# CHAPTER FOUR

# ORIGIN PROCEDURES AND TRADE FACILITATION

## Section A - Origin Procedures

### Article 401: Certificate of Origin

1. The Parties shall establish, no later than the date of entry into force of this Agreement, a Certificate of Origin for the purpose of certifying that a good being exported from the territory of a Party into the territory of the other Party qualifies as an originating good. The Certificate of Origin may thereafter be modified as the Parties may decide.

2. Each Party shall permit the Certificate of Origin to be provided to its respective competent authority in English, French or Spanish. Each Party may nonetheless require the importer to submit a translation of the Certificate of Origin into a language required by its domestic law.

3. Each Party shall:

   (a) require an exporter in its territory to complete and sign a Certificate of Origin for any exportation of a good for which an importer may claim preferential tariff treatment upon importation of the good into the territory of the other Party; and

(b) provide that where an exporter in its territory is not the producer of the good, the exporter may complete and sign a Certificate of Origin on the basis of:

(i) its knowledge of whether the good qualifies as an originating good, based on information in the exporter’s possession,

(ii) its reasonable reliance on the producer's written representation that the good qualifies as an originating good, or

(iii) a completed and signed Certificate of Origin for the good, voluntarily provided to the exporter by the producer.

4. Each Party shall permit a Certificate of Origin to apply to:

(a)# a single importation of one or more goods into the Party’s territory; or

(b)# multiple importations of identical goods into the Party's territory that occur within a specified period not exceeding 12 months.

5. Each Party shall ensure that the Certificate of Origin is accepted by its competent authority for four years after the date on which the Certificate of Origin was signed.

**Article 402: Obligations Regarding Importations**

1. Except as otherwise provided in this Chapter, each Party shall require an importer in its territory that claims preferential tariff treatment for a good imported into its territory from the territory of the other Party to:

(a)# make a written declaration, based on a valid Certificate of Origin, that the good qualifies as an originating good;

(b)# have the Certificate of Origin in its possession at the time the declaration is made;

(c)# provide, on the request of that Party's competent authority, the Certificate of Origin and, if required by that competent authority, such other documentation relating to the importation of the good in accordance with the domestic law of the importing Party; and

(d)# promptly make a corrected declaration and pay any duties owing where the importer has reason to believe that the Certificate of Origin on which a declaration was based contains information that is not correct.

2. For the purpose of subparagraph 1(c), where the competent authority of the importing Party determines that the Certificate of Origin has not been completed in accordance with Article 401, the importing Party shall ensure that the importer is granted a period of not less than five working days to provide the competent authority with a corrected Certificate of Origin.

3. Where an importer claims preferential tariff treatment for a good imported from the territory of the other Party:

(a)# the importing Party may deny preferential tariff treatment to the good if the importer fails to comply with any requirement under this Chapter; and

(b)# the importing Party shall not subject the importer to penalties for making an incorrect declaration, if the importer voluntarily makes a correction of the declaration pursuant to subparagraph 1(d).

4. Each Party, through its competent authority, may require an importer to demonstrate that a good for which the importer claims preferential tariff treatment was shipped in accordance with Article 314 (Rules of Origin - Transit and Transshipment) by providing:

(a)# bills of lading or waybills indicating the shipping route and all points of shipment and transhipment prior to the importation of the good; and

(b)# where the good is shipped through or transhipped outside the territories of the Parties, a copy of the customs control documents indicating to that competent authority that the good remained under customs control while outside the territories of the Parties.

5. Where a good would have qualified as an originating good when it was imported into the territory of a Party, but no claim for preferential tariff treatment was made at the time of importation, the importing Party shall permit the importer, within a period of at least one year or for such longer period specified by the importing Party’s law after the date of importation, to make a claim for preferential tariff treatment and apply for a refund of any excess duties paid as a result of the good not having been accorded preferential tariff treatment, on presentation to the importing Party of:

(a)# a written declaration stating that the good was originating at the time of importation;

(b)# the Certificate of Origin; and

(c)# such other documentation relating to the importation of the good as the importing Party may require.

**Article 403: Exceptions**

A Party shall not require a Certificate of Origin for:

(a)# an importation of a good whose customs value does not exceed US$1,000 or its equivalent amount in the Party's currency, or such higher amount as it may establish, except that it may require that the invoice accompanying the importation include a statement from the exporter certifying that the good qualifies as an originating good; or

(b)# an importation of a good for which the importing Party has waived the requirement for a Certificate of Origin;

provided that the importation does not form part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the certification requirements of Articles 401 and 402.

**Article 404: Obligations Regarding Exportations**

1. Each Party shall provide that:

(a)# on request of its competent authority, an exporter in its territory, or a producer in its territory that has provided a Certificate of Origin to that exporter in accordance with subparagraph 3(b)(iii) of Article 401, shall provide a copy of the Certificate of Origin to that competent authority;

(b)# where an exporter or a producer in its territory has provided a Certificate of Origin and has reason to believe that the Certificate of Origin contains or is based on incorrect information, the exporter or producer shall promptly notify in writing any change that could affect the accuracy or validity of the Certificate of Origin to every person to whom the exporter or producer has provided the Certificate of Origin; and

(c)# a false certification by an exporter or a producer in its territory that a good to be exported to the territory of the other Party is originating, shall be subject to penalties equivalent to those that would apply to an importer in the territory of the exporting Party that makes a false statement or representation in connection with an importation, with appropriate modifications.

2. Each Party may apply such measures as the circumstances may warrant where an exporter or a producer in its territory fails to comply with any requirement of this Chapter.

3. Neither Party may impose penalties on an exporter or a producer in its territory that voluntarily provides written notification pursuant to subparagraph 1(b) with respect to the making of an incorrect certification.

**Article 405: Records**

1. Each Party shall provide that an exporter or a producer in its territory that provides a Certificate of Origin in accordance with Article 401 shall maintain, for a minimum of five years after the date the certification was issued or for such longer period as specified in the Party's laws and regulations, all records necessary to demonstrate that the good for which the producer or exporter provided the Certificate of Origin was an originating good, including records concerning:

(a)# the purchase of, cost of, value of, shipping of and payment for, the exported good;

(b)# the purchase of, cost of, value of, and payment for all materials, including indirect materials, used in the production of the exported good; and

(c)# the production of the good in the form in which it was exported.

2. Each Party shall require an importer claiming preferential tariff treatment for a good imported into its territory to maintain documentation relating to the importation of the good, including a copy of the Certificate of Origin, for five years after the date of importation of the good or for such longer period as specified in the Party's laws and regulations.

3. Where a Party requires importers, exporters and producers in its territory to maintain documentation or records in relation to the origin of a good, in accordance with that Party's laws and regulations, it shall permit them to do so in any medium, provided that the documentation or records can be retrieved and printed.

4. A Party may deny preferential tariff treatment to a good that is the subject of an origin verification where the exporter, producer or importer of the good that is required to maintain records or documentation under this Article:

(a)# fails to maintain records or documentation relevant to determining the origin of the good in accordance with the requirements of the Chapter; or

(b)# denies access to such records or documentation.

**Article 406: Origin Verifications**

1. For purposes of determining whether a good imported into its territory from the territory of the other Party qualifies as an originating good, a Party may, through its competent authority, conduct a verification by means of:

(a)# verification letters that request information from the exporter or producer of the good in the territory of the other Party;

(b)# written questionnaires to the exporter or producer of the good in the territory of the other Party;

(c)# visits to the premises of an exporter or producer in the territory of the other Party to review the records referred to in paragraph 1 of Article 405 and observe the facilities used in the production of the good; or

(d)# such other procedures as the Parties may agree.

2. For purposes of verifying the origin of a good, the importing Party may request the importer of the good to voluntarily obtain and supply written information voluntarily provided by the exporter or producer of the good in the territory of the other Party, provided that the importing Party shall not consider the failure or refusal of the importer to obtain and supply such information as a failure of the exporter or producer to supply the information or as a ground for denying preferential tariff treatment.

3. Each Party shall allow an exporter or producer who receives a verification letter or a questionnaire pursuant to subparagraphs 1(a) and (b) not less than 30 days from the date of receipt of such letter or questionnaire to provide the information and documentation required or the completed questionnaire. On written request by the exporter or producer made during that period, the importing Party may grant the exporter or producer a single extension of the deadline for a period not exceeding 30 days.

4. Where an exporter or producer fails to provide the information and documentation required by a verification letter or fails to return a duly completed questionnaire within the period or extension set out in paragraph 3, an importing Party may deny preferential tariff treatment to the good in question in accordance with the procedures set out in paragraphs 15 and 16.

5. Prior to conducting a verification visit pursuant to subparagraph 1(c), a Party shall, through its competent authority:

(a) deliver a written notification of its intention to conduct the visit:

(i) to the exporter or producer whose premises are to be visited,

(ii) to the competent authority of the Party in whose territory the visit is to occur, and

(iii) if requested by the Party in whose territory the visit is to occur, to the embassy of that Party in the territory of the Party proposing to conduct the visit, and

(b) obtain the written consent of the exporter or producer whose premises are to be visited.

6. The notification referred to in paragraph 5 shall include:

(a)# the name of the entity issuing the notification;

(b)# the name of the exporter or producer whose premises are to be visited;

(c)# the date and place of the proposed verification visit;

(d)# the scope of the proposed verification visit, including specific reference to the good that is the subject of the verification;

(e)# the names and titles of the officials performing the verification visit; and

(f)# the legal authority for the verification visit.

7. Where, within 30 days of receipt of a notification pursuant to paragraph 5, an exporter or producer has not given its written consent to a proposed verification visit, the notifying Party may deny preferential tariff treatment to the good that would have been the subject of the visit.

8. The Party whose competent authority receives notification pursuant to subparagraph 5(a)(ii), may, within 15 days of receipt of the notification, postpone the proposed verification visit for a period not exceeding 60 days from the date of such receipt or for such longer period as the Parties may decide.

9. Each Party shall allow, when the exporter or producer receives notification pursuant to subparagraph 5(a)(i), the exporter or producer to, on a single occasion, within 15 days of receipt of the notification, request the postponement of the proposed verification visit for a period not exceeding 60 days from the date of such receipt or for such longer period as agreed to by the notifying Party.

10. A Party shall not deny preferential tariff treatment to a good based solely on the postponement of a verification visit pursuant to paragraphs 8 or 9.

11. A Party shall permit an exporter or a producer whose good is the subject of a verification visit by the other Party to designate two observers to be present during the visit, provided that:

(a)# the observers shall only participate as such; and

(b)# the failure of the exporter or producer to designate observers shall not result in the postponement of the visit.

12. Where a Party conducts a verification of origin involving a value test, “de minimis” calculation or any other provision in Chapter Three (Rules of Origin) to which Generally Accepted Accounting Principles may be relevant, it shall apply such principles as are applicable in the territory of the other Party.

13. Where the producer of a good calculates the net cost of the good as set out in Article 303 (Rules of Origin - Value Test), the importing Party shall not verify, during the time period over which the net cost is being calculated, whether the good satisfies the value test.

14. The Party conducting a verification shall provide the exporter or producer whose good is the subject of the verification with a written determination of whether the good qualifies as an originating good, including findings of fact and the legal basis for the determination.

15. Where a Party determines as a result of an origin verification that the good that is the subject of the verification does not qualify as an originating good, the Party shall include in its written determination under paragraph 14 a written notice of intent to deny preferential tariff treatment of the good.

16. A written notice of intent under paragraph 15 shall provide for a period of not less than 30 days during which the exporter or producer of the good may provide, with regard to that determination, written comments or additional information that will be taken into account by the Party prior to completing the verification.

17. Where verifications by a Party indicate a pattern of conduct by an exporter or a producer of false or unsupported representations that a good imported into its territory qualifies as an originating good, the Party may withhold preferential tariff treatment to identical goods exported or produced by such person until that person establishes compliance with Chapter Three (Rules of Origin), in accordance with the Party’s domestic law.

18. Where, in conducting a verification of origin of a good imported into its territory under this Article, a Party conducts a verification of the origin of a material that is used in the production of the good, the Party shall conduct the verification of the origin of the material in accordance with the procedures set out in paragraphs 1, 2, 3, 5, 6, 8, 9, 10, 11, 13 and 20.

19. Where a Party conducts a verification pursuant to paragraph 18, the Party may consider the material to be non-originating in determining whether the good is an originating good where the producer or supplier of that material does not allow the Party access to information required to make a determination of whether the material is an originating material by the following or other means:

(a)# denial of access to its records;

(b)# failure to respond to a verification questionnaire or letter; or

(c)# refusal to consent, within 30 days of receipt of notification under paragraph 7, to a verification visit.

20. For purposes of this Article, the importing Party shall ensure that all communication to the exporter or producer and to the Party of export be sent by any means that can produce a confirmation of receipt. The periods referred to in this Article will begin from the date of such receipt.

**Article 407: Uniform Regulations**

1. The Parties may establish and implement, through their respective laws, regulations or administrative policies, Uniform Regulations regarding the interpretation, application and administration of this Chapter.

2. Each Party shall implement any modification of or addition to the Uniform Regulations within such period as the Parties may agree.

## Section B - Trade Faciliation

### Article 408: Objectives and Principles

1. With the objectives of facilitating trade under this Agreement and cooperating in pursuing trade facilitation initiatives on a multilateral basis, the Parties agree to administer their import and export processes for goods traded under this Agreement on the basis that:

(a)# procedures be efficient to reduce costs for importers and exporters and simplified where appropriate to achieve such efficiencies;

(b)# procedures be based on any international trade instruments or standards to which the Parties have agreed;

(c)# entry procedures be transparent to ensure predictability for importers and exporters;

(d)# measures to facilitate trade also support mechanisms to protect persons through effective enforcement of and compliance with national requirements;

(e)# the personnel and procedures involved in those processes reflect standards of integrity;

(f)# the development of significant modifications to procedures of a Party include, in advance of implementation, consultations with the representatives of the trading community of that Party;

(g)# procedures be based on risk assessment principles to focus compliance efforts on transactions that merit attention, thereby promoting effective use of resources and encouraging compliance with the obligations of importers and exporters; and

(h)# the Parties encourage cooperation, technical assistance and the exchange of information, including information on best practices, for the purpose of promoting the application of and compliance with the trade facilitation measures agreed upon under this Agreement.

**Article 409: Transparency**

1. In addition to the obligations set out in Section A of Chapter Nineteen (Transparency), each Party shall publish, including on the internet, its customs laws, customs regulations and general administrative procedures governing customs matters.

2. Each Party shall designate or maintain one or more contact points to address inquiries by interested persons concerning customs matters and make available on the internet information concerning the procedures for making such inquiries. A Party may provide that such contact points be contacted by any means, including electronic mail.

3.# To the extent possible, each Party shall publish in advance, including on the internet, any regulations of general application governing customs matters that it proposes to adopt and provide interested persons the opportunity to comment prior to their adoption.

**Article 410: 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.

2. Pursuant to paragraph 1, each Party shall adopt or maintain procedures:

(a)# for the release of goods within a period no greater than that required to ensure compliance with its law;

(b)# that allow goods, and to the greatest extent possible controlled or regulated goods, to be released at the first point of arrival, without temporary transfer to warehouses or other facilities; and

(c)# that allow importers to withdraw goods from customs before all applicable customs duties, taxes, and fees have been paid. Before releasing the goods, a Party may require an importer to provide sufficient guarantee in the form of a surety, a deposit, or some other appropriate instrument, covering the ultimate payment of the customs duties, taxes, fees in connection with the importation of the goods.

3. Each Party shall, to the greatest extent possible, ensure that its authorities and agencies involved in border and other export and import controls cooperate and coordinate to facilitate trade by, *inter alia*, converging import and export data and documentation requirements, and establishing a single location for one-time documentary and physical verification of consignments.

4. Each Party shall adopt or maintain procedures under which goods in need of emergency clearance may be released 24 hours a day, seven days a week, including on holidays.

5. Each Party shall ensure that the requirements of its agencies related to the import and export of goods are coordinated to facilitate trade, regardless of whether these requirements are administered by an agency or on behalf of that agency by the customs administration. In furtherance of this objective, each Party shall harmonize the data requirements of its respective agencies with the objective of allowing importers and exporters to present all required data to one agency.

6. Each Party shall establish means of consultation with its trade and business communities to promote greater cooperation and the electronic exchange of information between the Party and those communities.

**Article 411: Automation**

Each Party shall use information technologies that expedites procedures for the release of goods and shall:

(a)# establish a means of providing for the electronic exchange of information between customs administrations and the trading community for the purpose of encouraging rapid release procedures;

(b)# use international standards for such electronic exchange of information;

(c)# develop electronic systems that are compatible as between the Parties' respective customs authorities to facilitate government-to-government exchange of international trade data;

(d)# develop a set of common data elements and processes in accordance with WCO Customs Data Model and related WCO recommendations and guidelines;

(e)# provide for advance electronic submission and processing of information and data before arrival of the goods to allow for release of goods on arrival;

(f)# employ electronic or automated systems for risk analysis and targeting; and

(g)# work towards developing or maintaining a fully interconnected and compatible system for a single window in order to facilitate trade between the Parties.

**Article 412: Risk Management**

1. Each Party shall facilitate and simplify the process and procedures for the release of low-risk goods, and shall improve controls on the release of high-risk goods. For these purposes, the Parties shall base their examination and release procedures and their post-entry verification procedures on risk assessment principles, rather than examining each and every shipment offered for entry in a comprehensive manner for compliance with all import requirements. This shall not preclude the Parties from conducting quality control and compliance reviews, which may require more extensive examinations.

2. The Parties shall cooperate to carry out an express and efficient release of goods. To this end, the Parties should take into account any certification made in the Party of export relating to the supply chain trade.

**Article 413: Paperless Trade Administration**

1. Each Party shall endeavour to make available by electronic means customs forms that are required for the import or export of goods.

2. Each Party shall, in accordance with its domestic law and procedures, permit the customs forms referred to in paragraph 1 to be submitted in electronic format.

**Article 414: Cooperation**

1. The Parties shall endeavour to cooperate in international fora, such as the WCO, to achieve mutually-recognized goals, such as those set out in the WCO Framework of Standards to Secure and Facilitate Global Trade.

2. The Parties recognize that technical cooperation between the Parties is fundamental to facilitating compliance with the obligations set forth in this Agreement and for reaching a better degree of trade facilitation.

3. The Parties, through their respective competent authorities, agree to develop a technical cooperation programme in customs-related areas under mutually agreed terms, including scope, timing and cost of cooperative measures.

4. The Parties shall cooperate:

(a)# in the enforcement of their respective customs-related laws or regulations implementing this Agreement;

(b)# to the extent practicable and for purposes of facilitating the flow of trade between them, in such customs-related matters as the collection and exchange of statistics regarding the importation and exportation of goods, the harmonization of documentation used in trade and the standardization of data elements;

(c)# to the extent practicable, to harmonize of customs laboratories' methods and exchange of information and personnel between the customs laboratories;

(d)# to the extent practicable, in jointly organizing training programmes on customs-related issues, such as simulated audit environment exercises, for the officials and users who directly participate in customs procedures;

(e)# in the development of effective mechanisms for communicating with the trade and business communities;

(f)# to the extent practicable, in developing verification standards and a framework to ensure that both Parties act consistently in determining that goods imported into their territories are originating in accordance with Chapter Three (Rules of Origin); and

(g)# to the extent practicable, to exchange information to assist each other in the tariff classification, valuation and determination of origin for preferential tariff treatment and country of origin marking purposes of imported and exported goods.

5. With respect to goods considered originating in accordance with Article 306 (Rules of Origin - Accumulation), the Parties may cooperate with a non-Party to develop procedures based on the principles of this Chapter.

6. Where a Party has reasonable grounds to suspect that an offence related to a fraudulent claim for preferential tariff treatment pursuant to this Agreement has occurred, it may request the other Party to provide it with information pertaining to the offence, including:

(a)# the name and address of persons and companies relevant to the investigation of the offence;

(b)# shipping information relevant to the offence;

(c)# customs clearance and accounting records or equivalent records for goods or materials imported into the territory of the Party;

(d)# information related to the sourcing of materials, including indirect materials used in the production of goods exported from its territory; and

(e)# information related to production capacity of an exporter or producer who has exported goods to the territory of the other Party.

7. Where a Party makes a request pursuant to paragraph 6, it shall:

(a) make its request in writing;

(b) specify the grounds for suspicion of a fraudulent claim for preferential tariff treatment that has been made pursuant to this Agreement and the purposes for which the information is sought; and

(c) identify the requested information with sufficient specificity for the other Party to locate and provide the information.

8. Following the receipt of a request for information pursuant to paragraphs 6 and 7, a Party shall provide relevant information in accordance with its domestic law.

9. Officials of a Party may, with the consent of the other Party, contact or visit an exporter, supplier or producer in the territory of the other Party in order to obtain information to further an investigation related to a suspected fraudulent claim for preferential tariff treatment made pursuant to this Agreement.

10. Each Party shall, where possible on its own initiative, provide the other Party with information relating to fraudulent claims for preferential treatment made pursuant to this Agreement.

11. Nothing in this Chapter shall be construed to require a Party to furnish or to allow access to information the disclosure of which would impede law enforcement or would be contrary to the Party's law protecting personal privacy.

12. For purposes of this Article, all documents provided by a Party shall be considered authentic.

13. Where a Party declines or postpones sharing information requested by the other Party pursuant to this Article, the Party shall provide reasons to the other Party.

14. The Parties shall explore negotiating policies and procedures on customs cooperation, such as a Customs Mutual Assistance Agreement.

**Article 415: Confidentiality**

1. Each Party shall maintain, in accordance with its domestic 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 persons providing the information. Where the Party receiving the information is required by its law to disclose information, that Party shall notify the Party or person who provided that information.

2. 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 determinations of origin and of customs matters, except with the permission of the person or Party who provided the confidential information.

3. Notwithstanding paragraph 2, information collected pursuant to this Chapter or Chapter Three (Rules of Origin) may be used in any administrative, judicial or quasi-judicial proceedings instituted for failure to comply with customs related laws and regulations implementing Chapter Three (Rules of Origin) and this Chapter. A Party shall notify the person or Party who provided the information in advance of such use.

**Article 416: Express Shipments**

1. Each Party shall adopt or maintain separate and expedited customs procedures for express shipments, while maintaining appropriate customs control and selection. These procedures shall:

(a) where applicable, use the *World Customs Organization Guidelines for the Immediate Release of Consignments by Customs;*

(b) to the extent possible or where applicable, provide for advance electronic submission and processing of information before physical arrival of express shipments to enable their release upon arrival;

(c) to the extent possible, provide for clearance of certain goods with a minimum of documentation;

(d) provide for release of express shipments within a period no greater than that required to ensure compliance within its legislation;

(e) not be limited by a maximum weight; and

(f) consistent with the Party's legislation, provide simplified documentary requirements for the entry of low value goods as determined by that Party.

**Article 417: Review and Appeal**

1. Each Party shall, in accordance with its domestic law, ensure that decisions[1] made pursuant to this Chapter, are subject to:

(a)# at least one level of administrative review independent of either the official or office responsible for the decision under review; and

(b)# judicial or quasi-judicial review of the decision taken at the final level of administrative review.

**Article 418: Penalties**

Each Party shall adopt or maintain measures that allow for the imposition of criminal, civil or administrative penalties for violations of its laws and regulations relating to this Chapter.

**Article 419: Advance Rulings**

1. Each Party shall, through its competent authority, provide for the expeditious issuance of written advance rulings, prior to the importation of a good into its territory, to an importer in its territory or an exporter or a producer in the territory of the other Party, or its duly authorized representative as provided by domestic law, on the basis of the facts and circumstances presented by such importer, exporter or producer of the good, concerning:

(a)# tariff classification, applicable rate of customs duty, any tax applicable on importation or information about the application of quotas;

[1] For Peru, for purposes of this Article, “decisions” means an administrative act.

(b)# whether a good re-entered into the territory of a Party after being temporarily exported to the territory of the other Party for repair or alteration qualifies for duty-free treatment in accordance with Article 205 (National Treatment and Market Access for Goods - Goods Re-entered after Repair or Alteration);

(c)# whether a good is originating in accordance with Chapter Three (Rules of Origin);

(d)# such other matters as the Parties may decide upon.

2. Each Party shall adopt or maintain procedures for the issuance of advance rulings, including a detailed description of the information reasonably required to process an application for a ruling and, where practical and useful, a sample of the good.

3. Each Party shall provide that its competent authority:

(a)# may, at any time during the course of an evaluation of an application for an advance ruling, request supplemental information to be provided within a period of not less than 30 days, from the person requesting the ruling;

(b)# shall, after it has obtained all necessary information from the person requesting an advance ruling, issue the ruling within 150 days; and

(c)# shall provide to the person requesting the ruling a full explanation of the reasons for the ruling.

4. Where application for an advance ruling involves an issue that is the subject of:

(a)# a verification of origin;

(b)# a review by or appeal to the competent authority; or

(c)# judicial or quasi-judicial review in its territory;

the competent authority may decline or postpone the issuance of the ruling.

5. Each Party shall provide that an advance ruling shall be in effect from its date of issuance, or another date specified in the ruling, and will remain in effect unless relevant facts or circumstances change. Each Party shall apply an advance ruling to importations into its territory of the good for which the ruling was requested, beginning on the date of its issuance or such later date as may be specified in the ruling.

6. Each Party shall provide consistent treatment with respect to the application for advance rulings, provided that the facts and circumstances are identical in all material respects.

7. The issuing Party may modify or revoke an advance ruling after the Party notifies the requester. The issuing Party may modify or revoke a ruling retroactively only if the ruling was based on inaccurate or false information.

8. Each Party shall provide that, where an importer claims that the preferential tariff treatment accorded to an imported good should be governed by an advance ruling, the competent authority may evaluate whether the facts or circumstances of the importation are consistent with those on which the advance ruling was based.

**Article 420: Trade Facilitation Sub-Committee**

1. The Parties hereby establish a Sub-Committee on Trade Facilitation, which shall meet on request of the Committee on Trade in Goods or upon request of either Party. The functions of the Sub-Committee shall include:

(a)# proposing to the Committee on Trade in Goods the adoption of customs practices and standards that facilitate commercial exchange between the Parties, in accordance with international standards;

(b)# proposing to the Committee on Trade in Goods solutions to disagreements related to:

(i) interpretation, application and administration of this Chapter,

(ii) tariff classification and customs valuation matters related to determinations of origin, and

(iii) practices and procedures adopted by either Party that may affect the flow of trade between the Parties.

(c)# any other matter considered appropriate by the Committee on Trade in Goods.

2. If the Sub-Committee on Trade Facilitation does not reach a decision on tariff classification, the Parties shall refer the matter to the WCO for decision. The Parties shall, to the greatest extent possible, apply that decision.

**Article 421: Future Work Programme**

1. With the objective of developing further steps to facilitate trade under this Agreement, the Parties shall, as appropriate, identify and submit for the consideration of the Commission new measures aimed at facilitating trade between the Parties, taking as a basis the objectives and principles set forth in Article 408 of this Chapter.

2. Through the Parties' respective customs administrations and other border-related authorities as appropriate, the Parties shall review relevant international initiatives on trade facilitation, including, *inter alia*, the Compendium of Trade Facilitation Recommendations, developed by the United Nations Conference on Trade and Development and the United Nations Economic Commission for Europe, to identify areas where further joint action would facilitate trade between the Parties and promote shared multilateral objectives.

**Article 422: Implementation**

The obligations in Article 419 shall take effect for Peru three years after the date of entry into force of this Agreement.

**Article 423: Definitions**

For purposes of this Chapter:

**competent authority** means:

(a) with respect to Canada, the Canada Border Services Agency or its successor notified in writing to the other Party;

(b) with respect to Peru, *Ministerio de Comercio Exterior y Turismo, or the Superintendencia Nacional de Administración Tributaria*, or their successors, in accordance with its domestic law, notified in writing to the other Party;

**customs administration** means the authority that is responsible under the law of a Party for the administration of customs laws and regulations;

**identical goods** means goods 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 goods under Chapter Three (Rules of Origin);

**pattern of conduct** means at least two instances of false or unsupported representations by an exporter or producer of a good resulting in at least two written determinations being sent to that exporter or producer;

**WCO** means the World Customs Organization.

The following terms shall be interpreted as defined in Chapter Three (Rules of Origin):

(a)# indirect material;

(b)# material;

(c)# net cost of a good;

(d)# producer;

(e)# production;

(f)# customs value.