

## CHAPTER 3

### TRADE IN GOODS

#### Article 3.1

##### Definitions

For the purposes of this Chapter:

**Agreement on Agriculture** means the *Agreement on Agriculture*, which is part of the *WTO Agreement*;

**agricultural goods** means those goods referred to in Article 2 of the *Agreement on Agriculture*;

**export subsidies** shall have the meaning assigned to that term in Article 1(e) of the *Agreement on Agriculture*;

**goods of the other Party** means domestic products of that Party as understood in *GATT 1994* or such goods as the Parties may agree, and includes originating goods of that Party. A good of the other Party may include materials of other countries; and

**import licensing** means administrative procedures requiring the submission of an application or other documentation (other than that generally required for customs clearance purposes) to the relevant administrative body as a prior condition for importation into the Area of the importing Party.

#### Article 3.2

##### Scope

Except as otherwise provided, this Chapter shall apply to trade in all 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*, including its interpretative notes.

To this end, Article III of *GATT 1994* and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

#### **Article 3.4**

##### **Elimination of Customs Duties**

1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any new customs duty, on an originating good of the other Party.
2. Except as otherwise provided in this Agreement, and subject to each Party's Tariff Schedule in Annex 3.4, as at the date of entry into force of this Agreement, each Party shall eliminate its customs duties on originating goods of the other Party.
3. If a Party reduces its applied most-favoured-nation customs duty rate after the entry into force of this Agreement and before the end of the tariff elimination period, the Tariff Schedule in Annex 3.4 of that Party shall apply with respect to the new most-favoured-nation customs duty rate.
4. At the request of either Party, the Parties shall consult each other to consider accelerating the reduction or elimination of customs duties set out in their Tariff Schedules in Annex 3.4. An agreement between the Parties to accelerate the reduction or elimination of a customs duty on a good shall supersede any duty rate or staging category determined pursuant to their Tariff Schedules in Annex 3.4 for such good. Such agreement shall be subject to the amendment procedures under Article 16.1.4 (b) (i).

#### **Article 3.5**

##### **Fees and Charges Connected with Importation and Exportation**

1. The Parties agree that fees, charges, formalities and requirements imposed in connection with the importation and exportation of goods shall be consistent with their obligations under *GATT 1994*.
2. Each Party shall make available through the internet or a comparable computer-based telecommunications network details of the fees and charges it imposes in connection with importation and exportation.

3. Neither Party may require legalisation of:

- (a) commercial invoices;
- (b) certificates of origin; or
- (c) other customs documentation,

including related fees or charges, in connection with the importation of any good of the other Party.

### **Article 3.6**

#### **Non-Tariff Measures**

1. Except as otherwise provided in this Agreement, neither Party shall adopt or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation of any good destined for the Area of the other Party except in accordance with its WTO rights and obligations.

2. For greater certainty, neither Party shall adopt or maintain any prohibition or restriction on the importation or exportation of any good except in accordance with Article XI of *GATT 1994* and its interpretative notes.

3. Each Party shall ensure its non-tariff measures permitted in paragraph 1 are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.

4. The non-tariff measures referred to in paragraphs 1, 2 and 3 include:

- (a) export and import price requirements, except as permitted in enforcement of countervailing and anti-dumping orders and undertakings;
- (b) import licensing conditioned on the fulfilment of a performance requirement; or
- (c) voluntary export restraints.

5. Paragraphs 1, 2, 3 and 4 shall not apply, with respect to Chile, to measures concerning the importation of used vehicles, as provided in *Law N° 18.483* or its successor.

### **Article 3.7**

#### **Price Band System**

Chile may maintain its price band system as established under its *Law N° 18.525* or succeeding system for the products covered by that law<sup>1</sup>, to be applied in a manner consistent with Chile's rights and obligations under the *WTO Agreement*.

### **Article 3.8**

#### **Subsidies**

The Parties maintain their rights and obligations regarding subsidies under Article XVI of *GATT 1994* and the *SCM Agreement*.

### **Article 3.9**

#### **Agricultural Export Subsidies**

1. The Parties share the objective of the multilateral elimination of all forms of export subsidies for agricultural goods and shall cooperate in an effort to achieve such an objective and prevent their reintroduction in any form.
2. Neither Party shall introduce or maintain any forms of export subsidy on any agricultural good destined for the Area of the other Party.

### **Article 3.10**

#### **Geographical Indications**

1. Each Party shall ensure in its domestic law adequate and effective means to protect geographical indications with regard to all goods in a manner consistent with the *WTO Agreement on Trade-Related Aspects of Intellectual Property Rights*.

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<sup>1</sup> The products covered by the price band system are HS (2012) 1001.9100, 1001.9911, 1001.9912, 1001.9913, 1001.9919, 1001.9921, 1001.9922, 1001.9923, 1001.9929, 1001.9931, 1001.9932, 1001.9933, 1001.9939, 1001.9941, 1001.9942, 1001.9943, 1001.9949, 1001.9951, 1001.9952, 1001.9953, 1001.9959, 1001.9961, 1001.9962, 1001.9963, 1001.9969, 1001.9971, 1001.9972, 1001.9973, 1001.9979, 1001.9991, 1001.9992, 1001.9993, 1001.9999, 1101.0000, 1701.1200, 1701.1300, 1701.1400, 1701.9100, 1701.9910, 1701.9920 and 1701.9990.

2. Each Party shall provide the means for any person, including natural persons, corporate entities or government agencies of the other Party, to apply for protection of geographical indications. Each Party shall accept applications without the requirement for intercession by the other Party on behalf of its persons.

3. The terms listed in Annex 3.10 are geographical indications under the domestic laws and regulations of Chile.

4. Subject to the domestic laws and regulations of Hong Kong, China, a term listed in Annex 3.10 may receive relevant protection on intellectual property in Hong Kong, China.<sup>2</sup>

### **Article 3.11**

#### **Committee on Trade in Goods**

1. The Parties hereby establish a Committee on Trade in Goods (“the Committee”), comprising representatives of each Party.

2. The Committee shall meet at the request of either Party or the Commission to consider any matter arising under this Chapter, Chapter 4 (Rules of Origin), Chapter 5 (Customs Procedures and Cooperation) or Chapter 8 (Trade Remedies). Meetings of the Committee may be conducted in person or via teleconference, videoconference or any other means agreed by the Parties.

3. The Committee’s functions shall include:

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<sup>2</sup> Under the *Trade Marks Ordinance* of Hong Kong, China, a term listed in Annex 3.10 may receive protection if it is registered and the registration remains valid in accordance with that Ordinance.

For greater certainty, any application for the registration of the terms listed in Annex 3.10 will be processed in accordance with the domestic laws and regulations of Hong Kong, China.

This Article shall also not preclude Hong Kong, China from accepting an application for trade mark registration of a mark consisting of or similar to a term listed in Annex 3.10 where the relevant requirements for registration are fulfilled.

Further, this Article shall not be construed to impose any obligation on Hong Kong, China to amend its domestic laws and regulations or affect its international position in relation to intellectual property.

- (a) reviewing and monitoring the implementation of the Chapters referred to in paragraph 2;
- (b) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures other than measures covered under Chapter 6 (Sanitary and Phytosanitary Measures) and Chapter 7 (Technical Barriers to Trade);
- (c) establishing any working groups, as and when necessary;
- (d) referring matters considered by the Committee to the Commission where the Committee considers this appropriate;
- (e) carrying out other functions as may be delegated by the Commission in accordance with Chapter 16 (Administration); and
- (f) reporting the findings and the outcome of discussions to the Commission.

4. The Committee will consider reports issued by the Sub-Committees established under Article 6.10 and Article 7.11.