.
12. The importing Party will gradually update the lists mentioned in paragraph 10 when the exporting Party makes a request to export new products to the other Party. When the importing Party requires a PRA to authorise this importation, in order to speed up the process, a PRA already carried out for the same or similar products could be used as a basis, including additional information that the importing Party considers necessary to be analysed.
13. The importing Party, when conducting the process for the determination of the pest status of the exporting Party, shall take into account the provisions of Part B of Annex 6-D and the ISPMs of the FAO/IPPC.
14. The Parties shall recognise the concepts of Pest Free Areas, Pest Free Places of Production and Pest Free Production Sites, as well as areas of low pest prevalence as specified in the FAO/IPPC ISPMs, and of Protected Zones which they agree to apply in their trade.
15. When establishing or maintaining phytosanitary measures, the importing Party shall take into account Pest Free Areas, Pest Free Places of Production, Pest Free Production sites, and areas of low pest prevalence, as well as Protected Zones if they are established.
16. The exporting Party shall communicate Pest Free Areas, Pest Free Places of Production, Pest Free Production Sites, Protected Zones or areas of low pest prevalence to the other Party and, upon request, provide an explanation and supporting data as provided for in the relevant ISPMs or otherwise deemed appropriate. Unless the importing Party raises an objection or requests additional information or consultations under Article 6.15 within 60 working days after receiving the information, the recognition of the determination of the status of the exporting Party shall be understood as accepted by the importing Party.
17. The importing Party shall assess additional information requested within 90 days after receipt. If consultations are required by the Parties, they shall be conducted in accordance with Article 6.15. If verifications are required, they shall be conducted in accordance with Article 6.13. Any verification the importing party may request shall be carried out taking into account the biology of the pest and the crop concerned. In the case of verifications required by the importing Party, the deadline for assessing additional information will be interrupted.

18. The SPS Joint Management Committee may define further details for the procedures set out in this article, taking into account the SPS Agreement and OIE and IPPC guidelines, standards and recommendations.

ARTICLE 6.10

Cooperation on antimicrobial resistance

1. The Parties shall provide a framework for dialogue and cooperation with a view to strengthening the fight against the development of anti-microbial resistance.
2. The Parties recognise that anti-microbial resistance is a serious threat to human and animal health. Misuse of anti-microbials in animal production, including non-therapeutic use, can contribute to anti-microbial resistance that may represent a risk to human life. The Parties recognise that the nature of the threat requires a transnational and One Health approach.
3. The Parties shall cooperate internationally to reduce the unnecessary use of anti-microbials in animal production and to phase out their use internationally as growth promoters with the aim to combat anti-microbial resistance in line with the One Health approach, and in compliance with the Global Action Plan.
4. The Parties shall cooperate in and follow existing and future guidelines, standards, recommendations and actions developed in relevant international organisations, initiatives and national plans aiming to promote the prudent and responsible use of anti-microbials in animal husbandry and veterinary practices.
5. The Parties shall promote collaboration in all multilateral fora, in particular with the international standard setting bodies.
6. The Parties undertake to exchange information, expertise, data on anti-microbial resistance surveillance, and experiences in the field of combatting anti-microbial resistance, with the aim of implementing this Article. To this end, the Joint Working Group on Combatting Anti-microbial Resistance shall, as appropriate, share information with the SPS Joint Management Committee. By agreement of the Parties, the working group created may invite experts for specific activities.

ARTICLE 6.11

Cooperation on animal welfare

1. The Parties recognise that animals are sentient beings. They also recognise the connection between improved welfare of animals and sustainable food production systems.
2. The Parties undertake to cooperate in international fora to promote the development of the best possible animal welfare practices and their implementation. In particular, the Parties shall cooperate to reinforce and broaden the scope of the OIE animal welfare standards, as well as their implementation, with a focus on farmed animals.

3. The Parties shall strengthen their cooperation on research in the area of animal welfare to develop adequate and science-based animal welfare standards related to animal breeding and the treatment of animals on the farm, during transport and at slaughter.
4. The Technical Working Group on Animal Welfare shall agree on a work plan and report to the SPS Joint Management Committee on its activities on an annual basis.

ARTICLE 6.12

Equivalence

1. The importing Party shall accept an SPS measure of the exporting Party as equivalent to its own if the exporting Party objectively demonstrates to the importing Party that its measure achieves the importing Party's appropriate level of protection. The final determination of equivalence rests with the importing Party and shall take into account the respective international standards, guidelines and recommendations of the IPPC, the OIE and the Codex.
2. When determining the equivalence of phytosanitary measures, the Parties shall apply the principles laid down in the FAO ISPM No. 24 "Guidelines for the determination and recognition of equivalence of phytosanitary measures".
3. The Parties shall follow the guidelines to determine and recognise equivalence set out in Part A of Annex 6-F.
4. Each Party shall accept the measures listed in Part B of Annex 6-G as equivalent to its own under the terms set out therein, including:
 - (a) the area for which the importing Party recognises that an SPS measure of the exporting Party is equivalent to its own;
 - (b) the area for which the importing Party recognises that the fulfilment of the specified special condition, combined with the exporting Party's SPS measure, achieves the importing Party's appropriate level of protection; and
 - (c) the area for which the Parties apply different SPS measures and have not yet concluded the relevant equivalence determination process.
5. The Parties shall follow the guidelines set out in Part B of Annex 6-F to adopt, modify or repeal the terms under which an SPS measure is listed in Part B of Annex 6-G.
6. Annex 6-G specifies any appropriate risk based special conditions or any agreed disease status the exporting Party will need to meet in the case of commodity types and/or official controls where the importing Party does not recognise equivalence of SPS measures.

ARTICLE 6.13

Audit, inspection and verification

1. To maintain confidence in the effective implementation of the provisions of this Chapter, each Party shall have the right to carry out audit, inspection and verification procedures of the exporting Party, which may include:
 - (a) an assessment of all or part of the responsible authorities' total control programme, including, where appropriate, reviews of regulatory audit and inspection activities;
 - (b) on-the-spot checks; and
 - (c) the collection of information and data to assess the causes of recurring or emerging problems in relation to exports of animals and goods.
2. Each Party shall bear its own costs associated with such an audit, inspection or verification.
3. If the Parties decide on principles and guidelines to conduct an audit, inspection or verification, they shall include them in Annex 6-H. If a Party conducts an audit, inspection or verification, it shall do so in accordance with any principles and guidelines in Annex 6-H.

ARTICLE 6.14

Notification and information exchange

1. A Party shall notify the other Party without undue delay of:
 - (a) a significant change to pest or disease status, such as the presence and evolution of a disease listed in Annex 6-E;
 - (b) a finding of epidemiological importance with respect to an animal disease, which is not listed in Annex 6-E, or which is a new disease;
 - (c) a significant food safety issue identified by a Party;
 - (d) any additional measures beyond the basic requirements of their respective SPS measures taken to control or eradicate animal disease or protect human health, and any changes in preventive policies, including vaccination policies;
 - (e) on request, the results of a Party's official control and a report that concerns the results of the control carried out; and
 - (f) any changes to the functions of a system or database.
2. The Parties shall endeavour to exchange information on other relevant issues including:
 - (a) a change to a Party's SPS measure;

- (b) any significant change to the structure or organisation of a Party's competent authority;
 - (c) on request, the results of a Party's official control and a report that concerns the results of the control carried out;
 - (d) the results of an import check provided for in Article 6.6 in case of a rejected or a non-compliant consignment; and
 - (e) on request, a risk analysis or scientific opinion that a Party has produced and that is relevant to this Chapter.
3. Unless the SPS Joint Management Committee decides otherwise, when the information referred to in paragraph 1 or 2 has been made available via notification to the WTO's Central Registry of Notifications or to the relevant international standard-setting body, in accordance with its relevant rules, the requirements in paragraphs 1 and 2, as they apply to that information, are fulfilled.

ARTICLE 6.15

Technical consultations

If a Party has a significant concern with respect to food safety, plant health, or animal health, or an SPS measure that the other Party has proposed or implemented, that Party may request technical consultations with the other Party. The Party that is the subject of the request should respond to the request without undue delay. Each Party shall endeavour to provide the information necessary to avoid a disruption to trade and, as the case may be, to reach a mutually acceptable solution.

ARTICLE 6.16

Joint Management Committee for Sanitary and Phytosanitary Measures

1. The SPS Joint Management Committee comprises regulatory and trade representatives of each Party responsible for SPS measures.
2. The functions of the SPS Joint Management Committee include:
 - (a) to establish appropriate points of contact for the purposes of Article 6.14;
 - (b) to monitor the implementation of this Chapter, to consider any matter related to this Chapter and to examine all matters which may arise in relation to its implementation;
 - (c) to provide direction for the identification, prioritisation, management and resolution of issues;
 - (d) to address any request by a Party to modify an import check;

- (e) at least once a year, to review the annexes to this Chapter, notably in the light of progress made under the consultations provided for under this Agreement. Following its review, the SPS Joint Management Committee may decide to amend the annexes to this Chapter. The Parties may approve the SPS Joint Management Committee's decision, in accordance with their respective procedures necessary for the entry into force of the amendment. The decision enters into force on a date agreed by the Parties;
 - (f) to monitor the implementation of a decision referred to in subparagraph (e), above, as well as the operation of measures introduced by that decision;
 - (g) to provide a regular forum to exchange information that relates to each Party's regulatory system, including the scientific and risk assessment basis for an SPS measure; and
 - (h) to prepare and maintain a document that details the state of discussions between the Parties on their work on recognition of the equivalence of specific SPS measures.
3. The SPS Joint Management Committee may, among other things:
- (a) identify opportunities for greater bilateral engagement, including enhanced relationships, which may include an exchange of officials;
 - (b) discuss at an early stage, a change to, or a proposed change to, an SPS measure being considered;
 - (c) facilitate improved understanding between the Parties on the implementation of the SPS Agreement, and promote cooperation between the Parties on SPS issues under discussion in multilateral fora, including the WTO Committee on Sanitary and Phytosanitary Measures and international standard-setting bodies, as appropriate; or
 - (d) identify and discuss, at an early stage, initiatives that have an SPS component, and that would benefit from cooperation.
4. The SPS Joint Management Committee may establish working groups comprising expert-level representatives of the Parties, to address specific SPS issues.
5. A Party may refer any SPS issue to the SPS Joint Management Committee. The SPS Joint Management Committee should consider the issue as expeditiously as possible.
6. If the SPS Joint Management Committee is unable to resolve an issue expeditiously, it shall, at the request of a Party, report promptly to the Joint Committee.
7. Unless the Parties decide otherwise, the SPS Joint Management Committee shall meet and establish its work programme no later than 180 days following the entry into force of this Agreement, and its rules of procedure no later than one year after the entry into force of this Agreement.

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8. Following its initial meeting, the SPS Joint Management Committee shall meet as required, at least on an annual basis. The SPS Joint Management Committee may decide to meet by videoconference or teleconference, and it may also address issues out of session by correspondence.
9. The SPS Joint Management Committee shall report annually on its activities and work programme to the Joint Committee.
10. Upon entry into force of this Agreement, each Party shall designate and inform the other Party, in writing, of a contact point to coordinate the SPS Joint Management Committee's agenda and to facilitate communication on SPS matters.

CHAPTER 7: CUSTOMS AND TRADE FACILITATION

ARTICLE 7.1

Definitions

For the purposes of this Chapter, Annex 7-A and Annex 7-B, and unless otherwise specified:

“Agreement on Preshipment Inspection” means the Agreement on Preshipment Inspection, contained in Annex 1A to the Agreement establishing the World Trade Organisation;

“ATA and Istanbul Conventions” means the Customs Convention on the ATA Carnet for the Temporary Admission of Goods done in Brussels on 6 December 1961 and the Istanbul Convention on Temporary Admission done on 26 June 1990;

“Common Transit Convention” or “CTC” means the Convention on a Common Transit Procedure done in Interlaken on 20 May 1987;

“receiving state” means where goods are moving between the customs territory of the Parties, either the United Kingdom or Member State of the Union, into whose port roll-on roll-off traffic is moving;

“roll-on, roll-off port” means a port designated by the United Kingdom, or a Member State of the Union, under Article 7.16 to which the processes specified in that Article apply;

“roll-on, roll-off traffic” means the movement of goods, between the customs territories of the Parties across a water barrier, where the means of transport is normally adapted such that goods vehicles as defined in Chapter 20 or motor vehicles with fuel in their tanks for their own propulsion, can be used to directly load and unload the goods from the said means of transport in order to facilitate the flow of cross-border traffic;

“SAFE Framework” means the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted at the June 2005 World Customs Organisation Session in Brussels and as updated from time to time;

“WCO Data Model” means the library of data components and electronic templates for the exchange of business data and compilation of international standards on data and information used in applying regulatory facilitation and controls in global trade, published by the WCO Data Model Project Team from time to time; and

“WTO Trade Facilitation Agreement” means the Agreement on Trade Facilitation annexed to the Protocol Amending the Agreement establishing the World Trade Organisation (decision of 27 November 2014).

ARTICLE 7.2

Objectives and principles

1. The Parties recognise the importance of customs and trade facilitation in the evolving global trading environment and will put in place arrangements that, where practicable, make use of all available facilitative arrangements and technologies.
2. The Parties affirm their rights and obligations under the WTO Trade Facilitation Agreement.
3. The Parties recognise that customs and international trade instruments and standards applicable in the area of customs and trade, such as the substantive elements of the International Convention on the Simplification and Harmonization of Customs Procedures (as amended), the International Convention on the Harmonized Commodity Description and Coding System, the ATA and Istanbul Conventions, as well as the SAFE Framework and the WCO Data Model should be taken into consideration for their import, export and transit requirements and procedures.
4. The Parties reaffirm their rights and obligations under the CTC and other relevant international conventions concerning transit and agree to ensure the facilitation and effective control of transit movements through their respective territories in accordance with the terms of these conventions.
5. The Parties recognise that relevant legislation shall be non-discriminatory, and that customs procedures shall be based upon the use of modern methods and effective controls to achieve the protection and facilitation of legitimate trade.
6. The Parties also recognise that their customs procedures shall be no more administratively burdensome or trade restrictive than necessary to achieve legitimate objectives and that they should be applied in a manner that is predictable, consistent and transparent.
7. In order to ensure efficiency, transparency, and effectiveness of operations, the Parties shall:
 - (a) review and simplify requirements and formalities wherever possible with a view to the rapid release and clearance of goods;
 - (b) work towards the further simplification and standardisation of data and documentation required by customs and/or other related authorities in order to reduce the time and costs thereof for traders or operators, including small and medium-sized enterprises; and
 - (c) ensure that the highest standards of integrity be maintained, through the application of measures reflecting the principles of the relevant international conventions and instruments in this field.
8. The Parties agree to reinforce their cooperation with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant

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administrations, fulfil the objectives of promoting trade facilitation while ensuring effective customs control.

ARTICLE 7.3

Scope

1. This Chapter, along with Annex 7-A on Mutual Recognition of Authorised Economic Operators and Annex 7-B on Cooperation and Mutual Administrative Assistance in Customs Matters, applies to matters relating to each Party's customs legislation, other trade-related laws and regulations and general administrative procedures related to trade, including their application to goods traded between the Parties, as well as the cooperation between the Parties.
2. This Chapter applies without prejudice to the fulfilment of each Party's legitimate policy objectives and its obligations under international agreements to which it is a party, regarding the protection of:
 - (a) public morals
 - (b) human, animal or plant life or health;
 - (c) national treasures of artistic, historic or archaeological value; or
 - (d) the environment.
3. This Chapter shall be implemented by each Party in accordance with its laws and regulations. Each Party shall use its available resources in an appropriate way to implement this Chapter.

ARTICLE 7.4

Transparency and publication

1. Each Party shall publish or otherwise make available, including through electronic means, its legislation, regulations, judicial decisions and administrative policies relating to requirements for the import or export of goods.
2. Each Party shall endeavour to make public, including on the Internet, proposed regulations and administrative policies relating to customs matters and to provide interested persons an opportunity to comment prior to their adoption.
3. Each Party shall designate or maintain one or more contact points to address enquiries by interested persons concerning customs matters and make available on the internet information concerning the procedures for making such enquiries.

ARTICLE 7.5

Data, documentation, and automation

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1. With a view to minimising the complexity of import, export, and documentation requirements, each Party shall ensure as appropriate, that such formalities, data and documentation requirements:
 - (a) are adopted and/or applied with a view to a rapid release of goods, in order to facilitate trade between the parties; and
 - (b) are adopted and/or applied in a manner that aims to reduce the time and cost of compliance for traders and operators.
2. Each Party shall promote the development and use of advanced systems, including those based on information and communications technology, to facilitate the exchange of electronic data between traders or operators and its customs authority and other trade-related agencies. This includes by:
 - (a) making electronic systems accessible to customs users;
 - (b) allowing a customs declaration to be submitted in electronic format;
 - (c) using electronic or automated risk management systems; and
 - (d) permitting or requiring the electronic payment of duties, taxes, fees and charges collected by customs and incurred upon importation and exportation.
3. The Parties shall cooperate in the development of interoperable electronic systems, in order to facilitate trade between the Parties including in relation to systems used for the purposes of making customs declarations, the scope of which shall be agreed by the Customs Committee.
4. Each Party shall work towards further simplification of data and documentation required by their customs authorities and/or other related agencies.

ARTICLE 7.6

Simplified customs procedures

1. Each Party shall adopt or maintain measures allowing traders or operators fulfilling criteria specified in its laws and regulations to benefit from further simplification of customs procedures.
2. The simplified customs procedures referred to in paragraph 1 shall include, but not be limited to:
 - (a) customs declarations containing a reduced set of data or supporting documents, including for the movement of low-value consignment;

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- (b) self-assessment for and the deferred payment of customs duties and taxes until after the release of those imported goods;
 - (c) aggregated customs declarations for the payment of customs duties that may cover multiple imports and implementation of procedures permitting payment of customs duties at monthly or quarterly intervals; and
 - (d) use of a guarantee with a reduced amount or a waiver from use of a guarantee.
3. When adopted or maintained, each Party shall offer the simplifications referred to in paragraph 2 across all constituent parts of its customs territory.
 4. The Parties agree that the measures referred to in paragraph 2 shall be adopted or maintained by a date no later than that determined by the Customs Committee.
 5. The Parties agree to cooperate on and consider, including in the Customs Committee, further measures to reduce the administrative burdens for economic operators associated with making declarations in relation to import and export.

ARTICLE 7.7

Single window

Each Party shall endeavour to develop or maintain single window systems to facilitate a single, electronic submission of all information required by customs and other legislation for the exportation, importation and transit of goods.

ARTICLE 7.8

Customs brokers

1. The Parties agree that their respective customs provisions and procedures shall not require the mandatory use of customs brokers.
2. Each Party shall publish its measures on the use of customs brokers.
3. The Parties shall apply transparent, non-discriminatory and proportionate rules if and when licensing customs brokers.

ARTICLE 7.9

Sharing export and import declaration data

1. With a view to deepening cooperation in securing international trade and minimising administrative burdens for traders within global supply chains, the Parties agree that they will work towards developing and implementing interoperable mechanisms for collecting export

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and import declaration data on trade between their respective territories, to prevent the duplication of data submitted in both export and import declarations.

2. The Parties agree, as a first step, to establish a joint pilot project in which they will seek to develop and test such a mechanism.
3. The Parties agree that this pilot project shall explore the following control and facilitation elements:
 - (a) cooperation on their respective approaches to the collection of customs datasets, by agreeing to common standards and data elements in accordance with the WCO Data Model;
 - (b) development of technological solutions that enable traders and customs authorities to cooperate on the one-time generation and collection of export and import data where there would otherwise be duplication of data submitted within export and corresponding import declarations; and
 - (c) the establishment of a secure channel of communication between the traders and/or customs authorities of both Parties to share this data with other traders and/or customs authorities involved in the control of the consignment concerned.
4. The Parties agree that the Customs Committee shall be responsible for taking the following actions:
 - (a) determining the scope of this pilot project, including its duration as well as the locations and number of traders to be involved within 1 year of the conclusion of this Agreement;
 - (b) facilitating the conclusion of this pilot project within 4 years of the conclusion of this Agreement; and
 - (c) conducting an assessment of the completed pilot project so that the Parties can agree within 1 year of its conclusion whether a model based on the pilot can be implemented for all or some trade between the territories of the two Parties.

ARTICLE 7.10

Goods re-entered after repair or alteration

1. A Party shall not apply a customs duty to a good, regardless of its origin, that re-enters its customs territory after having been temporarily exported from its customs territory to the customs territory of the other Party for repair or alteration, regardless of whether that repair or alteration could have been performed in the customs territory of the former Party, provided that the good concerned re-enters the customs territory of that former Party within the period as specified in its laws and regulations.

2. Paragraph 1 does not apply to a good in the customs territory of a Party under customs control without payment of customs duties and taxes that is exported for repair or alteration and that does not re-enter the customs territory under customs control without payment of customs duties and taxes.
3. A Party shall not apply a customs duty to a good, regardless of its origin, imported temporarily from the customs territory of the other Party for repair or alteration, provided that the good is re-exported from the customs territory of the importing Party within the period specified in its laws and regulations.
4. For the purposes of this Article, "repair" or "alteration" means any operation or process undertaken on a good to remedy operational defects or material damage and entailing the re-establishment of the good to its original function, or to ensure its compliance with technical requirements for its use. Repair or alteration of a good includes restoration and maintenance regardless of a possible increase in the value of the good, but does not include an operation or process that:
 - (a) destroys a good's essential characteristics or creates a new or commercially different good;
 - (b) transforms an unfinished good into a finished good; or
 - (c) changes the function of a good.

ARTICLE 7.11

Temporary admission

1. For the purposes of this Article, the term "temporary admission" means the customs procedure under which certain goods (including means of transport) can be brought into a customs territory conditionally relieved from payment of customs duties and taxes and without application of import prohibitions or restrictions of economic character. Such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.
2. Each Party shall grant temporary admission, with total or partial conditional relief from customs duties and taxes and without application of import restrictions or prohibitions of economic character, as provided for in its laws and regulations, to the following goods:
 - (a) goods for display or use at exhibitions, fairs, meetings or similar events (goods intended for display or demonstration at an event; goods intended for use in connection with the display of foreign products at an event; equipment including interpretation equipment, sound and image recording apparatus and films of an educational, scientific or cultural character intended for use at international meetings, conferences or congresses); products obtained incidentally during the event from temporarily imported goods, as a result of the demonstration of displayed machinery or apparatus;

- (b) professional equipment (equipment for the press, for sound or television broadcasting which is necessary for representatives of the press, of broadcasting or television organizations visiting the territory of another country for purposes of reporting, in order to transmit or record material for specified programmes; cinematographic equipment necessary for a person visiting the territory of another country in order to make a specified film or films; any other equipment that is owned by a person established in either customs territory and which is necessary for the exercise of the calling, trade or profession of a person visiting the territory of another country to perform a specified task, insofar as it is not to be used for the industrial manufacture or packaging of goods or (except in the case of hand tools) for the exploitation of natural resources, for the construction, repair or maintenance of buildings or for earth moving and like projects; ancillary apparatus for the equipment mentioned above, and accessories therefore); component parts imported for repair of professional equipment temporarily admitted;
- (c) goods imported in connection with a commercial operation but whose importation does not in itself constitute a commercial operation (packings which are imported filled for re-exportation empty or filled, or are imported empty for re-exportation filled; containers, whether or not filled with goods, and accessories and equipment for temporarily admitted containers, which are either imported with a container to be re-exported separately or with another container, or are imported separately to be re-exported with a container and component parts intended for the repair of containers granted temporary admission; pallets; samples; advertising films; other goods imported in connection with a commercial operation);
- (d) goods imported in connection with a manufacturing operation (matrices, blocks, plates, moulds, drawings, plans, models and other similar articles; measuring, controlling and checking instruments and other similar articles; special tools and instruments, imported for use during a manufacturing process); replacement means of production (instruments, apparatus and machines made available to a customer by a supplier or repairer, pending the delivery or repair of similar goods);
- (e) goods imported exclusively for educational, scientific or cultural purposes (scientific equipment, pedagogic material, welfare material for seafarers, and any other goods imported in connection with educational, scientific or cultural activities); spare parts for scientific equipment and pedagogic material which has been granted temporary admission; tools specially designed for the maintenance, checking, gauging or repair of such equipment;
- (f) personal effects (all articles, new or used, which a traveller may reasonably require for his or her personal use during the journey, taking into account all the circumstances of the journey, but excluding any goods imported for commercial purposes); goods imported for sports purposes (sports requisites and other articles for use by travellers in sports contests or demonstrations or for training in the territory of temporary admission);

- (g) tourist publicity material (goods imported for the purpose of encouraging the public to visit another foreign country, in particular in order to attend cultural, religious, touristic, sporting or professional meetings or demonstrations held there);
 - (h) goods imported for disaster relief purposes (medical, surgical and laboratory equipment and relief consignments, such as vehicles and other means of transport, blankets, tents, prefabricated houses or other goods of prime necessity, forwarded as aid to those affected by natural disaster and similar catastrophes); and
 - (i) animals imported for specific purposes (dressage, training, breeding, shoeing or weighing, veterinary treatment, testing (for example, with a view to purchase), participation in shows, exhibitions, contests, competitions or demonstrations, entertainment (circus animals, etc.), touring (including pet animals of travellers), exercise of function (police dogs or horses; detector dogs, dogs for the blind, etc.), rescue operations, transhumance or grazing, performance of work or transport, medical purposes.
3. The Parties agree that the Customs Committee shall be responsible for keeping the list of goods set out in paragraph 2 under review and determining whether there are additional goods that should be included within this list. Where the Customs Committee determines additional goods should be included it shall make a recommendation to the Joint Committee to adopt a decision amending this article accordingly.
4. Each Party shall, for the temporary admission of the goods referred to in paragraph 2 and regardless of their origin, accept a carnet as prescribed for the purposes of the ATA and Istanbul Conventions issued in the other Party, endorsed there and guaranteed by an association forming part of the international guarantee chain, certified by the competent authorities and valid in the customs territory of the importing Party.

ARTICLE 7.12

Authorised Economic Operator

1. The Parties agree that their Authorised Economic Operator (AEO) programmes are compatible and based on comparable criteria and treatment, and that the status of AEO for safety and security granted by a Party shall be recognised by the other Party in accordance with Annex 7-A.
2. That Annex lays down:
- (a) the entities in both Parties responsible for granting the status of AEO;
 - (b) a summary of the compatibility and agreement on mutual recognition between the AEO programmes of both Parties;
 - (c) the arrangements for exchanges of information between the Parties on their AEOs;
 - (d) the rules on the suspension and revocation of the status of AEO; and

(e) any other provision necessary to ensure the application of this Article.

ARTICLE 7.13

Risk management

1. Each Party shall adopt or maintain a risk management system using electronic data-processing techniques for customs controls that enables its customs authority to focus its inspection activities on high-risk consignments and expedites the release of low-risk consignments.
2. Each Party shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions to international trade.
3. Each Party shall base risk management on assessment of risk through appropriate selectivity criteria, and may also select, on a random basis, consignments for such controls as part of its risk management.

ARTICLE 7.14

Preshipment inspections

The Parties shall not require the mandatory use of preshipment inspections as defined in the Agreement on Preshipment Inspection, in relation to tariff classification and customs valuation.³

ARTICLE 7.15

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 and reduce costs for importers and exporters.
2. Each Party shall adopt or maintain procedures that:
 - (a) provide for the prompt release of goods within a period no longer than that required to ensure compliance with its customs law and other trade-related laws and formalities;
 - (b) provide for advance electronic submission and processing of import declarations and other information, including manifests, before physical arrival of goods to enable their release immediately upon arrival if no risk has been identified through risk analysis or if no random or other checks are to be performed;

³ This paragraph refers to preshipment inspections covered by the Agreement on Preshipment Inspection, and does not preclude preshipment inspections for sanitary and phytosanitary purposes.

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- (c) where practicable allow goods, including where possible controlled or regulated goods, to be released at the first point of arrival; and
 - (d) allow an importer or its agent to remove goods from customs control prior to the final determination and payment of customs duties, taxes, and fees. Before releasing the goods, a Party may require that an importer provide sufficient guarantee in the form of a surety, a deposit, or some other appropriate instrument.
3. The Parties agree to facilitate discussions between customs authorities and other trade-related authorities regarding the adoption of procedures under which goods in need of urgent clearance can be expedited.

ARTICLE 7.16

Facilitation of roll-on, roll-off traffic

1. In recognition of the high volume of 'roll-on, roll-off' traffic between their customs territories, the Parties agree that the United Kingdom and Member States of the Union may designate ports as roll-on, roll-off ports.
2. The customs authorities of the United Kingdom or of any Member State of the Union may designate a port within their respective territories as a roll-on, roll-off port, to which the requirements of this Article shall apply, by publishing the name of the port on their respective official websites, and shall maintain there a list of such roll-on, roll-off ports in their respective territories.
3. The Parties agree that the following processes shall be implemented in relation to roll-on, roll-off traffic destined for arrival at roll-on, roll-off ports:
 - (a) the receiving state shall require mandatory advance submission of import declarations and other information provided for in the manner set out in paragraph 2(b) of Article 7.15;
 - (b) the customs authority of the receiving state shall, where the movement of goods crosses a sea, carry out the risk analysis of this documentation during the sea-crossing of the goods; and
 - (c) where goods are not subject to further inspections or non-fiscal controls the customs authority of the receiving state shall release the goods prior to arrival; or
 - (d) except where the circumstances in paragraph 4 apply, where goods are subject to further documentary inspections on arrival, the customs authority of the receiving state shall in the majority of cases release the goods within 3 hours of the customs authority of that state receiving all information necessary to ensure compliance with its customs laws and other trade-related laws.
4. The release time commitment set out in sub-paragraph 3(d) shall not apply where:

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- (a) a physical inspection of a consignment is required by customs and/or other related authorities to ensure compliance with any international obligations, customs or other trade-related laws or formalities;
 - (b) a physical inspection of documentation at or near the border is required on a consignment to verify the accuracy of information given in a declaration and/or the existence, authenticity, accuracy or validity of documents, as required either in specific situations that customs and/or other related authorities deem necessary on the basis of a perceived risk or in general accordance with any international obligations, customs or other trade-related laws or formalities.
5. A physical inspection as referred to in paragraph 4, may involve but is not limited to any of the following actions by customs and/or other related authorities:
- (i) examining goods;
 - (ii) taking samples;
 - (iii) inspecting a means of transport; or
 - (iv) inspecting the luggage and other goods carried by or on persons.
6. The Parties agree that the arrangements specified in this Article shall have effect in the customs law of each party.

ARTICLE 7.17

Post-clearance audit

1. With a view to expediting the release of goods, each Party shall adopt or maintain post-clearance audit to ensure compliance with its customs legislation and other trade-related laws and regulations.
2. Each Party shall conduct post-clearance audits in a risk-based manner.
3. Each Party shall conduct post-clearance audits in a transparent manner. Where an audit is conducted and conclusive results have been achieved the Party shall, without delay, notify the person whose record is audited of the results, the reasons for the results and the audited person's rights and obligations.
4. The Parties acknowledge that the information obtained in a post-clearance audit may be used in further administrative or judicial proceedings.
5. The Parties shall, wherever practicable, use the result of post-clearance audit in applying risk management.

ARTICLE 7.18

Customs valuation

For the purpose of determining the customs value of goods traded between the Parties, the provisions of Part I of the Customs Valuation Agreement shall apply, mutatis mutandis.

ARTICLE 7.19

Advance rulings

1. Each Party shall issue, through its customs authority, an advance ruling that sets forth the treatment to be provided to the goods concerned. That ruling shall be issued in a reasonable, time-bound manner, and in any event within 90 days, to an applicant that has submitted a written request, including in electronic format, containing all necessary information in accordance with the laws and regulations of the issuing Party.
2. An advance ruling shall cover tariff classification of the goods, origin of goods including their qualification as originating goods under Chapter 3 of this Agreement or any other matter as the Parties may agree.
3. Subject to any confidentiality requirements in its laws and regulations, a Party may publish its advance rulings, including through the internet.

ARTICLE 7.20

Review and appeal

1. Each Party shall provide effective, prompt, non-discriminatory and easily accessible procedures to guarantee the right of appeal against a decision on a customs matter.
2. Each Party shall ensure that any person to whom it issues a decision on a customs matter has access within its territory to:
 - (a) an administrative appeal to or review by an administrative authority higher than or independent of the official or office that issued the decision; and/or
 - (b) a judicial appeal or review of the decision.
3. Each Party shall provide that any person who has applied to the customs authorities for a decision and has not obtained a decision on that application within the relevant time-limits shall also be entitled to exercise the right of appeal.
4. Each Party shall provide a person to whom it issues an administrative decision with the reasons for the administrative decision, so as to enable such a person to have recourse to appeal procedures where necessary.

ARTICLE 7.21

Penalties

Each Party shall ensure that its customs law provides that penalties imposed for breaches to it be proportionate and non-discriminatory.

ARTICLE 7.22

Cooperation and mutual administrative assistance

1. The Parties shall continue to cooperate in international *fora*, such as the WCO, to achieve mutually-recognised goals, including those set out in the SAFE Framework.
2. The Parties shall cooperate in accordance with Annex 7-B, providing each other with mutual assistance in customs matters and exchanging information, including on matters relating to a suspected breach of a Party's customs legislation, as defined in that Annex, and to the implementation of this Agreement.

ARTICLE 7.23

Customs Committee

1. In addition to the other responsibilities specified elsewhere in this Agreement, the Customs Committee (hereinafter referred to in this article as “the Committee”) shall be responsible for the effective implementation and operation of this Chapter, in addition to the other responsibilities specified in paragraph 3 of Article 7.5, paragraph 4 of Article 7.6, paragraph 4 of Article 7.9 and paragraph 3 of Article 7.11 of this Chapter, and for the following specific functions:
 - (a) reviewing and addressing all issues arising from the implementation and operation of this Chapter;
 - (b) identifying areas for improvement in the implementation and operation of this Chapter;
 - (c) functioning as a mechanism to expeditiously reach mutually agreed solutions with regard to any matters covered by this Chapter;
 - (d) formulating resolutions, recommendations or opinions regarding actions or measures which it considers necessary for the attainment of the objectives and effective functioning of this Chapter;
 - (e) recommending that the Joint Committee adopt decisions amending the provisions of this Chapter as proposed by a Party in response to a resolution, recommendation or opinion of the Committee;
 - (f) adopting explanatory notes to facilitate the implementation of the provisions of this Chapter;

- (g) carrying out other functions as may be delegated by the Joint Committee, and considering any other matter related to this Chapter as the representatives of the Parties may agree.
2. The Committee may hold joint meetings with the Rules of Origin Committee where such joint meetings are necessary to ensure consistency in the implementation and operation of the provisions in this Chapter and in Chapter 3.
 3. The Committee shall comprise representatives of the customs, trade, or other competent authorities as each Party deems appropriate, and the Parties shall ensure that the composition of their delegations to meetings of the Committee correspond to the agenda items.
 4. For greater certainty, nothing in this Article shall affect the rights and obligations of the Parties with regard to the Committee on Trade in Goods relating to Chapter 2, nor the Committee on Intellectual Property relating to Chapter 24.
 5. The Committee may make recommendations to the Joint Committee to adopt a decision to expand the provisions of this Chapter with a view to supplementing the levels of customs cooperation and trade facilitation between the Parties and supplementing them, in accordance with their respective customs legislation, by means of agreements or arrangements on specific sectors or matters.

TITLE: SERVICES AND INVESTMENT

CHAPTER 8: GENERAL PROVISIONS

ARTICLE 8.1

Objective and Scope

1. The Parties affirming their respective commitments under the WTO Agreement and their commitment to create a better climate for the development of trade and investment between the Parties, hereby lay down the necessary arrangements for the progressive and reciprocal liberalisation of trade in services and investment.
2. This Chapter reflects the trading relationship between the Parties.
3. For the purposes of this Title and the Title on Regulatory Approaches on Services, the Parties affirm their right to adopt within their territories regulatory measures necessary to achieve legitimate policy objectives, such as the protection of public health, animal health and welfare, social services, public education, safety, the environment including climate change, social and consumer protection, privacy and data protection, and the promotion and protection of cultural diversity.
4. This Title and the Title on Regulatory Approaches on Services do not apply to measures affecting natural persons seeking access to the employment market of the other Party, nor to measures regarding nationality or citizenship, residence or employment on a permanent basis.
5. This Title and the Title on Regulatory Approaches on Services shall not prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of this Chapter. The sole fact of requiring a visa for natural persons of a certain country and not for those of others shall not be regarded as nullifying or impairing benefits accrued under this Chapter.
6. This Title, and Chapter 12 of the Title on Regulatory Approaches on Services, do not apply to measures affecting:
 - (a) Air services or related services in support of air services (including air navigation services) other than the following:
 - (i) aircraft repair and maintenance services;
 - (ii) rental of aircraft (without crew);

- (iii) the selling and marketing of air transport services;
- (iv) computer reservation system (CRS) services;
- (v) ground handling services;
- (vi) specialty air services; and
- (vii) airport operation services;

In the event of any inconsistency between this Title and a bilateral, plurilateral, or multilateral air services agreement to which the Parties are party, the air services agreement shall prevail in determining the rights and obligations of the Parties.

(b) Cabotage in maritime transport services; and

(c) Financial services as set out in Chapter 17.

7. Article 9.3 and Article 9.5 of Chapter 9 do not apply to the services covered in Chapter 20. For greater certainty, all other provisions of Chapter 9 apply to the services covered in Chapter 20.

ARTICLE 8.2

Definitions

1. For the purposes of this Title and the Title on Regulatory Approaches on Services:

“aircraft repair and maintenance services” means activities undertaken on an aircraft or a part of an aircraft while it is withdrawn from services and do not include so-called line maintenance;

“airport operation services” means the operation or management, on a fee or contract basis, of airport infrastructure, including terminals, runways, taxiways and aprons, parking facilities, and intra-airport transportation systems. For greater certainty, airport operation services do not include the ownership, or investment in, airports or airport lands, or any of the functions carried out by a board of directors. Airport operation services do not include air navigation services;

“cabotage in maritime transport services” for the United Kingdom includes transportation or goods between a port or point located in the United Kingdom and another port or point located in the United Kingdom, including on its continental shelf, as provided for in the United Nations Convention on the Law of the Sea, and traffic originating and terminating in the same port or point located in the United Kingdom. For greater certainty, cabotage in maritime transport services does not include the provision of feeder services or the re-

positioning of owned or leased empty containers that are carried on a non-commercial basis between the ports of a Party;

“computer reservation system services” means the supply of a service by computerised systems that contain information about air carriers’ schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;

“covered enterprise” means an enterprise in the territory of a Party established in accordance with the definition of “establishment”, directly or indirectly, by an investor, in existence at the date of entry into force of this Agreement or established thereafter, in accordance with the applicable law;

“economic activity” except as referred to in Chapter 13 means any activity of an industrial, commercial or professional character or activities of craftsmen, including the supply of services (except for activities performed in the exercise of governmental authority);

“emerging technology” means an enabling and innovative technology that has potentially significant application across a wide range of existing and future sectors. Current examples may include, but are not limited to:

- (a) artificial intelligence;
- (b) distributed ledger technologies;
- (c) quantum technologies;
- (d) immersive technologies; and
- (e) internet of things;

“enterprise” means a juridical person or branch or representative office set up through establishment;

“establishment” means the setting up or the acquisition of a juridical person, including through capital participation, or the creation of a branch or representative office, in the Union or in the United Kingdom respectively, with a view to establishing or maintaining lasting economic links;

“ground handling services” means the supply of a service on a fee or contract basis for: ground administration and supervision, including load control and communications; passenger handling; baggage handling; cargo and mail handling; ramp handling and aircraft services; fuel and oil handling; aircraft line maintenance, flight operations and crew administration; surface transport; and catering services. Ground handling services do not include security services or the operation or management of centralised airport infrastructure, such as baggage handling systems, de-icing facilities, fuel distribution systems, or intra-airport transport systems;

“investor of a Party” means a natural or juridical person of a Party that seeks to establish, is establishing or has established an enterprise in accordance with the definition of “establishment”, in the territory of the other Party;

“juridical person” means any legal entity duly constituted or otherwise organised under the applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

“juridical person of a Party⁴” means:

- (i) for the Union, a juridical person constituted or organised under the laws and regulations of the Union or its Member States and engaged in substantive business operations⁵ in the territory of the Union; and
- (ii) for the United Kingdom, a juridical person constituted under the laws and regulations of the United Kingdom and engaged in substantive business operations in the territory of the United Kingdom;

Notwithstanding subparagraphs (i) and (ii), shipping companies established outside the Union or the United Kingdom and controlled by nationals of a Member State of the Union or of the United Kingdom, respectively, shall also be beneficiaries of the provisions of this Title if their vessels are registered in accordance with their respective legislation, in a Member State of the Union or in the United Kingdom and fly the flag of that Member State of the Union or of the United Kingdom;

“jurisdiction” means the territory of the United Kingdom or the territory of each of the Member States of the Union in so far as this Agreement applies to those territories in accordance with Article 34.6;

“measure of a party” means a measure adopted or maintained by⁶:

- (i) central, regional, or local governments or authorities, or
- (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

“operation” means conduct, management, maintenance, use, enjoyment and sale or other form of disposal of an enterprise;

4 For greater certainty, the shipping companies mentioned in this subparagraph are only considered as juridical persons of a Party with respect to their activities relating to the supply of maritime transport services.

5 In line with its notification of the Treaty establishing the European Community to the WTO (WT/REG39/1), the European Union understands that the concept of “effective and continuous link with the economy of a Member State of the Union” enshrined in Article 54 of the TFEU as equivalent to the concept of “substantive business operations.”

6 For greater certainty, “measures of a Party” covers measures by entities listed under sub-paragraphs (i) and (ii) which are adopted or maintained by instructing, directing or controlling, either directly or indirectly, the conduct of other entities with regard to those measures.

“selling and marketing of air transport services” means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution, but does not include the pricing of air transport services or the applicable conditions;

“services supplied in the exercise of governmental authority” means any service that is not supplied on a commercial basis, or in competition with one or more service suppliers;

“service supplier” means any natural person or juridical person that seeks to supply or supplies a service; and

“specialty air services” means services using an aircraft whose primary purpose is not the transportation of goods or passengers, such as aerial fire-fighting, flight training, sightseeing, spraying, surveying, mapping, photography, parachute jumping, glider towing, helicopter-lift for logging and construction, and other airborne agricultural, industrial and inspection services.

ARTICLE 8.3

Contact point

Each Party shall, upon the entry into force of this Agreement, designate a contact point for the effective implementation and operation of this Title and the Title on Regulatory Approach to Services and notify the other Party of the contact details including information regarding the relevant officials. The Parties shall promptly notify each other of any change of those contact details.

ARTICLE 8.4

Committee on Trade in Services and Investment

1. The Committee on Trade in Services and Investment shall be responsible for effective implementation and operation of this Title and the Title on Regulatory Approaches on Services.
2. The Committee may invite representatives of relevant entities, other than the representatives of the Parties with the necessary expertise relevant to the issues to be addressed, to its meetings.
3. The Committee shall have the following functions:
 - (a) reviewing and monitoring the implementation and operation of this Chapter and the non-conforming measures set out in each Party’s Schedule in Annexes 9 and 10;
 - (b) addressing all issues arising from the implementation and operation of this Chapter;
 - (c) identifying areas for improvement in the implementation and operation of this Chapter;

- (d) exchanging information on any matters relating to this Chapter;
- (e) discussing proposals for regulatory cooperative activities referred to in Chapter 12 (Domestic Regulation). These must be substantiated and accompanied by comprehensive supporting information where possible;
- (f) functioning as a mechanism to expeditiously reach mutually agreed solutions with regard to any matters referred to in Article 8.4.1;
- (g) formulating resolutions, recommendations or opinions regarding actions or measures which it considers necessary for the attainment of the objectives and effective functioning of this Title and the Title on Regulatory Approaches on Services (including recommendations for amendments to the Agreement and the Annexes);
- (h) formulating recommendations for the informal resolution of disagreements between service suppliers and authorities;
- (i) deciding on the actions to be taken or the measures to be implemented by a Party or the Parties, in the areas identified by the Joint Committee;
- (j) overseeing the functioning of the Sub-committee on Recognition of Professional Qualifications and the Sub-committee on Telecommunications;
- (k) carrying out any functions as may be delegated by the Joint Committee; and
- (l) submitting proposals for decisions to be adopted by the Joint Committee or take decisions in accordance with the relevant provisions of this Agreement.

ARTICLE 8.5

Review

1. Each Party shall endeavour, where appropriate, to reduce or eliminate the non-conforming measures set out in its respective Schedule in Annexes 9 and 10.
2. With a view to introducing possible improvements to the provisions of this Title and the Title on Regulatory Approaches on Services, and consistent with their commitments under international agreements, the Parties shall review their legal framework relating to trade in services and investment, including this Agreement, in accordance with Article 34.1 .

CHAPTER 9: CROSS-BORDER TRADE IN SERVICES

ARTICLE 9.1

Scope

1. This Chapter applies to measures of a Party affecting cross-border trade in services by service suppliers of the other Party. Those measures include among others measures affecting:
 - (a) the production, distribution, marketing, sale or delivery of a service;
 - (b) the purchase, or use of, or payment for, a service; and
 - (c) the access to and the use of services which are required to be offered to the public generally in connection with the supply of a service.
2. This Chapter does not apply to:
 - (a) any measure of a Party with respect to government procurement of a good or service purchased for governmental purposes, and not with of a view to commercial resale or with a view to use in the supply of a good or service for commercial sale;
 - (b) subsidies or grants provided by the Parties, including government-supported loans, guarantees and insurance; or
 - (c) services supplied in the exercise of governmental authority.

ARTICLE 9.2

Definitions

For the purposes of this Chapter:

“cross-border trade in services” means the supply of a service:

- (i) from the territory of a Party into the territory of the other Party; or
- (ii) in the territory of a Party to the service consumer of the other Party.

but does not include the supply of a service in the territory of a Party by a person of the other Party.

ARTICLE 9.3

Market access

A Party shall not maintain or adopt, either on the basis of a territorial subdivision or on the basis of its entire territory, measures that:

(a) impose limitations on:

- (i) the number of service suppliers, whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
- (ii) the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test; or
- (iii) the total number of service operations or the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test⁷; or

(b) restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service.

ARTICLE 9.4

Local presence

No Party shall require a service supplier of the other Party to establish or maintain a representative office or any form of enterprise, or to be resident, in its territory as a condition for the cross-border supply of a service.

ARTICLE 9.5

National treatment

1. Each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that it accords, in like situations, to its own services and service suppliers.
2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party either formally identical treatment or formally different treatment to that it accords to its own services and service suppliers.
3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to services or service suppliers of the other Party.

⁷ Sub-paragraph (a)(iii) does not cover measures by a Party which limit inputs for the supply of services.

4. Nothing in this Article shall be construed as requiring either Party to compensate for inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

ARTICLE 9.6

Most-favoured-nation treatment

[The UK reserves the right to propose a text on most - favoured - nation treatment.]

ARTICLE 9.7

Non-conforming measures

1. Articles 9.3, 9.4, 9.5, and 9.6 do not apply to:
 - (a) any existing non-conforming measure of a Party at a level of:
 - (i) for the Union:
 - (A) the Union as set out in its Schedule in Annex-9A;
 - (B) the central government of a Member State of the Union, as set out in its Schedule in Annex-9A;
 - (C) a regional government of a Member State of the Union, as set out in its Schedule in Annex-9A; or
 - (D) a local government, other than that referred to in sub-paragraph (C); and
 - (ii) for the United Kingdom:
 - (A) the central government, as set out in its Schedule in Annex-9A;
 - (B) a regional government, as set out in its Schedule in Annex-9A;
 - (C) a local government;
 - (b) the continuation or prompt renewal of any non-conforming measure referred to in sub-paragraph (a); or
 - (c) an amendment of, or modification to, any non-conforming measure referred to in sub-paragraphs (a) and (b) provided that the amendment or modification does not decrease the conformity of the measure with Articles 9.3, 9.4, 9.5, and 9.6, as it existed immediately before the amendment or modification.

2. Articles 9.3, 9.4, 9.5, and 9.6, do not apply to any measure of a Party with respect to sectors, sub-sectors or activities as set out in its Schedule in Annex-9B.

ARTICLE 9.8

Denial of benefits

1. A Party may deny the benefits of this Chapter to a service supplier of the other Party that is a juridical person of the other Party and to services of that service supplier if that juridical person is owned or controlled by a natural or juridical person of a third country and the denying Party adopts or maintains measures with respect to the third country that:
 - (a) are related to the maintenance of international peace and security, including the protection of human rights; and
 - (b) prohibit transactions with the service supplier, or would be violated or circumvented if the benefits of this Chapter were accorded to the service supplier or to its services.

INVESTMENT

ARTICLE 10.1

Scope

1. This Chapter applies to measures adopted or maintained by a Party with regard to the establishment or operation of economic activities by:
 - (a) Investors of the other Party;
 - (b) covered enterprises; and
 - (c) for the purposes of Article 10.6, any enterprise in the territory of the Party which adopts or maintains the measure.
2. This Chapter does not apply to measures affecting:
 - (a) procurement by a Party of a good or service purchased for governmental purposes, and not with a view to commercial resale or with a view to use in the supply of a good or service for commercial sale;
 - (b) subsidies or grants provided by a Party, including government-supported loans, guarantees and insurance;
 - (c) activities performed or services supplied in the exercise of governmental authority.

ARTICLE 10.2

Market access

1. A Party shall not maintain or adopt, with regard to market access through establishment or operation by an investor of the other Party or by a covered enterprise, either on the basis of a territorial subdivision or on the basis of its entire territory, measures that:
 - (a) restrict or require specific types of legal entity or joint venture through which an enterprise may carry out an economic activity; or
 - (b) impose limitations on⁸—
 - (i) the number of enterprises that may carry out a specific economic activity whether in the form of numerical quotas, monopolies, exclusive suppliers or the requirement of an economic needs test;

⁸ Sub-paragraphs (b)(i) to (iii) do not cover measures taken in order to limit the production of an agricultural good.

- (ii) the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
 - (iii) the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;
 - (iv) the participation of foreign capital in terms of maximum percentage limits on foreign shareholding or the total value of individual or aggregate foreign investment; or
 - (v) the total number of natural persons that may be employed in a particular sector or that an enterprise may employ and who are necessary for, and directly related to, the performance of economic activity in the form of numerical quotas or the requirement of an economic needs test.
2. For greater certainty, the following are consistent with paragraph 1—
- (a) a measure restricting the concentration of ownership to ensure fair competition; and
 - (b) a measure requiring that a certain percentage of the shareholders, owners, partners, or directors of an enterprise be qualified or practice a certain profession such as lawyers or accountants.
3. In determining for the purposes of paragraph 2(b) whether the required percentage is met in respect of an audit firm established in the United Kingdom or a Member State no distinction shall be made between—
- (a) an individual who is eligible for approval by a competent authority in the United Kingdom and one who is eligible for approval in a Member State; or
 - (b) an audit firm that is approved by a competent authority in the United Kingdom and one approved in a Member State.
4. In this Article “audit firm” means a legal person or other entity of whatever legal form that is approved by the competent authority in the United Kingdom or a Member State to carry out statutory audits.

ARTICLE 10.3

National treatment

1. Each Party shall accord to investors of the other Party and to covered enterprises treatment no less favourable than that it accords, in like situations, to its own investors and to their enterprises, with respect to establishment and operation in its territory:

2. The treatment accorded by a Party under paragraph 1:
 - (a) with respect to a regional or local level of government of the United Kingdom, is treatment no less favourable than the most favourable treatment accorded, in like situations, by that level of government to United Kingdom investors and to their enterprises in its territory.
 - (b) with respect to a government of a Member State of the Union, or a regional or local level of government in a Member State, is treatment no less favourable than the most favourable treatment accorded, in like situations, by that government or level of government to investors of that Member State and to their enterprises in its territory.
3. Paragraphs 1 and 2 do not prevent a Party from prescribing statistical formalities or information requirements, in connection with the covered enterprises, provided that those formalities or requirements do not constitute a means to circumvent that Party's obligations under this Article.

ARTICLE 10.4

Most-favoured-nation treatment

[The UK reserves the right to propose a text on most - favoured - nation treatment.]

ARTICLE 10.5

Senior management and boards of directors

1. A Party shall not require a covered enterprise to appoint to senior management positions natural persons of any particular nationality.
2. A Party shall not require the board of directors of a covered enterprise be composed of persons of any particular nationality.
3. A Party shall not require a covered enterprise to appoint to senior management positions residents in the territory of the Party.
4. A Party shall not require that the board of directors of a covered enterprise be composed of residents in the territory of the Party.

ARTICLE 10.6

Prohibition of performance requirements

Requirements in respect of the establishment or operation of an enterprise

1. A Party shall not impose or enforce any of the following requirements or enforce any commitment or undertaking, in connection with the establishment or operation of an enterprise in its territory—

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- (a) to export a given level or percentage of goods or services;
- (b) to achieve a given level or percentage of domestic content;
- (c) to purchase, use or accord a preference to goods produced or services supplied in its territory, or to purchase goods or services from natural or juridical persons or any other entity in its territory;
- (d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such enterprise;
- (e) to restrict sales of the goods or services in its territory which such enterprise produces or supplies by relating those sales in any way to the volume or value of its exports or foreign exchange inflows;
- (f) to restrict exportation or sale for export;
- (g) to transfer technology, a production process or other proprietary knowledge to a natural or juridical person or any other entity in its territory;
- (h) to locate the headquarters of such an enterprise for a specific region or the world market in its territory;
- (i) to hire a given number or percentage of its nationals;
- (j) to achieve a given level or value of research and development in its territory;
- (k) to supply one or more of the goods produced or services supplied by the enterprise to a specific region or to the world market exclusively from its own territory; or
- (l) to adopt a rate or amount of royalty below a certain level or to adopt a given duration of the term of a licence contract with regard to:
 - (i) a licence contract in existence at the time the requirement is imposed or enforced, or a commitment or undertaking is enforced; or
 - (ii) a future licence contract freely entered into between the enterprise and a natural or juridical person or other entity in its territory;

if the requirement is imposed or enforced or the commitment or undertaking is enforced, in a manner that constitutes a direct interference with the licence contract by an exercise of non-judicial governmental authority of the Party.

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2. A "licence contract" referred to in sub-paragraph (l) means a contract concerning the licensing of technology, a production process, or other proprietary knowledge but does not include a contract which is concluded between the enterprise and the Party.
3. A condition for the receipt or continued receipt of an advantage referred to in paragraph 9 does not constitute a requirement or a commitment or undertaking for the purposes of paragraph 1.

Exceptions

4. The prohibitions in paragraphs 1(a) to (c) do not apply to qualification requirements for goods or services with respect to export promotion and foreign aid programmes.
5. The prohibitions in paragraphs 1(a) and (b) do not apply to requirements imposed or enforced by an importing Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.
6. The prohibitions in paragraphs 1(g) and (l) do not apply where—
 - (a) the requirement is imposed or enforced, or the commitment or undertaking is enforced, pursuant to a Party's competition law, by a court, administrative tribunal or competition authority; or
 - (b) a Party authorises use of an intellectual property right in accordance with Article 31 or 31 *bis* of the TRIPS Agreement, or measures requiring the disclosure of data or proprietary information that fall within the scope of, and are consistent with, paragraph 3 of Article 39 of the TRIPS Agreement.
7. The prohibition in paragraph 1(l) does not apply if the requirement is imposed or enforced, or the commitment or undertaking is enforced, by a tribunal as equitable remuneration under the Party's copyright laws.
8. The prohibitions in paragraph (1) do not apply where:
 - (a) an undertaking voluntarily given is enforced by a body designated to supervise takeover bids in accordance with national law; or
 - (b) an undertaking voluntarily given by the acquirer in relation to a takeover or merger is enforced by a Party.

Requirements in respect of the receipt of advantage

9. A Party shall not condition the receipt or continued receipt of an advantage, in connection with the establishment or operation of an enterprise in its territory, on compliance with any of the following requirements—

- (a) to achieve a given level or percentage of domestic content;
 - (b) to purchase, use or accord a preference to goods produced in its territory, or to purchase goods from natural or juridical persons or any other entity in its territory;
 - (c) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such enterprise;
 - (d) to restrict sales of goods or services in its territory that such enterprise produces or supplies by relating those sales in any way to the volume or value of its exports or foreign exchange inflows; or
 - (e) to restrict exportation or sale for export.
10. However paragraph 9 does not prevent a Party making the receipt or continued receipt of an advantage, in connection with the establishment or operation of an enterprise in its territory, conditional on compliance with a requirement to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.

Exceptions

11. The prohibitions in paragraphs 9(a) and (b) do not apply to qualification requirements for goods or services with respect to export promotion and foreign aid programmes.

ARTICLE 10.7

Non-conforming measures

1. Articles 10.2 to 10.6 do not apply to:
- (a) an existing non-conforming measure that is maintained by a Party at the level of:
 - (i) the Union, as set out in its Schedule in Annex-9A;
 - (ii) a central government, as set out by that Party in its Schedule in Annex-9A;
 - (iii) a regional government, as set out by that Party in its Schedule in Annex-9A; or
 - (iv) a local government;
 - (b) the continuation or prompt renewal of a non-conforming measure referred to in subparagraph (a); or

- (c) an amendment to a non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure with Articles 10.2 to 10.6.
2. Articles 10.2 to 10.6 do not apply to a measure that a Party adopts or maintains with respect to a sector, subsector or activity, as set out in its Schedule in Annex-9B.

ARTICLE 10.8

Denial of benefits

A Party may deny the benefits of this Chapter to an investor of the other Party that is a juridical person of the other Party and to its covered enterprise if:

- (a) that juridical person is owned or controlled by a natural or juridical person of a third country;
and
- (b) the denying Party adopts or maintains a measure with respect to the third country that:
 - (i) relates to the maintenance of international peace and security, including the protection of human rights; and
 - (ii) prohibits transactions with that juridical person or its covered enterprise, or would be violated or circumvented if the benefits of this Section were accorded to them.

CHAPTER 11: TEMPORARY ENTRY AND STAY OF NATURAL PERSONS FOR BUSINESS PURPOSES

ARTICLE 11.1

Definitions

For the purposes of this Chapter:

“contractual services suppliers” means natural persons employed by an enterprise of one Party that has no establishment in the territory of the other Party and that has concluded a bona fide contract or contracts (other than through an agency as defined by CPC 872, except for fashion models) to supply a service or services to a consumer or consumers of the other Party that requires the presence on a temporary basis of its employees in the territory of the other Party in order to fulfil the contract or contracts to supply a service or services;

“independent professionals” means natural persons engaged in the supply of a service and established as self-employed in the territory of a Party who have no establishment in the territory of the other Party and who have concluded a bona fide contract (other than through an agency as defined by CPC 872) to supply a service to a consumer of the other Party that requires the presence of the natural person on a temporary basis in the territory of the other Party in order to fulfil the contract to supply a service;

“key personnel” means business visitors for establishment purposes, investors or intra-corporate transferees:

- (a) “business visitors for establishment purposes” means natural persons working in a managerial or specialist position who are responsible for setting up an enterprise but who do not engage in direct transactions with the general public and do not receive remuneration from a source located within the territory of the host Party;
- (b) “investors” means an executive of an enterprise headquartered in a Party who is establishing a branch or subsidiary of that enterprise in the other Party, and who is a natural person that will be responsible for the entire or a substantial part of the enterprise’s operations in the other Party, receiving general supervision or direction principally from higher level executives, the board of directors or stockholders of the enterprise, including directing the enterprise or a department or subdivision of it; supervising and controlling the work of other supervisory, professional or managerial employees; and having the authority to establish goals and policies of the department or subdivision of the enterprise; and
- (c) “intra-corporate transferees” means natural persons who have been employed by an enterprise of a Party or have been partners in an enterprise of a Party for at least one year and who are temporarily transferred to an enterprise (that may be a

subsidiary, branch, or head company of the enterprise of a Party) in the territory of the other Party. This natural person must belong to one of the following categories:

- (i) “senior personnel” means natural persons working in a senior position within an enterprise who:
 - (A) primarily direct the management of the enterprise or direct the enterprise, or a department or subdivision of the enterprise; and
 - (B) exercise wide latitude in decision making, which may include having the authority to personally recruit and dismiss or to take other personnel actions (such as promotion or leave authorisations), and
 - I. receive only general supervision or direction principally from higher level executives, the board of directors, or stockholders of the business or their equivalent; or
 - II. supervise and control the work of other supervisory, professional or managerial employees and exercise discretionary authority over day-to-day operations; or
- (ii) “specialists” means natural persons working in an enterprise who possess:
 - (A) uncommon knowledge of the enterprise's products or services and its application in international markets; or
 - (B) an advanced level of expertise or knowledge of the enterprise's processes and procedures such as its production, research equipment, techniques, or management.

In assessing such expertise or knowledge, the Parties will consider abilities that are unusual and different from those generally found in a particular industry and that cannot be easily transferred to another natural person in the short-term. Those abilities would have been obtained through specific academic qualifications or extensive experience within the enterprise; or

- (iii) “graduate trainees” means natural persons working in an enterprise of a Party who:
 - (A) possess a university degree; and
 - (B) are temporarily transferred to an enterprise (that may be a subsidiary, branch or head company of the enterprise) in the territory of the other Party for career development purposes, or to obtain training in business techniques or methods and are paid during the transfer.

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“natural persons for business purposes” means key personnel, contractual services suppliers, independent professionals, or short-term business visitors who are citizens of a Party.

ARTICLE 11.2

Objectives and scope

1. This Chapter reflects the preferential trading relationship between the Parties as well as the mutual objective to facilitate trade in services and investment by allowing temporary entry and stay to natural persons for business purposes and by ensuring transparency in the process.
2. This Chapter applies to measures adopted or maintained by a Party concerning the temporary entry and stay into its territory of key personnel, contractual services suppliers, independent professionals and short-term business visitors.
3. To the extent that commitments are not taken in this Chapter, all other requirements of the laws of the Parties regarding entry and stay continue to apply, including those concerning period of stay.
4. Nothing in this Chapter affects the Parties' laws regarding employment and social security measures, including regulations concerning minimum wages and collective wage agreements.
5. This Chapter does not apply to cases where the intent or effect of the temporary entry and stay is to interfere with or otherwise affect the outcome of a labour or management dispute or negotiation, or the employment of natural persons who are involved in such dispute or negotiation.

ARTICLE 11.3

General obligations

1. Each Party shall grant entry and temporary stay to natural persons for business purposes of the other Party who otherwise comply with the Party's immigration measures applicable to temporary entry, in accordance with this Section.
2. Each Party shall apply its measures, including in relation to fees for processing applications for temporary entry, relating to the provisions of this Section in accordance with Article 11.2.1, and, in particular, shall apply those measures so as to avoid unduly impairing or delaying trade in goods or services or the conduct of investment activities under this Agreement.
3. Fees charged by competent authorities for the processing of applications for entry and temporary stay must not unduly impair or delay trade in goods or services or establishment or operation under the Agreement.

ARTICLE 11.4

Transparency

1. Each Party shall make publicly available information relating to the entry and temporary stay by natural persons for business purposes of the other Party. Such information shall be made publicly available no later than 180 days after the entry into force of this Agreement.
2. The information referred to in paragraph 1 shall include, where applicable, the following information:
 - (a) categories of visa, permits or any similar type of authorisation regarding the entry and temporary stay;
 - (b) documentation required and conditions to be met;
 - (c) method of filing an application and options on where to file, such as consular offices or online;
 - (d) application fees and an indicative timeframe of the processing of an application;
 - (e) the maximum length of stay under each type of authorisation described in subparagraph (a);
 - (f) conditions for any available extension or renewal;
 - (g) rules regarding accompanying dependants;
 - (h) available review or appeal procedures; and
 - (i) relevant laws of general application pertaining to the entry and temporary stay of natural persons for business purposes.
3. With respect to the information referred to in paragraphs 1 and 2, each Party shall endeavour to promptly inform the other Party of the introduction of any new requirements and procedures or of the changes in any requirements and procedures that affect the effective application for the grant of entry into, temporary stay in and, where applicable, permission to work in the former Party.
4. Each Party shall make publicly available their expected application processing standards and their performance against those standards on a regular basis.

ARTICLE 11.5

Procedural commitments

1. Each Party shall ensure that the processing of applications for entry and temporary stay pursuant to their respective commitments in this Agreement follows good administrative practice. To that effect:

- (a) complete applications for the grant of entry and temporary stay shall be processed as expeditiously as possible and within a period of 90 days from the submission of an application;
- (b) each Party shall ensure that applications can be made online and in an accessible format;
- (c) each Party shall ensure that there is a single portal for accessing all application forms, guidance documents and related information;
- (d) if a Party requires additional information from the applicant in order to process the application, they shall endeavour to notify, without undue delay, the applicant of the required additional information; and
- (e) the competent authorities of a Party shall notify the applicant of the outcome of the application promptly after a decision has been taken; if the application is approved, the competent authorities of a Party shall notify the applicant of the period of stay and other relevant terms and conditions; if the application is denied, the competent authorities of a Party shall, upon request or upon their own initiative, make available to the applicant information on any available review or appeal procedures.

ARTICLE 11.6

Obligations in other Sections

1. This Agreement does not impose an obligation on a Party regarding its immigration measures, except as specifically identified in this Chapter.
2. Without prejudice to any decision to allow temporary entry to natural persons of the other Party within the terms of this Section, including the length of stay permissible pursuant to such an allowance:
 - (a) Articles 10.2, 10.3 and 10.4 of Chapter 10 are incorporated into and made part of this Section and apply to the treatment of natural persons for business purposes present in the territory of the other Party under the category of key personnel;
 - (a) Articles 17.3 and 17.4 of Chapter 17 are hereby incorporated into and made a part of this Section and apply to the treatment of natural persons for business purposes present in the territory of the other Party; and
 - (b) Articles 9.3, 9.5 and 9.6 of Chapter 9 are incorporated into and made part of this Section and apply to the treatment of natural persons for business purposes present in the territory of the other Party under the categories of:
 - (i) contractual services suppliers;
 - (ii) independent professionals; and

- (iii) short-term business visitors, as set out in Article 11.11.
- 3. For greater certainty, paragraph 2 applies to the treatment of natural persons for business purposes present in the territory of the other Party and falling within the relevant categories and who are supplying financial services, as defined in Article 17.1.1(c). Paragraph 2 does not apply to measures relating to the granting of temporary entry to natural persons of a Party or of a third country.
- 4. If a Party has set out a reservation in Annex 11-A, the reservation also constitutes a reservation to paragraph 2, to the extent that the measure set out in or permitted by the reservation affects the treatment of natural persons for business purposes present in the territory of the other Party.

ARTICLE 11.7

Contact Points

1. The Parties hereby establish the following contact points:
 - (a) in the case of the United Kingdom:
[]
 - (b) in the case of the Union:
[]
 - (c) In the case of the Member States of the Union:
the contact points listed in Annex 11-D or their respective successors
2. The contact points for the United Kingdom and the Union shall exchange information pursuant to Article 11.4 and shall meet as required to consider matters pertaining to this Section, such as:
 - (a) the implementation and administration of this Section, including the practice of the Parties in allowing temporary entry;
 - (b) the development and adoption of common criteria as well as interpretations for the implementation of this Section;
 - (c) the development of measures to further facilitate temporary entry of business persons; and
 - (d) recommendations to the Joint Committee concerning this Section.

ARTICLE 11.8

Key personnel

1. Each Party shall allow the temporary entry and stay of key personnel of the other Party subject to the reservations and exceptions listed in Annex 11-A.
2. Each Party shall not adopt or maintain limitations on the total number of key personnel of the other Party allowed temporary entry, in the form of a numerical restriction or an economic needs test.
3. Each Party shall allow the temporary entry of business visitors for establishment purposes without requiring a work permit or other prior approval procedure of similar intent.
4. Each Party shall allow the temporary employment in its territory of intra-corporate transferees and investors of the other Party.
5. The permissible length of stay of key personnel is as follows:
 - (a) intra-corporate transferees (specialists and senior personnel): up to five years;
 - (b) intra-corporate transferees (graduate trainees): up to one year;
 - (c) investors: up to one year;
 - (d) business visitors for establishment purposes: 90 days within any 12 months period.

ARTICLE 11.9

Accompanying spouse and children

1. Each Party shall allow the temporary entry and stay of the partner and dependant children accompanying an intra-corporate transferee of the other Party who has been granted temporary entry and stay pursuant to this Chapter, for the same period as the period of temporary stay granted to the intra-corporate transferee.
2. A partner who has been granted entry and temporary stay pursuant to this Article shall have the right to work in an employed or self-employed capacity for the duration of their visa and shall not be required to obtain a work permit.
3. For the purposes of this Article, "partner" means any spouse or civil partner, including under a marriage, civil partnership or equivalent union or partnership, recognised as such in accordance with the laws and regulations of either Party.

4. For the purposes of the Article, "partner" also means any unmarried or same-sex partner who, when accompanying an intra-corporate transferee, may be granted temporary entry and stay under the immigration rules of the host Party.
5. For the purposes of this Article, "dependant children" means children who are dependant on the intra-corporate transferee and who are recognised as children in accordance with the laws and regulations of either Party where:
 - (a) The intra-corporate transferee has sole responsibility for the children; or
 - (b) both of the children's parents are being granted entry and stay in accordance with this Chapter.
6. This Article is without prejudice to either Parties' immigration measures applicable to temporary entry.

ARTICLE 11.10

Contractual services suppliers and independent professionals

1. In accordance with and subject to Annex 11-C, each Party shall allow the temporary entry and stay of contractual services suppliers of the other Party, subject to the following conditions:
 - (a) the natural persons must be engaged in the supply of a service or services on a temporary basis as employees of an enterprise which has obtained a service contract or contracts with a consumer or consumers.
 - (b) the natural persons entering the territory of the other Party must have been offering those services as employees of the enterprise supplying the services for at least the year immediately preceding the date of submission of an application for entry into the territory of the other Party and must possess, at the date of the submission, at least three years of professional experience in the sector of activity which is the subject of the contract;
 - (c) the natural persons entering the territory of the other Party must possess:
 - (i) a university degree or a qualification demonstrating knowledge of an equivalent level; and
 - (ii) professional qualifications, if this is required to practice an activity pursuant to the laws or requirements of the Party where the service is supplied;
 - (d) the natural persons must not receive remuneration for the provision of services other than the remuneration paid by the enterprise employing the contractual services suppliers during their stay in the territory of the other Party;
 - (e) the temporary entry and stay sought under this Article relate only to the supply of a service which is the subject of the contract; and

- (f) the service contract must comply with the laws and other legal requirements of the Party where the contract is executed.
2. In accordance with and subject to Annex 11-C, each Party shall allow the temporary entry and stay of independent professionals of the other Party, subject to the following conditions:
- (a) the natural persons must be engaged in the supply of a service or services on a temporary basis as self-employed persons established in the other Party and must have obtained a service contract or contracts with a consumer or consumers;
 - (b) the natural persons entering the territory of the other Party must possess, at the date of submission of an application for entry into the other Party, at least six years of professional experience in the sector of activity which is the subject of the contract;
 - (c) the natural persons entering the territory of the other Party must possess:
 - (i) a university degree or qualification demonstrating knowledge of an equivalent level; and
 - (ii) professional qualifications, if this is required to practice an activity pursuant to the laws, or requirements of the Party where the service is supplied;
 - (d) the temporary entry and stay sought under the provisions of this Article relate only to the supply of a service which is the subject of the contract; and
 - (e) the service contract must comply with the laws and other legal requirements of the Party where the contract is executed.
3. Unless otherwise specified in Annex 11-C, a Party shall not adopt or maintain a limitation on the total number of contractual services suppliers and independent professionals of the other Party allowed temporary entry, in the form of numerical restrictions or an economic needs test.
4. The length of stay of contractual services suppliers or independent professionals is for a cumulative period of not more than 12 months in any 24 month period or for the duration of the contract, whichever is less. Either Party may extend this length of stay at their discretion, up to a maximum of 24 months.

ARTICLE 11.11

Short-term business visitors

1. In accordance with Annex 11-A, a Party shall allow the temporary entry and stay of short-term business visitors of the other Party for the purposes of carrying out the activities listed in Annex 11-B, provided that the short-term business visitors:

- (a) are not engaged in selling a good or a service to the general public;
 - (b) do not on their own behalf receive remuneration from a source located within the Party where the short-term business visitors are staying temporarily, except where the remuneration is permitted under Annex 11-B; and
 - (c) are not engaged in the supply of a service in the framework of a contract concluded between an enterprise that has no commercial presence in the territory of the Party where the short-term business visitors are staying temporarily, and a consumer in that territory, except as provided in Annex 11-B.
2. Each Party shall allow temporary entry of short-term business visitors without the requirement of a work permit, economic needs test or other prior approval procedures of similar intent.
 3. Subject to Annex 11-B, the maximum length of stay of short-term business visitors is 90 days in any six-month period.
 4. Paragraph 1 of this Article is without prejudice to each Party's discretion to refuse the temporary entry and stay of short-term business visitors where the frequency and duration of previous visits indicates that the purpose for which entry is sought is not consistent with entry as a short-term business visitor.

ARTICLE 11.12

Review of commitments

Within five years following the entry into force of this Agreement, the Parties shall consider updating their respective commitments under Articles 11.8 to 11.11.

TITLE: REGULATORY APPROACHES ON SERVICES

CHAPTER 12: DOMESTIC REGULATION

ARTICLE 12.1

Scope and Definitions

1. This Chapter applies to measures by a Party relating to licensing requirements and procedures, qualification requirements and procedures and formalities that affect:
 - (a) cross-border trade in services as defined in Article 9.2;
 - (b) establishment or operation of economic activities as defined in Article 8.2; or
 - (c) the supply of a service through temporary entry and stay of a natural person of a Party in the territory of the other Party by the categories of natural persons referred to in Article 11.1.
2. This Chapter does not apply to licensing requirements and procedures, qualification requirements and procedures and formalities pursuant to a measure which is referred to in:
 - (a) Article 9.7; or
 - (b) Article 10.7.
3. This Chapter does not apply to measures that implement Chapter 13.
4. Any specific provisions in other Chapters of this Title or the Services and Investment Title shall prevail over the provisions of this Chapter to the extent necessary for the application of the specific provision.
5. For the purposes of this Chapter:

“application” means an application for authorisation;

“authorisation” means the permission to supply a service resulting from a procedure a person must adhere to in order to demonstrate compliance with licensing requirements, qualification requirements or formalities;

“competent authority” means a central, regional or local government or authority or non - governmental body in the exercise of powers delegated by central, regional or local governments or authorities, which is entitled to take a decision concerning the authorisation to supply a service, including through establishment or concerning the authorisation to establish an enterprise in order to engage in an economic activity other than a service;

“in writing” may include in electronic form;

“licensing procedures” means administrative or procedural rules that a natural or a juridical person, either seeking or having been granted authorisation directly associated with the supply of a service, including the amendment or renewal of a licence, must adhere to in order to demonstrate compliance with licensing requirements;

“licensing requirements” means all substantive requirements, other than qualification requirements, that a natural or juridical person must adhere to in order to obtain, amend or renew an authorisation directly associated with the supply of a service, including any obligation, prohibition or condition in regulations or administrative provisions stipulated by a competent authority;

“qualification procedures” means administrative or procedural rules that a natural person must adhere to in order to demonstrate compliance with qualification requirements, for the purpose of obtaining authorisation to supply a service;

“qualification requirements” means substantive requirements relating to the competence of a natural person to supply a service, and which are required to be demonstrated for the purpose of obtaining authorisation to supply a service, which may include education, examinations, practical training, verified professional experience and language skills;

“technical standards” means measures that lay down the characteristics of a service or the manner in which it is supplied and includes the procedures relating to the compliance with and enforcement of such standards.

ARTICLE 12.2

Conditions for Authorisation

1. Each Party shall ensure that measures relating to licensing requirements and procedures, qualification requirements and procedures, and formalities are based on criteria which preclude the competent authorities from exercising their power of assessment in an arbitrary manner.
2. The criteria referred to in paragraph 1 shall be:
 - (a) reasonable;
 - (b) clear and unambiguous;
 - (c) objective and impartial;
 - (d) pre-established;
 - (e) made public in advance;

- (f) transparent and accessible;
 - (g) as simple as possible and shall not unduly complicate or delay the provision of the service;
 - (h) proportionate to a legitimate public policy objective.
3. For the purposes of this Article, in addition to the criteria in paragraph 2, measures should not constitute an unnecessary barrier to trade.
 4. In applying the criteria referred to in paragraph 1, each Party may take into account legitimate public policy objectives, as set out in Article 8.1.3.

ARTICLE 12.3

Technical Standards

1. Each Party shall encourage its competent authorities, when adopting technical standards, to adopt technical standards developed through open and transparent processes, and shall encourage any body designated to develop technical standards to use open and transparent processes.
2. Each Party shall encourage its competent authorities to ensure that any requirements for technical standards are based on objective and transparent criteria and are not more burdensome than necessary to ensure the quality of the service.
3. For greater certainty, as far as measures relating to technical standards are concerned, this Chapter applies only to such measures affecting trade in services.

ARTICLE 12.4

Submission of Applications

1. For the purposes of this Chapter, each Party shall require each of its competent authorities to establish and maintain a contact point on its own website which is set up to receive requests and provide information or assistance to applicants, potential applicants, and interested parties.
2. Each Party shall, to the extent practicable, avoid requiring an applicant to approach more than one competent authority for each application for authorisation. If a service or other economic activity is within the jurisdiction of multiple competent authorities, multiple applications for authorisation may be required.
3. Each Party shall require its competent authorities to permit an applicant to submit an application at any time, to the extent practicable.

ARTICLE 12.5

Electronic Applications and Acceptance of Copies

1. Each Party shall establish and maintain at least one online electronic assistance facility for any activity that is within the scope of this Chapter in order to facilitate cross-border trade in services and investment. This online electronic assistance facility shall be:
 - (a) easily accessible;
 - (b) free of charge for users;
 - (c) capable of receiving and responding to requests for information or assistance by any service supplier or interested party; and
 - (d) capable of receiving and responding to applications, or alternatively redirecting applicants to an appropriate contact point if necessary.
2. Where there are differences in regulation for an activity that is within scope of this Chapter, at a regional or territorial level, a Party is permitted to maintain an online electronic assistance facility in each region or territory and grant one a coordinating role.
3. In establishing the rules for electronic applications, each Party may take into account legitimate public policy objectives, as set out in Article 8.1.3.
4. Each Party shall ensure that its competent authorities accept copies of documents that are authenticated in accordance with the Party's domestic law and regulations, in place of original documents, unless a competent authority requires original documents to protect the integrity of the authorisation process.

ARTICLE 12.6

Application Timeframes

1. If a specific period of time for applications exists, each Party shall require its competent authorities to allow an applicant a reasonable period of time for the submission of an application, taking into account the complexity of the application.
2. Each Party shall ensure that its competent authorities establish a timeframe for processing all applications. This timeframe shall be fixed and made public in advance.
3. Each Party shall ensure that its competent authorities initiate the processing of an application without undue delay.
4. Once all the necessary documentation has been provided to support an application, each Party shall require its competent authorities to process the application as quickly as possible.

5. When justified by an issue of unusual complexity, the timeframe may be extended, by a competent authority, as long as the duration of this extension is reasonable. The extension and its duration shall be notified in writing, along with the reasons that the extension is deemed necessary, to the applicant before the original timeframe has expired.
6. At the request of an applicant, each Party shall ensure that its competent authorities provide, without undue delay, information concerning the status of the application.

ARTICLE 12.7

Processing and Grant of Applications

1. If a Party requires authorisation, it shall ensure that its competent authorities:
 - (a) process applications throughout the year. Where this is not possible, this information should be made public in advance, to the extent feasible;
 - (b) confirm in writing that an application has been received;
 - (c) provide to the applicant a decision concerning the application⁹;
 - (d) grant an authorisation as soon as it is established, in the light of an appropriate examination, that the applicant meets the conditions for obtaining it;
 - (e) ensure that authorisation, once granted, enters into effect without undue delay;
 - (f) ensure that where any authorisation is subject to renewal, this information is made public in advance; and
 - (g) issue any necessary renewals as quickly as possible.
2. Each Party shall require that its competent authorities shall, within a reasonable period of time after receipt of an application which it considers incomplete:
 - (a) inform the applicant;
 - (b) provide the reasons that the application is considered to be incomplete;
 - (c) identify the additional information required to complete the application;
 - (d) provide the opportunity to correct the deficiencies; and
 - (e) provide additional information and guidance in a clear and unambiguous manner to applicants in order to assist them to complete the application correctly.

⁹ Competent authorities may meet this requirement by informing an applicant in advance in writing, including through a published measure that the absence of a response after a specified period of time from the date of submission of the application indicates acceptance or rejection of the application.

3. Each Party shall require that the process referred to in paragraph 2 shall take place within the appropriate competent authority's stated processing timeframes where it is within their power to do so, in order to give the applicant a reasonable opportunity to correct any deficiencies within the original processing timeframe.
4. Each Party shall require that, where an application is rejected by a competent authority, the applicant shall be informed in writing and without undue delay of the reasons for rejection of the application and of the timeframe for an appeal against the decision, should such timeframe exist. An applicant should be permitted, within reasonable time limits, to resubmit an application unless this is not possible for a legitimate reason.

ARTICLE 12.8

Fees

Each Party shall ensure the authorisation fees charged by its competent authorities:

- (a) are reasonable and proportionate to the cost of the authorisation procedures in question;
- (b) are transparent, including in relation to fee structures, and made public in advance;
- (c) do not have the effect of restricting the supply of the relevant service or the pursuit of any other economic activity; and
- (d) are payable by electronic means, either through the competent authority's own website or the online electronic assistance facility.

ARTICLE 12.9

Limited Numbers of Licences

1. Where the number of licences available for a given activity is limited because of the scarcity of available natural resources or technical capacity, a Party shall apply a selection procedure to potential candidates which provides full guarantees of impartiality and transparency, including, in particular, adequate publicity about the launch, conduct and completion of the procedure. In particular, a Party shall require its competent authorities to make the selection procedure and criteria public in advance.
2. In establishing the rules for the selection procedure, each Party may take into account legitimate public policy objectives, as set out in Article 8.1.3.

ARTICLE 12.10

Publication and Information Available

1. If a Party requires authorisation for the supply of a service, the Party shall promptly publish or otherwise make publicly available in writing the information necessary for service suppliers or persons seeking to supply a service to comply with the licensing requirements and procedures, qualification requirements and procedures, and formalities for obtaining, maintaining, amending and renewing such authorisation. Such information shall include, inter alia, where it exists:
 - (a) the requirements, procedures and formalities;
 - (b) contact information of relevant competent authorities and any other relevant bodies;
 - (c) the fees charged and any fees schedule;
 - (d) any technical standards;
 - (e) procedures and timeframes for appeal or review of decisions concerning applications;
 - (f) procedures for monitoring or enforcing compliance with the terms and conditions of licences or qualifications;
 - (g) opportunities for public involvement, such as through hearings or comments; and
 - (h) the means of, and conditions for, accessing public registers and databases on providers and services.
2. Each Party shall encourage its competent authorities to produce appropriate guidance on their authorisations and make it publicly available.
3. Each Party shall require its competent authorities, where they publish information relating to administrative laws, regulations and measures relating to authorisations, to do so in plain language.
4. The information referred to in paragraphs 1, 2, and 3 can be maintained on an online electronic assistance facility.
5. Each Party shall ensure that it provides access to all necessary information about measures that significantly affect the supply of a service to interested parties, through publishing in advance, a reasonable period before the measure's entry into force, to the extent practicable:
 - (a) laws and regulations of general application;
 - (b) documentation which provides relevant details; and
 - (c) procedures and administrative rulings.
6. The Party making the measure has the right to determine whether a measure significantly affects the supply of a service.

7. Each Party shall require each of its competent authorities to respond to any request for information or assistance.

ARTICLE 12.11

Opportunity to Comment Before Entry into Force

1. To the extent practicable and in a manner consistent with its legal system for adopting measures, each Party shall publish in advance:
 - (a) its laws and regulations of general application it proposes to adopt; or
 - (b) documents that provide sufficient details about such a possible new law or regulation to allow the other Party to assess whether and how their interests might be significantly affected.
2. To the extent practicable and in a manner consistent with its legal system for adopting measures, each Party is encouraged to apply paragraph 1 to procedures and administrative rulings of general application it proposes to adopt.
3. To the extent practicable and in a manner consistent with its legal system for adopting measures, each Party shall provide the other Party a reasonable opportunity to comment on such proposed measures or documents published under paragraphs 1 or 2.
4. To the extent practicable and in a manner consistent with its legal system for adopting measures, each Party shall consider comments received under paragraph 3.¹⁰
5. In publishing a law or regulation referred to in paragraph 1(a), or in advance of such publication, to the extent practicable and in a manner consistent with its legal system for adopting measures, a Party is encouraged to explain the purpose and rationale of the law or regulation.
6. Each Party shall, to the extent practicable, endeavour to allow reasonable time between publication of the text of a law or regulation referred to in paragraph 1(a) and the date on which service suppliers must comply with the law or regulation.
7. Where a Party has established processes for public involvement, a Party shall be required to provide a response to any concerns from the other Party in relation to planned or existing regulatory measures where that measure would significantly affect the supply of a service. The Party shall, to the extent possible, include in any response *inter alia* the policy objective and rationale of the measure and, where applicable, an explanation as to the absence of a less trade or investment restrictive measure which could achieve the same policy objective with the same efficiency.

¹⁰ This provision is without prejudice to the final decision of a Party that adopts or maintains any measure for authorisation for the supply of a service.

ARTICLE 12.12

Review Procedures of Administrative Decisions

1. Each Party shall maintain or institute judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected investor or service supplier, for a prompt review of administrative decisions, actions, or lack of action affecting the supply of a service or the pursuit of any other economic activity.
2. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, each Party shall ensure that the procedures in fact provide for an objective and impartial review.

ARTICLE 12.13

Cooperation

1. To promote further services liberalisation, each Party shall consider cooperating with the other Party, and shall encourage its competent authorities to consider cooperating with competent authorities in the territory of the other Party, by:
 - (a) discussing regulatory approaches;
 - (b) sharing best-practice and expertise;
 - (c) participating in international dialogues; and
 - (d) sharing trade-related information.
2. Each Party shall be encouraged to develop mutually acceptable standards and criteria for authorisation of service suppliers and to share information on the regulatory approaches that underpin their criteria for authorisation.
3. Each Party may propose a regulatory cooperation activity to the other Party. The other Party shall review the proposal in a reasonable amount of time and shall inform the proposing Party whether it considers the proposed activity suitable for regulatory cooperation.
4. Each Party shall encourage its competent authorities to develop, or adopt, mutually acceptable standards and criteria for authorisation of service suppliers.
5. Each Party shall encourage its competent authorities to consider the equivalence of technical standards adopted or maintained by the other Party, which differ from those set internationally, as equivalent to its own where it can be satisfactorily demonstrated that this technical standard adequately fulfils any relevant national policy objectives.

CHAPTER 13: MUTUAL RECOGNITION OF PROFESSIONAL QUALIFICATIONS

ARTICLE 13.1

Definitions

1. For the purposes of this Chapter:

“aptitude test” means a test limited to the professional knowledge of service providers, made by the relevant authorities of the host jurisdiction with the aim of assessing the ability of the service provider to pursue a regulated profession in that jurisdiction;

“economic activity” means any activity of an industrial, commercial or professional character or activities of craftsmen, including the supply of services;

“evidence of formal qualifications” means diplomas, certificates and other evidence issued by an authority in a jurisdiction pursuant to a measure of that jurisdiction and certifying successful completion of professional training obtained mainly in that jurisdiction;

“home jurisdiction” means the jurisdiction of the Party in which the professional qualifications were obtained;

“host jurisdiction” means the jurisdiction of the Party in which a service provider wants to access and pursue a regulated profession;

“professional activity” means an activity which forms part of a regulated profession;

“professional experience” means the lawful and effective practice of an economic activity;

“professional qualifications” means qualifications attested by evidence of formal qualifications and/or professional experience;

“regulated profession” means an economic activity, the practice of which, including the use of a title of designation, is subject to the possession of specific professional qualifications by virtue of a measure;

“relevant authority” means an authority or body, designated pursuant to a measure to recognise qualifications and authorise the practice of a profession in a jurisdiction; and

“service provider” means a national whose professional qualifications were obtained in the jurisdiction of a Party other than the host jurisdiction.

2. An organisation or association incorporated by Royal Charter in the United Kingdom or shall be treated as a relevant authority where that organisation or association:

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- (a) has the purpose of promoting and maintaining a high standard in the professional field;
 - (b) awards evidence of formal qualifications;
 - (c) ensures that its members respect rules of professional conduct prescribed by that organisation or association; and
 - (d) confers on its members the right to use a title or designatory letters or to benefit from a status corresponding to those formal qualifications.
3. A profession practised by members of an organisation or association referred to in paragraph 2 shall be treated as a regulated profession.

ARTICLE 13.2

Objectives and Scope

1. This Chapter establishes a framework to facilitate a fair, transparent and consistent regime for the mutual recognition of professional qualifications by the Parties. The framework shall apply where:
- (a) a service provider with a professional qualification obtained in the United Kingdom makes an application to a relevant authority in the Union for permission to access and pursue a regulated profession; or
 - (b) a service provider with a professional qualification obtained in the Union makes an application to a relevant authority in the United Kingdom for permission to access and pursue a regulated profession.
2. This Chapter applies to professions which are regulated in a Party, including in all or some of the Member States of the Union.

ARTICLE 13.3

National Treatment

1. Each Party shall accord to service providers who obtained their professional qualifications in the jurisdiction of another Party treatment no less favourable to that it accords, in like situations, to its nationals who obtained their professional qualifications in its jurisdiction.
2. The treatment accorded by a Party under paragraph 1:
- (a) with respect to a regional or local level of government of the United Kingdom, is treatment no less favourable than the most favourable treatment accorded, in like situations to United Kingdom nationals whose qualifications were obtained in the territory of that government;

- (b) with respect to a government of a Member State, or a regional or local level of government in a Member State, is treatment no less favourable than the most favourable treatment accorded, in like situations, by that government or level of government to the Member State's nationals whose qualifications were obtained in the territory of that government.

ARTICLE 13.4

Most-favoured nation treatment

[The UK reserves the right to propose a text on most - favoured - nation treatment.]

ARTICLE 13.5

Non-discrimination and disguised restriction on trade in services

A Party shall not adopt measures that would constitute:

- (a) a means of discrimination in the application of its criteria for the authorisation, licensing or certification of a service provider; or
- (b) a disguised restriction on trade in services.

ARTICLE 13.6

Recognition of Professional Qualifications

Each Party shall adopt measures that require relevant authorities to operate a system for recognition which complies with Articles 13.7 to 13.10 of this Chapter.

ARTICLE 13.7

Conditions for Recognition

1. If access to or pursuit of a regulated profession in the host jurisdiction is contingent upon possession of specific professional qualifications, the relevant authority shall permit access to and pursuit of the profession to a service provider who applies for recognition and who has relevant professional qualifications.
2. A relevant authority may refuse access to and pursuit of a regulated profession where Conditions 1, 2, 3 or 4 are met.
3. Condition 1 is met where—
 - (a) there exists a substantial difference between the service provider's professional qualifications and the essential knowledge and/or skills required to practice the profession in the host jurisdiction; and

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- (b) the service provider fails or refuses to take an aptitude test under Article 13.8.
4. Condition 2 is met where–
- (a) the regulated profession in the host jurisdiction comprises one or more professional activities that cover substantially different matters from those covered by the service provider’s professional qualifications; and
 - (b) the service provider fails or refuses to take an aptitude test under Article 13.8.
5. Condition 3 is met where requiring the service provider to take an aptitude test under Article 13.8 would amount to requiring the service provider to undertake the professional qualifications required to practice the regulated profession in the host jurisdiction.
6. Condition 4 is met where access to and pursuit of a regulated profession by nationals of the Party whose professional qualifications were obtained in the host jurisdiction is subject to conditions other than the possession of specific professional qualifications and the service provider fails to meet those conditions.

ARTICLE 13.8

Aptitude Tests

1. A relevant authority may require a service provider to take an aptitude test where:
- (a) there exists a substantial difference between the service provider’s professional qualifications and the essential knowledge and/or skills required to practice the profession in the host jurisdiction; or
 - (b) the regulated profession in the host jurisdiction comprises one or more professional activities that cover substantially different matters from those covered by the service provider’s professional qualifications.
2. The aptitude test shall be proportionate to the differences it seeks to address.

ARTICLE 13.9

Procedure for Applications

1. The relevant authority shall:
- (a) acknowledge receipt of the service provider’s application within one month of receipt and inform the service provider of any missing document;
 - (b) grant the service provider adequate time to complete the requirements and procedures of the application process;

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- (c) deal promptly with the service provider's application; and
 - (d) issue a decision no later than three months after the date on which the complete application was submitted.
2. The relevant authority may require the service provider to provide evidence of professional qualifications. The evidence requested shall be no more than is necessary to demonstrate the service provider holds relevant professional qualifications.
 3. Where access to and pursuit of a regulated profession by nationals of the Party whose professional qualifications were obtained in the host jurisdiction is subject to conditions other than the possession of specific professional qualifications, the relevant authority may require the service provider to provide evidence that the service provider satisfies those conditions. The evidence that is requested shall be no more than is necessary to demonstrate that the service provider satisfies those conditions.
 4. A relevant authority shall accept copies of documents that are authenticated in accordance with the Party's domestic law, in place of original documents, unless the relevant authority requires original documents to protect the integrity of the recognition process.
 5. The relevant authority shall schedule aptitude tests with reasonable frequency and at least once a year.
 6. The relevant authority of the host jurisdiction and the home jurisdiction shall work in close collaboration and shall exchange information to facilitate the service provider's application.
 7. The relevant authority of the host jurisdiction and the home jurisdiction shall exchange information regarding disciplinary action taken or criminal sanctions imposed or any other serious, specific circumstances which are likely to have consequences for the pursuit of the regulated profession by the service provider.
 8. The relevant authority shall ensure the confidentiality of any information it receives in relation to the service provider's application.

ARTICLE 13.10

Licensing and Other Provisions

1. The relevant authority shall make available to service providers information about the professional qualifications required to practice the regulated profession.
2. The relevant authority shall make available to service providers information that explains any other conditions that apply to the practice of the regulated profession including:
 - (a) where a licence to practice is required, the conditions under which, a licence is obtained following the determination of eligibility, and what a licence entails;

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- (b) membership of a professional body;
 - (c) use of professional or academic titles;
 - (d) having an office address, maintaining an establishment or being a resident;
 - (e) language skills;
 - (f) proof of good character;
 - (g) professional indemnity insurance;
 - (h) compliance with host jurisdiction's requirements for use of trade or firm names; and
 - (i) compliance with host jurisdiction ethics, for example, independence and good conduct.
3. The relevant authority shall make available to service providers information about:
- (a) the relevant law to be applied, for example, regarding disciplinary action, financial responsibility or liability;
 - (b) the principles of discipline and enforcement of professional standards, including disciplinary jurisdiction and any consequential effects on practicing professional activities;
 - (c) the means for the ongoing verification of competence; and
 - (d) the criteria for, and procedures relating to, revocation of the registration.
4. The relevant authority shall make available to service providers information about:
- (a) the documentation required of applicants and the form in which it should be presented; and
 - (b) the acceptance of documents and certificates issued in relation to professional qualifications and other conditions that apply to the practice of the regulated profession.
5. The relevant authority shall deal promptly with enquiries from service providers about the professional qualifications required to practice the profession and any other conditions that apply to the practice of the profession.

ARTICLE 13.11

Appeals

Each Party shall adopt measures granting service providers a right of appeal against:

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- (a) a relevant authority's decision to refuse a service provider access to and pursuit of the regulated profession; and
- (b) a relevant authority's failure to make a decision about a service provider's access to and pursuit of the regulated profession.

ARTICLE 13.12

Fees

Each Party shall ensure fees charged by its relevant authorities in relation to measures under Article 13.6 are:

- (a) reasonable and proportionate to the cost of the service provider's application;
- (b) transparent, including in relation to fee structures, and made public in advance; and
- (c) payable by electronic means through the relevant authority's own website.

ARTICLE 13.13

Sub-Committee on the Recognition of Professional Qualifications

1. The Sub-Committee on the Recognition of Professional Qualifications shall be responsible for the effective implementation and operation of this Chapter.
2. The Parties may decide to invite representatives of relevant entities other than the Parties, including representatives of relevant authorities, having the necessary expertise relevant to the issues to be discussed, to attend meetings of the Sub-Committee.
3. The Sub-Committee shall have the following functions:
 - (a) reporting to the Committee on Trade in Services and Investment as required;
 - (b) reviewing and monitoring the implementation and operation of this Chapter, including having regard to how relevant authorities apply the measures adopted under this Chapter;
 - (c) identifying areas for improvement in the implementation and operation of this Chapter;
 - (d) exchanging information on any matters relating to this Chapter, including facilitating the sharing of good practice on implementation and operation of this Chapter between the Parties;
 - (e) issuing guidance to the Parties on best practice in relation to the implementation and operation of this Chapter;

- (f) formulating recommendations which it considers necessary for the effective implementation and operation of this Chapter, such recommendations to be made to the Committee on Trade in Services and Investment and which may include proposals for submission to the Joint Committee for decisions to be adopted by the Joint Committee;
 - (g) discussing issues related to this Chapter and other issues relevant to the recognition of professional qualifications the Parties may decide; and
 - (h) carrying out other functions delegated to it by the Committee on Trade in Services and Investment.
4. The Parties shall have regard to any guidance issued by the Sub-Committee in accordance with paragraph 3 of this Article.

ARTICLE 13.14

Resolution of Disagreements

The Parties shall enter into good faith negotiations with the aim of adopting a system that would enable service providers and relevant authorities to informally resolve disagreements about the application of measures adopted under this Chapter.

CHAPTER 14: TELECOMMUNICATIONS SERVICES

ARTICLE 14.1

Scope

1. This Chapter sets out principles of the regulatory framework for the provision of telecommunications networks and services pursuant to Chapters 9 and 10 and shall apply to measures by a Party affecting trade in public telecommunications services.
2. For greater certainty, this Chapter shall not apply to measures affecting services providing, or exercising editorial control over, content transmitted using telecommunications networks or services.

ARTICLE 14.2

Definitions

For the purpose of this Chapter:

"associated facilities" means those services, physical infrastructures and other facilities associated with a telecommunications network and/or service which enable and/or support the provision of services via that network and/or service or have the potential to do so;

"end-user" means a final consumer of or subscriber to a public telecommunications service, including a service supplier other than a supplier of public telecommunications services;

"essential facilities" mean facilities of a public telecommunications network or service that:

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service;

"interconnection" means the linking of public telecommunications networks used by the same or different suppliers of telecommunications networks or services in order to allow the users of one supplier to communicate with users of the same or another supplier or to access services provided by another supplier. Services may be provided by the suppliers involved or any other supplier who has access to the network;

"intra-corporate communications" means telecommunications through which a company communicates within the company or with or among its subsidiaries, branches and, subject to a Party's domestic laws and regulations, affiliates. For these purposes, "subsidiaries", "branches" and, where applicable, "affiliates" shall be as defined by each Party.

"Intra-corporate communications" in this Chapter excludes commercial or non-commercial services that are supplied to companies that are not related subsidiaries, branches or affiliates, or that are offered to customers or potential customers;

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"leased circuits" means telecommunications services or facilities, including those of a virtual or non-physical nature, between two or more designated points that are set aside for the dedicated use of, or availability to, a user;

"major supplier" means a supplier of telecommunications networks or services which has the ability to materially affect the terms of participation (having regard to price and supply) in a relevant market for public telecommunications networks or services as a result of control over essential facilities or the use of its position in that market;

"network element" means a facility or equipment used in supplying a telecommunications service, including features, functions and capabilities provided by means of that facility or equipment;

"non-discriminatory" means treatment no less favourable than that accorded, under like situations, to other service suppliers and users of public telecommunications networks or service;

"number portability" means the ability of end-users of public telecommunications services who so request to retain, at the same location in the case of a fixed line, the same telephone numbers when switching between the same category of suppliers of public telecommunications services;

"public telecommunications network" means any telecommunications network used for the provision of public telecommunications services between network termination points;

"public telecommunications service" means any telecommunications service that is offered to the public generally;

"reference interconnection offer" means an interconnection offer by a major supplier that is made publicly available, so that any supplier of public telecommunications services that is willing to accept it may obtain interconnection with the major supplier on that basis;

"telecommunications" means the transmission and reception of signals by any electromagnetic means;

"telecommunications network" means transmission systems and, where applicable, switching or routing equipment and other resources, including network elements which are not active, which permit the transmission and reception of signals by wire, radio, optical, or other electromagnetic means;

"telecommunications regulatory authority" means the body or bodies responsible for the regulation of telecommunications networks and services covered by this Chapter;

"telecommunications service" means a service which consists wholly or mainly in the transmission and reception of signals over telecommunications networks, including over networks used for broadcasting. Telecommunications services exclude services providing, or exercising editorial control over, content transmitted using telecommunications networks and services;

"universal service" means the minimum set of services that must be made available to all users in the territory of a Party, the scope of which is defined by that Party; and

"user" means a service consumer or a service supplier using a public telecommunications network or service.

ARTICLE 14.3

Regulatory Principles

1. Each Party shall ensure that its telecommunications regulatory body is legally distinct from, and functionally independent to any supplier of public telecommunications networks, equipment and services. With a view to ensuring the independence and impartiality of telecommunications regulatory bodies, each Party shall ensure that its telecommunications regulatory body does not hold a financial interest or maintain an operating or management role in any supplier of public telecommunications services, networks or equipment. A Party that retains ownership or control of suppliers of telecommunications networks or services shall ensure effective structural separation of the regulatory function from activities associated with ownership or control.
2. Each Party shall ensure that regulatory decisions and procedures of its telecommunications regulatory body or other competent authority, related to provisions contained in this Chapter , are impartial with respect to all market participants.
3. The telecommunications regulatory authority shall act independently and shall not seek or take instructions from any other body in relation to the exercise of the tasks assigned to it under national law to enforce the obligations set out in Articles 14.5, 14.6, 14.7, 14.8 and 14.11 of this Chapter.
4. Each Party shall ensure that the telecommunications regulatory authority has the regulatory power, as well as adequate financial and human resources, to carry out the tasks assigned to it to enforce the obligations set out in this Chapter. Such power shall be exercised transparently and in a timely manner. The tasks to be undertaken by a regulatory authority shall be made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body.
5. Each Party shall provide its telecommunications regulatory authority with the power to ensure that suppliers of telecommunications networks or services provide it, promptly upon request, with all the information, including financial information, which is necessary to enable the telecommunications regulatory authority to carry out its tasks in accordance with this Chapter. Information requested shall be treated in accordance with the requirements of confidentiality.
6. Each Party shall ensure that a user or supplier of telecommunications networks or services affected by a decision of the telecommunications regulatory authority has the right to appeal against that decision to an appeal body that is independent of the telecommunications regulatory authority and of the parties affected by the decision. Pending the outcome of the appeal, the decision of the telecommunications regulatory authority shall stand, unless interim measures are granted in accordance with national law.

7. The Parties shall ensure that its telecommunications regulatory authorities report annually, inter alia, on the state of the electronic communications market, on the decisions they issue, on their human and financial resources and how those resources are attributed, as well as on future plans. The Parties shall ensure that their reports are made public.

ARTICLE 14.4

Authorisation

1. If a Party requires an authorisation for the provision of telecommunications networks or services, it shall make publicly available the types of services requiring authorisation, together with all authorisation criteria, applicable procedures, and terms and conditions generally associated with the authorisation.
2. Each Party shall endeavour to authorise the provision of telecommunications networks or services without a formal procedure and permitting the supplier to start providing its networks or services upon simple notification without having to wait for a decision by the telecommunications regulatory authority. If a Party requires a formal authorisation decision, it shall state a reasonable period of time normally required to obtain such a decision and communicate this in a transparent manner. It shall endeavour to ensure that the decision is taken within the stated period of time.
3. Any authorisation criteria and applicable procedures shall be as simple as possible, objective, transparent, non-discriminatory and proportionate. Any obligations and conditions imposed on or associated with an authorisation shall be non-discriminatory, transparent, proportionate and related to the services provided.
4. Each Party shall ensure that an applicant receives in writing (which may include in electronic form) the reasons for the denial or the revocation of an authorisation, or the imposition of supplier-specific conditions. In such cases, an applicant shall have a right of appeal before an appeal body.
5. Administrative fees imposed on suppliers shall be objective, transparent, non-discriminatory and commensurate with the administrative costs reasonably incurred in the management, control and enforcement of the obligations set out in this Chapter. Administrative fees do not include payments for rights to use scarce resources and mandated contributions to universal service provision.

ARTICLE 14.5

Access and Use

1. Each Party shall ensure that any service supplier of the other Party is accorded access to and use of public telecommunications networks or services, including leased circuits, offered in its territory or across its borders on reasonable and non-discriminatory terms and conditions, for the supply of a service pursuant to Chapters 9 and 10. This obligation shall be applied, inter alia, through paragraphs 2 to 6 of this Article.

2. Each Party shall ensure that service suppliers of the other Party are permitted:
 - (a) to purchase or lease and attach terminal or other equipment which interfaces with a public telecommunications network;
 - (b) to provide services to individual or multiple end-users over leased or owned circuits;
 - (c) to connect private leased or owned circuits with public telecommunications networks and services or with circuits leased or owned by another service supplier;
 - (d) to use operating protocols of the service supplier's choice in the supply of any service, other than as necessary to ensure the availability of telecommunications services to the public generally; and
 - (e) to perform switching, signalling, processing and conversion functions.
3. Each Party shall ensure that service suppliers of the other Party may use public telecommunications networks and services for the movement of information in its territory or across its borders, including for intra-corporate communications of such service suppliers, and for access to information contained in databases or otherwise stored in machine-readable form in the territory of either Party.
4. Notwithstanding paragraph 3, a Party may take such measures as are necessary to ensure the security and confidentiality of communications, 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 services.
5. Each Party shall ensure that no condition is imposed on access to and use of public telecommunications networks and services other than as necessary:
 - (a) to safeguard the public service responsibilities of suppliers of public telecommunications networks or services, in particular their ability to make their services available to the public generally; or
 - (b) to protect the technical integrity of public telecommunications networks or services.
6. Provided that they satisfy the criteria set out in paragraph 5, conditions for access to and use of public telecommunications transport networks and services may include:
 - (a) restrictions on resale or shared use of such services;
 - (b) a requirement to use specified technical interfaces, including interface protocols, for inter-connection with such networks and services;
 - (c) requirements, where necessary, for the interoperability of such services;

- (d) type approval of terminal or other equipment which interfaces with the network and technical requirements relating to the attachment of such equipment to such networks;
- (e) restrictions on inter-connection of private leased or owned circuits with such networks or services or with circuits leased or owned by another service supplier; or
- (f) notification, registration and licensing.

ARTICLE 14.6

Access to Essential Facilities

1. Each Party shall ensure that a major supplier in its territory grants access to its essential facilities to suppliers of public telecommunications networks or services on reasonable, transparent and non-discriminatory terms and conditions based on a generally available offer for the purpose of providing public telecommunications services, except when this is not necessary to achieve effective competition on the basis of the facts collected and the assessment of market conditions conducted by the telecommunications regulatory authority. The major supplier's essential facilities may include, inter alia, network elements, leased circuits services and associated facilities.
2. Each Party shall provide its telecommunications regulatory body with the authority to determine those essential facilities required to be made available in a major supplier's territory, and to what extent those essential facilities are to be unbundled. Such determination shall be based, inter alia, on the objective of achieving effective competition and the benefit of the long-term interest of end-users.
3. Where a Party requires a major supplier to offer its public telecommunications services for resale, the Party shall ensure that that supplier does not impose unreasonable or discriminatory conditions on the resale of its public telecommunications services.

ARTICLE 14.7

Interconnection

Each Party shall ensure that a supplier of public telecommunications networks or services has the right and, when requested by another supplier of public telecommunications networks or services, the obligation to negotiate interconnection for the purpose of providing public telecommunications networks or services.

ARTICLE 14.8

Interconnection with Major Suppliers

1. Each Party shall ensure that a major supplier of public telecommunications networks or services in its territory provides interconnection:

- (a) at any technically feasible point in the major supplier's network;
 - (b) under non-discriminatory terms and conditions (including as regards rates, technical standards, specifications, quality and maintenance) and of a quality no less favourable than that provided for its own like services, or for like services of its subsidiaries or other affiliates;
 - (c) in a timely fashion, and on terms, conditions (including technical standards and specifications) and rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the suppliers do not need to pay for network components or facilities that they do not require for the service to be provided; and
 - (d) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.
2. Major suppliers shall make publicly available, as appropriate, either:
- (a) a reference interconnection offer or another standard interconnection offer containing the rates, terms, and conditions that the major supplier offers generally to suppliers of public telecommunications services; or
 - (b) the terms and conditions of an interconnection agreement in effect.
3. Each Party shall make publicly available the applicable procedures for interconnection negotiations with a major supplier in its territory.

ARTICLE 14.9

Competitive Safeguards on Major Suppliers

1. Each Party shall introduce or maintain appropriate measures for the purpose of preventing suppliers of public telecommunications networks or services that, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.
2. The anti-competitive practices referred to in paragraph 1 include in particular:
- (a) engaging in anti-competitive cross-subsidisation;
 - (b) using information obtained from competitors with anti-competitive results; and
 - (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

ARTICLE 14.10

Treatment by Major Suppliers

Each Party shall provide its telecommunications regulatory authority with the power to require, where appropriate, that a major supplier in its territory accords suppliers of public telecommunications networks or services of the other Party treatment no less favourable than such major supplier accords in like circumstances to its subsidiaries or its affiliates, regarding:

- (a) the availability, provisioning, rates or quality of like telecommunications services; and
- (b) the availability of technical interfaces necessary for interconnection.

ARTICLE 14.11

Dispute Resolution

1. Each Party shall ensure that, in the event of a dispute arising between suppliers of telecommunications networks or services in connection with rights and obligations that arise from this Chapter, and at the request of either party involved in the dispute, the telecommunications regulatory authority issues a binding decision within a timeframe stipulated in the legal framework of the Party to resolve the dispute.
2. Each Party shall ensure that where a regulatory authority declines to initiate any action on a request to resolve a dispute, it shall, upon request, provide a written explanation for its decision within a reasonable period of time.
3. The decision issued by the telecommunications regulatory authority shall be made available to the public, having regard to the requirements of business confidentiality. The parties concerned shall be given a full statement of the reasons on which it is based and shall have the right to appeal this decision, according to the right of appeal provision set out at Article 14.3 .
4. The procedure referred to in paragraphs 1 and 2 of this Article shall not preclude either party concerned from bringing an action before the courts.

ARTICLE 14.12

Confidentiality

1. Each Party shall ensure that suppliers of public telecommunications networks or services that acquire information from another such supplier in the process of negotiating arrangements pursuant to Articles 14.6, 14.7, or 14.8 of this Chapter use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of that information when it is transmitted or stored.

2. Each Party shall ensure the confidentiality of telecommunications and related traffic data transmitted in the use of public telecommunications networks or services, subject to the requirement that measures applied to that end do not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services.

ARTICLE 14.13

Scarce Resources

1. Each Party shall ensure that the allocation and granting of rights of use of scarce resources, including radio spectrum, numbers and rights of way, is carried out in an open, objective, timely, transparent, non-discriminatory and proportionate manner and in pursuit of general interest objectives, including the promotion of competition. Procedures, and conditions and obligations attached to rights of use, shall be based on objective, transparent, non-discriminatory and proportionate criteria.
2. The current use of allocated frequency bands shall be made publicly available, but detailed identification of radio spectrum allocated for specific government uses is not required.
3. Parties may rely on market-based approaches, such as bidding procedures, to assign spectrum for commercial use.
4. A Party's measures allocating and assigning spectrum and managing frequency are not measures that are per se inconsistent with Article 9.3. Accordingly, each Party retains the right to establish and apply spectrum and frequency management measures that may have the effect of limiting the number of suppliers of telecommunications services, provided that it does so in a manner consistent with other provisions of this Agreement. This includes the ability to allocate frequency bands taking into account current and future needs and spectrum availability.

ARTICLE 14.14

Number Portability

Each Party shall ensure that suppliers of public telecommunications services provide number portability on a timely basis, without impairment of quality, reliability or convenience, and on reasonable and non-discriminatory terms and conditions.

ARTICLE 14.15

Universal Service Obligation

1. Each Party has the right to define the kind of universal service obligation it wishes to maintain.
2. Each Party shall administer any universal service obligation that it maintains in a manner that is transparent, non-discriminatory and neutral with respect to competition. Each Party shall ensure that its universal service obligation is not more burdensome than necessary for the

kind of universal service that it has defined. Universal service obligations defined according to these principles shall not be regarded per se as anticompetitive.

3. Each Party shall ensure that procedures for the designation of universal service suppliers are open to all suppliers of public telecommunications networks or services. The designation shall be made through an efficient, transparent and non-discriminatory mechanism.
4. Where a Party decides to compensate the universal services suppliers, it shall ensure that such compensation does not exceed the needs directly attributable to the universal service obligation, as determined through a competitive process or a determination of net costs.

ARTICLE 14.16

Roaming

1. The Parties shall cooperate on promoting transparent and reasonable rates for international mobile roaming services in ways that can help promote the growth of trade among the Parties and enhance consumer welfare.
2. Parties may choose to take steps to enhance transparency and competition with respect to international mobile roaming rates and technological alternatives to roaming services, such as:
 - (a) ensuring that information regarding retail rates is easily accessible to consumers; and
 - (b) minimising impediments to the use of technological alternatives to roaming, whereby consumers visiting the territory of a Party from the territories of other Parties can access telecommunications services using the device of their choice.
3. The Parties shall assess within three years of the date of entry into force of this Agreement the need for inclusion of provisions in this Agreement on the regulation of mobile roaming charges between the Member States of the Union and the United Kingdom.

ARTICLE 14.17

Sub-Committee on Telecommunications

1. The Sub-Committee on Telecommunications shall be responsible for the effective implementation and operation of this Section.
2. The Sub-Committee on Telecommunications shall:
 - (a) report to the Committee on Trade in Services and Investment as required;
 - (b) review and monitor the implementation and operation of this Chapter, with a view to ensuring the effective implementation of the Chapter by enabling responsiveness to technological and regulatory developments in telecommunications to ensure the

continuing relevance of this Chapter to Parties, suppliers of telecommunications networks or services and end-users;

- (c) identify areas for improvement in the implementation and operation of this Chapter;
 - (d) discuss issues related to this Chapter and any other issues relevant to the telecommunications sector that the Parties may decide;
 - (e) review and monitor the effectiveness of the telecommunications dispute resolution mechanism provided for in Article 14.11;
 - (f) issue guidance to the Parties on best practice in relation to the implementation and operation of this Chapter;
 - (g) carry out other functions delegated to it by the Committee on Trade in Services and Investment;
 - (h) formulating recommendations which it considers necessary for the effective implementation and operation of this Chapter, such recommendations to be made to the Committee on Trade in Services and Investment and which may include proposals for submission to the Joint Committee for decisions to be adopted by the Joint Committee;
3. The Parties shall have regard to any guidance issued by the Sub-Committee on Telecommunications in accordance with paragraph 2(f) of this Article.
 4. The Sub-Committee on Telecommunications shall meet at venues and times as the Parties may decide.
 5. The Parties may decide to invite representatives of relevant entities other than the Parties, including representatives of private sector entities, having the necessary expertise relevant to the issues to be discussed, to attend meetings of the Sub-Committee on Telecommunications.

CHAPTER 15

DELIVERY SERVICES

ARTICLE 15.1

Scope and Definitions

This Chapter sets out:

- (a) The principles of the regulatory framework for the supply of postal and courier services and applies to measures by a Party affecting trade in postal and courier services.
- (b) The Parties confirm that postal and courier services are covered by Chapters 9 and 10, subject to applicable reservations as set out in the Parties' Schedules. For greater certainty, the treatment offered to courier services under Article 15.2 does not include the grant of air traffic rights for courier service suppliers.

ARTICLE 15.2

Definitions

For the purposes of this Chapter:

“express delivery service” means the collection, sorting, transport and delivery of postal items at accelerated speed and reliability and may include value added elements such as collection from point of origin, personal delivery to the addressee, tracing, possibility of changing the destination and addressee in transit or confirmation of receipt.

“licence” means an authorisation that an independent regulatory authority of a Party may require of an individual supplier, in accordance with the laws and regulations of the Party, in order for that supplier to offer postal and courier services.

“universal service” means the permanent supply of a postal service of specified quality at all points in the territory of a Party at affordable prices for all users.

ARTICLE 15.3

Universal Service Obligation

Each Party shall:

- (a) have the right to define the kind of universal service obligation it wishes to maintain. That obligation will not be regarded per se as anti-competitive, provided that it is administered in a transparent, non-discriminatory and competitively neutral manner and is not more

burdensome than necessary for the kind of universal service defined by the Party, with regard to all suppliers subject to the obligation;

- (b) within the framework of its postal regulation or by other customary means, each Party shall set out the scope of the universal service obligation, fully taking into account the needs of the users and national conditions, including market forces, of that Party;
- (c) ensure that a supplier of postal and courier services in its territory which is subject to a universal service obligation under its laws and regulations does not engage in the following practices:
 - (i) excluding the business activities of other enterprises by cross-subsidising, with revenues derived from the supply of the universal service, the supply of express mail services (EMS)¹¹ or any non-universal service in a way that constitutes a private monopolisation in contravention of United Kingdom legislation and the competition laws of the European Union respectively;
 - (ii) unjustifiably differentiating among customers, such as large volume mailers or consolidators, where like conditions prevail with respect to charges and the provisions concerning acceptance, delivery, redirection, return and the number of days required for delivery for the supply of a service.

ARTICLE 15.4

Licences

When a licence is required for the provision of postal services, each Party shall make publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
- (b) the terms and conditions of licences.

ARTICLE 15.5

Independence of the Regulatory Body

Each Party shall:

- (a) create or maintain a regulatory body which shall be legally distinct from and functionally independent from any supplier of postal and courier services; Parties that retain ownership or control of undertakings providing delivery services shall ensure effective structural separation of the regulatory function from activities associated with ownership or control;

¹¹ For the purposes of this sub-paragraph "express mail service (EMS)" means services referred to in Section VIII, Article 36 of the UPU Convention.

- (b) ensure that regulatory bodies perform their tasks in a transparent and timely manner;
- (c) ensure the decisions of and the procedures used by the regulatory body shall be impartial with respect to all market participants.

CHAPTER 16: AUDIO-VISUAL SERVICES

ARTICLE 16.1

Scope

1. This Chapter applies to:
 - (a) measures affecting the supply of audio-visual services;
 - (b) the activities of regulatory authorities responsible for regulating audio-visual services.
2. The provisions of this Chapter do not affect the application to audio-visual services of any other provision (in whole or in part, or to any extent) of this Agreement.

ARTICLE 16.2

General Provisions

1. The Parties recognise the value of competitive markets to deliver a wide choice in the supply of audio-visual services and to advance consumer benefits.
2. The Parties acknowledge the role of audio-visual services in advancing cultural values and objectives, alongside the economic value of the audio-visual sector.
3. The Parties affirm the importance of advancing their shared interests in the field of audio-visual regulation.

ARTICLE 16.3

Domestic Regulation

1. The Parties affirm that audio-visual services are to be regulated in accordance with the provisions of Chapter 12, and in that connection recognise in particular the principle of transparency in the regulation of the audio-visual sector.
2. The Parties acknowledge that audio-visual services provided by electronic means are subject to Article 18.19. In discharging their obligations under that article in relation to such audio-visual services, the Parties will have regard to the value of regulatory authorities exchanging views on the principles (including transparency) that underpin effective regulation.
3. As part of such exchanges, the Parties will also consider the effective regulation of audio-visual services that are not provided by electronic means.

Article 16.4

Emerging Technology

The Parties acknowledge the importance of considering the impact of emerging technology on audio-visual services, in particular on-demand audio-visual services or other audio-visual services provided by electronic means.

ARTICLE 16.5

Right to Regulate

Nothing in this chapter affects the Parties' right to regulate within their territories to achieve legitimate policy objectives in relation to the audio-visual sector, such as the protection of public health, social services, public education, safety, environment or public morals, social or consumer protection, privacy and data protection, or the promotion and protection of cultural diversity.

CHAPTER 17: FINANCIAL SERVICES

ARTICLE 17.1

Definitions

For the purposes of this Chapter:

- (a) 'cross-border financial service supplier of a Party' means a person of a Party that is engaged in the business of supplying a financial service within the territory of the Party and that seeks to supply or supplies a financial service through the cross-border supply of that service;
- (b) 'cross-border trade in financial services' or 'cross-border supply of financial services' means the supply of a financial service:
 - (i) from the territory of a Party into the territory of the other Party;
 - (ii) in the territory of a Party to a person of the other Party; or
 - (iii) by a national of a Party in the territory of the other Party;

but does not include the supply of a financial service in the territory of a Party by an investment in that territory.

- (c) 'financial service' means any service of a financial nature, including all insurance and insurance-related services, banking and other financial services (excluding insurance), and services incidental or auxiliary to a service of a financial nature. Financial services include the following activities:

Insurance and insurance-related services

- (i) direct insurance (including co-insurance):
 - (1) life;
 - (2) non-life;
- (ii) reinsurance and retrocession;
- (iii) insurance intermediation, such as brokerage and agency; and
- (iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services,

Banking and other financial services (excluding insurance)

- (v) acceptance of deposits and other repayable funds from the public;
- (vi) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;
- (vii) financial leasing;
- (viii) all payment and money transmission services, including credit, charge and debit cards, travellers' cheques, e-payments and bankers drafts;
- (ix) guarantees and commitments;
- (x) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
 - (1) money market instruments (including cheques, bills, certificates of deposits);
 - (2) foreign exchange;
 - (3) derivative products, including futures and options;
 - (4) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
 - (5) transferable securities; and
 - (6) other negotiable instruments and financial assets, including bullion;
- (xi) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
- (xii) money broking;
- (xiii) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
- (xiv) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;
- (xv) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;
- (xvi) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (i) through (xi) above, including credit reference and

analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

- (xvii) market infrastructure:
 - (1) clearing;
 - (2) exchange/platform trading; and
 - (3) central securities depositories, and settlement systems;
 - (xviii) marketing of financial services; and
 - (xix) agreements concerning any of the products and services mentioned in subparagraphs (v) to (xviii) above.
- (d) “financial service supplier” means a person of a Party that is engaged in the business of supplying or wishes to engage in the business of supplying a financial service within the territory of that Party but does not include a public entity;
- (e) “new financial services” means a financial service not supplied in the Party’s territory that is supplied within the territory of the other Party, and includes any new form of delivery of a financial service or the sale of a financial product that is not sold in the Party’s territory;
- (f) “person of a Party” means a national or juridical person of Party”.
- (g) “public entity” means
- (i) a government, a central bank or monetary authority of a Party, or any entity owned or controlled by a Party that is principally engaged in carrying out governmental functions or activities for governmental purposes, but does not include an entity principally engaged in supplying financial services on commercial terms; or
 - (ii) a private entity performing functions normally performed by a central bank or monetary authority when exercising those functions; and
- (h) “self-regulatory organisations” means any non-governmental body, including any securities or futures exchange or market, clearing agency, or other organisation or association, that exercises regulatory or supervisory authority over financial service suppliers by statute or delegation from central or regional government.

ARTICLE 17.2

Scope

1. This Chapter shall apply to measures adopted or maintained by a Party relating to:

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- (a) financial service suppliers of the other Party;
 - (b) covered enterprises of the other Party supplying financial services;
 - (c) investors of the other Party in such enterprises; and
 - (d) cross-border trade in financial services.
2. The following Chapters are incorporated into and made part of this Chapter:
- (a) Chapter 10; and
 - (b) Chapter 11.
3. Articles 9.4 and 9.8 of Chapter 9 are incorporated into and made part of this Chapter.
4. Chapter 12 is incorporated into and made a part of this Chapter, subject to the following:
- (a) the provisions applicable to licensing and qualification requirements and procedures in that Chapter apply to the exercise of statutory discretion by the financial regulatory authorities of the Parties; and
 - (b) the provisions of Chapter 12 do not apply to licensing requirements, licensing procedures, qualification requirements or qualification procedures:
 - (i) pursuant to a non-conforming measure maintained by the United Kingdom, as set out in its Schedule to Annex 17-C;
 - (ii) pursuant to a non-conforming measure maintained by the European Union, as set out in its Schedule to Annex 17-C; and
5. This Chapter shall not apply to measures adopted or maintained by a Party relating to:
- (a) activities or services forming part of a public retirement plan or statutory system of social security; or
 - (b) activities or services conducted for the account or with the guarantee or using the financial resources of the Party, including its public entities;
- except that this Chapter shall apply to the extent that a Party allows any of the activities or services referred to in subparagraph (a) or (b) to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier.
6. For the purposes of this Article, 'investor of a Party' means 'investor of a Party' as defined in Article 8.2 and 'covered enterprise' means 'covered enterprise' as defined in Article 8.2.

ARTICLE 17.3

Cross-Border Financial Service Suppliers: National Treatment

1. Each Party shall accord to:
 - (a) financial services and cross-border financial service suppliers of the other Party seeking to supply or supplying the financial services specified in Annex 17-A; and
 - (b) financial services and cross-border financial service suppliers of the other Party engaged in the cross - border trade in financial services or seeking to supply such services as defined in sub-paragraphs (ii) and (iii) of the definition of cross-border trade in financial services,treatment no less favourable than that it accords to its own like financial services and like financial service suppliers.
2. Each Party shall permit persons located in its territory, and its nationals wherever located, to purchase financial services from cross-border financial service suppliers of the other Party located in the territory of that Party. This obligation does not require a Party to permit such suppliers to do business or solicit in its territory. Each Party may define “doing business” and “solicitation” for the purposes of this Article, provided that those definitions are not inconsistent with paragraph 1.
3. For greater certainty, the treatment accorded by a Party under paragraphs 1 and 2 means, with respect to a Government in the United Kingdom, or, with respect to a Government of or in a Member State of the Union, treatment no less favourable than the most favourable treatment accorded by that Government to its own like financial services and financial service suppliers.
4. This Article shall not apply to any measures covered by the exceptions to, or derogations from, obligations under Article 3 and 4 of the TRIPS Agreement, as specifically provided in Article 3 and 5 of the TRIPS Agreement.

ARTICLE 17.4

Cross-Border Financial Service Suppliers: Most-Favoured-Nation Treatment

[The UK reserves the right to propose a text on most - favoured - nation treatment.]

ARTICLE 17.5

Market Access

1. No Party shall adopt or maintain with respect to a cross-border financial service supplier of the other Party supplying cross-border trade in financial services as defined in sub-paragraph (i) of the definition of cross-border trade in financial services for the financial services specified in Annex 17-A or with respect to a cross-border financial service supplier of the other Party

supplying cross-border trade in financial services as defined in sub-paragraph (ii) of the definition of cross - border trade in financial services, either on the basis of a regional subdivision or on the basis of its entire territory, measures that impose limitations on:

- (a) the number of cross-border financial service suppliers of the other Party whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirement of an economic needs test;
 - (b) the total value of financial service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
 - (c) the total number of financial service operations or the total quantity of financial services output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs tests;
 - (d) the participation of foreign capital in terms of maximum percentage limit on foreign shareholding in financial service suppliers established in the territory of the Party or the total value of individual or aggregate foreign investment in financial service suppliers established in the territory of the Party;
 - (e) the total number of natural persons that may be employed in a particular financial services sector or that a cross-border financial service supplier may employ and who are necessary for, and directly related to, the supply of a specific financial service in the form of numerical quotas or the requirement of an economic needs test; or
 - (f) restrict or require specific types of legal entity or joint venture through which a cross-border financial service supplier may supply a service.
2. For greater certainty, nothing in paragraph 1 or Article 10.2 shall prohibit the Parties from adopting or maintaining terms, conditions and procedures relating to the authorisation of a financial service supplier of the other Party.

ARTICLE 17.6

New Financial Services

1. Each Party shall permit a financial service supplier of the other Party to supply a new financial service that the Party would permit its own financial service suppliers, in like circumstances, to supply without adopting a law or modifying an existing law.
2. A Party may determine the institutional and juridical form through which the new financial service may be supplied and may require authorisation for the supply of the service from the relevant regulator. Where such authorisation is required, a decision shall be made within a reasonable time, and the authorisation may only be refused for prudential reasons.
3. Each Party shall endeavour to collaborate and share knowledge relating to developments in financial services including financial integrity, consumer wellbeing and protection, financial

inclusion, financial data, competition and financial stability through innovation in financial services, by sharing best practice and facilitating cross-border development of new financial services.

4. The Parties understand that nothing in this Article prevents a financial service supplier of a Party from applying to the other Party to request that it authorises the supply of a financial service that is not supplied in the territory of any Party. That application shall be subject to the law of the Party to which the application is made, and for greater certainty, shall not be subject to paragraphs 1 to 2 of this Article.

ARTICLE 17.7

Financial Information

1. Neither Party shall restrict a financial service supplier of the other Party from transferring or processing information, including by electronic means, or from transferring equipment in accordance with this Agreement and any applicable domestic law, where such transfers or processing are necessary in the course of the business of that financial service supplier.
2. Subject to paragraph 3, it is prohibited for a Party to require, as a condition for conducting business in that Party's territory, information of a financial service supplier of the other Party to be used, stored, or processed in that Party's territory. This prohibition also applies where a financial service supplier of the other Party uses the services of an external business for such use, storage, or processing of information.
3. Notwithstanding the provisions of paragraphs 1 and 2, a Party has the right to require that information of a financial service supplier of the other Party is used, stored, or processed in its territory where it is not able to ensure access to data required for the purposes of financial regulation and supervision, provided that the following conditions are met:
 - (a) as far as is practicable, the Party provides a financial service supplier of the other Party with a reasonable opportunity to remedy any lack of access to information; and
 - (b) the Party consults the other Party before imposing any requirements on a financial service supplier of the other Party with respect to the use, storage, or processing of financial information in its territory.
4. Nothing in this Article shall restrict the right of a Party to adopt or maintain measures to protect personal data, personal privacy, or the confidentiality of individual records or accounts, provided that such measures are not used as a means of avoiding the Party's obligations under this Chapter.

ARTICLE 17.8

Payments and Clearing

Under terms and conditions that accord national treatment, each Party shall grant financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities available in the normal course of ordinary business. This Article is not intended to confer access to the Party's lender of last resort facilities.

ARTICLE 17.9

Senior Management and Board of Directors

1. No Party shall require a financial service supplier of the other Party established in its territory to engage natural persons of any particular nationality as senior managerial or other essential personnel.
2. No Party shall require that more than a minority of the board of directors of a financial service supplier of the other Party established in its territory be composed of nationals of the Party, persons residing in the territory of the Party, or a combination thereof.

ARTICLE 17.10

Transparency

1. The Parties recognise that transparent measures of general application and policies governing the activities of financial service suppliers are important in facilitating their ability to gain access to and operate in each other's markets. Each Party commits to promote regulatory transparency in financial services.
2. If a Party requires authorisation for the supply of a financial service, the regulatory authorities of the Party shall make an administrative decision on a completed application for authorisation relating to the supply of a financial service, within 180 days and shall promptly notify the applicant of the decision. If it is not practicable for a decision to be made within 180 days, the regulatory authority shall notify the applicant without undue delay and shall endeavour to make the decision within a reasonable period of time thereafter.
3. Each Party shall ensure that measures of general application adopted or maintained by a self-regulatory organisation of the Party to which this Chapter applies are promptly published or otherwise made available in a manner that enables interested persons to become acquainted with them.

ARTICLE 17.11

Self-Regulatory Organisations

If a Party requires a financial service supplier of the other Party to be a member of, participate in, or have access to, a self-regulatory organisation in order to provide a financial service in or into its territory, or grants a privilege or advantage when supplying a financial service through a self-regulatory organisation, it shall ensure that the self-regulatory organisation observes the

obligations contained in Article 17.3 , Article 17.4, Article 17.5 of this Chapter and the obligations contained in the Chapters of this Agreement incorporated and made part of this Chapter by Article 17.2 of this Chapter.

ARTICLE 17.12

Non-conforming Measures

1. The provisions set out in paragraph 6 shall not apply to:
 - (a) any existing non-conforming measure that is maintained by a Party at the level of:
 - (i) the Union, as set out in Section A of its Schedule to Annex 17-C;
 - (ii) a central government, as set out by that Party in Section A of its Schedule to Annex 17-C;
 - (iii) a regional government, as set out by that Party in Section A of its Schedule to Annex 17-C; or
 - (iv) a local government;
 - (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a);
 - (c) an amendment to any non-conforming measure referred to in subparagraphs (a) and (b) to the extent that the amendment does not decrease the conformity of the measure, as it existed:
 - (i) immediately before the amendment, with the provisions set out in paragraph 6(a)(iv) and 6(b)(ii); or
 - (ii) on the date of entry into force of the Agreement for the Party applying the non-conforming measure, with the provisions set out in paragraphs 6(a)(i)-(iii) and 6(b)(i) and (iii); or
 - (d) any measure that a Party adopts or maintains with respect to sectors, subsectors, or activities, as set out by that Party in Section B of its Schedule in Annex 17-C.
2. If a Party has set out a non-conforming measure to the provisions set out in paragraph 6 in its Schedule to Annex 17-C, the non-conforming measure constitutes a non-conforming measure to the relevant provisions to the extent that the measure, sector, sub-sector or activity set out in the reservation is covered by this Chapter.
3. Article 17.3 and Chapter 10 as incorporated and made part of this Chapter shall not apply to any measure that falls within an exception to, or derogation from, the obligations which are imposed by:

- (a) Article 24.4; or
 - (b) Article 3 of the TRIPS Agreement, if the exception or derogation relates to the matters not addressed by Chapter 24.
4. Article 17.4 and Chapter 10 as incorporated and made part of this Chapter shall not apply to any measure that falls within Article 5 of the TRIPS Agreement, or an exception to, or derogation from, the obligations which are imposed by:
- (a) Article 24.4; or
 - (b) Article 4 of the TRIPS Agreement.
5. Annex 17-B sets out certain specific commitments by each Party.
6. The provisions referred to in paragraphs 1 and 2 are:
- (a) the following provisions of this Chapter:
 - (i) Article 17.3;
 - (ii) Article 17.4;
 - (iii) Article 17.5;
 - (iv) Article 17.9; and
 - (b) The following provisions as incorporated and made part of this Chapter:
 - (i) Articles 9.4 and 9.8;
 - (ii) Chapter 10;
 - (iii) Chapter 11.
 - (iv) Article 17.3;

ARTICLE 17.13

Prudential Carve-Out

1. This Agreement does not prevent a Party from adopting or maintaining measures necessary for prudential reasons,¹²¹³ including:
 - (a) the protection of investors, depositors, policyholders, or persons to whom a financial service supplier owes a fiduciary duty;
 - (b) the maintenance of the safety, soundness, integrity, or financial responsibility of a financial service supplier; or
 - (c) ensuring the integrity and stability of a Party's financial system.
2. Where such measures do not conform with the provisions of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under this Agreement.

ARTICLE 17.14

Specific Exceptions

1. Nothing in this Title or the Services and Investment Title shall apply to measures of general application taken by any public entity in pursuit of monetary and related credit policies or exchange rate policies.
2. For the avoidance of doubt, nothing in this Chapter shall be construed to prevent a Party from adopting or enforcing measures necessary to secure compliance with laws or regulations that are not inconsistent with the provisions of this Chapter, including those relating to (i) the prevention of deceptive and fraudulent practices, (ii) money laundering (iii) the imposition of financial sanctions, (iv) countering the financing of terrorism, or to deal with the effects of a default on financial services contracts, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between Parties or between Parties and non-Parties where like conditions prevail, or a disguised restriction on investment in a financial service supplier or cross-border trade in financial services as covered by this Chapter.

ARTICLE 17.15

Recognition of Prudential Measures

1. A Party may recognise prudential measures of a non-Party in the application of measures covered by this Chapter.¹⁴ That recognition may be:
 - (a) accorded autonomously;

¹² The Parties understand that this includes the maintenance of the safety, soundness and integrity, or financial responsibility of payment, settlement and clearing systems.

¹³ For the avoidance of doubt, this shall not prevent the United Kingdom from adopting or maintaining measures for prudential reasons in relation to branches established in the United Kingdom by companies incorporated in the Union.

¹⁴ For greater certainty, nothing in Article 17.4 (Most-Favoured-Nation Treatment) shall be construed to require a Party to accord recognition to prudential measures of any other Party.

- (b) based upon an agreement or arrangement with the non-Party; or
 - (c) achieved through any other means set out in the GATS, Article VII.1 or the Annex on Financial Services, paragraph 3(a).
2. A Party that accords recognition of prudential measures under paragraph 1 shall provide adequate opportunity to the other Party to demonstrate that circumstances exist in which there are or would be equivalence regulation, oversight, implementation of regulation and, if appropriate, procedures concerning the sharing of information between the relevant Parties.
 3. If a Party accords recognition of prudential measures under paragraph 1(c) and the circumstances set out in paragraph 2 exist, that Party shall provide adequate opportunity to the other Party to negotiate accession to the agreement or arrangement, or to negotiate a comparable agreement or arrangement.

ARTICLE 17.16

Performance of back-office functions

1. The Parties recognise that the performance of the back-office functions of a financial service supplier in its territory by the head office or an affiliate of the financial service supplier, or by an unrelated service supplier, either inside or outside its territory, is important to the effective management and efficient operation of that financial service supplier. While a Party may require financial service suppliers to ensure compliance with any domestic requirements applicable to those functions, they recognise the importance of avoiding the imposition of arbitrary requirements on the performance of those functions.
2. For greater certainty, nothing in paragraph 1 prevents a Party from requiring a financial service supplier in its territory to retain certain functions.

ARTICLE 17.17

Dispute Settlement

1. Chapter 33 applies, as modified by this Article, to the settlement of disputes arising under this Chapter.
2. The Financial Services Committee shall establish a list of at least 15 individuals, chosen on the basis of objectivity, reliability, and sound judgement who are willing and able to serve as financial services panellists. The list shall be composed of three sub-lists: one sub-list for each Party and one sub-list of individuals who are not nationals of either Party to act as chairpersons. Each sub-list shall include at least five individuals. The Financial Services Committee shall ensure that the list conforms with this Article and may review the list at any time.
3. In addition to the requirements set out in Article 33.10 (Qualifications of arbitrators):

- (a) all panellists in disputes arising under this Chapter shall have the necessary expertise relevant to the financial services under dispute, which may include the regulation of financial service suppliers;
 - (b) the panellist acting as chairperson must have prior experience as counsel, panellist, or arbitrator in dispute settlement proceedings on subject matters within the scope of this Chapter;
 - (c) arbitrators shall be independent, serve in their individual capacity, and shall not take instructions from any organisation or government.
4. The Parties shall consult with a view to reaching agreement on the composition of an arbitration panel within 10 working days of the date of receipt by the responding Party of the request for the establishment of an arbitration panel.
5. In the event that the Parties are unable to agree on the composition of the arbitration panel within the time frame specified in paragraph 4, the Parties shall follow the procedures set out in Article 33.8, except that panellists and chairpersons will be selected from the list established under paragraph 2.
6. If, in response to a claim arising from this Chapter, the respondent Party invokes Article 17.13, the arbitration panel may, on a Party's request and if appropriate to deal with the issues in the claim expeditiously and fairly, consider as a preliminary issue whether and to what extent Article 17.13 is a valid defence to the claim. If the arbitration panel decides that Article 14 is a valid defence to all parts of the claim in its entirety, the claim proceedings shall be discontinued.
7. Where an arbitration panel finds a measure to be inconsistent with this Agreement and the measure under dispute affects:
- (a) only the financial services sector, the complaining Party may suspend benefits in the financial services sector and any other sector that have an effect equivalent to the effect of the measure in the Party's financial services sector;
 - (b) the financial services sector and any other sector, the complaining Party may suspend benefits in the financial services sector that have an effect equivalent to the effect of the measure in the Party's financial services sector; or;
 - (c) only a sector other than the financial services sector, the complaining Party may not suspend benefits in the financial services sector.
8. When suspending benefits in the financial services sector, the complaining Party shall give appropriate consideration to any risks to financial stability potentially arising from the suspension of benefits.

9. Suspension of benefits in the financial services sector shall not affect acquired rights, including the performance and servicing of existing contracts that were entered into before the date of publication of the panel's decision.

ARTICLE 17.18

Financial Services Committee

1. The Financial Services Committee (FSC) shall contain a principal representative of each Party, who shall be an official of the Party's authority responsible for financial services set out in Annex 17-E.
2. The FSC shall:
 - (a) supervise the implementation of this Chapter;
 - (b) assess the functioning of this Agreement as it applies to financial services;
 - (c) consider issues regarding financial services that are referred to it by a Party; and
 - (d) carry out such functions as are conferred on it by Annex 17-F.
3. The Parties may invite, if they consider it appropriate, representatives of their domestic financial regulatory authorities to attend meetings of the FSC.
4. Unless the co-chairs decide otherwise, the FSC shall meet once in every three calendar months.

ARTICLE 17.19

Regulatory Cooperation

The Parties shall undertake the regulatory cooperation provided for in Annex 17-F for the purpose of establishing and maintaining:

- (a) close and structured cooperation on regulatory matters;
- (b) regulatory autonomy, transparency and stability;
- (c) transparency and appropriate consultation in the process of adoption, suspension and withdrawal of equivalence decisions; and
- (d) consultation and information exchange on regulatory initiatives and other issues of mutual interest.

CHAPTER 18: DIGITAL

ARTICLE 18.1

Objective

1. The Parties recognise the economic growth and opportunities provided by digital trade and the importance of adopting frameworks that promote consumer confidence in digital trade and of avoiding unnecessary barriers to its use and development.
2. The Parties recognise the importance of the principle of technological neutrality in electronic commerce.

ARTICLE 18.2

Scope

1. This Chapter shall apply to trade enabled by electronic means.
2. Provisions of this Chapter shall not apply to:
 - (a) gambling services,
 - (b) services of notaries or equivalent professions,
 - (c) legal representation services,
 - (d) government procurement with the exception of Articles 6, 7 and 10 which shall apply to government procurement,
 - (e) other than Article 15 (open government data), information held or processed by or on behalf of a Party, or measures related to that information, including measures related to its collection.

ARTICLE 18.3

Definitions

For the purpose of this Chapter:

“algorithm” means a defined sequence of steps, taken to solve a problem or obtain a result;

“computing facilities” means computer servers and storage devices for processing or storing information for commercial use;

“covered person” means:

- (a) a covered enterprise;
- (b) An investor but does not include an investor in a financial service supplier of a Party; or
- (c) a service supplier but does not include a financial service supplier or a Party.

“electronic authentication” means an electronic process that enables confirmation of:

- (a) the electronic identification of a natural or juridical person; or
- (b) the origin and integrity of data in electronic form;

“electronic registered delivery service” means a service that makes it possible to transmit data between third parties by electronic means and provides evidence relating to the handling of the transmitted data, including proof of sending and receiving the data, and that protects transmitted data against the risk of loss, theft, damage or any unauthorised alterations;

“electronic seal” means data in electronic form used by a juridical person which is attached to or logically associated with other data in electronic form to ensure the latter’s origin and integrity;

“electronic signature” means data in electronic form which is attached to or logically associated with other data in electronic form that is:

- (a) used by a natural person to agree on the data in electronic form to which it relates; and
- (b) linked to the data in electronic form to which it relates in such a way that any subsequent alteration in the data is detectable;

“electronic time stamp” means data in electronic form which binds other data in electronic form to a particular time establishing evidence that the latter data existed at that time;

“electronic trust service” means an electronic service consisting of:

- (a) the creation, verification and validation of electronic signatures, electronic seals, electronic time stamps, electronic registered delivery services and certificates related to those services;
- (b) the creation, verification and validation of certificates for website authentication; or
- (c) the preservation of electronic signatures, seals or certificates related to those services;

“end-user” means any natural person, or juridical person if provided for in national laws and regulations of each Party, using or requesting a publicly available telecommunications service, either as a consumer or for trade, business or professional purposes;

“personal information” means any information, including data, about an identified or identifiable natural person;

“trust service providers” means a natural or juridical person who provides electronic trust services; and

“unsolicited commercial electronic message” means an electronic message which is sent for commercial or marketing purposes, without the consent of the recipient or despite the explicit rejection of the recipient, directly to end-users via a telecommunications network and, to the extent provided for under the laws and regulations of each Party, other telecommunications services. For the purpose of this Agreement this covers at least electronic mail and text and multimedia messages (SMS and MMS).

ARTICLE 18.4

Committee on Digital Trade

1. The Committee on Digital Trade shall be responsible for effective implementation and operation of this Chapter.
2. The Committee may invite representatives of relevant entities, other than the representatives of the Parties with the necessary expertise relevant to the issues to be addressed, to its meetings.
3. The Committee may establish working groups to deal with specific issues or sectors as necessary.
4. The Committee shall oversee the functioning of the working groups.
5. The working groups shall report to the Committee as required.
6. The Committee shall have the following functions:
 - (a) reviewing and monitoring the implementation and operation of this Chapter;
 - (b) addressing all issues arising from the implementation and operation of this Chapter;
 - (c) identifying areas for improvement in the implementation and operation of this Chapter;
 - (d) exchanging information on any matters relating to this Chapter;
 - (e) functioning as a mechanism to expeditiously reach mutually agreed solutions with regard to any matters referred to in the first paragraph of this article;
 - (f) formulating resolutions, recommendations or opinions regarding actions or measures which it considers necessary for the attainment of the objectives and effective functioning of this Chapter;

- (g) formulating recommendations for the informal resolution of disagreements arising in connection with this Chapter;
- (h) deciding on the actions to be taken or the measures to be implemented by a Party or the Parties, in the areas identified by the Joint Committee;
- (i) carrying out any functions as may be delegated by the Joint Committee;
- (j) submitting proposals for decisions to be adopted by the Joint Committee or take decisions in accordance with the relevant provisions of this Agreement.
- (k) carrying out other functions conferred on it by this Chapter.

ARTICLE 18.5

Customs Duties on Electronic Transmissions

1. Neither Party shall impose customs duties on electronic transmissions¹⁵ including the transmitted content, between a person of one Party and a person of another Party.
2. For greater certainty, paragraph 1 shall not preclude a Party from imposing internal taxes, fees or other charges on electronic transmissions, provided that such taxes, fees or charges are imposed in a manner consistent with this Agreement.

ARTICLE 18.6

Principle of No Prior Authorisation

1. The Parties shall use best endeavours to ensure that the supply of services by electronic means may not be subject to prior authorisation.
2. Paragraph 1 is without prejudice to:
 - (a) authorisation schemes which are not specifically and exclusively targeted at services provided by electronic means, and rules in the field of telecommunications;
 - (b) authorisation schemes which are implemented by a Party for legitimate public policy reasons, only when:
 - (i) there is a clear and overriding policy reason to do so;
 - (ii) it notifies the other Party of its intention to implement such an authorisation scheme;

¹⁵ For greater certainty, the Parties affirm that “electronic transmission” includes both the act of transmission and the content that is transmitted electronically.

- (iii) the public policy aim cannot be reasonably achieved by other means; and
- (iv) the authorisation scheme is proportionate to the public policy aim sought.

ARTICLE 18.7

Conclusion of Contracts by Electronic Means

1. The Parties shall ensure that their legal systems allow contracts to be concluded by electronic means and that the legal requirements for contractual processes neither create obstacles for the use of electronic contracts nor result in such contracts being deprived of legal effect, enforceability and validity for having been made by electronic means.
2. This provision shall not apply to contracts that require witnessing in person, contracts that create or transfer rights in real estate, contracts requiring by law the involvement of courts, public authorities or professions exercising public authority, and contracts governed by family law or by the law of succession.
3. The Parties, acting through the Committee on Digital Trade, shall keep under review the categories of contracts to which Article 18.7.1 applies. Where the Committee concludes that it is appropriate in order to further the objectives of this Chapter in the mutual interest of the Parties, it may recommend that the Joint Committee extend the scope of Article 18.7.1 by making appropriate modifications to the exceptions in Article 18.7.2

ARTICLE 18.8

Electronic Authentication and Electronic Trust Services

1. A Party shall not deny the legal effect and admissibility as evidence in legal proceedings of an electronic document, an electronic signature, an electronic seal, an electronic time stamp, the authenticating data resulting from electronic authentication, or of data sent and received using an electronic registered delivery service, solely on the ground that it is in electronic form.
2. A Party shall not adopt or maintain measures that would:
 - (a) prohibit parties to an electronic transaction from mutually determining the appropriate electronic authentication methods for their transaction; or
 - (b) prevent parties to an electronic transaction from being able to prove to judicial and administrative authorities that the use of electronic authentication or an electronic trust service in that transaction complies with the applicable legal requirements.
3. Notwithstanding paragraph 2, a Party may require that for a particular category of transactions, the method of electronic authentication or trust service is certified by an authority accredited in accordance with its law or meets certain performance standards which shall be objective, transparent and non-discriminatory and shall only relate to the specific characteristics of the category of transactions concerned.

4. The Parties shall encourage the use of interoperable electronic trust services and electronic authentication, and the mutual recognition of electronic trust services and electronic authentication issued by recognised trust service providers.

ARTICLE 18.9

Online Consumer Protection

1. The Parties recognise the importance of adopting and maintaining transparent and effective measures that contribute to consumer trust, including but not limited to measures that protect consumers from unfair, misleading, fraudulent and deceptive commercial practices when they engage in digital trade.
2. To this end each Party shall adopt or maintain measures that contribute to consumer trust, including measures that proscribe unfair, misleading, fraudulent and deceptive commercial practices that cause harm or potential harm to consumers.
3. The Parties recognise the importance of cooperation between their respective national consumer protection agencies or other relevant bodies on activities related to digital trade between the parties to improve consumer trust, in order to enhance consumer welfare.

ARTICLE 18.10

Unsolicited Commercial Electronic Messages

1. Each Party shall adopt or maintain measures regarding unsolicited commercial electronic messages that:
 - (a) require suppliers of unsolicited commercial electronic messages to facilitate the ability of recipients to prevent ongoing reception of those messages; or
 - (b) require the consent, as specified according to its laws and regulations, of recipients to receive commercial electronic messages.
2. Each Party shall ensure that unsolicited commercial electronic messages are clearly identifiable as such, clearly disclose on whose behalf they are made and contain the necessary information to enable end-users to request cessation free of charge and at any time.
3. Each Party shall provide recourse against suppliers of unsolicited commercial electronic messages that do not comply with the measures adopted or maintained pursuant to paragraphs 1 and 2.
4. The Parties shall use best endeavours to cooperate in appropriate cases of mutual concern regarding the regulation of unsolicited commercial electronic messages.

ARTICLE 18.11

Source Code

1. No Party may require the transfer of, or access to, source code of software, or algorithms contained in that source code, owned by a legal or natural person of the other Party.
2. For greater certainty:
 - (a) this Article shall not prevent a Party from adopting or maintaining measures inconsistent with paragraph 1 to achieve a legitimate public policy objective, including to ensure security and safety, for instance in the context of a certification procedure, in accordance with Article 17.13.
 - (b) paragraph 1 does not apply to the voluntary transfer of or granting of access to source code under open source licences or on a commercial basis by a person of the other Party, for instance in the context of open source coding, a public procurement transaction or a freely negotiated contract.
 - (c) this Article shall not prevent a Party from adopting or maintaining exceptions and limitations to copyright and related rights, which permit certain acts by lawful users of software, in accordance with Article 13 of the TRIPS Agreement.
3. Nothing in this Article shall affect:
 - (a) the imposition or the enforcement of a requirement, or the enforcement of a commitment or undertaking, pursuant to a Party's competition law, by a court, administrative tribunal or competition authority;
 - (b) the power of a court or tribunal to make an order in proceedings before it requiring the disclosure of source code or algorithms or court rules requiring such disclosure;
 - (c) intellectual property rights and their enforcement; and
 - (d) the right of a Party to take measures in accordance with Article III of the GPA.
4. Article 10.6.1(g) of Chapter 10 does not apply in relation to transfers falling within paragraph 2(c), 3(b) or 3(d) of this Article.

ARTICLE 18.12

Open Internet Access

1. Subject to applicable policies, laws and regulations, each Party should maintain or adopt appropriate measures to ensure that end-users in their territory are able to:

- (a) access, distribute and use services and applications of their choice available on the Internet, subject to reasonable, clear, transparent and non-discriminatory network management;
- (b) connect devices of their choice to the Internet, provided that such devices do not harm the network; and
- (c) have access to information on the network management practices of their Internet access service supplier.

ARTICLE 18.13

Personal Information Protection

1. The Parties recognise the economic and social benefits of protecting the personal information of users of digital trade and the contribution that this makes to enhancing consumer confidence in digital trade.
2. To this end, each Party shall adopt or maintain a legal framework that provides for the protection of the personal information of the users of digital trade. In the development of its legal framework for the protection of personal information, each Party should take into account principles and guidelines of relevant international bodies.¹⁶
3. Each Party shall endeavour to adopt non-discriminatory practices in protecting users of digital trade from personal information protection violations occurring within its jurisdiction.
4. Each Party should publish information on the personal information protections it provides to users of digital trade, including how:
 - (a) individuals can pursue remedies; and
 - (b) business can comply with any legal requirements.
5. Recognising that the Parties may take different legal approaches to protecting personal information, each Party should encourage the development of mechanisms to promote compatibility between these different regimes. These mechanisms may include the recognition of regulatory outcomes, whether accorded autonomously or by mutual arrangement, or broader international frameworks. To this end, the Parties shall endeavour to exchange information on any such mechanisms applied in their jurisdictions and explore ways to extend these or other suitable arrangements to promote compatibility between them.

¹⁶For greater certainty, a Party may comply with the obligation in this paragraph by adopting or maintaining measures such as comprehensive privacy, personal information or personal data protection laws, sector-specific laws covering privacy, or laws that provide for the enforcement of voluntary undertakings by enterprises relating to privacy.

ARTICLE 18.14

Cross-Border Transfer of Electronic Information by Electronic Means

1. The Parties recognise that each Party may have its own regulatory requirements concerning the transfer of information by electronic means.
2. Each Party shall allow the cross-border transfer of information by electronic means, including personal information, when this activity is for the conduct of the business of a covered person.
3. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 2 to achieve a legitimate public policy objective, provided that the measure:
 - (a) is not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade; and
 - (b) does not impose restrictions on transfers of information greater than are required to achieve the objective.

ARTICLE 18.15

Location of Computing Facilities

1. The Parties recognise that each Party may have its own regulatory requirements regarding the use of computing facilities, including requirements that seek to ensure the security and confidentiality of communications.
2. No Party shall require a covered person to use or locate computing facilities in that Party's territory as a condition for conducting business in that territory.
3. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 2 to achieve a legitimate public policy objective, provided that the measure:
 - (a) is not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade; and
 - (b) does not impose restrictions on the use or location of computing facilities greater than are required to achieve the objective.

ARTICLE 18.16

Open Government Data

1. The Parties recognise that facilitating public access to and use of government information fosters economic and social development, competitiveness, and innovation.
2. To the extent that a Party chooses to make government information, including data, available to the public, it shall endeavour to ensure that the information is in a machine-readable and open format and can be searched, retrieved, used, reused, and redistributed.
3. The Parties shall endeavour to cooperate to identify ways in which each Party can expand access to and use of government information, including data, that the Party has made public, with a view to enhancing and generating business opportunities, especially for small and medium sized enterprises.

ARTICLE 18.17

Domain Names

In connection with the respective systems of the European Union and the United Kingdom for the management of their country-code top-level domain (ccTLD) domain names,¹⁷ the Parties recognise the benefits of appropriate remedies¹⁸ being available, in accordance with their respective laws and regulations, at least in cases in which a person registers or holds, with a bad faith intent to profit, a domain name that is identical or confusingly similar to a trademark.

ARTICLE 18.18

Emerging Technology Dialogue

1. The Parties recognise the importance of emerging technology as a contributor to economic growth and quality of life, as well as the importance of developing standards related to emerging technology that uphold and promote the Parties' mutually held values of liberty, equality and dignity, promoting public trust in the development and deployment of emerging technology, facilitating research and development related to emerging technology, and training workforces capable of using emerging technology in their occupations.
2. The Parties shall establish a strategic dialogue to cooperate on regulatory and non-regulatory issues related to emerging technology, the procedures and principles of which are provided for at Annex 18-A.
3. Further to Chapter 25 and the strategic dialogue set out in paragraph 2, each Party shall, in connection with policymaking processes related to emerging technology:
 - (a) provide ample opportunities for engagement by the public, including industry, civil society and other interested stakeholders, such as through multi-stakeholder consultation processes, notice and comment processes, and similar open-government policies;

¹⁷ For greater certainty, for the European Union, this paragraph applies only to ".eu" domain names.

¹⁸ The Parties understand that such remedies may include, among other things, revocation, cancellation and transfer of the registered domain name, injunctive relief against the person that registered or holds the registered domain name and against the domain name registry, or damages against the person that registered or holds the domain name.

- (b) employ risk-based approaches that rely on industry-led standards and risk management best practices; and
 - (c) give due consideration to core principles of technological interoperability and technological neutrality.
4. Each Party shall promote sustained investment in emerging technology research and development, and collaboration between government entities, private industry, universities and research organisations.
 5. Within three years following the entry into force of this Agreement, and every three years thereafter, the Committee on Digital Trade, shall review and consider whether a recommendation needs to be made to the Joint Committee to update by mutual agreement the respective commitments, principles and procedures under this Article, subject to the Parties' mutual discretion to review their commitments at shorter intervals.

ARTICLE 18.19

Cooperation on Regulatory Issues with regard to Digital Trade

The Parties shall exchange information on regulatory matters in the context of digital trade, which shall address the following:

- (a) the recognition and facilitation of interoperable electronic trust and authentication services;
- (b) the treatment of direct marketing communications;
- (c) the protection of consumers; and
- (d) other matters relevant for the development of digital trade.

CHAPTER 19: CAPITAL MOVEMENTS, PAYMENTS AND TRANSFERS

ARTICLE 19.1

Capital Movements

1. Without prejudice to other provisions of this Agreement, each Party shall allow, with regard to transactions on the capital and financial account of the balance of payments, the free movement of capital for the purpose of liberalisation of investment and other transactions as provided for in this Title and the Services and Investment Title.
2. The Parties shall consult each other with a view to facilitating the movement of capital between them by continuing to implement their policies regarding the liberalisation of the capital and financial account, and by supporting a stable and secure framework for long term investment.

ARTICLE 19.2

Application of laws and regulations relating to capital movements, payments or transfers

1. The provisions of Article 1 shall not be construed as preventing a Party from applying its laws and regulations relating to:
 - (a) bankruptcy, insolvency, or the protection of the rights of creditors;
 - (b) the recovery and resolution of credit institutions, investment firms and central counterparties;
 - (c) issuing, trading or dealing in securities, or futures, options and other financial instruments;
 - (d) financial reporting or record keeping of capital movements, payments or transfers where necessary to assist law enforcement or financial regulatory authorities;
 - (e) criminal or penal offenses, deceptive or fraudulent practices;
 - (f) ensuring compliance with orders or judgments in judicial or administrative proceedings; or
 - (g) social security, public retirement or compulsory savings schemes.
2. The laws and regulations referred to in paragraph 1 shall not be applied in an arbitrary or discriminatory manner, or otherwise constitute a disguised restriction on capital movements, payments or transfers.

ARTICLE 19.3

Restrictions in case of balance of payments and external financing difficulties

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1. Where a Party experiences serious balance-of-payments, capital movements, or external financing difficulties that cause or threaten to cause serious macroeconomic difficulties related to monetary and exchange rate policies, it may adopt or maintain restrictive measures with regard to capital movements, payments or transfers.
2. The measures referred to in paragraph 1 shall:
 - (a) be consistent with the Articles of Agreement of the International Monetary Fund (IMF), as applicable;
 - (b) not exceed those necessary to deal with the circumstances described in paragraph 1;
 - (c) be temporary and phased out progressively as the situation specified in paragraph 1 improves;
 - (d) avoid unnecessary damage to the commercial, economic and financial interests of the other Party or of third countries;
 - (e) be non-discriminatory compared to third countries in like situations; and
 - (f) not be used to avoid necessary macroeconomic adjustment.
3. In the case of trade in goods, each Party may adopt restrictive measures in order to safeguard its external financial position or balance-of-payments. Those measures shall be in accordance with the GATT 1994 and the Understanding on the Balance of Payments provisions of GATT 1994.
4. In the case of trade in services, each Party may adopt restrictive measures in order to safeguard its external financial position or balance of payments. Those measures shall be in accordance with Article XII of the GATS.
5. A Party maintaining or having adopted measures referred to in paragraphs 1 and 2 shall notify the other Party in writing, along with the rationale for their imposition, within 30 days of their adoption or maintenance.
6. If restrictions are adopted or maintained under this Article, the Parties shall promptly hold consultations in the Committee on Trade in Services and Investment unless consultations are held in other fora. The consultations shall assess the balance of payments or external financial difficulty that led to the respective measures, taking into account, inter alia, such factors as:
 - (a) the nature and extent of the difficulties;
 - (b) the external economic and trading environment; and
 - (c) alternative corrective measures which may be available.

7. The consultations pursuant to paragraph 6 shall address the compliance of any restrictive measures with paragraphs 1 and 2. The Parties shall accept all findings of statistical and other facts presented by the IMF relating to foreign exchange, monetary reserves, balance-of-payments, and their conclusions shall be based on the assessment by the IMF of the balance-of-payments and the external financial situation of the Party concerned.

ARTICLE 19.4

Current Account

Without prejudice to other provisions of this Agreement, each Party shall allow, in freely convertible currency and in accordance with the provisions of the Articles of Agreement of the International Monetary Fund, as applicable, any payments and transfers with respect to transactions on the current account of the balance of payments that fall within the scope of this Agreement.

CHAPTER 20: INTERNATIONAL ROAD TRANSPORT

ARTICLE 20.1

General principles and objectives

1. This Chapter is aimed at ensuring liberalised access by the Parties for the international carriage of goods and passengers by road between and through their respective territories.
2. The provisions of this Chapter and their application are based on the principles of reciprocity.
3. The Parties agree not to take discriminatory measures when applying this Chapter.
4. Nothing in this Chapter shall affect the national carriage of goods or passengers within the territory of one of the Parties by a carrier established in that territory.

ARTICLE 20.2

Scope

1. Subject to paragraph 2, this Chapter shall apply to:
 - (a) the two-way carriage of goods and passengers by road between the Parties,
 - (b) the carriage of goods and passengers through the territories of the Parties, and
 - (c) the cross-trade transport operations involving third countries.¹⁹
2. This Chapter does not apply to the international carriage of passengers covered by the Interbus Agreement.
3. This Chapter shall apply to transport operations carried out by carriers established in the territory of one of the Parties.

ARTICLE 20.3

Definitions

For the purposes of this Chapter, unless otherwise stated, the term:

“authorisation” means the authorisation, licence or concession required under the legislation of the Parties;

“carrier” means any person that:

¹⁹ Additional rights of access for carriage of goods and passengers are an item for further discussion.

- (a) is established in the territory of one of the Parties,
- (b) is authorised in accordance with the relevant national laws and regulations of that Party to engage in the international carriage of passengers or goods for hire or reward, or on own account, and
- (c) where carrying passengers or goods for hire or reward, possesses a valid operator's licence issued in the country of establishment;

"cross-trade transport operations involving third countries" means any carriage of passengers or goods from the territory of one Party to a third country, and vice versa, by a goods vehicle or passenger vehicle registered in the territory of the other Party, whether or not, during the same journey and using the normal route, the vehicle travels through the country in which it is registered;

"goods vehicle" means a motor vehicle registered in the territory of one of the Parties, or a coupled combination of vehicles the motor vehicle of which at least is registered in the territory of one of the Parties, used exclusively for the carriage of goods;

"Interbus Agreement" means the Agreement on International Occasional Carriage of Passengers by Coach and Bus, as subsequently amended, which entered into force on 1 January 2003

"international carriage" means:

- (a) a laden journey undertaken by a vehicle, the point of departure of which is on the territory of one Party and the destination of which is on the territory of the other Party, and
- (b) an unladen journey connected to a journey referred to in paragraph (a);

"occasional services" has the meaning given in Article 1.7 of Annex 20-E.

"passenger vehicle" means a motor vehicle which is registered in the territory of a Party and is suitable and intended, by virtue of its construction and equipment, to carry more than nine persons, including the driver;

"regular services" has the meaning given in Article 1.1 of Annex 20-E;

"special regular services" has the meaning given in Article 1.3 and 1.4 of Annex 20-E;

"transit" means the carriage of goods (without loading or unloading) or passengers (without picking up or setting down) and the movement of unladen vehicles across the territory of a Party;

INTERNATIONAL CARRIAGE OF GOODS BY ROAD

ARTICLE 20.4

Carriage of goods between the territories of the Parties

1. A carrier authorised in the territory of one Party shall be permitted to import a goods vehicle temporarily into the territory of the other Party for the international carriage of goods providing a valid authorisation is carried on the vehicle.
2. A valid authorisation under paragraph (1) is:
 - (a) a Union authorisation for Union carriers, a model of which is set out in Part 1 to Annex 20-B; or
 - (b) a UK authorisation for UK carriers, a model of which is set out in Part 2 of Annex 20-B.
3. The transport operations referred to in Annex 20-C shall be permitted without any carriage authorisation or any system of licences.
4. The procedures governing the issuing, renewal and withdrawal of authorisations and the procedures governing mutual assistance shall be agreed by the Committee on Road Transport.

ARTICLE 20.5

Carriage of goods in transit across the territory of the Parties

1. A carrier authorised in the territory of one Party shall be permitted to transit a goods vehicle through the territory of the other Party providing a valid authorisation referred to Article 20.4 is carried on the vehicle.
2. Paragraphs 2, 3 and 4 of Article 20.4 shall apply.

ARTICLE 20.6

Cross-trade transport operations involving third countries in respect of goods

1. The arrangements governing cross-trade transport operations involving third countries in respect of the international carriage of goods by road shall be determined by the Committee on Road Transport on conclusion of the necessary agreement between, on the one hand, the Union and the third country and, on the other, the United Kingdom and the third country. The purpose of these arrangements is to ensure reciprocity of treatment between Union and United Kingdom carriers with respect to cross-trade transport.

2. Pending the conclusion of an agreement between the Union and a third country, this Chapter shall not affect the provisions relating to transport referred to in paragraph 1 as set out in bilateral agreements concluded between Member States of the Union and the United Kingdom concerning transport involving third countries. These provisions are listed in Annex 20-D.

INTERNATIONAL CARRIAGE OF PASSENGERS BY COACH AND BUS

ARTICLE 20.7

Conditions applicable to carriers

1. Carriers operating for hire or reward shall be permitted to carry out the transport services defined in Article 1.1, 1.3, 1.4 and 1.7 of Annex 20-E, without discrimination as to nationality or place of establishment, provided those carriers:
 - (a) are authorised in the Member State of the Union where they are established or in the United Kingdom to undertake carriage by coach and bus in the form of regular services, including special regular services, or occasional services; and
 - (b) meet legal requirements on road safety for drivers and vehicles in their national laws.
2. Carriers shall be permitted to carry out the transport services defined in Article 1.12 of Annex 20-E, without discrimination as to nationality or place of establishment, provided those carriers:
 - (a) are authorised in the Member State of the Union where they are established or in the United Kingdom to undertake carriage by coach and bus in accordance with the market access conditions laid down by national legislation; and
 - (b) meet legal requirements on road safety for drivers and vehicles in their national laws.
3. A carrier that meets the conditions set out in paragraph 1 may engage in the international carriage of passengers by coach and bus provided:
 - (a) in the case of a Union carrier, the carrier holds a Community licence, a model of which is set out in Part 2 of Annex 20-A; or
 - (b) in the case of United Kingdom operator, the carrier holds a standard UK international operator licence, a model of which is set out in Part 2 of Annex 20-B.
4. The procedures for obtaining, using and renewing those licences shall be agreed by the Committee on Road Transport.

ARTICLE 20.8

1. Occasional services shall not require authorisation.
2. Special regular services shall not require authorisation if they are covered by a contract concluded between the organiser of the service and the carrier.
3. Unladen journeys by vehicles in connection with the transport operations referred to in paragraphs 1 and 2 shall not require authorisation.
4. In accordance with Articles 2 to 13 of Annex 20-E, authorisation shall be required for regular services.
5. In accordance with Articles 2 to 13 of Annex 20-E, authorisation shall be required for special regular services not covered, on Union territory, by a contract concluded between the organiser of the service and the carrier.
6. Own-account road transport operations defined in Article 1.12 of Annex 20-E shall not require authorisation but shall require a certificate issued by the competent authority of the country in which the vehicle is registered, which shall be valid for the entire journey including transit.
7. The Parties shall decide on the format and content of the certificate referred to in paragraph 6 through the Committee on Road Transport.

ARTICLE 20.9

Carriage of passengers in transit across the territory of the Parties to States which are not Contracting Parties to the Interbus Agreement

A carrier authorised in the territory of one of the Parties undertaking an occasional, regular or special regular service shall be permitted to transit a passenger vehicle through the territory of the other Party to the territory of a State which is not a Contracting Party to the Interbus Agreement. These transport operations shall be carried out in accordance with Article 20.7.

ARTICLE 20.10

Cross-trade transport operations involving third countries in respect of passengers

1. The arrangements governing cross-trade transport involving third countries in respect of international carriage of passengers by coach and bus shall be determined by joint agreement on conclusion of the necessary agreement between, on the one hand, the Union and third countries and, on the other, the United Kingdom and the third country. The purpose of these arrangements is to ensure reciprocity of treatment between Union and United Kingdom operators with respect to cross-trade transport.
2. Pending the conclusion of an agreement between the Union and a third country, this Chapter shall not affect the provisions relating to transport referred to in paragraph 1 as set out in

bilateral agreements concluded between the Member States of the Union and the United Kingdom concerning transport involving third countries. These provisions are listed in Annex 20-F.

ARTICLE 20.11

Procedures

The procedures governing the issuing, use, renewal and expiry of authorisations and the procedures governing mutual assistance shall be covered by the provisions of Annex 20-E.

GENERAL PROVISIONS

ARTICLE 20.12

Special authorisations

Each Party may require a special authorisation for the use on its territory of any goods vehicle or passenger vehicle which by reason of its weight or dimension or those of its load may not otherwise lawfully be used on a road in the territory of that Party.

ARTICLE 20.13

Taxation

1. Goods vehicles and passenger vehicles used for the carriage of passengers and goods in accordance with this Chapter shall be exempt from the taxes and charges levied on the possession or circulation of vehicles in the territory of the other Party.
2. The exemption referred to in paragraph 1 of this Article shall not apply to:
 - (a) a tax or charge on fuel consumption,
 - (b) a charge for using a road or network of roads, or
 - (c) a charge for using particular bridges, tunnels or ferries.
3. The fuel contained in the standard tanks of the vehicles admitted temporarily shall be free of custom duties and shall not be subject to any import restrictions.
4. The spare parts imported for repairing a vehicle, which has already been imported temporarily, shall be admitted under cover of a temporary duty-free admission and without prohibition or restriction of importation. The replaced parts are subject to customs duties and other taxes (VAT) and shall be re-exported or destroyed under the control of the customs authorities.

ARTICLE 20.14

Data sharing

The Parties shall share data related to road transport matters covered in this Chapter through appropriate mechanisms in order to facilitate effective operation, monitoring and enforcement.

ARTICLE 20.15

Compliance with National Laws

1. Drivers and crews of goods or passenger vehicles undertaking the carriage of goods or passengers under this Chapter shall, when in the territory of the other Party, comply with the national laws and regulations in force in that territory concerning road transport and road traffic.
2. Neither of the Parties shall impose on goods or passenger vehicles of the other Party requirements which are more restrictive than those applied by its national laws and regulations upon its own vehicles.

ARTICLE 20.16

Infringements

1. The competent authorities of the Parties shall supervise compliance by operators with the provisions of this Chapter.
2. In the event of infringement of the provisions of this Chapter by a vehicle or a driver of one Party when in the territory of the other Party, the competent authority in whose territory the infringement occurred may (without prejudice to any lawful sanctions which the courts or enforcement authorities of that Party may apply) request the competent authority of the territory in which the vehicle is registered to:
 - (a) issue a warning to the operator of the vehicle or the driver, or both;
 - (b) issue such a warning together with a notice that subsequent infringement shall result in a temporary or permanent exclusion of any vehicles owned or operated by that operator from the territory in which the infringement occurred; or
 - (c) issue a notice of such exclusion.

3. The competent authority shall comply with a request under paragraph 2 and shall notify the competent authority of the territory in which the vehicle is registered of the action taken.
4. In the Union, the competent authority of a Member State of the Union may only take action following a request under paragraph 2 in respect of the territory of that Member State.

ARTICLE 20.17

Committee on Road Transport

1. The Committee on Road Transport shall be made up of representatives of the Parties and shall be responsible for the management and proper application of this Chapter.
2. The Committee may make recommendations to the Joint Committee to adopt new Annexes or amend the existing Annexes to this Chapter.
3. The Committee shall discuss and make recommendations to the Joint Committee on the procedures for adapting this Chapter to the relevant provisions of future agreements between the Union or the United Kingdom, on the one hand, and a third country, on the other, as referred to in Articles 20.6 and 20.10.
4. In order to ensure the satisfactory implementation of this Chapter, the Parties shall exchange information on a regular basis and, at the request of one of them, shall hold consultations within the Committee. The Parties shall exchange information provided by the authorities responsible for applying this Chapter and, in particular, for issuing authorisations and carrying out inspections. These authorities shall engage in a direct exchange of correspondence. Such information shall be treated as confidential by the Party receiving it.

SUBSIDIES

ARTICLE 21.1

Scope and definitions

1. For the purposes of this Chapter, a “subsidy” means a measure related to trade which fulfils the conditions set out in Article 1.1 of the SCM Agreement, irrespective of whether the recipients of the subsidy deal in goods or services.
2. A subsidy is subject to this Chapter only if it is specific within the meaning of Article 2 of the SCM Agreement.

ARTICLE 21.2

Transparency

1. Every two years, each Party shall notify the other Party of the following with respect to any subsidy granted or maintained within its territory:
 - (a) the legal basis of the subsidy;
 - (b) the form of the subsidy; and
 - (c) the amount of the subsidy or the amount budgeted for the subsidy.
2. If a Party makes publicly available on an official website the information specified in paragraph 1, the notification pursuant to paragraph 1 shall be deemed to have been made. Notifications provided to the WTO under Article 25.1 of the SCM Agreement are deemed to meet the requirement set out in paragraph 1.

ARTICLE 21.3

Consultations on subsidies

1. If a Party considers that a subsidy granted by the other Party is adversely affecting, or may adversely affect its interests, it may express its concerns to the other Party and request consultations on the matter. The responding Party shall accord full and sympathetic consideration to that request.
2. During consultations, a Party may seek additional information on a subsidy provided by the other Party, including
 - (a) its policy objective;
 - (b) its amount; and

- (c) any measures taken to limit the potential distortive effect on trade.
- 3. On the basis of the consultations, the responding Party shall endeavour to eliminate or minimise any adverse effects of the subsidy on the requesting Party's interests.
- 4. This Article does not apply to subsidies related to agricultural goods and fisheries products, and is without prejudice to Articles 21.4 and 21.5.

ARTICLE 21.4

Consultations on subsidies related to agricultural goods and fisheries products

- 1. The Parties share the objective of working jointly to reach an agreement:
 - (a) to further enhance multilateral disciplines and rules on agricultural trade in the WTO; and
 - (b) to help develop a global, multilateral resolution to fisheries subsidies.
- 2. If a Party considers that a subsidy granted by the other Party is adversely affecting, or may adversely affect, its interests with respect to agricultural goods or fisheries products, it may express its concerns to the other Party and request consultations on the matter.
- 3. The responding Party shall accord full and sympathetic consideration to that request and will use its best endeavours to eliminate or minimise the adverse effects of the subsidy on the requesting Party's interests with regard to agricultural goods and fisheries products.

ARTICLE 21.5

Agricultural export subsidies

- 1. For the purposes of this Article "export subsidy" means an export subsidy as defined in Article 1(e) of the Agreement on Agriculture.
- 2. A Party shall not adopt or maintain an export subsidy on an agricultural good that is exported, or incorporated in a product that is exported, to the territory of the other Party insofar as the other Party has eliminated the customs duty on that agricultural good in accordance with this Agreement.

ARTICLE 21.6

Confidentiality

When providing information under this Chapter, a Party is not required to disclose confidential information.

ARTICLE 21.7

Relationship with the WTO Agreement

The Parties reaffirm their rights and obligations under Article VI of GATT 1994, the SCM Agreement and the Agreement on Agriculture.

ARTICLE 21.8

Dispute settlement

Articles 21.3 and 21.4 of this Chapter are not subject to dispute settlement under Chapter 33.

CHAPTER 22: COMPETITION POLICY

ARTICLE 22.1

Definitions

For the purposes of this Chapter:

“anti-competitive business conduct” means anti-competitive agreements between enterprises, concerted practices or decisions by associations of enterprises, anti-competitive practices by an enterprise that is dominant in a market, and mergers with substantial anti-competitive effects; and

“enterprise” means an entity constituted or organised under applicable law, whether or not for profit, and whether privately or governmentally owned or controlled, including a corporation, trust, partnership, sole proprietorship, joint venture or other association;

ARTICLE 22.2

Competition law

1. The Parties recognise the importance of free and undistorted competition in their trade relations. The Parties acknowledge that anti-competitive business conduct has the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation.
2. The Parties shall take appropriate measures to proscribe anti-competitive business conduct, recognising that such measures will enhance the fulfilment of the objectives of this Agreement.
3. The Parties recognise the importance of cooperation and coordination to further enhance effective competition law enforcement. Their respective competition authorities shall endeavour to coordinate and cooperate in the enforcement of their respective competition law to fulfil the objectives of this Agreement. The Parties may enter into a separate agreement on cooperation between their competition authorities, which may include conditions for the exchange and use of confidential information.
4. The measures referred to in paragraph 2 shall be consistent with the principles of transparency, non-discrimination and procedural fairness. Exclusions from the application of competition law shall be transparent. A Party shall make available to the other Party public information concerning such exclusions provided under its competition law.

ARTICLE 22.3

Application of competition law to enterprises

A Party shall ensure that the measures referred to in paragraph 2 of Article 22.2. apply to the Parties to the extent required by its law.

ARTICLE 22.4

Dispute settlement

This Chapter shall not be subject to dispute settlement under Chapter 33.

CHAPTER 23: STATE ENTERPRISES, MONOPOLIES AND ENTERPRISES GRANTED
SPECIAL RIGHTS OR PRIVILEGES

ARTICLE 23.1

Definitions

For the purposes of this Chapter:

"Arrangement" means the Arrangement on Officially Supported Export Credits, developed within the framework of the OECD or a successor undertaking, whether developed within or outside of the OECD framework, that has been adopted by at least 12 original WTO Members that were Participants to the Arrangement as of 1 January 1979;

"Commercial activities" means activities which an enterprise undertakes with an orientation towards profit-making and which result in the production of a good or the supply of a service, which shall be sold to a consumer in the relevant market in quantities and at prices determined by the enterprise. For greater certainty, activities undertaken by an enterprise which operates on a non-profit basis or a cost-recovery basis are not activities undertaken with an orientation towards profit-making;

"Commercial considerations" means considerations of price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale, or other factors that would normally be taken into account in the commercial decisions of a privately owned enterprise operating according to market economy principles in the relevant business or industry;

"Covered enterprise" means an enterprise in the territory of a Party set up through establishment, directly or indirectly, by an entrepreneur of the other Party, in existence on the date of entry into force of this Agreement or set up through establishment thereafter, in accordance with the applicable law;

"Covered entity" means:

- (i) a designated monopoly;
- (ii) an enterprise granted special rights or privileges; or
- (iii) a state-owned enterprise.

"Designate a monopoly" means to establish or authorise a monopoly, or to expand the scope of a monopoly to cover an additional good or service;

"Designated monopoly" means an entity, including a consortium or a government agency, that in a relevant market in the territory of a Party is designated as the sole supplier or purchaser of a good or service, but does not include an entity that has been granted an exclusive intellectual property right solely by reason of such grant;

“Enterprise” has the same meaning as provided in Article 8.2.1

“Enterprise granted special rights or privileges” means an enterprise, public or private, including its subsidiaries, to which a Party has granted special rights or privileges; special rights or privileges are granted by a Party where it designates a limited number of enterprises authorised to supply a good or service, other than according to objective, proportional and non-discriminatory criteria, substantially affecting the ability of any other enterprise to supply the same good or service in the same geographical area under substantially equivalent conditions;

“Service supplied in the exercise of governmental authority” means a service supplied in the exercise of governmental authority as defined in GATS and, if applicable, in the Annex on Financial Services to GATS;

“State-owned enterprise” means an enterprise that is engaged in commercial activities in which a Party:

- (i) directly owns more than 50 per cent of the share capital;
- (ii) controls, directly or indirectly through ownership interests, the exercise of more than 50 per cent of the voting rights;
- (iii) holds the power to appoint a majority of members of the board of directors or any other equivalent management body; or
- (iv) has the power to legally direct the actions of the enterprise or otherwise exercises an equivalent degree of control in accordance with its laws and regulations.

ARTICLE 23.2

Scope

1. This Chapter applies to covered entities engaged in commercial activities. Where they engage in both commercial and non-commercial activities, only the commercial activities are covered by this Chapter.
2. This Chapter applies to covered entities at all levels of government.
3. This Chapter does not apply to situations where covered entities act as procuring entities covered under each Party's annexes to Appendix I to the GPA.
4. This Chapter does not apply to any service supplied in the exercise of governmental authority.
5. This Chapter does not apply to a covered entity, if in any one of the three previous consecutive fiscal years the annual revenue derived from the commercial activities of the enterprise or monopoly concerned was less than 200 million Special Drawing Rights.

6. Article 23.5 does not apply with respect to the supply of financial services by a State-owned enterprise pursuant to a government mandate, if that supply of financial services:
- (a) supports exports or imports, provided that those services are:
 - (i) not intended to displace commercial financing; or
 - (ii) offered on terms no more favourable than those that could be obtained for comparable financial services in the commercial market;
 - (b) supports private investment outside the territory of the Party, provided that these services are:
 - (i) not intended to displace commercial financing; or
 - (ii) offered on terms no more favourable than those that could be obtained for comparable financial services in the commercial market; or
 - (c) is offered on terms consistent with the Arrangement, provided that it falls within the scope of the Arrangement.
7. Without prejudice to Article 23.2.6, Article 23.5 does not apply to the sectors set out in Article 8.1.6(a) and (b).
8. Article 23.5 does not apply to the extent that a covered entity of a Party makes purchases and sales of a good or a service pursuant to:
- (a) any existing non-conforming measure in accordance with paragraph 1 of Article 9.7 and paragraph 1 of Article 10.7 that the Party maintains, continues, renews, amends or modifies as set out in its Schedule in Annex 9A; or
 - (b) any non-conforming measure by a Party in accordance with paragraph 2 of Article 9.7 and paragraph 2 of Article 10.7 with respect to sectors, subsectors, or activities as set out in its Schedule in Annex 9B.

ARTICLE 23.3

Relation to the WTO Agreement

The Parties affirm their rights and obligations under paragraphs 1 to 3 of Article XVII of GATT 1994, the Understanding on the Interpretation of Article XVII of the GATT 1994, as well as under paragraphs 1, 2 and 5 of Article VIII of GATS.

ARTICLE 23.4

General provisions

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1. Without prejudice to the rights and obligations of each Party under this Chapter, nothing in this Chapter prevents a Party from establishing or maintaining a covered entity.
2. Neither Party shall require or encourage a covered entity to act in a manner inconsistent with this Chapter.

ARTICLE 23.5

Non-discriminatory treatment and commercial considerations

1. Each Party shall ensure that each of its covered entities, when engaging in commercial activities:
 - (a) acts in accordance with commercial considerations in its purchase or sale of a good or service, except to fulfil any terms of its public service mandate that are not inconsistent with subparagraph (b) or (c);
 - (b) in its purchase of a good or service:
 - (i) accords to a good or service supplied by an enterprise of the other Party treatment no less favourable than it accords to a like good or a like service supplied by enterprises of the Party; and
 - (ii) accords to a good or service supplied by a covered enterprise treatment no less favourable than it accords to a like good or a like service supplied by enterprises of entrepreneurs of the Party in the relevant market in the Party; and
 - (c) in its sale of a good or service:
 - (i) accords to an enterprise of the other Party treatment no less favourable than it accords to enterprises of the Party; and
 - (ii) accords to a covered enterprise treatment no less favourable than it accords to enterprises of entrepreneurs of the Party in the relevant market in the Party.

For greater certainty, this paragraph shall not apply with respect to the purchase or sale of shares, stock or other forms of equity by a covered entity as a means of its equity participation in another enterprise.

2. Subparagraphs 1 (b) and (c) do not preclude a covered entity from:
 - (a) purchasing or selling goods or services on different terms or conditions, including those relating to price, provided that such different terms or conditions are made in accordance with commercial considerations; or
 - (b) refusing to purchase or sell goods or services, provided that such refusal is made in accordance with commercial considerations.

ARTICLE 23.6

Regulatory framework

1. The Parties respect and make best use of relevant international standards including the OECD Guidelines on Corporate Governance of State-Owned Enterprises.
2. Each Party shall ensure that any regulatory body or any other body exercising a regulatory function that the Party establishes or maintains is independent from, and not accountable to, any of the enterprises regulated by that body, and acts impartially in like circumstances with respect to all enterprises regulated by that body, including covered entities. For greater certainty, the impartiality with which the body exercises its regulatory functions is to be assessed by reference to a general pattern or practice of that body.
3. Each Party shall apply its laws and regulations to covered entities in a consistent and non-discriminatory manner.

ARTICLE 23.7

Information exchange

1. A Party which has reason to believe that its interests under this Chapter are being adversely affected by the commercial activities of a covered entity (hereinafter referred to in this Article as "the entity") of the other Party may request the other Party in writing to provide information on the commercial activities of the entity related to the carrying out of the provisions of this Chapter in accordance with paragraph 2.
2. The requested Party shall provide the following information, provided that the request includes an explanation of how the activities of the entity may be affecting the interests of the requesting Party under this Chapter and indicates which of the following information shall be provided:
 - (a) the organisational structure of the entity and its composition of the board of directors or of any other equivalent management body;
 - (b) the percentage of shares that the requested Party or its covered entities cumulatively own, and the percentage of voting rights that they cumulatively hold, in the entity;
 - (c) a description of any special shares or special voting or other rights that the requested Party or its covered entities hold, where such rights are different from those attached to the general common shares of the entity;
 - (d) a description of the government departments or public bodies which regulate the entity, a description of the reporting requirements imposed on it by those departments or public bodies, and the rights and practices, where possible, of those departments or public bodies with respect to the appointment, dismissal or remuneration of senior executives and members of its board of directors or any other equivalent management body;

- (e) annual revenue and total assets of the entity over the most recent three-year period for which information is available;
- (f) any exemptions, immunities and related measures from which the entity benefits under the laws and regulations of the requested Party; and
- (g) any additional information regarding the entity that is publicly available, including annual financial reports and third party audits.

CHAPTER 24: INTELLECTUAL PROPERTY

SECTION A

GENERAL PROVISIONS

ARTICLE 24.1

Initial provisions

1. In order to facilitate the production and commercialisation of innovative and creative products and the provision of services between the Parties and to increase the benefits from trade and investment, the Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property and provide for measures for the enforcement of intellectual property rights against infringement thereof, including counterfeiting and piracy, in accordance with the provisions of this Chapter and of the international agreements to which both Parties are party.
2. A Party may, but shall not be obliged to, provide more extensive protection for, or enforcement of, intellectual property rights under its law than is required by this Chapter, provided that such protection or enforcement does not contravene the provisions of this Chapter.
3. For the purposes of this Chapter, "intellectual property" means all categories of intellectual property that are covered by Articles 24.8 to 24.34 of this Chapter or Sections 1 to 7 of Part II of the TRIPS Agreement. The protection of intellectual property includes protection against unfair competition as referred to in Article 10*bis* of the Paris Convention for the Protection of Industrial Property, done at Paris on 20 March 1883 (hereinafter referred to as "the Paris Convention")²⁰.
4. The objectives and principles set out in Part I of the TRIPS Agreement, in particular in Articles 7 and 8, shall apply to this Chapter, *mutatis mutandis*.

ARTICLE 24.2

Agreed principles

Having regard to the underlying public policy objectives of domestic systems, the Parties recognise the need to:

- (a) promote innovation and creativity;

²⁰ For greater certainty, the Paris Convention shall be understood to be the Paris Convention for the Protection of Industrial Property of 20 March 1883, as revised at Brussels on 14 December 1900, at Washington on 2 June 1911, at The Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958, and at Stockholm on 14 July 1967 and as amended on 28 September 1979.

- (b) facilitate the diffusion of information, knowledge, technology, culture and the arts; and
- (c) foster competition and open and efficient markets,

through their respective intellectual property systems, while respecting the principles of, *inter alia*, transparency and non-discrimination, and taking into account the interests of relevant stakeholders including right holders and users.

ARTICLE 24.3

International agreements

1. The provisions of this Chapter shall complement the rights and obligations of the Parties under other international agreements in the field of intellectual property to which both Parties are party.
2. The Parties affirm their commitment to comply with the obligations set out in the international agreements relating to intellectual property to which both Parties are party²¹ at the date of entry into force of this Agreement, including the following:
 - (a) the TRIPS Agreement;
 - (b) the Paris Convention;
 - (c) the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, done at Rome on 26 October 1961 (hereinafter referred to as "the Rome Convention");
 - (d) the Berne Convention for the Protection of Literary and Artistic Works, done at Berne on 9 September 1886 (hereinafter referred to as "the Berne Convention")²²;
 - (e) the WIPO Copyright Treaty, done at Geneva on 20 December 1996;
 - (f) the WIPO Performances and Phonograms Treaty, done at Geneva on 20 December 1996;
 - (g) the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, done at Budapest on 28 April 1977;
 - (h) the International Convention for the Protection of New Varieties of Plants, done at Paris on 2 December 1961 (hereinafter referred to as "the 1991 UPOV Convention")²³;

²¹ The international agreements relating to intellectual property referred to in this paragraph include those to which the Member States of the Union are party.

²² For greater certainty, the Berne Convention shall be understood to be the Berne Convention for the Protection of Literary and Artistic Works of 9 September 1886, completed at Paris on 4 May 1896, revised at Berlin on 13 November 1908, completed at Berne on 20 March 1914, revised at Rome on 2 June 1928, at Brussels on 26 June 1948, at Stockholm on 14 July 1967 and at Paris on 24 July 1971 and amended on 28 September 1979.

²³ For greater certainty, the 1991 UPOV Convention shall be understood to be the International Convention for the Protection of New Varieties of Plants of 2 December 1961 as revised at Geneva on 19 March 1991.

- (i) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, done at Madrid on 27 June 1989, as last amended on 12 November 2007;
 - (j) the Trademark Law Treaty, done at Geneva on 27 October 1994;
 - (k) the Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks, as last amended on 28 September 1979;
 - (l) the Patent Cooperation Treaty, done at Washington on 19 June 1970;
 - (m) the Patent Law Treaty, done at Geneva on 1 June 2000;
 - (n) the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, done at Marrakesh on 27 June 2013.
3. Each Party shall make all reasonable efforts to ratify or accede to the following multilateral agreements, if, by the date of entry into force of this Agreement, it is not already party to that agreement:²⁴
- (a) the Singapore Treaty on the Law of Trademarks, done at Singapore on 27 March 2006;
 - (b) the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, done at Geneva on 2 July 1999; and
 - (c) the Beijing Treaty on Audiovisual Performances, done at Beijing on 24 June 2012.

ARTICLE 24.4

National treatment

1. In respect of all categories of intellectual property covered by this Chapter, each Party shall accord to nationals²⁵ of the other Party treatment no less favourable than the treatment it accords to its own nationals with regard to the protection²⁶ of intellectual property subject to the exceptions already provided for in, respectively, the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, adopted at Washington on 26 May 1989. In respect of performers, producers of phonograms and broadcasting organisations, this obligation only applies in respect of the rights provided for under this Agreement.

²⁴ For the Union, this includes the ratification of or accession by the Member States to the multilateral agreements referred to in this paragraph.

²⁵ For the purposes of this Article and Article 24.5, "nationals" has the same meaning as in the TRIPS Agreement.

²⁶ For the purposes of this Article and Article 24.5, "protection" includes matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Chapter.

2. The obligations pursuant to paragraph 1 shall also be subject to the exceptions provided for in Article 5 of the TRIPS Agreement.

ARTICLE 24.5

Most-favoured-nation treatment

[The UK reserves the right to propose a text on most - favoured - nation treatment.]

ARTICLE 24.6

Procedural matters and transparency

1. Each Party shall make all reasonable efforts to promote efficiency and transparency in the administration of its intellectual property system.
2. For the purpose of providing an efficient administration of its intellectual property system, each Party shall take appropriate measures to enhance the efficiency of its administrative procedures concerning intellectual property rights in line with international standards.
3. For the purpose of further promoting transparency in the administration of its intellectual property system, each Party shall make all reasonable efforts to take appropriate available measures to:
 - (a) publish information on, and make available to the public information contained in the files on:
 - (i) applications for and grant of patents;
 - (ii) registrations of industrial designs;
 - (iii) registrations of trade marks and applications therefor;
 - (iv) registrations of new varieties of plants; and
 - (v) registrations of geographical indications;
 - (b) make available to the public information on measures taken by the competent authorities for the suspension of the release of goods infringing intellectual property rights as a border measure set out in Article 24.46;
 - (c) make available to the public information on its efforts to ensure effective enforcement of intellectual property rights and other information with regard to its intellectual property system; and

- (d) make available to the public information on relevant laws and regulations, final judicial decisions, and administrative rulings of general application pertaining to the enforcement of intellectual property rights.

ARTICLE 24.7

Promotion of public awareness concerning protection of intellectual property

Each Party shall take necessary measures to continue promoting public awareness of protection of intellectual property including educational and dissemination projects on the use of intellectual property as well as on the enforcement of intellectual property rights.

SECTION B

STANDARDS CONCERNING INTELLECTUAL PROPERTY

SUB-SECTION 1

COPYRIGHT AND RELATED RIGHTS

ARTICLE 24.8

Authors

Each Party shall provide for authors the exclusive right to authorise or prohibit:

- (a) direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of their works;
- (b) any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof; and
- (c) any communication to the public of their works by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.

ARTICLE 24.9

Performers rights

Each Party shall provide for performers the exclusive right to authorise or prohibit:

- (a) the fixation of their performances;

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- (b) the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of fixations of their performances;
- (c) the distribution to the public, by sale or otherwise, of fixations of their performances;
- (d) the making available to the public of fixations of their performances, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them;
- (e) the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation; and
- (f) the commercial rental to the public of the fixation of their performances.

ARTICLE 24.10

Producers of phonograms

Each Party shall provide for phonogram producers the exclusive right to authorise or prohibit:

- (a) the direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of their phonograms;
- (b) the distribution to the public, by sale or otherwise, of their phonograms, including copies thereof;
- (c) the making available to the public of their phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them; and
- (d) the commercial rental of their phonograms to the public.

ARTICLE 24.11

Broadcasting organisations

Each Party shall provide broadcasting organisations with the exclusive right to authorise or prohibit:

- (a) the fixation of their broadcasts;
- (b) the reproduction of fixations of their broadcasts;
- (c) the making available to the public of fixations of their broadcasts, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them;

- (d) the rebroadcasting of their broadcasts by wireless means; and
- (e) the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee; each Party may determine the conditions under which that exclusive right may be exercised.

ARTICLE 24.12

Common rights for performers and producers

1. The Parties shall provide that performers and producers of phonograms shall enjoy the right to a single equitable remuneration for the direct or indirect use of phonograms published for commercial purposes for broadcasting or for any communication to the public.
2. Each Party shall ensure that the single equitable remuneration is shared between the relevant performers and phonogram producers. Each Party may enact legislation that, in the absence of an agreement between performers and producers of phonograms, sets the terms according to which performers and producers of phonograms shall share the single equitable remuneration.
3. For the purposes of this Article, 'communication to the public' does not include the making available to the public of a phonogram, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

ARTICLE 24.13

Term of protection

1. The rights of an author of a work within the meaning of Article 2 of the Berne Convention shall run for the life of the author and for 70 years after his death.
2. Where the term of protection of a work is not determined by reference to the life of a natural person, the term of protection shall run for 70 years from the creation of the work or, if lawfully made available to the public during this time, 70 years from the first such making available.
3. The rights of broadcasting organisations shall expire 50 years after the first transmission of a broadcast, whether this broadcast is transmitted by wire or over the air, including by cable or satellite.
4. The rights of performers for their performances otherwise than in phonograms shall expire 50 years after the date of the fixation of the performance or, if made available to the public during this time, 50 years from the first such making available.
5. The rights of performers for their performances in phonograms shall expire 50 years after the date of fixation of the performance or, if made available to the public during this time, 70 years from the first such making available.

6. The rights of producers of phonograms shall expire 50 years after the fixation is made or, if lawfully made available to the public during this time, 70 years from the date of the first such making available. Each Party may adopt effective measures in order to ensure that the profit generated during the 20 years of protection beyond 50 years is shared fairly between the performers and the producers of phonograms.
7. The terms laid down in this Article shall be calculated from the 1st January of the year following the event.
8. Each Party may provide for longer terms of protection than those provided for in this Article.

ARTICLE 24.14

Limitations and exceptions - General

Each Party may permit exceptions and limitations to the rights specified in Articles 24.8 to 24.12 in certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

ARTICLE 24.15

Collective management

1. The Parties promote cooperation between their respective collective management organisations for the purpose of fostering the availability of works and other protected subject matter in the territories of the Parties and the transfer of rights revenue between the respective collective management organisations for the use of such works or other protected subject matter.
2. The Parties promote transparency of collective management organisations, in particular regarding rights revenue they collect, deductions they apply to rights revenue they collect, the use of the rights revenue collected, the distribution policy and their repertoire.
3. Each Party undertakes to ensure that where a collective management organisation established in the territory of one Party represents another collective management organisation established in the territory of the other Party by way of a representation agreement, the representing collective management organisation does not discriminate against right-holders of the represented collective management organisation.
4. Each Party undertakes to ensure that where a collective management organisation established in the territory of one Party represents another collective management organisation established in the territory of the other Party by way of a representation agreement, the representing collective management organisation must accurately, regularly and diligently pay amounts owed to the represented collective management organisation as well as provide the represented collective management organisation with the information on the amount of rights revenue collected on its behalf and any deductions made to this rights revenue.

ARTICLE 24.16

Technological protection measures

1. Each Party shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors, performers or producers of phonograms in connection with the exercise of their rights in, and that restrict acts in respect of, their works, performances, and phonograms, which are not authorised by the authors, the performers or the producers of phonograms concerned or permitted by law.
2. For the purposes of this Article, technological measures means any technology, device, or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works, performances, or phonograms, that are not authorised by authors, performers or producers of phonograms, as provided for by the law of a Party. Technological measures shall be deemed effective where the use of protected works, performances, or phonograms is controlled by authors, performers or producers of phonograms through the application of a relevant access control or protection process, such as encryption or scrambling, or a copy control mechanism that achieves the objective of protection.
3. In order to provide the adequate legal protection and effective legal remedies referred to in paragraph 1, each Party shall provide protection against:
 - (a) to the extent provided by its law:
 - (i) the unauthorised circumvention of an effective technological measure carried out knowingly or with reasonable grounds to know; and
 - (ii) the offering to the public by marketing of a device or product, including computer programs, or a service, as a means of circumventing an effective technological measure; and
 - (b) the manufacture, importation, or distribution of a device or product, including computer programs, or provision of a service that:
 - (i) is primarily designed or produced for the purpose of circumventing an effective technological measure; or
 - (ii) has only a limited commercially significant purpose other than circumventing an effective technological measure.
4. In providing adequate legal protection and effective legal remedies pursuant to paragraph 1, a Party may adopt or maintain appropriate limitations or exceptions to measures implementing the provisions of paragraphs 1 and 3. The obligations set forth in paragraphs 1 and 3 are without prejudice to the rights, limitations, exceptions, or defences to copyright or related rights infringement under the law of a Party.

ARTICLE 24.17

Protection of rights management information

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1. Each Party shall provide adequate legal protection and effective legal remedies against any person knowingly performing, without authority, any of the following acts knowing, or having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any copyright or related rights:
 - (a) to remove or alter any electronic rights management information; or
 - (b) to distribute, import for distribution, broadcast, communicate, or make available to the public copies of works, performances, or phonograms, knowing that electronic rights management information has been removed or altered without authority.
2. For the purposes of this Article, rights management information means:
 - (a) information that identifies the work, the performance, or the phonogram; the author of the work, the performer of the performance, or the producer of the phonogram; or the owner of any right in the work, performance, or phonogram;
 - (b) information about the terms and conditions of use of the work, performance, or phonogram; or
 - (c) any numbers or codes that represent the information described in (a) and (b) above,when any of these items of information is attached to a copy of a work, performance, or phonogram, or appears in connection with the communication or making available of a work, performance, or phonogram to the public.
3. In providing adequate legal protection and effective legal remedies pursuant to paragraph 1, a Party may adopt or maintain appropriate limitations or exceptions to measures implementing paragraph 1. The obligations set forth in paragraph 1 are without prejudice to the rights, limitations, exceptions, or defences to copyright or related rights infringement under the law of a Party.

ARTICLE 24.18

Protection of existing subject matter

1. Each Party shall apply Article 18 of the Berne Convention and paragraph 6 of Article 14 of the TRIPS Agreement, *mutatis mutandis*, to works, performances and phonograms, and the rights in and protections afforded to those subject matters as required by this sub-section.
2. A Party shall not be required to restore protection to subject matter that on the date of entry into force of this Agreement has fallen into the public domain in its territory.

SUB-SECTION 2

TRADE MARKS

ARTICLE 24.19

Rights conferred by a trade mark

1. A registered trade mark shall confer on the proprietor exclusive rights. Each Party shall provide that the proprietor of a registered trade mark shall be entitled to prevent all third parties, not having the proprietor's consent, from using in the course of trade:
 - (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;
 - (b) any sign which is identical to the registered trade mark in relation to goods or services that are similar to those for which the mark is protected or any sign that is similar to the registered trade mark in relation to goods or services that are identical with or similar to those of the registered trade mark, and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the registered trade mark. In the case of use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.
2. The rights described above shall not prejudice any existing prior rights nor shall they affect the possibility of a Party to make rights available on the basis of use.

ARTICLE 24.20

Exceptions

Each Party shall provide for limited exceptions to the rights conferred by a trade mark such as the fair use of descriptive terms including geographical indications. In determining what constitutes fair use, account should be taken of the legitimate interests of the owner of the trade mark and third parties. Each Party may provide for other limited exceptions, provided that those exceptions take account of the legitimate interest of the owner of the trade mark and of third parties.

ARTICLE 24.21

Registration Procedure

1. Each Party shall provide a system for the registration of trade marks, which shall include providing:
 - (a) the applicant with reasons for each final negative decision, including the partial refusal of registration of a mark, in writing. The communication setting out reasons for the refusal may be provided by electronic means;
 - (b) an opportunity for the applicant to respond to the communication, to contest the refusal, and appeal any final refusal to a judicial authority;
 - (c) an opportunity to oppose applications to register trade marks, or where appropriate, the registration of trade marks. Such opposition proceedings shall be adversarial.

2. Each Party shall provide a publicly available electronic database of trade mark applications and registrations.
3. Each Party shall provide a system for the electronic application for and processing, registration and maintenance of trade marks.

ARTICLE 24.22

Revocation

1. Each Party shall provide that a trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the relevant territory in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use. However, no person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed. The commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.
2. A trade mark shall also be liable to revocation if, after the date on which it was registered:
 - (a) in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a good or service in respect of which it is registered;
 - (b) in consequence of the use made of it by the proprietor of the trade mark or with his consent in respect of the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.
3. A trade mark shall also be revoked if within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the relevant territory by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use.

ARTICLE 24.23

Preparatory acts deemed as infringement

Where the risk exists that the packaging, labels, tags, security or authenticity features or devices, or any other means to which the trade mark is affixed could be used to in relation to goods or services and that use would constitute an infringement of the rights of the proprietor of the trade mark, a person infringes a registered trade mark if the person carries out in the course of trade any of the following acts:

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- (a) affixing a sign identical with, or similar to, the trade mark on packaging, labels, tags, security or authenticity features or devices, or any other means to which the mark may be affixed; or
- (b) offering or placing on the market, or stocking for those purposes, or importing or exporting, packaging, labels, tags, security or authenticity features or devices, or any other means to which the mark is affixed.

ARTICLE 24.24

Well-known trade marks

For the purpose of giving effect to the protection of well-known trade marks, as referred to in Article 6*bis* of the Paris Convention and paragraphs 2 and 3 of Article 16 of the TRIPS Agreement, the Parties shall apply the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of the WIPO in September 1999.

SUB-SECTION 3

GEOGRAPHICAL INDICATIONS

ARTICLE 24.25

Effect of this sub-section

The provisions of this sub-section shall supersede Article 54(2) of the Withdrawal Agreement.
[Further text on the provisions of this sub-section to be proposed]

SUB-SECTION 4

DESIGNS

ARTICLE 24.26

General provisions on designs

1. For the purposes of this sub-section:

- (a) “design” means the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation;

(b) "product" means any industrial or handicraft item, including inter alia parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs.

2. For the purposes of this sub-section:

(a) a design shall be considered new if no identical design has been made available to the public:

- (i) in the case of a design protected by registration, before the date of filing of the application for registration, or, if priority is claimed, the date of priority;
- (ii) in the case of an unregistered design, before the date on which the design for which protection is claimed has first been made available to the public in accordance with paragraph 3 of Article 24.28.

Designs shall be deemed to be identical if their features differ only in immaterial details.

(b) a design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public:

- (i) in the case of a design protected by registration, before the date of filing of the application for registrations, or, if a priority is claimed, the date of priority;
- (ii) in the case of an unregistered design, before the date on which the design for which protection is claimed has first been made available to the public in accordance with Article 24.28(3).

3. A design applied to or incorporated in a product which constitutes a component part of a complex product²⁷ shall only be considered to be new and to have individual character:

- (a) if the component part, once it has been incorporated into the complex product, remains visible during normal use²⁸ of the product; and
- (b) to the extent that those visible features of the component part themselves are new and have individual character.

4. The provisions of this sub-section shall be without prejudice to any provisions of this Chapter or of the laws and regulations of each Party relating to other intellectual property including trade marks or other distinctive signs and patents.

ARTICLE 24.27

Protection of registered designs

1. Each Party shall provide for the protection of designs that are new and have individual character, including designs of part of a product, regardless of whether or not the part can be

²⁷ For the purposes of this Article, "complex product" means a product which is composed of multiple components which can be replaced permitting disassembly and re-assembly of the product.

²⁸ For the purpose of this paragraph, "normal use" shall mean use by the end user, excluding maintenance, servicing or repair work.

separated from the product. This protection shall be provided by registration and shall confer exclusive rights upon their holders.

2. For the purposes of this Article, a design shall be deemed to have been made available to the public if it has been published following registration or otherwise, or exhibited, used in trade or otherwise disclosed, before the filing date or priority date, except where the disclosure falls within exclusions provided by relevant laws of the Parties.
3. Each Party shall ensure that an owner of a registered design has at least the right to prevent third parties not having the owner's consent from making, selling, importing or exporting articles bearing or embodying a design which is identical or similar to the protected design, when such act is undertaken for commercial purposes.
4. Each Party shall provide that an application for a registered design may include a request the effect of which is to delay publication of the design until such time as the applicant has given their consent, such period not to exceed the period provided for in the Party's laws and regulations.
5. A design protected by registration in accordance with this Article may be protected under copyright law if the conditions for this are met. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Party.
6. Each Party shall ensure that the total term of protection available for a registered design is no less than 25 years.

ARTICLE 24.28

Unregistered design of products

1. The Parties recognise that the appearance of products may be protected through industrial designs, copyright or unfair competition prevention legislation.
2. Each Party shall provide legal means to prevent the use of the unregistered appearance of a product, if such use results from copying the unregistered appearance of the product to the extent provided by its laws and regulations. Such use shall at least cover offering for sale, putting on the market, importing or exporting the product.²⁹
3. The Parties shall provide that disclosure for the purposes of creating an unregistered design³⁰ will be satisfied by performing any of the following acts anywhere in the geographical area comprising the Union and the United Kingdom:
 - (a) publishing;

²⁹ For the purpose of this Article, "copying", "appearances", "offering", and "putting on the market" may be deemed by a Party to be synonymous with "imitating", "configuration", "displaying" and "selling", respectively.

³⁰ In the Union, an "unregistered Community design"; in the United Kingdom, a "supplementary unregistered design right".

- (b) exhibiting;
- (c) using for trade;
- (d) otherwise disclosing the design in such a way that, in the normal course of business, these events could have become known in the circles specialised in the sector concerned, operating within the Union or the United Kingdom;

except where the disclosure falls within exclusions provided by relevant laws of the Parties.

4. Each Party shall ensure that the total term of protection available for an unregistered design is no less than 3 years.

SUB-SECTION 5

PATENTS

ARTICLE 24.29

Patents and public health

1. The Parties recognise the importance of the Doha Declaration on the TRIPS Agreement and Public Health adopted on 14 November 2001 by the WTO Ministerial Conference. In interpreting and implementing the rights and obligations under this Chapter, the Parties shall ensure consistency with that Declaration.
2. The Parties shall respect the Decision of the WTO General Council of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health and contribute to its implementation.

ARTICLE 24.30

Extension of the Duration of the Rights Conferred by a Patent

The Parties recognise that pharmaceutical³¹ and plant protection products³² protected by a patent in their respective territories may be subject to an administrative marketing approval process before being put on their respective markets. The Parties shall make available an extension of the duration of the rights conferred by the patent protection to compensate the patent owner for the reduction in the effective patent life as a result of the administrative marketing approval process.³³

³¹ For the purposes of this Article, the term "pharmaceutical product" shall be defined for each Party by the respective legislations of the Parties as at the date of signature of this Agreement.

³² For the purposes of this Article, the term "plant protection product" shall be defined for each Party by the respective legislations of the Parties as at the date of signature of this Agreement.

³³ The conditions and procedures for the provision of the extension of the patent term (including the length of the extension) shall be determined by the respective legislations of the Parties.

SUB-SECTION 6

TRADE SECRETS AND UNDISCLOSED TEST OR OTHER DATA

ARTICLE 24.31

Scope of protection of trade secrets

1. Each Party shall ensure in its laws and regulations adequate and effective protection of trade secrets in accordance with paragraph 2 of Article 39 of the TRIPS Agreement.
2. For the purposes of this Article and sub-section 3 of Section C:
 - (a) "trade secret" means information that:
 - (i) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
 - (ii) has commercial value because it is secret; and
 - (iii) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret; and
 - (b) "trade secret holder" means any person lawfully in control of a trade secret.
3. For the purposes of this Article and sub-section 3 of Section C, each Party shall provide, in accordance with its laws and regulations, that at least the following conduct shall be considered contrary to honest commercial practices:
 - (a) the acquisition of a trade secret without the consent of the trade secret holder, whenever carried out by wrongful means, or, alternatively, unauthorised access to, appropriation of, or copying of any documents, objects, materials, substances or electronic files, lawfully under the control of the trade secret holder, containing the trade secret or from which the trade secret can be deduced;
 - (b) the use or disclosure of a trade secret whenever carried out, without the consent of the trade secret holder, by a person who is found to meet any of the following conditions:
 - (i) having acquired the trade secret in a manner referred to in subparagraph (a);
 - (ii) being in breach of a confidentiality agreement or any other duty not to disclose the trade secret, with an intention to gain unfair profit or to cause damage to the trade secret holder; or

- (iii) being in breach of a contractual or any other duty to limit the use of the trade secret, with an intention to gain unfair profit or to cause damage to the trade secret holder; and
 - (c) the acquisition, use or disclosure of a trade secret whenever carried out by a person who, at the time of the acquisition, use or disclosure, knew or ought, under the circumstances, to have known³⁴ that the trade secret had been obtained directly or indirectly from another person who was disclosing the trade secret in a manner referred to in subparagraph (b), including when a person induced another person to carry out the actions referred to in subparagraph (b).
4. Nothing in this sub-section shall require a Party to consider any of the following conduct as contrary to honest commercial practices or subject those conducts to the measures, procedures, and remedies referred to in sub-section 3 of Section C:
- (a) independent discovery or creation by a person of the relevant information;
 - (b) reverse engineering of a product by a person who is lawfully in possession of it and who is free from any legally valid duty to limit the acquisition of the relevant information;
 - (c) acquisition, use or disclosure of information required or allowed by its relevant laws and regulations;
 - (d) use by employees of their experience and skills honestly acquired in the normal course of their employment; or
 - (e) disclosure of information in the exercise of the right to freedom of expression and information.

ARTICLE 24.32

Treatment of test data in marketing approval procedure

Each Party shall prevent applicants for marketing approval for pharmaceutical products which utilise active pharmaceutical ingredients from relying on or referring to undisclosed test or other data submitted to its competent authority by the first applicant for a certain period of time counted from the date of first approval of its application. As of the date of entry into force of this Agreement, such period of time is stipulated as being no less than eight years by the relevant laws and regulations of each Party.

SUB-SECTION 7

NEW VARIETIES OF PLANTS

³⁴ For the purpose of this Article, a Party may interpret "ought to have known" as "was grossly negligent in failing to know".

ARTICLE 24.33

Each Party shall cooperate to promote and reinforce the protection of plant varieties on the basis of the 1991 Act of the International Convention for the Protection of the New Varieties of Plants, done at Paris on 2 December 1961.

SUB-SECTION 8

UNFAIR COMPETITION

ARTICLE 24.34

Unfair competition

1. Each Party shall provide for effective protection against acts of unfair competition in accordance with the Paris Convention³⁵.
2. In connection with the respective systems of the Union and the United Kingdom for the management of their country-code top-level domain (ccTLD) domain names³⁶ appropriate remedies³⁷ shall be available, in accordance with their respective laws and regulations, at least in cases in which a person registers or holds, with a bad faith intent to profit, a domain name that is identical or confusingly similar to a trade mark.
3. Each Party shall provide for effective protection against unauthorised use of trade marks through the implementation of paragraph 2 of Article 6*septies* of the Paris Convention.

SECTION C

ENFORCEMENT

SUB-SECTION 1

GENERAL PROVISIONS

ARTICLE 24.35

³⁵ For greater certainty, it is understood by the Parties that Article 10*bis* of the Paris Convention covers acts of unfair competition in relation to the supply of services in accordance with their respective laws and regulations.

³⁶ For greater certainty, for the Union, this paragraph applies only to ".eu" domain names.

³⁷ The Parties understand that such remedies may include, among other things, revocation, cancellation and transfer of the registered domain name, injunctive relief against the person that registered or holds the registered domain name and against the domain name registry, or damages against the person that registered or holds the domain name.

Enforcement – general

1. The Parties affirm their commitments under the TRIPS Agreement and in particular Part III thereof. Each Party shall provide for the following complementary measures, procedures and remedies³⁸ necessary to ensure the enforcement of intellectual property rights. The measures, procedures and remedies shall be fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.
2. The measures, procedures and remedies referred to in paragraph 1 shall be effective, proportionate and dissuasive³⁹ and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.
3. Each Party shall make all reasonable efforts to:
 - (a) encourage the establishment of public or private advisory groups to address issues of at least counterfeiting and piracy; and
 - (b) ensure internal coordination among, and facilitate joint actions by, its competent authorities concerned with enforcement of intellectual property rights, subject to their available resources.

ARTICLE 24.36

Entitled applicants

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this Section:

- (a) the holders of intellectual property rights in accordance with its laws and regulations;
- (b) the trade secret holders referred to in paragraph (2)(b) of Article 24.31; and
- (c) all other persons and entities, as far as permitted by and in accordance with its laws and regulations.

SUB-SECTION 2

ENFORCEMENT – CIVIL REMEDIES^{40, 41}

³⁸ Without prejudice to the civil and administrative measures, procedures and remedies laid down in this Chapter, a Party may provide for other appropriate sanctions in cases where intellectual property rights have been infringed.

³⁹ For the purpose of this Article, "dissuasive" may be deemed by a Party to be synonymous with "deterrent" under Article 41 of the TRIPS Agreement.

⁴⁰ This sub-section applies for intellectual property rights described in sub-sections 1 to 9 of Section B, excluding sub-section 7.

⁴¹ For the United Kingdom, civil enforcement for geographical indications will be provided within the scope of Article 10*bis* of the Paris Convention and Article 22 of the TRIPS Agreement.

ARTICLE 24.37

Measures for preserving evidence

1. The judicial authorities of each Party shall have the authority to order prompt and effective provisional measures to preserve relevant evidence in regard to the alleged infringement, in accordance with procedures which ensure the protection of confidential information as appropriate.
2. The judicial authorities of each Party shall have the authority to adopt provisional measures *inaudita altera parte* where appropriate, in particular if any delay is likely to cause irreparable harm to the right holder or if there is a demonstrable risk of evidence being destroyed.
3. In cases of intellectual property rights infringements, each Party shall provide that in civil judicial proceedings its judicial authorities have the authority to order the seizure or other taking into custody of suspect goods, materials and implements relevant to the act of infringement and of documentary evidence, either originals or copies thereof, relevant to the act of infringement.

ARTICLE 24.38

Right of information

Without prejudice to its law governing privilege, the protection of confidentiality of information sources or the processing of personal data, each Party shall provide that in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority, upon a justified request of the right holder, to order the infringer or the alleged infringer to provide the right holder or the judicial authorities, at least for the purpose of collecting evidence with relevant information as provided for in its applicable laws and regulations that the infringer or alleged infringer possesses or controls. Such information may include information regarding any person involved in any aspect of the infringement or alleged infringement and regarding the means of production or the channels of distribution of the infringing or allegedly infringing goods or services, including the identification of third persons allegedly involved in the production and distribution of such goods or services and of their channels of distribution.

ARTICLE 24.39

Provisional and precautionary measures

1. Each Party shall ensure that its judicial authorities may, on request of the applicant, issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by its laws and regulations, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued, under the same conditions where

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appropriate, against a third party⁴² over whom the relevant judicial authority exercises jurisdiction and whose services are used to infringe an intellectual property right.

2. An interlocutory injunction may also be issued to order the seizure or delivery up of goods suspected of infringing an intellectual property right, so as to prevent their entry into or movement within the channels of commerce.
3. In the case of an alleged infringement committed on a commercial scale, each Party shall ensure that if the applicant demonstrates circumstances likely to endanger the recovery of damages, its judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of the alleged infringer's bank accounts and other assets.

ARTICLE 24.40

Corrective measures

1. Each Party shall ensure that its judicial authorities may order, on request of the applicant and without prejudice to any damages due to the right holder by reason of the infringement, at least the definitive removal from the channels of commerce, or the destruction, except in exceptional circumstances, of goods that they have found to be infringing an intellectual property right, without compensation of any sort. If appropriate, the judicial authorities may also order the destruction of materials and implements predominantly used in the creation or manufacture of those goods.
2. Each Party's judicial authorities shall have the authority to order that those measures shall be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

ARTICLE 24.41

Injunctions

Each Party shall ensure that, if a judicial decision finds an infringement of an intellectual property right, its judicial authorities may issue an injunction aimed at prohibiting the continuation of the infringement against the infringer as well as, where appropriate, against a third party⁴³ over whom the relevant judicial authority exercises jurisdiction and whose services are used to infringe an intellectual property right.

ARTICLE 24.42

Damages

1. Each Party shall provide that in civil judicial proceedings its judicial authorities have the authority to order an infringer who, knowingly or with reasonable grounds to know, engaged

⁴² For the purpose of this Article, a Party may provide that a "third party" includes an intermediary.

⁴³ For the purpose of this Article, a Party may provide that a "third party" includes an intermediary.

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in activities infringing intellectual property rights to pay the right holder damages adequate to compensate for the injury the right holder has suffered as a result of the infringement.

2. In determining the amount of damages for infringements of intellectual property rights, judicial authorities of each Party may consider, *inter alia*, any legitimate measure of value that may be submitted by the right holder, which may include lost profits.
3. A Party may provide in its laws and regulations presumptions⁴⁴ for determining the amount of damages referred to in paragraph 1.

ARTICLE 24.43

Costs

Each Party shall provide that its judicial authorities, where appropriate, have the authority to order, at the conclusion of civil judicial proceedings concerning infringements of intellectual property rights, that the prevailing party be awarded payment by the losing party of court costs or fees and appropriate lawyer's fees, or any other expenses as provided for under its laws and regulations.

ARTICLE 24.44

Presumption of authorship or ownership

1. Each Party shall ensure that it is sufficient for the name of an author of a literary or artistic work to appear on the work in the usual manner in order for that author to be regarded as such, unless there is a proof to the contrary, and consequently to be entitled to institute infringement proceedings.
2. A Party may apply paragraph 1 *mutatis mutandis* to the holders of rights related to copyright with regard to their protected subject matter.

SUB-SECTION 3

ENFORCEMENT OF PROTECTION AGAINST MISAPPROPRIATION OF TRADE SECRETS

ARTICLE 24.45

Civil procedures and remedies

⁴⁴ This may include a presumption that the amount of damage is:

- (a) at least the amount that the right holder would have been entitled to receive for the exercise of his or her intellectual property rights, which may include reasonable royalty, to compensate a right holder for the unauthorised use of his or her intellectual property;
- (b) the profits earned by the infringer from the act of infringement; or
- (c) the quantity of the goods infringing the right holder's intellectual property rights and actually transferred to third persons, multiplied by the amount of profit per unit of goods which would have been sold by the right holder if there had not been the act of infringement.

1. Each Party shall provide for appropriate civil judicial procedures and remedies for a trade secret holder to prevent, and obtain redress for, the acquisition, use or disclosure of a trade secret whenever carried out in a manner contrary to honest commercial practices.
2. Each Party shall provide, in accordance with its laws and regulations, that its judicial authorities have the authority to order that the parties, their lawyers and other persons concerned in the relevant civil judicial proceedings, are not permitted to use or disclose any trade secret or alleged trade secret which the judicial authorities have identified as confidential⁴⁵, in response to a duly reasoned application by an interested party and of which these parties, lawyers and other persons have become aware as a result of their participation in such civil judicial proceedings.
3. In the relevant civil judicial proceedings each Party shall provide that its judicial authorities have at least the authority to:
 - (a) order injunctive relief to prevent the acquisition, use or disclosure of the trade secret in a manner contrary to honest commercial practices;
 - (b) order the person that knew or ought to have known⁴⁶ that he, she or it was acquiring, using or disclosing a trade secret in a manner contrary to honest commercial practices to pay the trade secret holder damages appropriate to the actual prejudice suffered as a result of such acquisition, use or disclosure of the trade secret;
 - (c) take specific measures to preserve the confidentiality of any trade secret or alleged trade secret produced in civil judicial proceedings relating to the alleged acquisition, use and disclosure of a trade secret in a manner contrary to honest commercial practices. Such specific measures may include, in accordance with its laws and regulations, the possibility of restricting access to certain documents in whole or in part; of restricting access to hearings and their corresponding records or transcript; and of making available a non-confidential version of a judicial decision in which the passages containing trade secrets have been removed or redacted; and
 - (d) impose sanctions on the parties, their lawyers and other persons concerned in the civil judicial proceedings for violation of judicial orders referred to in paragraph 2 concerning the protection of a trade secret or alleged trade secret produced in those proceedings.
4. A Party shall not be required to provide for the civil judicial procedures and remedies referred to in paragraph 1 when conduct contrary to honest commercial practices is carried out, in accordance with its relevant laws and regulations, to reveal misconduct, wrongdoing or illegal activity or to protect a legitimate interest recognised by law.

⁴⁵ For greater certainty, a Party may provide that its judicial authorities may identify a trade secret as confidential through a protective order.

⁴⁶ For the purpose of this Article, a Party may interpret "ought to have known" as "was grossly negligent in failing to know"

SUB-SECTION 4

ENFORCEMENT – BORDER MEASURES

ARTICLE 24.46

1. With respect to goods imported or exported, each Party shall adopt or maintain procedures under which a right holder may submit applications to a competent authority requesting customs authorities to suspend the release of or detain goods suspected of infringing trade marks, copyrights and related rights, geographical indications, patents, utility models, industrial designs, and plant variety rights (hereinafter referred to in this Article as "suspect goods") in its customs territory.
2. Each Party shall establish electronic systems for the management by its customs authority of the applications referred to in paragraph 1 once they have been granted or recorded.
3. The-competent authorities of each Party shall decide on granting or recording the applications referred to in paragraph 1 within a reasonable period of time from the submission of the applications.
4. Each Party may provide for the applications referred to in paragraph 1 to apply to multiple shipments.
5. With respect to goods imported or exported, the customs authority of each Party shall have the authority to act upon its own initiative to suspend the release of or detain suspect goods in the customs territory of that Party.
6. Article 7.13 covers detection of suspect goods referred to in this Article.
7. Without prejudice to its laws and regulations relating to the privacy or confidentiality of information, a Party may authorise its customs authority to provide a right holder with information about goods, including a description and the quantities thereof, and if known, the name and address of the consignor, importer, exporter or consignee, and the country of origin of the goods, whose release has been suspended, or which have been detained.
8. A Party may adopt or maintain procedures by which its competent authorities may determine, within a reasonable period after the initiation of the procedures described in paragraphs 1 and 5, whether the suspect goods are infringing. In such case, the competent authorities shall have the authority to order the destruction of goods following a determination that the goods are infringing. A Party may have in place procedures allowing for the destruction of suspect goods without there being any need for the formal determination on the infringement, where the persons concerned agree or do not oppose to destruction.
9. If a Party requests right holders to bear the costs actually incurred for the storage or destruction of the goods whose release has been suspended, or which have been detained in accordance with paragraphs 1 and 5, those costs shall correspond to the services rendered for the storage or destruction of the goods.

10. There shall be no obligation to apply this Article to the import of goods put on the market in another country by or with the consent of the right holder. A Party may exclude from the application of this Article small quantities of goods of a non-commercial nature contained in travellers' personal luggage.
11. The customs authorities of the Parties may cooperate on border measures against infringements of intellectual property covered by this Sub-section.
12. Without prejudice to the responsibilities of the Committee on Intellectual Property referred to in Article 24.48, the Customs Committee may consider the possibility of cooperation on the following:
 - (a) exchanging general information regarding seizures of infringing goods or suspect goods; and
 - (b) holding a dialogue on specific topics of common interest concerning:
 - (i) general information regarding the use of risk management systems in the detection of suspect goods; and
 - (ii) general information regarding risk analysis in the fight against infringing goods.

SECTION D

COOPERATION AND INSTITUTIONAL ARRANGEMENTS

ARTICLE 24.47

Cooperation

1. The Parties, recognising the growing importance of the protection of intellectual property in further promoting trade and investment between them, shall cooperate on intellectual property, including by exchange information on relations of a Party with third countries on matters concerning intellectual property, in accordance with their respective laws and regulations and subject to their available resources.
2. For the purpose of paragraph 1, cooperation may include exchange of information, sharing of experiences and skills and any other form of cooperation or activities as may be agreed between the Parties. Such cooperation may cover areas such as:
 - (a) developments in domestic and international intellectual property policy;
 - (b) intellectual property administration and registration systems;

- (c) education and awareness relating to intellectual property;
 - (d) intellectual property issues relevant to:
 - (i) small and medium-sized enterprises;
 - (ii) science, technology and innovation activities; and
 - (iii) the generation, transfer and dissemination of technology;
 - (e) policies involving the use of intellectual property for research, innovation and economic growth;
 - (f) the implementation of multilateral intellectual property agreements, such as those concluded or administered under the auspices of the WIPO;
 - (g) technical assistance for developing countries;
 - (h) best practices, projects and programmes related to the fight against infringements of intellectual property rights; and
 - (i) exploration of the possibility for further work on common efforts against infringements of intellectual property rights worldwide.
3. The Parties shall seek to cooperate with regard to activities for improving the international intellectual property regulatory framework, including by encouraging further ratification of existing international agreements and by fostering international harmonisation, administration and enforcement of intellectual property rights and on activities in international organisations including the WTO and the WIPO.

ARTICLE 24.48

Committee on Intellectual Property

1. The Committee on Intellectual Property hereinafter referred to in this Article as "the Committee" shall be responsible for the effective implementation and operation of this Chapter.
2. The Committee shall have the following functions:
 - (a) reviewing and monitoring the implementation and operation of this Chapter;
 - (b) discussing any issues related to intellectual property with a view to enhancing protection of intellectual property and enforcement of intellectual property rights and to promoting efficient and transparent administration of intellectual property systems;

- (c) reporting its findings and the outcomes of its discussions to the Joint Committee; and
 - (d) carrying out other functions as may be delegated by the Joint Committee.
3. The Committee may invite representatives of relevant entities other than the Parties, including from the private sector, with the necessary expertise relevant to the issues to be discussed.

ARTICLE 24.49

Security exceptions

For the purposes of this Chapter, Article 73 of the TRIPS Agreement is hereby incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 24.50

Dispute settlement

Article 24.47 shall not be subject to dispute settlement under Chapter 33.

CHAPTER 25 : GOOD REGULATORY PRACTICES AND REGULATORY COOPERATION

SECTION 1

GENERAL PROVISIONS

ARTICLE 25.1

Objectives and general principles

1. The objectives of this Chapter are to promote good regulatory practices and regulatory cooperation between the Parties with the aim of enhancing bilateral trade and investment by:
 - (a) promoting an effective, transparent and predictable regulatory environment; and
 - (b) discussing regulatory measures, practices or approaches of a Party, including how to enhance their efficient application.
2. Nothing in this Chapter shall affect the right of a Party to regulate in pursuit or furtherance of its public policy objectives.
3. Nothing in this Chapter shall be construed as preventing a Party from adopting, maintaining and applying regulatory measures in accordance with its legal framework, principles and deadlines, in order to achieve its public policy objectives.
4. Nothing in this Chapter shall be construed as obliging the Parties to achieve any particular regulatory outcome.

ARTICLE 25.2

Definitions

1. For the purposes of this Chapter, unless otherwise specified:
 - (a) “regulatory authority” means:
 - (i) in the case of the Union, the European Commission; and
 - (ii) in the case of the United Kingdom, the government of the United Kingdom; and
 - (b) “regulatory measures” means:
 - (i) in the case of the Union, measures of general application, which are:

- (1) regulations and directives, as provided for in Article 288 of TFEU; and
 - (2) delegated and implementing acts, as provided for in Articles 290 and 291 of TFEU, respectively;
- (ii) in the case of the United Kingdom, primary and secondary legislation as set out in Annex 25-A.

ARTICLE 25.3

Scope

1. Section 2 applies to all regulatory measures issued by the regulatory authority of a Party in respect of any matter covered by this Agreement.
2. Sections 3 and 4 apply to other measures of general application issued by the regulatory authority of a Party which are relevant to regulatory co-operation activities, such as guidelines, policy documents or recommendations, in addition to the regulatory measures referred to in paragraph 1.
3. Any specific provisions in other Chapters of this Agreement shall prevail over the provisions of this Chapter to the extent necessary for the application of the specific provisions.

SECTION 2

GOOD REGULATORY PRACTICES

ARTICLE 25.4

Internal coordination

Each Party shall maintain internal processes or mechanisms to foster good regulatory practices, including those provided for in this Section.

ARTICLE 25.5

Regulatory processes and mechanisms

Each Party shall make publicly available descriptions of the processes and mechanisms under which its regulatory authority prepares, evaluates and reviews its regulatory measures. Those descriptions shall refer to relevant guidelines, rules or procedures.

ARTICLE 25.6

Public consultations

1. When preparing significant⁴⁷ regulatory measures, the regulatory authority of each Party shall, where applicable, and in accordance with the relevant rules and procedures:
 - (a) publish either the draft regulatory measures or consultation documents providing sufficient details about regulatory measures under preparation to allow any person to assess whether and how the person's interests might be significantly affected;
 - (b) offer, on a non-discriminatory basis, reasonable opportunities for any person to provide comments; and
 - (c) consider the comments received.
2. The regulatory authority of each Party should make use of electronic means of communication and seek to maintain online services that are freely and publicly available for the purposes of providing information and receiving comments related to public consultations.
3. The regulatory authority of each Party shall make publicly available any comment received or a summary of the results of the consultations. This obligation does not apply to the extent necessary for the protection of confidential or sensitive information, for withholding personal data or inappropriate content or for other justified grounds such as the risk of harm to the interests of a third party.

ARTICLE 25.7

Impact assessment

1. The regulatory authority of each Party shall endeavour to systematically carry out, in accordance with the relevant rules and procedures, an impact assessment of significant regulatory measures under preparation.
2. When carrying out an impact assessment, the regulatory authority of each Party shall establish and maintain processes and mechanisms under which the following factors will be taken into consideration:
 - (a) the need for the regulatory measure, including the nature and the significance of the issue that the regulatory measure intends to address;
 - (b) any feasible and appropriate regulatory or non-regulatory alternatives, including the option of not regulating, if available, that would achieve the Party's public policy objectives.
3. The regulatory authority of each Party shall publish the findings of its impact assessments in a timely manner consistent with their rules and procedures.

⁴⁷ The regulatory authority of each Party may determine what constitutes "significant" regulatory measures for the purposes of its obligations under this Section.

ARTICLE 25.8

Retrospective evaluation

The regulatory authority of each Party shall maintain processes or mechanisms for the purposes of carrying out periodic retrospective evaluation of regulatory measures in force where appropriate.

ARTICLE 25.9

Exchange of information on good regulatory practices

The regulatory authorities may exchange information, including in the Committee on Regulatory Cooperation, on their good regulatory practices as referred to in this Section, such as practices regarding impact assessments or those regarding retrospective evaluations.

SECTION 3

REGULATORY COOPERATION

ARTICLE 25.10

Regulatory cooperation activities

1. Each Party may propose a regulatory cooperation activity to the other Party. It shall present that proposal via the contact point designated in accordance with Article 25.12.
2. The other Party shall review the proposal in due course and shall inform the proposing Party whether it considers the proposed activity suitable for regulatory cooperation.
3. On request of a Party, the Committee on Regulatory Cooperation shall discuss a proposal for regulatory cooperation activities referred to in paragraph 1.
4. If the Parties decide to engage in a regulatory cooperation activity, the regulatory authority of each Party shall:
 - (a) inform the regulatory authority of the other Party about the development of new or the revision of existing measures that are relevant for the regulatory cooperation activity;
 - (b) on request, provide information and discuss measures that are relevant for the regulatory cooperation activity; and
 - (c) when developing new or revising existing regulatory or other measures, consider, to the extent feasible, any regulatory approach by the other Party on the same or a related matter.

5. The Parties may engage in regulatory cooperation activities on a voluntary basis. A Party may refuse to engage in or withdraw from regulatory cooperation activities. A Party that refuses to engage in or withdraws from regulatory cooperation activities should explain the reasons for its decision to the other Party.
6. Where appropriate, the regulatory authorities may, by mutual consent, entrust the implementation of a regulatory cooperation activity to the relevant bodies in the Parties.

SECTION 4

INSTITUTIONAL PROVISIONS

ARTICLE 25.11

Committee on Regulatory Cooperation

1. The Committee on Regulatory Cooperation shall consider good regulatory practices and regulatory cooperation between the Parties in accordance with the provisions of this Section.
2. The Committee may invite interested persons to participate in its meetings.
3. The Committee may, in particular:
 - (a) discuss proposals for regulatory cooperation activities;
 - (b) exchange information on good regulatory practices;
 - (c) periodically identify and endorse priority areas of regulatory cooperation;
 - (d) provide guidelines, if necessary, to help streamline the regulatory cooperation of other specialised committees referred to in Article 30.3;
 - (e) establish, as necessary, *ad hoc* working groups to pursue specific regulatory cooperation activities, which shall report to the Committee on Regulatory Cooperation.
4. The Committee shall:
 - (a) meet within one year of the date of entry into force of this Agreement and as the Parties consider necessary thereafter; and
 - (b) adopt its rules of procedure at its first meeting after the entry into force of this Agreement.

ARTICLE 25.12

Contact points

Each Party shall, upon the entry into force of this Agreement, designate a contact point for the implementation of this Section and for exchange of information in accordance with Article 25.13 and notify the other Party of the contact details, including information regarding the relevant officials. The Parties shall promptly notify each other of any change of those contact details.

ARTICLE 25.13

Exchange of information on planned or existing regulatory measures

1. A Party may submit to the other Party a request for information and clarifications regarding planned or existing regulatory measures of the other Party. The Party to whom the request is addressed shall endeavour to respond promptly.
2. The Parties shall not be required to disclose confidential or sensitive information or data.

ARTICLE 25.14

Dispute settlement

The provisions of this Chapter shall not be subject to dispute settlement under Chapter 33.

CHAPTER 26: TRADE AND SUSTAINABLE DEVELOPMENT

ARTICLE 26.1

Context and Objectives

1. The Parties recall the Rio Declaration on Environment and Development of 1992, the Agenda 21 on Environment and Development of 1992, the Johannesburg Declaration on Sustainable Development of 2002 and the Plan of Implementation of the World Summit on Sustainable Development of 2002, the Ministerial Declaration of the United Nations Economic and Social Council on Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development of 2006 and the ILO Declaration on Social Justice for a Fair Globalisation of 2008. The Parties recognise that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development, and reaffirm their commitment to promoting the development of international trade in such a way as to contribute to the objective of sustainable development, for the welfare of present and future generations.
2. The Parties underline the benefit of considering trade-related labour and environmental issues as part of a global approach to trade and sustainable development. Accordingly, the Parties agree that the rights and obligations under Chapters 27 and 28 are to be considered in the context of this Agreement.
3. In this regard, through the implementation of Chapters 27 and 28, the Parties aim to:
 - (a) promote sustainable development through the enhanced coordination and integration of their respective labour, environmental and trade policies and measures;
 - (b) promote dialogue and cooperation with each other with a view to developing their trade and economic relations in a manner that supports their respective labour and environmental protection measures and standards, and to upholding their environmental and labour protection objectives in a context of trade relations that are free, open and transparent;
 - (c) enhance enforcement of their respective labour and environmental law and respect for labour and environmental international agreements;
 - (d) promote the full use of instruments, such as impact assessment and stakeholder consultations, in the regulation of trade, labour and environmental issues and encourage businesses, civil society organisations and citizens to develop and implement practices that contribute to the achievement of sustainable development goals; and
 - (e) promote public consultation and participation in the discussion of sustainable development issues that arise under the Agreement and in the development of relevant laws and policies.

ARTICLE 26.2

Transparency

The Parties stress the importance of ensuring transparency as a necessary element to promote public participation and making information public within the context of this Chapter, in accordance with the provisions of this Chapter and Chapter 31 as well as Articles 27.6 and 28.7 (Public information and awareness).

ARTICLE 26.3

Cooperation and promotion of trade supporting sustainable development

1. The Parties recognise the value of international cooperation to achieve the goal of sustainable development at the international level of economic, social and environmental development and protection initiatives, actions and measures. Therefore the Parties agree to dialogue and consult with each other with regard to trade-related sustainable development issues of common interest.
2. The Parties affirm that trade should promote sustainable development. Accordingly, each Party shall strive to promote trade and economic flows and practices that contribute to enhancing decent work and environmental protection including by:
 - (a) encouraging the development and use of voluntary schemes relating to the sustainable production of goods and services, such as eco-labelling and fair trade schemes;
 - (b) encouraging the development and use of voluntary best practices of corporate social responsibility by enterprises, such as those in the OECD Guidelines for Multinational Enterprises, to strengthen coherence between economic, social and environmental objectives;
 - (c) encouraging the integration of sustainability considerations in private and public consumption decisions; and
 - (d) promoting the development, the establishment, the maintenance or the improvement of environmental performance goals and standards.
3. The Parties recognise the importance of addressing specific sustainable development issues by assessing the potential economic, social and environmental impacts of possible actions, taking account of the views of stakeholders. Therefore, each Party commits to review, monitor and assess the impact of the implementation of this Agreement on sustainable development in its territory in order to identify any need for action that may arise in connection with this Agreement. The Parties may carry out joint assessments. These assessments will be conducted in a manner that is adapted to the practices and conditions of each Party, through the respective participative process of the Parties, as well as those processes set up under this Agreement.

ARTICLE 26.4

Institutional Mechanisms

1. The Committee on Trade and Sustainable Development shall comprise high level representatives of the Parties responsible for matters covered by this Chapter and Chapters 27 and 28. The Committee on Trade and Sustainable Development shall oversee the implementation of those Chapters, including cooperative activities and the review of the impact of this Agreement on sustainable development, and address in an integrated manner any matter of common interest to the Parties in relation to the interface between economic development, social development and environmental protection. With regard to Chapters 27 and 28, the Committee on Trade and Sustainable Development can also carry out its duties through dedicated sessions comprising participants responsible for any matter covered, respectively under these Chapters.
2. The Committee on Trade and Sustainable Development shall meet within the first year of the entry into force of this Agreement, and thereafter as often as the Parties consider necessary. The contact points referred to in Articles 27.8 and 28.12 are responsible for the communication between the Parties regarding the scheduling and the organisation of those meetings of dedicated sessions.
3. Each regular meeting or dedicated session of the Committee on Trade and Sustainable Development includes a session with the public to discuss matters relating to the implementation of the relevant Chapters, unless the Parties decide otherwise.
4. The Committee on Trade and Sustainable Development shall promote transparency and public participation. To this end:
 - (a) any decision or report of the Committee on Trade and Sustainable Development shall be made public, unless it decides otherwise;
 - (b) the Committee on Trade and Sustainable Development shall present updates on any matter related to this Chapter, including its implementation, to the Civil Society Forum referred to in Article 26.5. Any view or opinion of the Civil Society Forum shall be presented to the Parties directly, or through the consultative mechanisms referred to Articles 27.8 and 28.12. The Committee on Trade and Sustainable Development shall report annually on the follow-up to those communications;
 - (c) the Committee on Trade and Sustainable Development shall report annually on any matter that it addresses pursuant to Article 28.7.3 or Article 27.8.4.

ARTICLE 26.5

Civil Society Forum

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1. The Parties shall facilitate a joint Civil Society Forum composed of representatives of civil society organisations established in their territories, including participants in the consultative mechanisms referred to in Articles 27.8(Institutional mechanisms) and 28.12(Institutional mechanisms), in order to conduct a dialogue on the sustainable development aspects of this Agreement.
2. The Civil Society Forum shall be convened once a year unless otherwise agreed by the Parties. The Parties shall promote a balanced representation of relevant interests, including independent representative employers, unions, labour and business organisations, environmental groups, as well as other relevant civil society organisations as appropriate. The Parties may also facilitate participation by virtual means.

CHAPTER 27: TRADE AND LABOUR

SECTION 1

COMMON PROVISIONS

ARTICLE 27.1

Context and objectives

1. The Parties recognise the value of international cooperation and agreements on labour affairs as a response of the international community to economic, employment and social challenges and opportunities resulting from globalisation. They recognise the contribution that international trade could make to full and productive employment and decent work for all and commit to consulting and cooperating as appropriate on trade-related labour and employment issues of mutual interest.
2. Affirming the value of greater policy coherence in decent work, encompassing core labour standards, and high levels of labour protection, coupled with their effective enforcement, the Parties recognise the beneficial role that those areas can have on economic efficiency, innovation and productivity, including export performance. In this context, they also recognise the importance of social dialogue on labour matters among workers and employers, and their respective organisations, and governments, and commit to the promotion of such dialogue.

ARTICLE 27.2

Right to regulate and levels of protection

Recognising the right of each Party to set its labour priorities, to establish its levels of labour protection and to adopt or modify its laws and policies accordingly in a manner consistent with its international labour commitments, including those in this Chapter, each Party shall seek to ensure those laws and policies provide for and encourage high levels of labour protection and shall strive to continue to improve such laws and policies with the goal of providing high levels of labour protection.

ARTICLE 27.3

Multilateral labour standards and agreements

1. Each Party shall ensure that its labour law and practices embody and provide protection for the fundamental principles and rights at work which are listed below. The Parties affirm their commitment to respect, promote and realise those principles and rights in accordance with the obligations of the International Labour Organisation (“the ILO”) and the commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 1998 adopted by the International Labour Conference at its 86th Session:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
 - (b) the elimination of all forms of forced or compulsory labour;
 - (c) the effective abolition of child labour; and
 - (d) the elimination of discrimination in respect of employment and occupation.
2. Each Party shall ensure that its labour law and practices promote the following objectives included in the ILO Decent Work Agenda, and in accordance with the ILO Declaration on Social Justice for a Fair Globalisation of 2008 adopted by the International Labour Conference at its 97th Session, and other international commitments:
- (a) health and safety at work, including the prevention of occupational injury or illness and compensation in cases of such injury or illness;
 - (b) establishment of acceptable minimum employment standards for wage earners, including those not covered by a collective agreement; and
 - (c) non-discrimination in respect of working conditions, including for migrant workers.
3. Pursuant to subparagraph 2(a), each Party shall ensure that its labour law and practices embody and provide protection for working conditions that respect the health and safety of workers, including by formulating policies that promote basic principles aimed at preventing accidents and injuries that arise out of or in the course of work, and that are aimed at developing a preventative health and safety culture where the principle of prevention is accorded the highest priority. When preparing and implementing measures aimed at health protection and safety at work, each Party shall take into account existing relevant scientific and technical information and related international standards, guidelines or recommendations, if the measures may affect trade or investment between the Parties. The Parties acknowledge that in case of existing or potential hazards or conditions that could reasonably be expected to cause injury or illness to a natural person, a Party shall not use the lack of full scientific certainty as a reason to postpone cost-effective protective measures.
4. Each Party reaffirms its commitment to effectively implement in its law and practices in its whole territory the fundamental ILO Conventions that the United Kingdom and the Member States of the Union have ratified respectively. The Parties shall make continued and sustained efforts to ratify the fundamental ILO Conventions if they have not yet done so. The Parties shall exchange information on their respective situations and advances regarding the ratification of the fundamental as well as priority and other ILO Conventions that are classified as up to date by the ILO.

ARTICLE 27.4

Upholding levels of protection

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1. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the levels of protection afforded in their labour law and standards.
2. A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its labour law and standards, to encourage trade or the establishment, acquisition, expansion or retention of an investment in its territory.
3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its labour law and standards to encourage trade or investment.

ARTICLE 27.5

Enforcement procedures, administrative proceedings and review of administrative action

1. Pursuant to Article 27.4 each Party shall promote compliance with and shall effectively enforce its labour law, including by:
 - (a) maintaining a system of labour enforcement in accordance with its international commitments aimed at securing the enforcement of legal provisions relating to working conditions and the protection of workers; and
 - (b) ensuring that administrative and judicial proceedings are available to persons with a legally recognised interest in a particular matter who maintain that a right is infringed under its law, in order to permit effective action against infringements of its labour law, including appropriate remedies for violations of such law.
2. Each Party shall, in accordance with its law, ensure that the proceedings referred to in subparagraph 1(b) are not unnecessarily complicated or prohibitively costly, do not entail unreasonable time limits or unwarranted delays, provide injunctive relief, if appropriate, and are fair and equitable, including by:
 - (a) providing defendants with reasonable notice when a procedure is initiated, including a description of the nature of the proceeding and the basis of the claim;
 - (b) providing the parties to the proceedings with a reasonable opportunity to support or defend their respective positions, including by presenting information or evidence, prior to a final decision;
 - (c) providing that final decisions are made in writing and give reasons as appropriate to the case and based on information or evidence in respect of which the parties to the proceeding were offered the opportunity to be heard; and
 - (d) allowing the parties to administrative proceedings an opportunity for review and, if warranted, correction of final administrative decisions within a reasonable period of time by a tribunal established by law, with appropriate guarantees of tribunal independence and impartiality.

ARTICLE 27.6

Public information and awareness

1. Each Party shall encourage public debate with and among non-state actors as regards the development and definition of policies that may lead to the adoption of labour law and standards by its public authorities.
2. Each Party shall promote public awareness of its labour law and standards, as well as enforcement and compliance procedures, including by ensuring the availability of information and by taking steps to further the knowledge and understanding of workers, employers and their representatives.

ARTICLE 27.7

Cooperative activities

1. The Parties commit to cooperate to promote the objectives of this Chapter through actions such as:
 - (a) the exchange of information on best practices on issues of common interest and on relevant events, activities, and initiatives;
 - (b) cooperation in international fora that deal with issues relevant for trade and labour, including in particular the WTO and the ILO;
 - (c) the international promotion and the effective application of fundamental principles and rights at work referred to in Article 27.3.1 above, and the ILO Decent Work Agenda;
 - (d) dialogue and information-sharing on the labour provisions in the context of their respective trade agreements, and the implementation thereof;
 - (e) the exploration of collaboration in initiatives regarding third parties;
 - (f) any other form of cooperation deemed appropriate.
2. The Parties shall consider any views provided by representatives of workers, employers, and civil society organisations when identifying areas of cooperation, and carrying out cooperative activities.
3. The Parties may establish cooperative arrangements with the ILO and other competent international or regional organisations to draw on their expertise and resources to achieve the objectives of this Chapter.

ARTICLE 27.8

Institutional mechanisms

DRAFT UK NEGOTIATING DOCUMENT

1. Each Party shall designate an office to serve as the contact point with the other Party for the implementation of this Chapter, including with regard to:
 - (a) cooperative programmes and activities in accordance with Article 27.7;
 - (b) the receipt of submissions and communications under Article 27.9.; and
 - (c) information to be provided to the other Party, the Panels of Experts and the public.
2. Each Party shall inform the other Party, in writing, of the contact point referred to in paragraph 1.
3. The Committee on Trade and Sustainable Development shall, through its regular meetings or dedicated sessions comprising participants responsible for matters covered under this Chapter:
 - (a) oversee the implementation of this Chapter and review the progress achieved under it, including its operation and effectiveness; and
 - (b) discuss any other matter within the scope of this Chapter.
4. Each Party shall convene a new or consult its domestic labour or sustainable development advisory groups, to seek views and advice on issues relating to this Chapter. Those groups shall comprise independent representative organisations of civil society in a balanced representation of employers, unions, labour and business organisations, as well as other relevant stakeholders as appropriate. They may submit opinions and make recommendations on any matter related to this Chapter on their own initiative.
5. Each Party shall be open to receive and shall give due consideration to submissions from the public on matters related to this Chapter, including communications on implementation concerns. Each Party shall inform its respective domestic labour or sustainable development advisory groups of those communications.
6. The Parties shall take into account the activities of the ILO so as to promote greater cooperation and coherence between the work of the Parties and the ILO.

ARTICLE 27.9

Consultations

1. A Party may request consultations with the other Party regarding any matter arising under this Chapter by delivering a written request to the contact point of the other Party. The Party shall present the matter clearly in its request, identify the questions at issue and provide a brief summary of any claims under this Chapter. Consultations must commence promptly after a Party delivers a request for consultations.

2. During consultations, each Party shall provide the other Party with sufficient information in its possession to allow a full examination of the matters raised, subject to its law regarding confidential personal and commercial information.
3. If relevant, and if both Parties consent, the Parties shall seek the information or views of any person, organisation or body, including the ILO, that may contribute to the examination of the matter that arises.
4. If a Party considers that further discussion of the matter is required, that Party may request that the Committee on Trade and Sustainable Development be convened to consider the matter by delivering a written request to the contact point of the other Party. The Committee on Trade and Sustainable Development shall convene promptly and endeavour to resolve the matter. If appropriate, it shall seek the advice of the Parties' domestic labour or sustainable development advisory groups through the consultative mechanisms referred to in Article 27.8.
5. Each Party shall make publicly available any solution or decision on a matter discussed under this Article.

ARTICLE 27.10

Panel of Experts

1. For any matter that is not satisfactorily addressed through consultations under Article 27.9, a Party may, 90 days after the receipt of a request for consultations under paragraph 1 of Article 27.9, request that a Panel of Experts be convened to examine that matter, by delivering a written request to the contact point of the other Party.
2. Subject to the provisions of this Chapter, the Parties shall apply the Rules of Procedure and Code of Conduct set out in Annexes 33-A and 33-B, unless the Parties decide otherwise.
3. The Panel of Experts is composed of three panellists.
4. The Parties shall consult with a view to reaching an agreement on the composition of the Panel of Experts within 10 working days of the receipt by the responding Party of the request for the establishment of a Panel of Experts. Due attention shall be paid to ensuring that proposed panellists meet the requirements set out in paragraph 7 and have the expertise appropriate to the particular matter.
5. If the Parties are unable to decide on the composition of the Panel of Experts within the period of time specified in paragraph 4, the selection procedure set out in paragraphs 3 to 6 of Article 33.8 applies in respect of the list established in paragraph 6.
6. The Committee on Trade and Sustainable Development shall, at its first meeting after the entry into force of this Agreement, establish a list of at least nine individuals chosen for their objectivity, reliability and sound judgment, who are willing and able to serve as panellists. Each Party shall name at least three individuals to the list to serve as panellists. The Parties shall also name at least three individuals who are not nationals of either Party and who are

willing and able to serve as chairperson of a Panel of Experts. The Committee on Trade and Sustainable Development shall ensure that the list is always maintained at this level.

7. The experts proposed as panellists must have specialised knowledge or expertise in labour law, other issues addressed in this Chapter, or in the resolution of disputes arising under international agreements. They must be independent, serve in their individual capacities and not take instructions from any organisation or government with regard to the matter in issue. They must not be affiliated with the governments of the United Kingdom or the Member States or institutions of the Union, and must comply with the Code of Conduct referred to in paragraph 2.
8. Unless the Parties decide otherwise, within five working days of the date of the selection of the panellists, the terms of reference of the Panel of Experts are as follows: "to examine, in the light of the relevant provisions of Chapter 3.6, the matter referred to in the request for the establishment of the Panel of Experts, and to deliver a report, in accordance with Article 27.10 of Chapter 27 that makes recommendations for the resolution of the matter."
9. In respect of matters related to multilateral agreements as set out in Article 27.3, the Panel of Experts should seek information from the ILO, including any pertinent available interpretative guidance, findings or decisions adopted by the ILO.
10. The Panel may request and receive written submissions or any other information from persons with relevant information or specialised knowledge.
11. The Panel of Experts shall issue to the Parties an interim report and a final report setting out the findings of fact, its determinations on the matter including as to whether the responding Party has conformed with its obligations under this Chapter and the rationale behind any findings, determinations and recommendations that it makes. The Panel of Experts shall deliver to the Parties the interim report within 120 days after the last panellist is selected, or as otherwise decided by the Parties. The Parties may provide comments to the Panel of Experts on the interim report within 45 days of its delivery. After considering these comments, the Panel of Experts may reconsider its report or carry out any further examination that it considers appropriate. The Panel of Experts shall deliver the final report to the Parties within 60 days of the submission of the interim report. Each Party shall make the final report publicly available within 30 days of its delivery.
12. If the final report of the Panel of Experts determines that a Party has not conformed with its obligations under this Chapter, the Parties shall engage in discussions and shall endeavour, within three months of the delivery of the final report, to identify appropriate measures or, if appropriate, to decide upon a mutually satisfactory action plan. In these discussions, the Parties shall take into account the final report. The responding Party shall inform in a timely manner its labour advisory groups and the requesting Party of its decision on any actions or measures to be implemented. Furthermore, the requesting Party shall inform in a timely manner its labour advisory groups and the responding Party of any other action or measure it may decide to take, as a follow-up to the final report, to encourage the resolution of the matter in a manner consistent with this Agreement. The Committee on Trade and Sustainable Development shall monitor the follow-up to the final report and the recommendations of the

Panel of Experts. The labour or sustainable development advisory groups of the Parties may submit observations to the Committee on Trade and Sustainable Development in this regard.

13. If the Parties reach a mutually agreed solution to the matter following the establishment of a Panel of Experts, they shall notify the Committee on Trade and Sustainable Development and the Panel of Experts of that solution. Upon that notification, the panel procedure shall be terminated.

ARTICLE 27.11

Dispute resolution

1. For any dispute that arises under this Chapter, the Parties shall only have recourse to the rules and procedures provided in this Chapter.
2. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of a dispute. At any time, the Parties may have recourse to good offices, conciliation, or mediation to resolve that dispute.
3. The Parties understand that the obligations included under this Chapter are binding and enforceable through the procedures for the resolution of disputes provided in Article 27.10. Within this context, the Parties shall discuss, through the meetings of the Committee on Trade and Sustainable Development, the effectiveness of the implementation of the Chapter, policy developments in each Party, developments in international agreements, and views presented by stakeholders, as well as possible reviews of the procedures for the resolution of disputes provided for in Article 27.10.
4. In the case of disagreement under paragraph 3, a Party may request consultations according to the procedures established in Article 27.9 in order to review the provisions for the resolution of disputes provided for in Article 27.10, with a view to reaching a mutually agreed solution to the matter.
5. The Committee on Trade and Sustainable Development may recommend to the Joint Committee modifications to relevant provisions of this Chapter, in accordance with the amendment procedures established in Article 34.2.

CHAPTER 28: TRADE AND ENVIRONMENT

ARTICLE 28.1

Definition

For the purposes of this Chapter:

“environmental law” means a law, including a statutory or regulatory provision, or other legally binding measure of a Party, the purpose of which is the protection of the environment, including the prevention of a danger to human life or health from environmental impacts, such as those that aim at:

- (a) the prevention, abatement or control of the release, discharge, or emission of pollutants or environmental contaminants;
- (b) the management of chemicals and waste or the dissemination of information related thereto; or
- (c) the conservation and protection of wild flora or fauna, including endangered species and their habitats, as well as protected areas,

but does not include a measure of a Party solely related to worker health and safety, which is subject to Chapter 27.

ARTICLE 28.2

Context and objectives

The Parties recognise that the environment is a fundamental pillar of sustainable development and recognise the contribution that trade could make to sustainable development. The Parties stress that enhanced cooperation to protect and conserve the environment brings benefits that will:

- (a) promote sustainable development;
- (b) strengthen the environmental governance of the Parties;
- (c) build upon international environmental agreements to which they are party; and
- (d) complement the objectives of this Agreement.

ARTICLE 28.3

Right to regulate and levels of protection

The Parties recognise the right of each Party to set its environmental priorities, to establish its levels of environmental protection, and to adopt or modify its laws and policies accordingly and in a manner consistent with the multilateral environmental agreements to which it is party and with this Agreement. Each Party shall seek to ensure that those laws and policies provide for and encourage high levels of environmental protection, and shall strive to continue to improve such laws and policies and their underlying levels of protection.

ARTICLE 28.4

Multilateral environmental agreements

1. The Parties recognise the value of international environmental governance and agreements as a response of the international community to global or regional environmental problems and stress the need to enhance the mutual supportiveness between trade and environment policies, rules, and measures.
2. Each Party reaffirms its commitment to effectively implement in its law and practices, in its whole territory, the multilateral environmental agreements to which it is party.
3. The Parties commit to consult and cooperate as appropriate with respect to environmental issues of mutual interest related to multilateral environmental agreements, and in particular, trade-related issues. This commitment includes exchanging information on:
 - (a) the implementation of multilateral environmental agreements, to which a Party is party;
 - (b) on-going negotiations of new multilateral environmental agreements; and
 - (c) each Party's respective views on becoming a party to additional multilateral environmental agreements.
4. The Parties acknowledge their right to rely on Article 32.1 in relation to environmental measures, including those taken pursuant to multilateral environmental agreements to which they are party.

ARTICLE 28.5

Upholding levels of protection

1. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the levels of protection afforded in their environmental law.
2. A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental law, to encourage trade or the establishment, acquisition, expansion or retention of an investment in its territory.
3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental law to encourage trade or investment.

ARTICLE 28.6

Access to remedies and procedural guarantees

1. Pursuant to the obligations in Article 28.5:
 - (a) each Party shall, in accordance with its law, ensure that its authorities competent to enforce environmental law give due consideration to alleged violations of environmental law brought to its attention by any interested persons residing or established in its territory; and
 - (b) each Party shall ensure that administrative or judicial proceedings are available to persons with a legally recognised interest in a particular matter or who maintain that a right is infringed under its law, in order to permit effective action against infringements of its environmental law, including appropriate remedies for violations of such law.
2. Each Party shall, in accordance with its domestic law, ensure that the proceedings referred to in sub-paragraph 1(b) are not unnecessarily complicated or prohibitively costly, do not entail unreasonable time limits or unwarranted delays, provide injunctive relief if appropriate, and are fair, equitable and transparent, including by:
 - (a) providing defendants with reasonable notice when a proceeding is initiated, including a description of the nature of the proceeding and the basis of the claim;
 - (b) providing the parties to the proceeding with a reasonable opportunity to support or defend their respective positions, including by presenting information or evidence, prior to a final decision;
 - (c) providing that final decisions are made in writing and give reasons as appropriate to the case and based on information or evidence in respect of which the parties to the proceeding were offered the opportunity to be heard; and
 - (d) allowing the parties to administrative proceedings an opportunity for review and, if warranted, correction of final administrative decisions within a reasonable period of time by a tribunal established by law, with appropriate guarantees of tribunal independence and impartiality.

ARTICLE 28.7

Public information and awareness

1. In addition to Article 31.2, each Party shall encourage public debate with and among non-state actors as regards the development and definition of policies that may lead to the adoption of environmental law by its public authorities.
2. Each Party shall promote public awareness of its environmental law, as well as enforcement and compliance procedures, by ensuring the availability of information to stakeholders.

3. Each Party shall be open to receive and shall give due consideration to submissions from the public on matters related to this Chapter, including communications on implementation concerns. Each Party shall inform its respective civil society organisations of those communications through the consultative mechanisms referred to in Article 28.12.5 .

ARTICLE 28.8

Scientific and technical information

1. When preparing and implementing measures aimed at environmental protection that may affect trade or investment between the Parties, each Party shall take into account relevant scientific and technical information and related international standards, guidelines, or recommendations.
2. The Parties acknowledge that where there are threats of serious or irreversible damage, the lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

ARTICLE 28.9

Trade favouring environmental protection*

The Parties are resolved to make efforts to facilitate and promote trade and investment in environmental goods and services, including through addressing the reduction of non-tariff barriers related to these goods and services.

ARTICLE 28.10

Trade in forest products

1. The Parties recognise the importance of the conservation and sustainable management of forests for providing environmental functions and economic and social opportunities for present and future generations, and of market access for forest products harvested in accordance with the law of the country of harvest and from sustainably managed forests.
2. To this end, and in a manner consistent with their international obligations, the Parties undertake to:
 - (a) encourage trade in forest products from sustainably managed forests and harvested in accordance with the law of the country of harvest;
 - (b) exchange information and, if appropriate, cooperate on initiatives to promote sustainable forest management, including initiatives designed to combat illegal logging and related trade;

* Provisions related to climate change specifically will be covered in a separate agreement on energy.

- (c) promote the effective use of the *Convention on International Trade in Endangered Species of Wild Fauna and Flora*, done at Washington on 3 March 1973, with regard to timber species considered at risk; and
 - (d) cooperate, where appropriate, in international *fora* that deal with the conservation and sustainable management of forests.
3. The Parties shall discuss the subjects referred to in paragraph 2 in the Committee on Trade and Sustainable Development in accordance with their respective spheres of competence.

ARTICLE 28.11

Cooperation on environment matters^{*}

1. The Parties recognise that enhanced cooperation is an important element to advance the objectives of this Chapter, and commit to cooperate on trade-related environmental issues of common interest, in areas such as:
- (a) the potential impact of this Agreement on the environment and ways to enhance, prevent, or mitigate such impact, taking into account any impact assessment carried out by the Parties;
 - (b) activity in international *fora* dealing with issues relevant for both trade and environmental policies, including in particular the WTO, the OECD, the United Nations Environment Programme, and multilateral environmental agreements;
 - (c) the environmental dimension of corporate social responsibility and accountability, including the implementation and follow-up of internationally recognised guidelines;
 - (d) the trade impact of environmental regulations and standards as well as the environmental impact of trade and investment rules including on the development of environmental regulations and policy;
 - (e) trade and investment in environmental goods and services, including environmental and green technologies and practices; and water use, conservation and treatment;
 - (f) cooperation on trade-related aspects of the conservation and sustainable use of biological diversity;
 - (g) promotion of life-cycle management of goods, including carbon accounting and end-of-life management, extended producer-responsibility, recycling and reduction of waste, and other best practices;
 - (h) improved understanding of the effects of economic activity and market forces on the environment; and

^{*} Provisions related to climate change specifically will be covered in a separate agreement on energy.

- (i) exchange of views on the relationship between multilateral environmental agreements and international trade rules.
2. Cooperation further to paragraph 1 shall take place through actions and instruments that may include technical exchanges, exchanges of information and best practices, research projects, studies, reports, conferences and workshops.
3. The Parties will consider views or input from the public and interested stakeholders for the definition and implementation of their cooperation activities, and they may involve such stakeholders further in those activities, as appropriate.

ARTICLE 28.12

Institutional mechanisms

1. Each Party shall designate an office to serve as contact point with the other Party for the implementation of this Chapter, including with regard to:
 - (a) cooperative programmes and activities in accordance with Article 28.11;
 - (b) the receipt of submissions and communications under Article 28.7.3; and
 - (c) information to be provided to the other Party, the Panel of Experts, and the public.
2. Each Party shall inform the other Party, in writing, of the contact point referred to in paragraph 1.
3. The Committee on Trade and Sustainable Development shall, through its regular meetings or dedicated sessions comprising participants responsible for matters covered under this Chapter:
 - (a) oversee the implementation of this Chapter and review progress made under it;
 - (b) discuss matters of common interest; and
 - (c) discuss any other matter within the scope of this Chapter as the Parties jointly decide.
4. The Parties shall take into account the activities of relevant multilateral environmental organisations or bodies so as to promote greater cooperation and coherence between the work of the Parties and these organisations or bodies.
5. Each Party shall make use of existing, or establish new, consultative mechanisms, such as domestic advisory groups, to seek views and advice on issues relating to this Chapter. These consultative mechanisms shall comprise independent representative organisations of civil society in a balanced representation of environmental groups, business organisations, as well as other relevant stakeholders as appropriate. Through such consultative mechanisms,

stakeholders may submit opinions and make recommendations on any matter related to this Chapter on their own initiative.

ARTICLE 28.13

Consultations

1. A Party may request consultations with the other Party regarding any matter arising under this Chapter by delivering a written request to the contact point of the other Party. The Party shall present the matter clearly in the request, identify the questions at issue, and provide a brief summary of any claims under this Chapter. Consultations must commence promptly after a Party delivers a request for consultations.
2. During consultations, each Party shall provide the other Party with sufficient information in its possession to allow a full examination of the matters raised, subject to its law regarding the protection of confidential or proprietary information.
3. If relevant, and if both Parties consent, the Parties shall seek the information or views of any person, organisation, or body, including the relevant international organisation or body, that may contribute to the examination of the matter at issue.
4. If a Party considers that further discussion of the matter is required, that Party may request that the Committee on Trade and Sustainable Development be convened to consider the matter by delivering a written request to the contact point of the other Party. The Committee on Trade and Sustainable Development shall convene promptly and endeavour to resolve the matter. If appropriate, it shall seek the advice of the Parties' civil society organisations through the consultative mechanisms referred to in Article 28.12.5.
5. Each Party shall make publicly available any solution or decision on a matter discussed under this Article.

ARTICLE 28.14

Panel of Experts

1. For any matter that is not satisfactorily addressed through consultations under Article 28.13, a Party may, 90 days after the receipt of the request for consultations under Article 28.13.1, request that a Panel of Experts be convened to examine that matter, by delivering a written request to the contact point of the other Party.
2. Subject to the provisions of this Chapter, the Parties shall apply the Rules of Procedure and Code of Conduct set out in Annexes 33-A and 33-B, unless the Parties decide otherwise.
3. The Panel of Experts is composed of three panellists.
4. The Parties shall consult with a view to reaching an agreement on the composition of the Panel of Experts within 10 working days of the receipt by the responding Party of a request

for the establishment of a Panel of Experts. Due attention shall be paid to ensuring that proposed panellists meet the requirements set out in paragraph 7 and have the expertise appropriate to the particular matter.

5. If the Parties are unable to decide on the composition of the Panel of Experts within the period of time specified in paragraph 4, the selection procedure set out in paragraphs 3 to 6 of Article 33.8 applies in respect of the list established in paragraph 6.
6. The Committee on Trade and Sustainable Development shall, at its first meeting after the entry into force of this Agreement, establish a list of at least nine individuals chosen for their objectivity, reliability, and sound judgement, who are willing and able to serve as panellists. Each Party shall name at least three individuals to the list to serve as panellists. The Parties shall also name at least three individuals who are not nationals of either Party and who are willing and able to serve as chairperson of a Panel of Experts. The Committee on Trade and Sustainable Development shall ensure that the list is always maintained at this level.
7. The experts proposed as panellists must have specialised knowledge or expertise in environmental law, issues addressed in this Chapter, or in the resolution of disputes arising under international agreements. They must be independent, serve in their individual capacities and not take instructions from any organisation or government with regard to the matter in issue. They must not be affiliated with the governments of either Party, and must comply with the Code of Conduct referred to in paragraph 2.
8. Unless the Parties otherwise decide, within five working days of the date of the selection of the panellists, the terms of reference of the Panel of Experts are as follows:

“to examine, in the light of relevant provisions of Chapter 28, the matter referred to in the request for the establishment of the Panel of Experts, and to deliver a report in accordance with Article 28.14 , that makes recommendations for the resolution of the matter”
9. In respect of matters related to multilateral environmental agreements as set out in Article 28.4, the Panel of Experts should seek views and information from relevant bodies established under these agreements, including any pertinent available interpretative guidance, findings, or decisions adopted by those bodies.
10. The Panel of Experts shall issue to the Parties an interim report and a final report setting out the findings of fact, its determinations on the matter, including as to whether the responding Party has conformed with its obligations under this Chapter and the rationale behind any findings, determinations and recommendations that it makes. The Panel of Experts shall deliver to the Parties the interim report within 120 days after the last panellist is selected, or as otherwise decided by the Parties. The Parties may provide comments to the Panel of Experts on the interim report within 45 days of its delivery. After considering these comments, the Panel of Experts may reconsider its report or carry out any further examination that it considers appropriate. The Panel of Experts shall deliver the final report to the Parties within 60 days of the submission of the interim report. Each Party shall make the final report publicly available within 30 days of its delivery.

11. If the final report of the Panel of Experts determines that a Party has not conformed with its obligations under this Chapter, the Parties shall engage in discussions and shall endeavour, within three months of the delivery of the final report, to identify an appropriate measure or, if appropriate, to decide upon a mutually satisfactory action plan. In these discussions, the Parties shall take into account the final report. The responding Party shall inform, in a timely manner, its civil society organisations, through the consultative mechanisms referred to in Article 12.5, and the requesting Party of its decision on any action or measure to be implemented. The Committee on Trade and Sustainable Development shall monitor the follow-up to the final report and the recommendations of the Panel of Experts. The civil society organisations, through the consultative mechanisms referred to in Article 12.5.5, and the Civil Society Forum may submit observations to the Committee on Trade and Sustainable Development in this regard.
12. If the Parties reach a mutually agreed solution to the matter following the establishment of a Panel of Experts, they shall notify the Committee on Trade and Sustainable Development and the Panel of Experts of that solution. Upon that notification, the panel procedure shall be terminated.

ARTICLE 28.15

Dispute resolution

1. For any dispute that arises under this Chapter, the Parties shall only have recourse to the rules and procedures provided for in this Chapter.
2. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of a dispute. At any time, the Parties may have recourse to good offices, conciliation or mediation to resolve that dispute.

CHAPTER 29: RELEVANT TAX MATTERS

ARTICLE 29.1

International Tax Cooperation and Standards

The United Kingdom and the Union will promote good governance in tax matters and improve international cooperation in the tax area. The Parties recognise and commit to implementing the principles of good governance in the area of taxation reflecting the OECD principles concerning fair tax competition, the global standards on tax transparency and exchange of information, and the OECD minimum standards against Base Erosion and Profit Shifting (BEPS).

ARTICLE 29.2

Dispute Settlement

The provisions of this Chapter shall not be subject to dispute settlement under Chapter 33.

CHAPTER 30: ADMINISTRATIVE PROVISIONS

ARTICLE 30.1

Establishment of a Joint Committee

1. The Parties hereby establish a Joint Committee comprising representatives of both Parties. The Joint Committee shall be co-chaired by a representative of the Government of the United Kingdom at ministerial level and by the Member of the European Commission responsible for trade or their respective designees.
2. The Joint Committee shall hold its first meeting within three months of the date of entry into force of this Agreement. Thereafter, the Joint Committee shall, unless otherwise agreed by the representatives of the Parties, meet once a year, or in urgent cases on request of either Party. The Joint Committee may meet in person or by other means, as agreed by the representatives of the Parties. The work of the Joint Committee shall be governed by the rules of procedure set out in Annex 30-A to this Agreement.
3. The meetings of the Joint Committee shall take place in the United Kingdom or the Union alternately, unless otherwise agreed by the representatives of the Parties.
4. The Joint Committee shall be responsible for all questions concerning trade and investment between the Parties and the implementation and application of this Agreement. A Party may refer to the Joint Committee any issue relating to the implementation and interpretation of this Agreement, or any other issue concerning trade and investment between the Parties.
5. In order to ensure that this Agreement operates properly and effectively, the Joint Committee shall:
 - (a) review and monitor the implementation and operation of this Agreement and, if necessary, make appropriate recommendations to the Parties;
 - (a) supervise and coordinate, as appropriate, the work of all specialised committees, working groups and other bodies established under this Agreement, and recommend to them any necessary action;
 - (b) without prejudice to Chapter 33, seek to solve problems that may arise under this Agreement or resolve disputes that may arise regarding the interpretation or application of this Agreement;
 - (c) consider any other matter of interest under this Agreement as the representatives of the Parties may agree;
6. In order to ensure that this Agreement operates properly and effectively, the Joint Committee may:

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- (a) establish or dissolve specialised committees, working groups or other bodies, and determine their composition, function and tasks;
- (b) allocate responsibilities to specialised committees, working groups or other bodies;
- (c) provide information on issues falling within the scope of this Agreement to the public;
- (d) recommend to the Parties any amendments to this Agreement or adopt decisions to amend this Agreement in instances specifically provided in Article 34.2.4;
- (e) adopt interpretations of the provisions of this Agreement, which shall be binding on the Parties and all specialised committees, working groups and other bodies set up under this Agreement, including panels established under Chapter 33; and
- (f) take any other action in the exercise of its functions as the Parties may agree.

ARTICLE 30.2

Decisions and recommendations of the Joint Committee

1. The Joint Committee may take decisions where provided for in this Agreement. The decisions taken shall be binding on the Parties. Each Party shall take the measures necessary to implement the decisions taken.
2. The Joint Committee may make recommendations relevant for the implementation and operation of this Agreement.
3. All decisions and recommendations of the Joint Committee shall be taken by consensus and may be adopted either by meeting in person or in writing.

ARTICLE 30.3

Specialised Committees

1. The following specialised committees are hereby established under the auspices of the Joint Committee:
 - (a) the Committee on Trade in Goods;
 - (b) the Rules of Origin Committee;
 - (c) the Committee on Technical Barriers to Trade;
 - (d) the SPS Joint Management Committee;
 - (e) the Customs Committee;

- (f) the Committee on Trade in Services and Investment.

Sub-committees may be established under the auspices of the Committee on Trade in Services and Investment to deal with specific issues or sectors as necessary. A Sub-Committee on the Recognition of Professional Qualifications and a Sub-Committee on Telecommunications are hereby established under and report to the Committee on Trade in Services and Investment;

- (g) the Financial Services Committee;
- (h) the Committee on Digital Trade;
- (i) the Committee on Road Transport;
- (j) the Committee on Intellectual Property;
- (k) the Committee on Regulatory Cooperation;
- (l) the Committee on Trade and Sustainable Development;
- (m) the Committee on Marine Equipment; and
- (n) the Committee on Organics.

2. The responsibilities and functions of the specialised committees referred to in paragraph 1 are defined, as appropriate, in the relevant Chapters and Annexes of this Agreement and can be modified by a decision of the Joint Committee but their responsibilities shall remain within the scope of the Chapters for the implementation and operation of which they are responsible.
3. Unless otherwise provided for in this Agreement, the specialised committees shall:
 - (a) meet once a year, unless otherwise agreed by the representatives of the Parties to the specialised committees, or on request of a Party or of the Joint Committee;
 - (b) be composed of representatives of the Parties;
 - (c) be co-chaired, at an appropriate level, by the representatives of the Parties;
 - (d) hold their meetings in the United Kingdom or the Union alternately, unless otherwise agreed by the representatives of the Parties to the specialised committees, or by any other appropriate means of communication;
 - (e) agree on their meeting schedules and set their agenda by consensus; and
 - (f) take all decisions and make recommendations by consensus either by meeting in person or in writing.

4. The specialised committees may adopt their rules of procedure. As long as they do not adopt their rules of procedure the rules of procedure for the Joint Committee apply *mutatis mutandis*.
5. The specialised committees may submit proposals for decisions to be adopted by the Joint Committee or take decisions in accordance with the relevant provisions of this Agreement.
6. On request of a Party or on referral from the relevant specialised committee, the Joint Committee may address matters that have not been resolved by the relevant specialised committee.
7. Each Party shall ensure that when a specialised committee meets, all the competent authorities for each issue on the agenda are represented, as each Party deems appropriate, and that each issue can be discussed at the adequate level of expertise.
8. Each specialised committee shall inform the Joint Committee of the schedules and agenda of its meetings sufficiently in advance and shall report to the Joint Committee on results and conclusions from each of its meetings.
9. The existence of a specialised committee shall not prevent a Party from bringing any matter directly to the Joint Committee.
10. Paragraphs 2 to 9 of this Article apply equally to any sub-committees established under and reporting to the specialised committees established under paragraph 1.

ARTICLE 30.4

Working groups

1. The following working groups are hereby established under the auspices of the relevant Specialised Committee:
 - (a) the Working Group on Marking and Labelling, under the Committee on Technical Barriers to Trade. The responsibilities and functions of this working group are defined in Article 5.11.2.
 - (b) the Joint Working Group on Combatting Anti-microbial Resistance, under the SPS Joint Management Committee. The responsibilities and functions of this working group are defined in Article 6.10.6.
 - (c) the Technical Working Group on Animal Welfare, under the SPS Joint Management Committee. The responsibilities and functions of this working group are defined in Article 6.11.4.
 - (d) the Working Group on Motor Vehicles and Parts, under the Committee on Technical Barriers to Trade. The responsibilities and functions of this working group are defined in Article 12.3 of Annex 5-C.

- (e) the Working Group on Medical Products, under the Committee on Technical Barriers to Trade. The responsibilities and functions of this working group are defined in Article 18 of Annex 5-D.
2. The following working groups may be established in accordance with relevant Chapters:
- (a) working groups under the auspices of the Committee on Technical Barriers to Trade;
 - (b) working groups under the auspices of the SPS Joint Management Committee;
 - (c) working groups under the auspices of the Committee on Digital Trade;
 - (d) working groups under the auspices of the Committee on Regulatory Cooperation;
 - (e) working groups under the auspices of the Committee on Marine Equipment;
 - (f) working groups under the auspices of the Working Group on Motor Vehicles and Parts;
 - (g) working groups under the auspices of the Financial Services Committee; and
 - (h) working groups under the auspices of the Committee on Road Transport.
3. Unless otherwise provided for in this Agreement or unless otherwise agreed by the representatives of the Parties to the working groups, the working groups shall:
- (a) meet once a year, or on request of a Party or of the Joint Committee;
 - (b) be co-chaired, at an appropriate level, by representatives of the Parties;
 - (c) hold their meetings alternately in the United Kingdom or the Union, or by any other appropriate means of communication as agreed between the representatives of the Parties to the working groups;
 - (d) agree on their meeting schedules and set their agenda by consensus; and
 - (e) take all decisions and make recommendations by consensus either by meeting in person or in writing.
4. The working groups may adopt their own rules of procedure. As long as they do not adopt such rules of procedure, the rules of procedure of the Joint Committee apply *mutatis mutandis*.
5. The working groups shall inform the relevant specialised committees or the Joint Committee, as appropriate, of their schedule and agenda sufficiently in advance of their meetings. They shall report on their activities at each meeting of the relevant specialised committees or the Joint Committee, as appropriate.

6. The existence of a working group shall not prevent a Party from bringing any matter directly to the Joint Committee or the relevant specialised committees.

ARTICLE 30.5

Work of specialised committees, working groups and other bodies

In carrying out their functions, the specialised committees, working groups and other bodies established under this Agreement shall avoid duplication of their work.

ARTICLE 30.6

Information Sharing

When a Party submits to the Joint Committee or any specialised committee established under this Agreement information considered as confidential or protected from disclosure under its laws, the other Party shall treat that information as confidential.

ARTICLE 30.7

Meetings

1. Meetings referred to in this Chapter should be in person. Parties may also agree to meet by videoconference or teleconference.
2. The Parties shall endeavour to meet within 30 days after a Party receives a request to meet by the other Party.

ARTICLE 30.8

Contact points

1. Each Party shall, upon the entry into force of this Agreement, designate a contact point for the implementation of this Agreement and notify the other Party of the contact details including information regarding the relevant officials. The Parties shall promptly notify each other of any change of those contact details.
2. The contact points shall:
 - (a) deliver and receive, unless otherwise provided for in this Agreement, all notifications and information to be provided between the Parties pursuant to this Agreement;
 - (b) facilitate any other communications between the Parties on any matter relating to this Agreement; and
 - (c) coordinate preparations for the meetings of the Joint Committee.

3. This Article applies without prejudice to any other specific provisions in this Agreement.

CHAPTER 31: TRANSPARENCY

ARTICLE 31.1

Definitions

For the purposes of this Chapter, 'measure of general application' means any law, regulation, rule, administrative or judicial decision, or administrative or judicial procedure, of general application with respect to any matter covered by this Agreement.

ARTICLE 31.2

Publication

1. Each Party shall ensure that measures of general application respecting any matter covered by this Agreement are promptly published or made available in such a manner as to enable interested persons and the other Party to become acquainted with them.
2. To the extent possible, each Party shall endeavour to allow for a reasonable interval between the time when those measures of general application are published or made publicly available and the time when they enter into force, except in duly justified cases.

ARTICLE 31.3

Provision of information

1. At the request of the other Party, a Party shall, to the extent possible, promptly provide information and respond to questions pertaining to measures of general application that materially affect the operation of this Agreement.
2. The Parties recognise that the responses provided to the enquiries referred to in paragraph 1 may not be definitive or legally binding but for information purposes only, unless otherwise provided for in the laws and regulations of each Party.
3. Information provided under this Article is without prejudice as to whether the measure is consistent with this Agreement.

ARTICLE 31.4

Administrative proceedings

To administer a measure of general application in a consistent, impartial and reasonable manner, each Party shall ensure that its administrative proceedings applying such a measure to a particular person, good or service of the other Party in a specific case:

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- (a) whenever possible, provide reasonable notice to persons that are directly affected by a proceeding, 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 the issues in controversy;
- (b) provide a person referred to in sub-paragraph (a) a reasonable opportunity to present facts and arguments in support of its position prior to any final administrative action, when permitted by time, the nature of the proceeding, and the public interest; and
- (c) are conducted in accordance with its law.

ARTICLE 31.5

Review and appeal

1. Each Party shall establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of the prompt review and, if warranted, correction of final administrative actions regarding matters covered by this Agreement. Each Party shall ensure that its tribunals are impartial and independent of the office or authority entrusted with administrative enforcement and that they do not have any substantial interest in the outcome of the matter.
2. Each Party shall ensure that, in any tribunals or procedures referred to in paragraph 1, 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, if required by its law, the record compiled by the administrative authority.
3. Each Party shall ensure, subject to appeal or further review as provided in its law, that such decisions are implemented by and govern the practice of the offices or authorities with respect to the administrative action at issue.

ARTICLE 31.6

Relation to other chapters

This Chapter applies without prejudice to any other specific provisions of this Agreement.

EXCEPTIONS

ARTICLE 32.1

General exceptions

[...]

ARTICLE 32.2

National security

[...]

ARTICLE 32.3

Taxation measures

1. For the purposes of this Article:

“competent authorities” means:

- (a) in relation to the United Kingdom, the Commissioners for Her Majesty’s Revenue and Customs (or their authorised representative);
- (b) [for each of the Member States of the Union...]

and in each case any successor of these authorities as notified in writing, by the State of the successor, to the other States;

“tax convention” means a convention for the avoidance of double taxation, or any other international taxation agreement or arrangement; and

“taxes” and “taxation measures” include excise duties, but do not include:

- (a) a “customs duty” as defined in Article 1.1;
- (b) a fee or other charge in connection with the importation commensurate with the cost of services rendered;
- (c) an antidumping or countervailing duty; or
- (d) a premium offered or collected on an imported good arising out of any tendering system in respect of the administration of quantitative import restrictions, tariff rate quotas, or tariff preference levels.

2. Except as provided in this Article, nothing in this Agreement applies to taxation measures.
3. Nothing in this Agreement affects the rights and obligations, under any tax convention, of the United Kingdom or a Member State of the Union. In the event of any inconsistency between this Agreement and any such tax convention, the tax convention prevails to the extent of the inconsistency.
4. In the case of a tax convention between the United Kingdom and a Member State of the Union, if an issue arises as to whether any inconsistency exists between this Agreement and the tax convention, the issue shall be referred by those States to the competent authorities under the tax convention. Those competent authorities shall have 12 months beginning with the date of that referral to make a determination as to the existence and extent of any inconsistency. If those competent authorities agree, that period may be extended by no more than a further 12 months. No procedures concerning the measure giving rise to the issue may be initiated under this Agreement before the expiry of that 12 month period, or any other period as may have been agreed by those competent authorities. Any panel established under this Agreement to consider a dispute related to a taxation measure shall accept as binding a determination made by competent authorities under this paragraph.
5. Notwithstanding paragraph 3:
 - (a) Article 2.5 and such other measures as are necessary to give effect to that Article (to the extent they give effect to it) apply to taxation measures to the same extent as does Article III of GATT 1994; and
 - (b) Article 2.7 applies to taxation measures.
6. Subject to paragraph 3:
 - (a) Article 9.5 and Article 17.3 apply to taxation measures on income, on gains, on the taxable capital of corporations, or on the value of an investment or property (other than the transfer of that investment or property), that relate to the purchase or consumption of particular services, except that nothing in this sub-paragraph prevents a Party from conditioning the receipt or continued receipt of an advantage that relates to the purchase or consumption of particular services on requirements to provide the service in its territory; and
 - (b) Article 9.5, Article 9.6, Article 10.3, Article 10.4, Article 17.3, and Article 17.4 apply to taxation measures other than those on income, on gains, on the taxable capital of corporations, on the value of an investment or property (other than the transfer of that investment or property), or taxes on estates, inheritances, gifts and generation-skipping transfers;

but nothing in the Articles referred to in sub-paragraphs (a) and (b) applies to:
 - (c) any most-favoured-nation obligation with respect to an advantage accorded by a Party pursuant to a tax convention;

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- (d) a non-conforming provision of any existing taxation measure;
 - (e) the continuation or prompt renewal of a non-conforming provision of any existing taxation measure;
 - (f) an amendment to a non-conforming provision of any existing taxation measure to the extent that the amendment does not decrease its conformity, at the time of the amendment, with any of those Articles;
 - (g) the adoption or enforcement of any new taxation measure aimed at ensuring the equitable or effective imposition or collection of taxes, including any taxation measure that differentiates between persons based on their place of residence for tax purposes, provided that the taxation measure does not arbitrarily discriminate between persons, goods or services of the Parties; or
 - (h) a provision that conditions the receipt or continued receipt of an advantage relating to the contributions to, or income of, a pension trust, pension plan, superannuation fund or other arrangement to provide pension, superannuation or similar benefits, on a requirement that the Party maintain continuous jurisdiction, regulation or supervision over that trust, plan, fund or other arrangement
7. Subject to paragraph 3, and without prejudice to the rights and obligations of the Parties under paragraph 5, Article 10.6.9, Article 10.6.10, and Article 10.6.11 apply to taxation measures.

ARTICLE 32.4

Disclosure of information

1. This Agreement does not require a Party to furnish or allow access to information the disclosure of which would impede law enforcement, would be prohibited or restricted under its law, or would otherwise be contrary to the public interest.
2. In the course of a dispute settlement procedure under this Agreement:
 - (a) a Party is not required to furnish or allow access to information protected under its competition laws; and
 - (b) a competition authority of a Party is not required to furnish or allow access to information that is privileged or otherwise protected from disclosure.

ARTICLE 32.5

WTO waiver

If a right or obligation in this Agreement duplicates one under the WTO Agreement, the Parties agree that a measure in conformity with a waiver decision adopted by the WTO pursuant to Article

IX of the WTO Agreement is deemed to be also in conformity with the duplicated provision in this Agreement.

CHAPTER 33: DISPUTE SETTLEMENT

SECTION A

OBJECTIVE, SCOPE AND DEFINITIONS

ARTICLE 33.1

Objective

The objective of this Chapter is to establish an effective and efficient mechanism for settling disputes between the Parties concerning the interpretation and application of the provisions of this Agreement with a view to reaching a mutually agreed solution.

ARTICLE 33.2

Scope

Unless otherwise provided for in this Agreement, this Chapter applies with respect to the settlement of any dispute between the Parties concerning the interpretation and application of the provisions of this Agreement.

ARTICLE 33.3

Definitions

For the purposes of this Chapter:

"arbitrator" means a member of a panel;

"cases of urgency" and "matters of urgency" include those which concern goods or services that rapidly lose their quality, current condition or commercial value in a short period of time;

"Code of Conduct" means the Code of Conduct for Arbitrators contained in Annex 33-B;

"complaining Party" means the Party that requests the establishment of a panel pursuant to Article 33.7;

"covered provisions" means the provisions of this Agreement covered by this Chapter in accordance with Article 33.2;

"DSB" means the Dispute Settlement Body of the WTO;

"panel" means a panel established pursuant to Article 33.7;

"Party complained against" means the Party against which a dispute has been brought before a panel pursuant to Article 33.7; and

"Rules of Procedure" means the Rules of Procedure of a Panel set out in Annex 33-A.

SECTION B

CONSULTATIONS

ARTICLE 33.4

Request for information

Before a request for consultation or mediation is made pursuant to Article 33.5 or 33.6 respectively, a Party may request in writing any relevant information with respect to a measure at issue. The Party to which that request is made shall make all efforts to provide the requested information in a written response to be submitted no later than 20 days after the date of receipt of the request.

ARTICLE 33.5

Consultations

1. The Parties shall endeavour to resolve any dispute referred to in Article 33.2 through consultations in good faith with a view to reaching a mutually agreed solution.
2. A Party may seek consultations by means of a written request to the other Party. In the request for consultations, the Party which requested consultations shall give the reasons for the request, including identification of the measure at issue and an indication of its factual basis and its legal basis specifying the relevant covered provisions.
3. During consultations each Party shall provide sufficient information to enable a full examination of the measure at issue including how that measure could affect the operation and application of this Agreement.
4. The Party to which the request for consultations is made shall reply to the request no later than 10 days after the date of receipt of the request. The Parties shall enter into consultations no later than 30 days after the date of receipt of the request. Consultations shall be deemed to be concluded no later than 45 days after the date of receipt of the request unless the Parties agree otherwise. Where both Parties consider that the case concerns matters of urgency, consultations shall be deemed to be concluded no later than 25 days after the date of receipt of the request unless the Parties agree otherwise.
5. Consultations may be held in person or by any other means of communication agreed by the Parties. Unless the Parties agree otherwise, consultations, if held in person, shall take place in the Party to which the request is made.

6. Consultations, including all information disclosed and positions taken by the Parties during those proceedings, shall be confidential and without prejudice to the rights of either Party in any further proceedings.

ARTICLE 33.6

Mediation

1. A Party may at any time request the other Party to enter into a mediation procedure with respect to any matter within the scope of this Chapter concerning a measure that adversely affects trade or investment between the Parties.
2. The Parties may at any time agree to enter into a mediation procedure which shall be initiated, conducted and terminated in accordance with the Mediation Procedure set out in Annex 33-C.
3. If the Parties agree, the mediation procedure may continue while the panel procedures set out in Section C proceed.

SECTION C

PANEL PROCEDURE

ARTICLE 33.7

Establishment of a panel

1. The Party that sought consultations pursuant to Article 33.5 may request the establishment of a panel if:
 - (a) the other Party does not respond to the request for consultations within 10 days after the date of its receipt, or does not enter into consultations within 30 days after the date of receipt of the request;
 - (b) the Parties agree not to enter into consultations; or
 - (c) the Parties fail to resolve the dispute through consultations within 45 days, or within 25 days in cases of urgency, after the date of receipt of the request for consultations, unless the Parties agree otherwise.
2. The request for the establishment of a panel pursuant to paragraph 1 shall be made in writing to the Party complained against. In its complaint, the complaining Party shall explicitly identify:
 - (a) the measure at issue;

- (b) the legal basis specifying the relevant covered provisions in such a manner as to clearly present how such measure is inconsistent with those provisions; and
 - (c) the factual basis.
3. The Parties may agree that the establishment of an arbitration panel may be requested before the expiry of the time limit laid down in paragraph 1.

ARTICLE 33.8

Composition of a panel

1. A panel shall be composed of three arbitrators.
2. No later than 10 days after the date of receipt of the request for the establishment of a panel by the Party complained against, the Parties shall consult with a view to reaching an agreement on the composition of the panel.
3. If the Parties do not reach an agreement on the composition of the panel within the time period provided for in paragraph 2, each Party shall appoint an arbitrator from the sub-list for that Party established pursuant to Article 33.9 no later than five days after the expiry of the time period provided for in paragraph 2. If a Party fails to appoint an arbitrator within that time period, the co-chair of the Joint Committee from the complaining Party shall select by lot, no later than five days after the expiry of the time period, an arbitrator from the sub-list for the Party that has failed to appoint an arbitrator established pursuant to Article 33.9. The co-chair of the Joint Committee from the complaining Party may delegate the selection by lot of the arbitrator to his or her representative.
4. If the Parties do not reach an agreement on the chairperson of the panel within the time period provided for in paragraph 2, on request of a Party, the co-chair of the Joint Committee from the complaining Party shall select by lot, no later than five days after the date of delivery of the request, the chairperson of the panel from the sub-list of chairpersons established pursuant to Article 33.9. That request shall be notified simultaneously to the other Party. The co-chair of the Joint Committee from the complaining Party may delegate the selection by lot of the chairperson of the panel to his or her representative.
5. Should the lists provided for in Article 33.9 not be established or not contain at least nine individuals as referred to in that Article, the following procedures apply:
 - (a) for the selection of the chairperson:
 - (i) if the sub-list of chairpersons contains at least two individuals agreed by the Parties, the co-chair of the Joint Committee from the complaining Party shall select by lot the chairperson from those individuals no later than five days after the date of delivery of the request referred to in paragraph 4;

- (ii) if the sub-list of chairpersons contains one individual agreed by the Parties, that individual shall act as chairperson; or
 - (iii) if the Parties fail to select a chairperson pursuant to subparagraph (i) or (ii) or if the sub-list of chairpersons contains no individual agreed by the Parties, the co-chair of the Joint Committee from the complaining Party shall, no later than five days after the date of delivery of the request referred to in paragraph 4, select by lot the chairperson from the individuals who had been formally proposed by a Party as chairperson at the time of establishing or updating the list of arbitrators referred to in Article 33.9. A Party may propose a new individual, if an individual who had been formally proposed as chairperson by that Party is no longer available; and
- (b) for the selection of an arbitrator other than the chairperson:
- (i) if the sub-list of a Party contains at least two individuals agreed by the Parties, that Party shall select an arbitrator from those individuals no later than five days after the expiry of the time period provided in paragraph 2;
 - (ii) if the sub-list of a Party contains one individual agreed by the Parties, that individual shall act as an arbitrator; or
 - (iii) if an arbitrator cannot be selected pursuant to subparagraph (i) or (ii) or if the sub-list of arbitrators of a Party contains no individual agreed by the Parties, the co-chair of the Joint Committee from the complaining Party shall select an arbitrator applying *mutatis mutandis* the procedure referred to in subparagraph (a).
6. The date of establishment of the panel shall be the date on which the last of the three arbitrators has notified to the Parties the acceptance of his or her appointment.

ARTICLE 33.9

List of arbitrators

1. The Joint Committee shall, at its first meeting pursuant to paragraph 2 of Article 30.1, establish a list of at least nine individuals who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: a sub-list for each Party, established on the basis of proposals from each Party, and a sub-list of individuals who are not nationals of either Party and who shall act as the chairperson of the panel. Each sub-list shall include at least three individuals. For the establishment or an update of the sub-list of chairpersons, each Party may propose up to three individuals. The Joint Committee will ensure that the number of individuals on the list of arbitrators is always maintained at the level required by this paragraph.
2. The Joint Committee may establish an additional list, consisting of individuals with demonstrated expertise in specific sectors covered by this Agreement, which may be used to compose the panel.

ARTICLE 33.10

Qualifications of arbitrators

All arbitrators shall:

- (a) have demonstrated expertise in law, international trade and other matters covered by this Agreement and, in the case of a chairperson, also have experience in arbitration proceedings;
- (b) be independent of, and not be affiliated with or take instructions from, either Party;
- (c) serve in their individual capacities and not take instructions from any organisation or government with regard to matters related to the dispute; and
- (d) comply with the Code of Conduct.

ARTICLE 33.11

Replacement of arbitrators

If in arbitration proceedings under this Chapter, any of the arbitrators of the original panel is unable to participate, withdraws, or needs to be replaced because that arbitrator does not comply with the requirements of the Code of Conduct, the procedure set out in Article 33.8 shall apply.

ARTICLE 33.12

Functions of panels

The panel:

- (a) shall make an objective assessment of the matter before it, including an objective assessment of the facts of the case and the applicability of, and conformity of the measures at issue with, the covered provisions;
- (b) shall set out, in its decisions, the findings of fact and law and the rationale behind any findings and conclusions that it makes; and
- (c) should consult regularly with the Parties and provide adequate opportunities for achieving a mutually agreed solution. In doing so the panel shall always ensure that it shares information or makes requests of both Parties simultaneously.

ARTICLE 33.13

Terms of reference

1. Unless the Parties agree otherwise no later than 10 days after the date of the establishment of the panel, the terms of reference of the panel shall be:

"to examine, in the light of the relevant covered provisions of this Agreement, the matter referred to in the request for the establishment of the panel, to decide on the conformity of the measure at issue with the relevant covered provisions of this Agreement and to issue a report in accordance with Articles 33.18 and 33.19".

2. If the Parties agree on other terms of reference than those referred to in paragraph 1, they shall notify the agreed terms of reference to the panel no later than three days after their agreement.

ARTICLE 33.14

Urgent proceedings

In cases of urgency the arbitration panel and the Parties shall make every effort to accelerate the proceedings to the greatest extent possible. If a Party so requests, the panel shall decide, no later than 10 days after the date of its establishment, whether a dispute concerns matters of urgency.

ARTICLE 33.15

Panel proceedings

1. Any hearing of the panel shall be open to the public unless the Parties agree otherwise or the submissions and arguments of a Party contain confidential information. Hearings held in closed session shall be confidential.
2. Unless the Parties agree otherwise, the hearings shall be held in the territory of the Party complained against.
3. The panel and the Parties shall treat as confidential any information submitted by a Party to the panel which that Party has designated as confidential. Where that Party submits a confidential version of its written submissions to the panel, it shall also, on request of the other Party, provide a non-confidential summary of the information contained in its submissions that could be disclosed to the public with an explanation as to why the non-disclosed information is confidential.
4. The deliberations of the panel shall be kept confidential.
5. The Parties shall be given the opportunity to attend any of the presentations, statements, arguments or rebuttals in the proceedings. The Parties shall make available to each other any information or written submissions submitted to the panel, including any comments on the descriptive part of the interim report, responses to questions of the panel and written comments on those responses.

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6. The interim report and the final report shall be drafted without the presence of the Parties, and in light of the information provided and the statements made. The arbitrators shall assume full responsibility for the drafting of the reports and shall not delegate this responsibility to any other person.
7. The panel shall attempt to make its decisions, including its final report, by consensus. It may also make its decisions, including its final report, by majority vote where a decision cannot be arrived at by consensus. Dissenting opinions of arbitrators shall not be published.
8. The decisions of the panel shall be final and binding on the Parties. They shall be unconditionally accepted by the Parties. They shall not add to or diminish the rights and obligations of the Parties under this Agreement. They shall not be construed as creating rights for and obligations on persons.

ARTICLE 33.16

Rules of interpretation

The panel shall interpret the covered provisions in accordance with customary rules of interpretation of public international law including those codified in the Vienna Convention on the Law of Treaties. The panel shall also take into account relevant interpretations in panel and Appellate Body reports adopted by the DSB.

ARTICLE 33.17

Receipt of information

1. On request of a Party, or on its own initiative, the panel may seek from the Parties relevant information it considers necessary and appropriate. The Parties shall respond promptly and fully to any request by the panel for information.
2. On request of a Party, or on its own initiative, the panel may seek from any source any information, including confidential information, it considers appropriate. The panel also has the right to seek the opinion of experts as it considers appropriate.
3. Nationals of a Party or legal persons established in a Party may submit *amicus curiae* briefs to the panel in accordance with the Rules of Procedure.
4. Any information obtained by the panel under this Article shall be made available to the Parties and the Parties may submit comments on that information to the panel.

ARTICLE 33.18

Interim report

1. The panel shall issue an interim report to the Parties setting out the findings of fact, the applicability of the relevant provisions and the basic rationale behind any findings and

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recommendations that it makes no later than 120 days after the date of its establishment. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to issue its interim report. Under no circumstances shall the delay exceed 30 days after the deadline.

2. Each Party may submit to the panel written comments and a written request to review precise aspects of the interim report no later than 15 days after the date of issuance of the interim report. After considering any written comments and requests by each Party on the interim report, the panel may modify the interim report and make any further examination it considers appropriate.
3. In cases of urgency,
 - (a) the panel shall make every effort to issue its interim report no later than 60 days after the date of its establishment and shall in no circumstances issue the interim report later than 75 days after the date of its establishment; and
 - (b) each Party may submit to the panel written comments and a written request to review precise aspects of the interim report no later than seven days after the date of issuance of the interim report.

ARTICLE 33.19

Final report

1. The panel shall issue its final report to the Parties no later than 30 days after the date of issuance of the interim report. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to issue its final report. Under no circumstances shall the delay exceed 30 days after the deadline.
2. In cases of urgency, the panel shall make every effort to issue its final report no later than 15 days after the date of issuance of the interim report and shall in no circumstances issue the final report later than 30 days after the date of issuance of the interim report.
3. The final report shall include an adequate discussion of any written comments and requests made by the Parties on the interim report. The panel may, in its final report, suggest ways in which the final report could be implemented.
4. The Parties shall make the final report publicly available in its entirety no later than 10 days after the date of its issuance, subject to the protection of confidential information.

ARTICLE 33.20

Compliance with the final report

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1. The Party complained against shall take any measure necessary to comply promptly and in good faith with the final report issued pursuant to Article 33.19.
2. The Party complained against shall, no later than 30 days after the date of issuance of the final report, notify the complaining Party of the length of the reasonable period of time for compliance with the final report and the Parties shall endeavour to agree on the reasonable period of time required for compliance. If there is disagreement between the Parties on the length of the reasonable period of time, the complaining Party may, no later than 20 days after the date of receipt of the notification made in accordance with this paragraph by the Party complained against, request in writing the original panel to determine the length of the reasonable period of time. Such request shall be notified simultaneously to the Party complained against. The original panel shall notify its determination to the Parties no later than 30 days after the date of submission of the request.
3. The length of the reasonable period of time for compliance with the final report may be extended by mutual agreement of the Parties.
4. In the event of the original arbitration panel, or some of its members, being unable to reconvene, the procedures set out in Article 33.8 of this agreement shall apply. The time limit for notifying the ruling shall be 30 days from the date the panel is established.
5. The Party complained against shall inform the complaining Party in writing of its progress to comply with the final report at least one month before the expiry of the reasonable period of time for compliance with the final report unless the Parties agree otherwise.

ARTICLE 33.21

Compliance review

1. The Party complained against shall, no later than the date of expiry of the reasonable period of time for compliance with the final report, notify the complaining Party of any measures taken to comply with the final report.
2. Where there is disagreement on the existence of measures taken to comply with the final report, or their consistency with the covered provisions, the complaining Party may request in writing the original panel to examine the matter. That request shall be notified simultaneously to the Party complained against.
3. The request referred to in paragraph 2 shall provide the factual and legal basis for the complaint, including the specific measures at issue, in such a manner as to clearly present how such measures are inconsistent with the relevant covered provisions.
4. The panel shall notify its decision to the Parties no later than 45 days after the date of referral of the matter.

5. In the event the original arbitration panel, or some of its members, being unable to reconvene, the procedures set out in Article 33.8 of this agreement shall apply. The time limit for notifying the ruling shall be 45 days from the date the panel is established.

ARTICLE 33.22

Temporary remedies in case of non-compliance

1. The Party complained against shall, on request of the complaining Party, enter into consultations with a view to agreeing on a mutually satisfactory compensation or any alternative arrangement if:
 - (a) in accordance with Article 33.21 the arbitration panel finds that the measures taken to comply with the final report as notified by the Party complained against are inconsistent with the relevant covered provisions;
 - (b) the Party complained against fails to notify any measure taken to comply with the final report before the expiry of the reasonable period of time determined in accordance with paragraph 2 of Article 33.20; or
 - (c) the Party complained against notifies the complaining Party that it is impracticable to comply with the final report within the reasonable period of time determined in accordance with paragraph 2 of Article 33.20.
2. If the complaining Party decides not to make a request in accordance with paragraph 1 in the case where any of the conditions in paragraph 1(a)-(c) are met or if a request is made and no mutually satisfactory compensation nor any alternative arrangement has been agreed within 20 days after the date of receipt of the request made in accordance with paragraph 1, the complaining Party may notify the Party complained against in writing that it intends to suspend the application to the Party complained against of concessions or other obligations under the covered provisions. The notification shall specify the level of intended suspension of concessions or other obligations.
3. The complaining Party shall have the right to implement the suspension of concessions or other obligations referred to in the preceding paragraph 15 days after the date of receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration in accordance with paragraph 6.
4. The suspension of concessions or other obligations:
 - (a) shall be at a level equivalent to the nullification or impairment that is caused by the failure of the Party complained against to comply with the final report; and
 - (b) except as otherwise provided in the Agreement, may be applied to any provision referred to in Article 33.2, in particular if the complaining Party is of the view that such suspension is effective in inducing compliance;

5. The suspension of concessions or other obligations or the compensation or any alternative arrangement referred to in this Article shall be temporary and shall only apply until the inconsistency of the measure with the relevant covered provisions which has been found in the final report has been removed, or until the Parties have agreed on a mutually satisfactory compensation or any alternative arrangement.
6. If the Party complained against considers that the suspension of concessions or other obligations does not comply with paragraph 4, that Party may request in writing the original panel to examine the matter no later than 15 days after the date of receipt of the notification referred to in paragraph 2. That request shall be notified simultaneously to the complaining Party. The original panel shall notify to the Parties its decision on the matter no later than 30 days after the date of submission of the request. Concessions or other obligations shall not be suspended until the original panel has notified its decision. The suspension of concessions or other obligations shall be consistent with the decision.
7. In the event the original arbitration panel, or some of its members, being unable to reconvene, the procedures set out in Article 33.8 of this agreement shall apply. The time limit for notifying the ruling shall be 30 days from the date of the establishment of the panel.

ARTICLE 33.23

Compliance review after the adoption of temporary remedies

1. Upon the notification by the Party complained against to the complaining Party of the measure taken to comply with the final report:
 - (a) in a situation where the right to suspend concessions or other obligations has been exercised by the complaining Party in accordance with Article 33.22, the complaining Party shall terminate the suspension of concessions or other obligations no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2; or
 - (b) in a situation where mutually satisfactory compensation or an alternative arrangement has been agreed, the Party complained against may terminate the application of such compensation or arrangement no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2.
2. If the Parties do not reach an agreement on whether the measure notified in accordance with paragraph 1 is consistent with the relevant covered provisions within 30 days after the date of receipt of the notification, the complaining Party shall request in writing the original panel to examine the matter. That request shall be notified simultaneously to the Party complained against. The decision of the panel shall be notified to the Parties no later than 45 days after the date of submission of the request. If the panel decides that the measure notified in accordance with paragraph 1 is consistent with the relevant covered provisions, the suspension of concessions or other obligations, or the application of the compensation or alternative arrangement, shall be terminated no later than 15 days after the date of the decision. Where relevant, the level of suspension of concessions or other obligations, or of

the compensation or alternative arrangement, shall be adapted in light of the decision of the panel.

3. In the event the original arbitration panel, or some of its members, being unable to reconvene, the procedures set out in Article 33.8 of this agreement shall apply. The time limit for notifying the ruling shall be 45 days from the date of the establishment of the panel.

ARTICLE 33.24

Suspension and termination of proceedings

On the joint request of the Parties, the panel shall suspend at any time the proceedings for a period agreed by the Parties not exceeding 12 consecutive months. In the event of such suspension, the relevant time periods shall be extended by the period of time for which the proceedings of the panel were suspended. The panel shall resume the proceedings at any time upon the joint request of the Parties or at the end of the agreed suspension period on the written request of a Party. The request shall be notified to the chairperson of the panel, as well as to the other Party, where applicable. If the proceedings of the panel have been suspended for more than 12 consecutive months, the authority for establishment of the panel shall lapse and the proceedings of the panel shall be terminated. The Parties may agree at any time to terminate the proceedings of the panel. The Parties shall jointly notify such agreement to the chairperson of the panel.

SECTION D

GENERAL PROVISIONS

ARTICLE 33.25

Administration of the dispute settlement procedure

1. Each Party shall:
 - (a) designate an office which shall be responsible for the administration of the dispute settlement procedure under this Chapter;
 - (b) be responsible for the operation and costs of its designated office; and
 - (c) notify the other Party in writing of the office's location and contact information no later than three months after the date of entry into force of this Agreement.
2. Notwithstanding paragraph 1, the Parties may agree to jointly entrust an external body with providing support for certain administrative tasks for the dispute settlement procedure under this Chapter.

ARTICLE 33.26

Mutually agreed solution

1. The Parties may reach a mutually agreed solution at any time with respect to any dispute referred to in Article 33.2.
2. If a mutually agreed solution is reached during panel proceedings, the Parties shall jointly notify the agreed solution to the chairperson of the panel or the mediator. Upon such notification, the panel proceedings shall be terminated.
3. Each Party shall take the measures necessary to implement the mutually agreed solution within the agreed time period.
4. No later than the date of expiry of the agreed time period, the implementing Party shall inform the other Party in writing of any measures it has taken to implement the mutually agreed solution.

ARTICLE 33.27

Choice of forum

1. Where a dispute arises with regard to the alleged inconsistency of a particular measure with an obligation under this Agreement and a substantially equivalent obligation under any other international agreement to which both Parties are party, including the WTO Agreement, the complaining Party may select the forum in which to settle the dispute.
2. Once a Party has selected the forum and initiated dispute settlement proceedings under this Chapter or under the other international agreement with respect to the particular measure referred to in paragraph 1, that Party shall not initiate dispute settlement proceedings in another forum with respect to that particular measure unless the forum selected first fails to make findings on the issues in dispute for jurisdictional or procedural reasons.
3. For the purpose of paragraph 2:
 - (a) dispute settlement proceedings under this Chapter are deemed to be initiated when a Party requests the establishment of a panel in accordance with paragraph 1 of Article 33.7;
 - (b) dispute settlement proceedings under the WTO Agreement are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 6 of the DSU; and
 - (c) dispute settlement proceedings under any other agreement are deemed to be initiated when a Party requests the establishment of a dispute settlement panel in accordance with the relevant provisions of that agreement.

4. Nothing in this Agreement shall preclude a Party from implementing the suspension of concessions or other obligations authorised by the DSB. A Party shall not invoke the WTO Agreement to preclude the other Party from suspending concessions or other obligations under the covered provisions.

ARTICLE 33.28

Time period

1. All time limits laid down in this Chapter, including the limits for the arbitration panels to notify their rulings, shall be counted in calendar days, the first day being the day following the act or fact to which they refer.
2. Any time period referred to in this Chapter may be modified for a particular dispute by agreement of the Parties. The panel may at any time propose to the Parties to modify any time period referred to in this Chapter, stating the reasons for the proposal. On request of a Party, the panel shall decide whether to modify the time period referred to in paragraph 2 and subparagraph 3(b) of Article 33.18, stating the reasons for its decision, *inter alia*, in view of the complexity of the particular dispute.

ARTICLE 33.29

Expenses

Unless the Parties agree otherwise, the expenses of the panel, including the remuneration of its arbitrators, shall be borne by the Parties in equal shares in accordance with the Rules of Procedure.

ARTICLE 33.30

Rules of Procedure and Code of Conduct

The panel proceedings provided for in this Chapter shall be conducted in accordance with the Rules of Procedure of a Panel and the Code of Conduct for Arbitrators, as set out in Annexes 33-A and 33-B respectively.

CHAPTER 34: FINAL PROVISIONS

ARTICLE 34.1

General review

Without prejudice to the provisions concerning review in other Chapters, the Parties shall undertake a general review of the implementation and operation of this Agreement in the 10th year following the date of entry into force of this Agreement, or at such times as may be agreed by the Parties.

ARTICLE 34.2

Amendments

1. This Agreement may be amended by agreement between the Parties.
2. Such amendments shall enter into force on the first day of the second month, or on such later date as may be agreed by the Parties, following the date on which the Parties notify each other that their respective applicable legal requirements and procedures for entry into force of such amendments have been completed. The Parties shall make such notification through an exchange of diplomatic notes between the United Kingdom and the Union.
3. In accordance with the respective domestic legal procedures of the Parties, the Joint Committee may adopt decisions to amend this Agreement in the instances referred to in paragraph 4. Notwithstanding paragraph 2, such amendments shall be confirmed by and enter into force upon the exchange of diplomatic notes between the United Kingdom and the Union, unless otherwise agreed by the Parties.
4. Paragraph 3 shall apply to:
 - (a) the annexes (including appendices) to this Agreement, except Annexes 6-A to 6-I;
 - (b) any provision of this Agreement for the purposes referred to in Article 2.16.1(b);
 - (c) Chapter 3;
 - (d) Chapter 5;
 - (e) Chapter 7;
 - (f) Chapter 20 for the purposes referred to in Article 20.17.3; and
 - (g) Chapter 27.

ARTICLE 34.3

Entry into force

1. The Parties shall approve this Agreement in accordance with their respective internal requirements and procedures.
2. This Agreement shall enter into force on one of the following dates, whichever is the latest:
 - (a) 1 January 2021 in the event that the Parties have, prior to that date, exchanged written notifications certifying that they have completed their respective internal requirements and procedures;
 - (b) the first day of the month following the date the Parties exchange the written notifications referred to in sub-paragraph (a).

ARTICLE 34.4

Termination

1. This Agreement shall remain in force unless terminated pursuant to paragraph 2.
2. Either the United Kingdom or the Union may notify, in writing, the other Party of its intention to terminate this Agreement. The termination shall take effect six months after the date of receipt by the other Party of the notification, unless the United Kingdom and the Union otherwise agree.

ARTICLE 34.5

No direct effect on persons

1. Nothing in this Agreement shall be construed as conferring rights or imposing obligations on persons, without prejudice to the rights and obligations of persons under other public international law, nor as permitting this Agreement to be directly invoked in the domestic legal systems of the Parties.
2. A Party shall not 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 34.6

Territorial application

[...]

ARTICLE 34.7

Integral parts of the Agreement

The annexes and appendices to this Agreement shall form an integral part of this Agreement. For greater certainty, the footnotes shall also form an integral part of this Agreement.

ARTICLE 34.8

Future accessions to the Union

1. The Union shall notify the United Kingdom of any request for accession of a third country to the Union.
2. During the negotiations between the Union and a third country referred to in paragraph 1, the Union shall:
 - (a) on request of the United Kingdom and, to the extent possible, provide any information regarding any matter covered by this Agreement; and
 - (b) take into account any concerns expressed by the United Kingdom.
3. The Joint Committee shall examine any effects of accession of a third country to the Union on this Agreement sufficiently in advance of the date of such accession.
4. To the extent necessary, the United Kingdom and the Union shall, before the entry into force of the agreement on the accession of a third country to the Union:
 - (a) amend this Agreement in accordance with Article 34.2; or
 - (b) put in place by decision of the Joint Committee any other necessary adjustments or transitional arrangements regarding this Agreement.

ARTICLE 34.9

Authentic texts

1. This Agreement is drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, and Swedish languages, all texts being equally authentic.
2. In case of any divergence of interpretation, the English language version shall prevail.

