

CHAPTER 3 : SPECIAL AGRICULTURAL MEASURE

ARTICLE 3.1 : SCOPE OF APPLICATION

A Party may apply, in exceptional circumstances and subject to the criteria provided in Annex 3A (Criteria for the Application of Special Agricultural Measure), additional duty (hereinafter referred to as “a special agricultural measure”) to a product listed in Annex 3B (List of Products Subject to Special Agricultural Measure) for which the Party has commenced custom duties elimination in accordance with Article 2.4 (Elimination of Customs Duties) of this Agreement.

ARTICLE 3.2 : CONDITIONS

1. The special agricultural measure applied in accordance with this Chapter shall result in the increase of the tariff rate, but shall not exceed the base tariff rate provided in Annex 2A (Peru Tariff Schedule) or Annex 2B (Singapore Tariff Schedule), as relevant for the good.
2. The special agricultural measure may be applied by a Party as long this Agreement is in force.
3. The special agricultural measure referred to in paragraph 1 shall be applied in accordance with this Chapter and based on the criteria established in Annex 3A (Criteria for the Application of Special Agricultural Measure).

ARTICLE 3.3 : APPLICATION OF SPECIAL AGRICULTURAL MEASURE

Per Volume Criteria

1. A Party may impose a special agricultural measure on an agricultural good, in accordance with the per volume criteria under Annex 3A (Criteria for the Application of Special Agricultural Measure), if the volume of such imported good including the volume of the corresponding shipment during the last twelve (12) calendar months exceeds fifteen per cent (15%) of the intervention volume of the mentioned good.
2. The intervention volume will be determined every year on the basis of the annual average of imports of a determined good originating in the exporting Party registered in the thirty-six (36) calendar months prior to the effective year of the intervention volume. Each Party shall send a notice to the other of such volume during the first twenty (20) days of January, and such notice shall be effective for the period of a year.

Per Price Criteria

3. A Party may impose a special agricultural measure on an agricultural good, in accordance with the per price criteria under Annex 3A (Criteria for the Application of Special Agricultural Measure), if, upon entry of the good into a customs territory, the unitary import price of the corresponding shipment of the good is no less than fifteen per cent (15%) below the intervention price of such good.

4. For goods entering Peru, the unit import price³⁻¹ will be determined in accordance with the CIF import price, expressed in US Dollars.

5. The intervention price of a good shall be determined every year on the basis of the average CIF import unit price expressed in US Dollars, corresponding to the last thirty-six (36) calendar months prior to the effective year of the intervention price. Each Party shall send a notice to the other Party on these prices during the first twenty (20) days of January, such notice shall be effective for the period of year.

Disqualification

6. A Party shall not apply a special agricultural measure if:

(a) there is no import registered by the Party during the period of twenty-four (24) months prior to the last twelve (12) months; or

(b) the imports of such good from the exporting Party do not exceed fifteen per cent (15%) of the total imported by the importing Party of such good in the period of twenty-four (24) months prior to the last twelve (12) months.

ARTICLE 3.4 : NOTICE AND CONSULTATIONS

1. When a Party applies a special agricultural measure under this Chapter, the Party shall give notice of such measure to the other Party not more than ten (10) days after the date on which the measure was adopted. The notice shall provide the background information of the special agricultural measure. Upon request of the other Party to the Party applying the measure, the Parties shall establish consultations regarding the application of the special agricultural measure.

2. A Party may not impose or maintain, simultaneously, in regard to the same good, a special agricultural measure under this Chapter and:

³⁻¹ **Import unit price** means the implicit price resulting from the CIF value quotient and the volume of imports performed in a calendar month.

(a) a safeguard measure under Chapter 8 (Bilateral Safeguards) of this Agreement; or

(b) a safeguard measure under Article XIX of GATT 1994 and the WTO Agreement on Safeguards.