

## CHAPTER 1

### Initial Provisions and General Definitions

#### Section A – Initial Provisions

##### Article 1-1: Establishment of the Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement, hereby establish a free trade area.

##### Article 1-2: Relation to Other Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under the WTO Agreement and other agreements to which the Parties are party.
2. In the event of any inconsistency between this Agreement and the agreements referred to in paragraph 1, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.

##### Article 1-3: Trade Remedies

The WTO Agreement exclusively governs the rights and obligations of the Parties in respect of subsidies and the application of anti-dumping and countervailing measures, including the settlement of any disputes in respect thereof.

##### Article 1-4: Investment

The Parties note the existence of the *Agreement between Canada and the Hashemite Kingdom of Jordan for the Promotion and Protection of Investments*, done at \_\_\_\_\_, on \_\_\_\_\_.

### **Article 1-5: Relation to Multilateral Environmental Agreements**

1. In the event of any inconsistency between this Agreement and a Party's obligation in one of the Multilateral Environmental Agreements (MEAs) listed in Annex 1-5, such obligation shall prevail to the extent of the inconsistency, provided that the measure taken is necessary to comply with that obligation, and is not applied in a manner that would constitute arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

2. An inconsistency referred to in paragraph 1 exists when a Party cannot comply with an obligation in one of the Agreements listed in Annex 1-5 without violating an obligation in this Agreement.

### **Article 1-6: Extent of Obligations**

Each Party is fully responsible for the compliance of all provisions of this Agreement and shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Agreement by the sub-national governments and authorities within its territory.

## **Section B – General Definitions**

### **Article 1-7: Definitions of General Application**

For purposes of this Agreement, unless otherwise specified:

- (a) **Agreement on the Environment** means the *Agreement on the Environment between Canada and the Hashemite Kingdom of Jordan*;
- (b) **Agreement on Labour Cooperation** means the *Agreement on Labour Cooperation between Canada and the Hashemite Kingdom of Jordan*;

- (c) **Commission** means the Joint Commission established under Article 13-1 (Joint Commission);
- (d) **competent authority** means:
  - (i) with respect to Canada, the Canada Border Services Agency or its successor notified in writing to the other Party,
  - (ii) with respect to Jordan, either the Ministry of Industry and Trade or Jordan Customs Department or their successors notified in writing to the other Party;
- (e) **Contact Points** means the Contact Points established under Article 13-2;
- (f) **cultural industries** means persons engaged in any of the following activities:
  - (i) the publication, distribution, or sale of books, magazines, periodicals or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing,
  - (ii) the production, distribution, sale or exhibition of film or video recordings,
  - (iii) the production, distribution, sale or exhibition of audio or video music recordings,
  - (iv) the publication, distribution or sale of music in print or machine readable form, or

- (v) radio communications in which the transmissions are intended for direct reception by the general public, and all radio, television and cable broadcasting undertakings and all satellite programming and broadcast network services;
- (g) **customs administration** means the authority that is responsible under the law of a Party for the administration and application of customs laws and regulations;
- (h) **customs duty** includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:
  - (i) charge equivalent to an internal tax imposed consistently with Article III.2 of the GATT 1994, in respect of like, directly competitive, or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part,
  - (ii) antidumping or countervailing duty that is applied pursuant to a Party's domestic law,
  - (iii) fee or other charge in connection with importation commensurate with the cost of services rendered, or
  - (iv) 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;
- (i) **Customs Valuation Agreement** means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*, including its interpretative notes, which is part of the WTO Agreement;

- (j) **customs value** means the value as determined in accordance with the Customs Valuation Agreement;
- (k) **days** means calendar days, including weekends and holidays;
- (l) **Dispute Settlement Understanding (DSU)** means the *Understanding on Rules and Procedures Governing the Settlement of Disputes*, which is part of the WTO Agreement;
- (m) **enterprise** means any entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture or other association;
- (n) **existing** means in effect on the date of entry into force of this Agreement;
- (o) **GATT 1994** means the *General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement;
- (p) **good** means any merchandise, product, article or material;
- (q) **goods of a Party** means domestic products as these are understood in the *GATT 1994* or such goods as the Parties may agree, and includes originating goods of that Party;
- (r) **Harmonized System (HS)** means the *Harmonized Commodity Description and Coding System*, established by the *International Convention on the Harmonized System*, done at Brussels, on 14 June 1983, including its General Rules of Interpretation, Section Notes, Chapter Notes and subheading notes;

- (s) **heading** means any four-digit number, or the first four digits of any number, used in the nomenclature of the Harmonized System;
- (t) **indirect material** means a good used in the production, testing or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, including:
  - (i) fuel and energy,
  - (ii) tools, dies and moulds,
  - (iii) spare parts and materials used in the maintenance of equipment and buildings,
  - (iv) lubricants, greases, compounding materials and other materials used in the production or the operation of equipment and buildings,
  - (v) gloves, glasses, footwear, clothing, safety equipment and safety supplies,
  - (vi) equipment, devices, and supplies used for testing or inspecting the goods,
  - (vii) catalysts and solvents, and
  - (viii) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;
- (u) **intermediate material** means a material that is produced by a producer of a good and used in the production of that good;

- (v) **material** means a good that is used in the production of another good, and includes a part or an ingredient;
- (w) **measure** includes any law, regulation, instruction, procedure, requirement, or practice;
- (x) **national** means a natural person who is a citizen or a permanent resident of a Party;
- (y) **net cost** means total cost minus sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the total cost;
- (z) **originating** means qualifying under the rules of origin set out in Chapter 4 (Rules of Origin);
- (aa) **person** means a natural person or an enterprise;
- (bb) **person of a Party** means a national or an enterprise of a Party;
- (cc) **producer** means a person who grows, mines, raises, harvests, fishes, traps, hunts, manufactures, processes, assembles or disassembles a good;
- (dd) **production** means growing, mining, raising, harvesting, fishing, trapping, hunting, manufacturing, processing, assembling or disassembling a good;
- (ee) **subheading** means any six-digit number, or the first six digits of any number, used in the nomenclature of the Harmonized System;
- (ff) **tariff classification** means the classification of a good or material under a chapter, heading or subheading of the Harmonized System;

- (gg) **tariff elimination schedule** means the provisions of Annex 2-3 of this Agreement;
- (hh) **WTO Agreement** means the *Marrakesh Agreement Establishing the World Trade Organization*, done on April 15, 1994.

#### **Article 1-8: Country-Specific Definitions**

For purposes of this Agreement, unless otherwise specified:

- (a) **citizen** means:
  - (i) with respect to Canada, a natural person who is a citizen of Canada under the laws of Canada,
  - (ii) with respect to Jordan, a natural person who is a citizen of Jordan under the legislation of Jordan;
- (b) **national government** means:
  - (i) with respect to Canada, the Government of Canada, and
  - (ii) with respect to Jordan, the Government of the Hashemite Kingdom of Jordan;
- (c) **sub-national government** means in respect of Canada, provincial, territorial, or local governments; and in respect of Jordan, local governments and any form of sub-national government established in the future;

(d) **territory** means:

- (i) with respect to Canada, a) its land territory, internal waters, territorial sea, including the air space above these areas; b) the exclusive economic zone of Canada, as determined by its domestic law, consistent with Part V of the *United Nations Convention on the Law of the Sea* of 10 December 1982 (UNCLOS); and c) the continental shelf of Canada, as determined by its domestic law, consistent with Part VI of UNCLOS, and
- (ii) with respect to Jordan, the land territory, air space, internal waters and territorial sea over which Jordan exercises sovereignty.

## ANNEX 1-5

### Multilateral Environmental Agreements

- (a) the *Convention on International Trade in Endangered Species of Wild Fauna and Flora*, done at Washington, March 3, 1973, as amended on June 22, 1979;
- (b) the *Montreal Protocol on Substances that Deplete the Ozone Layer*, done at Montreal, September 16, 1987, as amended June 29, 1990, as amended November 25, 1992, as amended September 17, 1997, as amended December 3, 1999;
- (c) the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, done at Basel, March 22, 1989;
- (d) the *Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade*, done at Rotterdam, September 10, 1998;
- (e) the *Stockholm Convention on Persistent Organic Pollutants*, done at Stockholm, May 22, 2001.