

CHAPTER 3

NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

ARTICLE 3.1 : DEFINITIONS

For the purposes of this Chapter:

other duties or charges means any duty or charge of any kind, except customs duty, imposed on or in connection with the importation of goods of the other Party, but does not include any:

- (a) duty imposed pursuant to Chapter 6 (Trade Remedies);
- (b) charge equivalent to an internal tax imposed consistently with Article III:2 of GATT 1994;
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered;
- (d) 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; or
- (e) duty imposed pursuant to Article 5 of the WTO Agreement on Agriculture.

ARTICLE 3.2 : SCOPE AND COVERAGE

This Chapter shall be applied to the trade in goods between the Parties.

ARTICLE 3.3 : 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 3.4 : TARIFF ELIMINATION

1. Except as otherwise provided in this Agreement, each Party shall progressively

eliminate its customs duties and other duties or charges on originating goods of the other Party in accordance with its Tariff Elimination Schedule set out in Annex 3A.

2. Upon request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties as set out in their Tariff Elimination Schedules or incorporating into one Party's Tariff Elimination Schedule goods that are not subject to the Tariff Elimination Schedule. An agreement by the Parties to accelerate the elimination of customs duties on an originating good or to include a good in the Tariff Elimination Schedule shall supersede any duty rate or staging category determined pursuant to their Tariff Elimination Schedules for such good, shall be treated as an amendment to Annex 3A and shall enter into force in accordance with the procedure under Article 22.4.

ARTICLE 3.5 : CUSTOMS VALUATION

The Parties shall apply Article VII of GATT 1994 and the provisions of Part I of the Customs Valuation Agreement for the purposes of determining the customs value of goods traded between the Parties.

ARTICLE 3.6 : EXPORT DUTY

Neither Party shall adopt or maintain any duties on goods exported from its territory into the territory of the other Party.

ARTICLE 3.7 : GOODS RE-ENTERED AFTER REPAIR OR PROCESS

In accordance with its domestic laws and regulations, each Party may exempt or reduce a customs duty to a good, regardless of its origin, that re-enters its territory after that good has been exported or if it was under a temporary exit from its territory to the territory of the other Party for repair or process, regardless of whether such repair or process could be performed in its territory.

ARTICLE 3.8 : IMPORT AND EXPORT RESTRICTIONS

1. Neither Party may 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 rights and obligations under the WTO Agreement, or except as otherwise provided in this Agreement.

2. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, nothing in this Agreement shall be construed to prevent the Party from limiting or prohibiting the importation from the territory of the other Party of such a good of that non-Party.

3. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, the Parties, upon request of the other Party, shall consult with a view to avoiding undue interference with or distortion of pricing, marketing and distribution arrangements in the other Party.

ARTICLE 3.9 : CUSTOMS USER FEES

Customs user fees shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection for domestic products or a taxation of imports or exports for fiscal purposes. They shall be based on specific rates that correspond to the real value of the service rendered.

ARTICLE 3.10 BALANCE OF PAYMENT EXCEPTION

1. Where a Party is in serious balance of payments and external financial difficulties or threat thereof, it may, in accordance with GATT 1994 and the Understanding on the Balance-of-Payments Provisions of GATT 1994, adopt restrictive import measures. The relevant provisions of GATT 1994 and the Understanding on the Balance-of-Payments Provisions of GATT 1994 are hereby incorporated into and made part of the Agreement.

2. The Party introducing a measure under this Article shall promptly notify the other Party.