

ARTICLE XV

*Technical Co-operation*

Each Party shall encourage technical co-operation between its agencies for standardization and metrology, promoting the provision of information and technical assistance, according to available resources and under terms mutually agreed, in order to assist in the attainment of this objective and to enhance the activities, processes, standardization and metrological systems and measures of both Parties.

The Parties shall undertake joint efforts for the purpose of securing technical co-operation and assistance from third countries.

APPENDIX VII TO  
ANNEX I

AGREEMENT ON SANITARY AND PHYTO-SANITARY  
MEASURES

ARTICLE I

*Rights and Obligations*

In compliance with the World Trade Organisation (WTO) Agreement for Sanitary and Phyto-Sanitary Measures, each Party has the right to establish, adopt, maintain or apply any Sanitary and Phyto-Sanitary Measures necessary to protect human, animal or plant life or health in its territory, more stringent than relevant regional and international standards, guidelines or recommendations.

2. Each Party will ensure that any Sanitary or Phyto-Sanitary Measure adopted, maintained or applied:

- (i) is based on scientific principles, taking into account, when necessary, all pertinent facts as well as the different national and regional conditions;
- (ii) is only maintained when there is scientific justification;
- (iii) is based on a risk assessment that is appropriate to the circumstances;
- (iv) does not restrict trade more than is necessary in order to protect human, animal or plant life or health;

- (v) does not have as an objective or consequence, a disguised restriction on trade between the Parties; and
- (vi) is based on national/regional/international standards, guidelines or recommendations, or on the imminent adoption of such measures except when these measures do not constitute an adequate and effective means of protecting human, animal or plant life or health in its territory.

3. Notwithstanding any other provision of this Appendix, each Party, in order to protect human, animal or plant life or health in its territory, has the right to establish appropriate levels of protection, taking into account the associated risk from the point of view of consequences for the introduction, establishment or spread of a pest or disease. For this purpose, the methodologies of analysis and risk assessment of relevant international organizations, CODEX ALIMENTARIUS, International Plant Protection Convention (IPPC), and the International Office of Epizootics (IOE), as well as relevant specialized regional organizations to which the Parties are members, shall be taken into account.

4. The risk assessment conducted by the importing Party in order to establish the respective Sanitary and Phyto-Sanitary Measures shall be completed within four months from the date when the analysis is requested of the competent authority. By mutual agreement, an extension of one month will be granted when necessary.

5. Each Party shall inform the Committee for Sanitary and Phyto-Sanitary Measures of its Competent Notifying Authority and shall utilize the designated Enquiry Points as the channel for notifying the other Party.

6. The Parties shall abide by the control, inspection and approval procedures for the application of Sanitary and Phyto-Sanitary Measures contained in Article III.

7. The Parties shall not apply punitive Sanitary and Phyto-Sanitary Measures in the context of their reciprocal trade relations. The application of retaliatory measures will be considered punitive.

## ARTICLE II

### *Definitions*

For the purpose of this Appendix, the following definitions shall apply:

**Animal:** Any vertebrate or invertebrate, including aquatic and wild fauna.

**Appropriate Level of Sanitary or Phyto-Sanitary Protection:** The level of protection deemed appropriate by the Party establishing a Sanitary or Phyto-Sanitary Measure to protect human, animal or plant life or health within its territory.

**Approval Procedure:** Any registration, certification, notification or any other obligatory administrative procedure for approving the use of an additive or to establish a level of tolerance for contaminants for defined purposes or under conditions agreed upon for food, beverage or feedstuffs prior to permitting its use or commercialization whenever any of these contains the additive or contaminant.

**Area of Low Pest or Disease Prevalence:** An area, whether all of a country, part of a country or all or parts of several countries, as identified by the competent authorities, in which a specific pest or disease occurs at low levels, and which are subject to effective surveillance, control or eradication measures.

**Biological Products:**

- (i) biological reagents for use in the diagnosis of certain diseases;
- (ii) sera for use in the prevention or treatment of certain diseases;
- (iii) inactivated or modified vaccines for use in the preventive vaccination against certain diseases;
- (iv) microbial genetic material.

**Contaminant:** Any substance not intentionally added to food, which is present in such food as a result of the production (including operations carried out in crop husbandry, animal husbandry and veterinary medicine),

manufacture, processing, preparation, treatment, packing, packaging, transport or holding of such food or as a result of environmental contamination. The term does not include insect fragments, rodent hairs and other extraneous matter.

**Control or Inspection Procedure:** Any procedure utilized directly or indirectly to determine compliance with a Sanitary or Phyto-Sanitary Measure. This includes sampling, testing, inspection, verification, monitoring, auditing, conformance evaluation, accreditation and other procedures involving the physical examination of the goods, packaging equipment and installations directly related to the production commercialization or utilization of goods, but not referred to as an approval procedure.

**Disease:** A clinical or sub-clinical infection cause by one or more aetiological agents as listed in the IOE and IPPC Codes.

**Feedstuffs:** Balanced daily food allowance for animal use.

**Food:** Any substance, whether processed, semi-processed or raw, which is intended for human consumption, and includes drink, chewing gum and any substance which has been used in the manufacture, preparation or treatment of "food" but does not include cosmetics or tobacco or substances used only as drugs.

**Food Additive:** Any substance not normally consumed as a food by itself and not normally used as a typical ingredient of the food, whether or not it has nutritive value, the intentional addition of which to food for a technological (including organoleptic) purpose in the manufacture, processing, preparation, treatment, packing, packaging, transport or holding of such food results, or may be reasonably expected to result (directly or indirectly) in it or its by-products becoming a component of or otherwise affecting the characteristics of such foods. The term does not include "contaminants" or substances added to food for maintaining or improving nutritional qualities.

**Food Safety:** Quality that ensures that food is free of risk to human health.

Goods: Food, animals, plants, their products and by-products, and biological products.

Harmonization: The establishment, recognition and application of common Sanitary and Phyto-Sanitary Measures by the Parties.

International Standards, Guidelines and Recommendations:

- (i) for food safety: the standards, guidelines and recommendations established by the CODEX ALIMENTARIUS COMMISSION relating to food additives, veterinary drug and pesticide residues, contaminants, methods of analysis and sampling, and codes and guidelines of hygienic practice;
- (ii) for animal health and zoonoses: the standards, guidelines and recommendations developed under the auspices of the International Office of Epizootics;
- (iii) for plant health: the international standards, guidelines and recommendations developed under the auspices of the Secretariat of the International Plant Protection Convention in cooperation with regional organizations operating within the framework of the International Plant Protection Convention; and
- (iv) for matters not covered by the above organizations: appropriate standards, guidelines and recommendations promulgated by other relevant international organizations open for membership to the Parties, as identified by the Committee on Sanitary and Phyto-Sanitary Measures.

Pest: Any species, strain or biotype of plant, animal or pathogenic agent, injurious to plants, animals and their products.

Pest or Disease-Free Area: An area, whether all of a country, part of a country, or all or parts of several countries, as identified by the competent authorities, in which a specific pest or disease does not occur. A pest or disease-free area may surround, be surrounded by or be adjacent to an area-whether within part of a country or in

a geographic region which includes parts of or all of several countries in which a specific pest or disease is known to occur but is subject to regional control measures such as the establishment of protection, surveillance and buffer zones which will confine or eradicate the pest or disease in question.

**Pesticide:** Any substance intended for preventing, destroying, attracting, repelling, or controlling any pest including unwanted species of plants or animals during the production, storage, transport, distribution and processing of food agricultural commodities, or animal feeds or which may be administered to animals for the control of ectoparasites. The term includes substances intended for use as a plant-growth regulator, defoliant, desiccant, fruit thinning agent, or sprouting inhibitor and substances applied to crops either before or after harvest to protect the commodity from deterioration during storage and transport. The term normally excludes fertilizers, plant and animal nutrients, food additives, and animal drugs.

**Pesticide Residues:** Any specified substance in food, agricultural commodities, or animal feed resulting from the use of a pesticide. The term includes any derivatives of a pesticide such as conversion products, metabolites, reaction products, and impurities considered to be of toxicological significance.

**Plants:** Live plants and parts thereof, including seeds and germ plasm, forest and wild flora.

**Risk Assessment:** The evaluation of the likelihood of entry, establishment or spread of a pest or disease within the territory of an importing Party according to the Sanitary or Phyto-Sanitary Measures which might be applied, and of the associated potential biological and economic consequences; or the evaluation of the potential for adverse effects on human or animal health arising from the presence of additives, contaminants, toxins or disease-causing organisms in food, feedstuffs and beverages.

Sanitary or Phyto-Sanitary Measures:

- (i) to protect animal or plant life or health within the territory of the Party from risks arising from the entry, establishment or spread of pests, diseases, disease carrying organisms or disease-causing organisms;
- (ii) to protect human or animal life or health within the territory of the Party from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs;
- (iii) to protect human life or health within the territory of the Party from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or
- (iv) to prevent or limit other damage within the territory of the Party from the entry, establishment or spread of pests.

Sanitary or Phyto-Sanitary Measures include all relevant laws, decrees, regulations, requirements and procedures including, *inter alia*, end product criteria processes and production methods; testing, inspection, certification and approval procedures; quarantine treatments including relevant requirements associated with the transport of animals or plants, or with the materials necessary for their survival during transport; provisions on relevant statistical methods, sampling procedures and methods of risk assessment; and packaging and labeling requirements directly related to food safety.

Scientific Information: Data or Information derived from scientific principles and methods.

Transportation: Means or mode of transport, and the form of packaging; used for the movement of goods, as established by a Sanitary or Phyto-Sanitary Measure.

## ARTICLE III

*Control, Inspection and Approval Procedures in the Application of Sanitary and Phyto-Sanitary Measures*

In order to expedite the application of Sanitary and Phyto-Sanitary Measures in the territories of the Parties, and to facilitate trade flows, the procedures for control, inspection and approval of Sanitary and Phyto-Sanitary Measures will be governed by the provisions of this Article.

2. Transparency: in order to ensure adequate transparency in the adoption and application of Sanitary and Phyto-Sanitary Measures the competent Notifying Authorities and Enquiry Points will utilize formats that are the same as or similar to those designed and utilized by the WTO Committee for Sanitary and Phyto-Sanitary Measures.

3. Harmonization: the Parties shall use international organizations and other specialized regional fora in the harmonization of their Sanitary and Phyto-Sanitary Measures.

4. Sanitary and Phyto-Sanitary Status: the Parties shall accept as valid, the Sanitary and Phyto-Sanitary status in accordance with the FAO database (food safety and plant health), the OIE database (animal health) and databases of relevant specialized regional organizations. In case of reasonable query by one Party, reasonable access for inspections, tests and other procedures will be permitted by mutual agreement in order to verify the said status.

5. Equivalence: in accordance with the provisions of this Appendix, in the process of recognition of equivalence of their Sanitary and Phyto-Sanitary Measures, the Parties, through bilateral consultations, will address issues relating to the effectiveness of measures, their impact on trade, cost effectiveness and the appropriate technology. These will be detailed in bilateral agreements for mutual recognition.

6. Risk Assessment and Determination of Appropriate Level of Protection: in conducting risk assessment, the Parties shall apply methodologies harmonized by relevant international organizations and where they do not exist, shall utilize those harmonized at the regional level, with the assistance of specialized regional organizations.



7. Inspection Criteria (including Inspection at Origin): designated agencies shall be the only channel for inspections between Parties, and shall be authorized to determine inspection periods, time limits for informing the other Party, as well as for the signature of protocols or specific bilateral instruments according to the needs of the Parties.

Upon receipt of a request from one of the Parties, the Competent Notifying Authority shall be required to conduct the inspection, and report the findings and action taken to the other Party within 30 days.

When inspection is performed at a specific export point in the territory of a Party, the Certificate of Inspection will have a one-year validity, save for reasonable exceptions, particularly in the case of plants, by mutual agreement. Inspection costs will be borne by the exporting country.

8. Pest or Disease Free Areas and Areas of Low Prevalence of Pest or Disease in the process towards recognizing pest or disease free areas and areas of low prevalence of pest or disease, the Parties shall first apply the methodologies utilized by relevant international organizations and, where such methodologies do not exist, those harmonized at the regional level with the assistance of specialized regional organizations. The Parties shall also establish specific bilateral protocols for particular cases.

9. Accreditation: The Parties shall seek to standardize their accreditation procedures. Government institutions shall be recognized as accredited organizations and should select qualified and/or experienced personnel. Private sector institutions and professionals shall be appropriately certified.

## ANNEX II

### AGREEMENT ON TRADE IN SERVICE

#### ARTICLE I

##### *Objective*

The objective of this Agreement is to establish a framework for the liberalisation of trade in services among the Parties consistent with the General Agreement on Trade in Services (GATS) of the