



Chile No. 2 (2019)

Agreement

establishing an Association between the United Kingdom of Great Britain
and Northern Ireland and the Republic of Chile

Santiago, 30 January 2019

[The Agreement is not in force]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
February 2019*



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**AGREEMENT ESTABLISHING AN ASSOCIATION BETWEEN THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE REPUBLIC OF CHILE**

The United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”) and the Republic of Chile (“Chile”) (hereinafter referred to as “the Parties”),

RECOGNISING that the Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, done at Brussels on 18 November 2002 (hereinafter referred to as “the EU-Chile Agreement”) will cease to apply to the United Kingdom when it ceases to be a Member State of the European Union or at the end of any transitional period or implementation period during which the rights and obligations under the EU-Chile Agreement continue to apply to the United Kingdom;

DESIRING that the rights and obligations between them as provided for by the EU-Chile Agreement should continue after the United Kingdom has left the European Union;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

Objectives

1. The overriding objective of this Agreement is to preserve the links between the Parties established by the association created in Article 2 of the EU-Chile Agreement.
2. In particular, the Parties agree to preserve the preferential conditions relating to trade between them, subject to the provisions of this Agreement, which resulted from the EU-Chile Agreement and to provide a platform for further trade liberalisation between the Parties.
3. For the avoidance of doubt, the Parties reaffirm the objectives in Articles 2 and 55 of the Incorporated Agreement in their entirety.

ARTICLE 2

Definitions

1. Throughout this Instrument:

“Incorporated Agreement” means the provisions of the EU-Chile Agreement, including the instruments referred to in Article 206, as

incorporated into and made part of this Agreement (and references to an “incorporated Article” are to be read accordingly);

“*mutatis mutandis*” means with the necessary modifications to apply the EU-Chile Agreement as if it had been concluded between the United Kingdom and Chile, taking into account the object and purpose of this present Agreement.

2. “This Agreement” means this Instrument and the Incorporated Agreement.

ARTICLE 3

Incorporation of the EU-Chile Agreement

1. The provisions of the EU-Chile Agreement, including the instruments referred to in Article 206, in effect immediately before they cease to apply to the United Kingdom are incorporated into and made part of this Agreement, *mutatis mutandis*, subject to the provisions of this Instrument.
2. In the event of any inconsistency between this Instrument and the Incorporated Agreement, this Instrument shall prevail to the extent of the inconsistency.

ARTICLE 4

Integral Parts of this Agreement

1. The Annex and footnotes to this Instrument shall form an integral part of this Agreement.
2. Nothing in this Article shall affect Article 206 of the Incorporated Agreement.

ARTICLE 5

References to the Euro

Notwithstanding Article 3, references to the euro (including “EUR” and “€”) in the Incorporated Agreement shall continue to be read as such in this Agreement.

ARTICLE 6

Territorial Application

For the avoidance of doubt, this Agreement shall apply:

- (a) in respect of the United Kingdom, to the extent that and under the conditions which the EU-Chile Agreement applied immediately before it ceased to apply to the United Kingdom, to the territory of the United Kingdom and the following territories for whose international relations it is responsible:
 - (i) Gibraltar;
 - (ii) the Channel Islands and the Isle of Man; and
 - (iii) the Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus,
- and
- (b) in respect of Chile, to the territory of Chile, including the land, maritime and air space under its sovereignty, and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law.

ARTICLE 7

Continuation of Time Periods

1. The Parties agree that unless this Instrument provides otherwise, if a period in the EU-Chile Agreement:
 - (a) has not yet ended, the remainder of that period shall be incorporated into this Agreement; and
 - (b) has ended, any ongoing right or obligation in the EU-Chile Agreement shall apply between the Parties and that period shall not be incorporated into this Agreement.
2. Notwithstanding paragraph 1, a reference in the Incorporated Agreement to a period relating to a procedure or other administrative matter, such as a review, committee procedure or notification, shall not be affected.

ARTICLE 8

Further provision in relation to the Association Council and Association Committee

1. The Association Council which the Parties establish under incorporated Article 3, and which is constituted pursuant to incorporated Article 4 as modified by this Agreement, shall, in particular, ensure that this Agreement operates properly.
2. Unless the Parties otherwise agree, any decisions adopted by the Association Council or the Association Committee established by the EU-Chile Agreement before the EU-Chile Agreement ceased to apply to the United Kingdom shall, to the extent those decisions relate to the Parties to this Agreement, be deemed to have been adopted, *mutatis mutandis* and subject to the provisions of this Instrument, by the Association Council or the Association Committee the Parties establish under incorporated Articles 3 and 6, respectively.
3. Nothing in paragraph 2 prevents the Association Council or the Association Committee established by this Agreement from making decisions which are different to, modify, revoke or supersede the decisions deemed to have been adopted by them under that paragraph.

ARTICLE 9

Amendments

1. The Parties may agree, in writing, to amend this Agreement. An amendment shall enter into force on the first day of the second month following the date of the later written notification by which the Parties notify each other that they have completed their respective legal requirements and procedures, or on such date as the Parties may agree.
2. Notwithstanding paragraph 1, the Association Council may decide to amend the Annexes, Appendices, Protocols and Notes to this Agreement. The Parties may adopt the Association Council's decisions subject to their respective applicable legal requirements and procedures.¹

¹ Chile shall implement any decision taken by the Association Council through *acuerdos de ejecución* (executive agreements), in accordance with article 54 N°1, paragraph 4 of the *Constitución Política de la República de Chile* (Political Constitution of the Republic of Chile).

ARTICLE 10

Entry into Force and Provisional Application

1. Article 198 of the EU-Chile Agreement shall not be incorporated into this Agreement.
2. Each Party shall notify the other Party of the completion of its domestic procedures required for the entry into force of this Agreement.
3. This Agreement shall enter into force on:
 - (a) the later of:
 - (i) the date on which the EU-Chile Agreement ceases to apply to the United Kingdom;² or
 - (ii) the first day of the second month following the date of the later of the notifications by which the Parties notify each other that they have completed their respective legal requirements and procedures;
 - or
 - (b) such date as the Parties may otherwise agree.
4. Notwithstanding paragraph 3, the negotiating States agree to apply this Agreement, or specific provisions thereof, from the later of:
 - (a) the date on which the EU-Chile Agreement ceases to apply to the United Kingdom; or
 - (b) the date of the later of the negotiating States' notifications signifying the completion of such domestic procedures as are required for provisional application.
5. A negotiating State may terminate the application of the Agreement, or specific provisions thereof, as agreed under paragraph 4, by giving written notice to the other negotiating State. Such termination shall take effect on the first day of the second month following the date of such notification.
6. Where this Agreement is, or certain provisions of this Agreement are, applied under paragraph 4, any reference to the term 'entry into force of this Agreement' in such provisions shall be deemed to refer to the date from which the negotiating States agree to apply those provisions in accordance with paragraph 4.

² For certainty, Chile will be notified of the date referred to in this paragraph and paragraph (4)(a) either by the United Kingdom or through other means.

7. The United Kingdom shall submit notifications under this Article to the General Directorate of International Economic Relations (DIRECON) of the Ministry of Foreign Affairs of Chile or its successor. Chile shall submit notifications under this Article to the United Kingdom's Department for International Trade or its successor.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Treaty.

Done in Duplicate at Santiago this Thirtieth day of January 2019 in the English and Spanish languages, both texts being equally authoritative.

**For the Government of the United
Kingdom of Great Britain and
Northern Ireland:**

For the Government of Chile:

JAMIE BOWDEN

ROBERTO AMPUERO

ANNEX

The incorporation of the EU-Chile Agreement into this Agreement is further modified as follows:

SECTION 1

MODIFICATIONS TO PART I (GENERAL AND INSTITUTIONAL PROVISIONS)

A. TITLE II

INSTITUTIONAL FRAMEWORK

1. Article 4.1 (Composition and rules of procedure) shall be replaced by:

“1. The Association Council shall be composed, on the one hand, of a Secretary of State of the United Kingdom or their representative(s), and, on the other hand, of the Minister of Foreign Affairs of Chile.”

2. In Articles 9.1 (Association Parliamentary Committee) and 10.1 (Joint Consultative Committee), “is hereby” shall be replaced by “may be”, and after “established”, insert “by the Parties”.

3. Article 10.2 shall be replaced by:

“The Parties shall determine the membership of the Joint Consultative Committee, having regard to the Committee’s object and purpose outlined in this Article. The Joint Consultative Committee shall be composed of an equal number of members representing the United Kingdom, on the one hand, and Chile, on the other.”

SECTION 2

MODIFICATIONS TO PART III (COOPERATION)

TITLE I

ECONOMIC COOPERATION

1. In Article 23.2(c) (Transport), “for transfers of European technology in the Global Navigation Satellite System and urban public transport centres” shall be replaced by “in the field of satellite navigation systems and urban public transport”.

2. Article 25.2 (Fisheries) shall not be incorporated into this Agreement.

3. In Article 26.2 (Customs cooperation), “to the Framework Cooperation Agreement” shall be replaced by “, as incorporated into and modified by this Agreement”.

4. In Article 27.2(b) (Cooperation on statistics), “, and with Eurostat” shall not be incorporated into this Agreement.

B. TITLE VI

OTHER COOPERATION AREAS

5. In Article 47.2(c) (Cooperation on drugs and combating organised crime), “the European Monitoring Centre for Drugs and Drug Addiction,” shall not be incorporated into this Agreement.

6. In Article 47.2(g):

(a) “equivalent” shall be replaced by “comparable”; and

(b) “and in accordance with the Agreement between the Republic of Chile and the European Community on the prevention of the diversion of precursors and chemical substances frequently used in the illicit manufacture of narcotic drugs or psychotropic substances of 24 November 1998” shall not be incorporated into this Agreement.

C. TITLE VII

GENERAL PROVISIONS

7. After Article 48(c) (Participation of civil society in cooperation), insert as a new paragraph:

“In this Article and Article 53, references to financial resources shall be understood to cover a range of forms of such resources and means by which such resources may be provided, including resources provided through multilateral and regional organisations.”

8. Article 53.2 (Resources) shall not be incorporated into this Agreement.

9. In Article 54.2(c) (Specific tasks of the Association Committee in cooperation matters), “, on the multiannual indicative programmes, which shall contain a description of sectoral priorities, specific objectives, expected results and indicative amounts, and annual action programmes” shall not be incorporated into this Agreement.

SECTION 3

MODIFICATIONS TO PART IV (TRADE AND TRADE-RELATED MATTERS)

A. TITLE I

GENERAL PROVISIONS

1. In Article 56.2 (Customs unions and free trade areas), “In particular, in the event of accession, such consultation shall take place so as to ensure that account can be taken of the mutual interests of the Parties.” shall not be incorporated into this Agreement.

B. TITLE II

FREE MOVEMENT OF GOODS

2. Article 74 (Evolution clause) shall be replaced by:

“Within two years of the entry into force of this Agreement, the Parties shall review the situation, taking account of the pattern of trade in agricultural products and processed agricultural products between the Parties, in particular the usage of the tariff concessions established in Annexes I and II of this Agreement, and noting the particular sensitivities of such products and the development of agricultural policy on both sides. The Parties shall examine, in the Association Committee, product by product and on an orderly and appropriate reciprocal basis, the opportunities for granting each other further concessions with a view to improving liberalisation of trade in agricultural and processed agricultural products.”

3. In Article 79.5 (Customs and related trade matters), “to the Framework Cooperation Agreement” shall be replaced by “, as incorporated into and modified by this Agreement”.

C. TITLE VII

COMPETITION

4. Article 173.2(a) (Definitions) shall be replaced by “(a) for the United Kingdom, the Competition and Markets Authority; and”.

SECTION 4

MODIFICATIONS TO PART V (FINAL PROVISIONS)

1. Article 197 (Definition of the Parties) shall not be incorporated into this Agreement.
2. After Article 201.2 (Future developments), insert as a new paragraph:
 - “3. Notwithstanding paragraphs 1 and 2, the Parties shall within two years of the entry into force of this Agreement, and every two years thereafter, discuss how to enhance their trading relationship. The Parties’ consideration of how to enhance their trading relationship should include enhancements of the Parties’ rights and obligations and of specific market access commitments under this Agreement and may take into account other agreements signed by either Party with other partners.”
3. Article 205 (Authentic Texts) shall not be incorporated into this Agreement.

SECTION 5

MODIFICATIONS TO ANNEX I (UNITED KINGDOM’S TARIFF ELIMINATION SCHEDULE)

A. SECTION 1

(Tariff Quotas for Products under Category ‘TQ’)

1. The first paragraph, which commences “The following tariff concessions...”, shall be replaced by:
 - “1. The tariff concessions that shall apply as from the date of entry into force of this Agreement on an annual basis to imports into the United Kingdom of products originating in Chile shall be:
 - (a) for tariff concession ‘TQ(1a)’:
 - (i) if this Agreement enters into force before 30 June 2019, the concession referred to in paragraph 1(a) (Agricultural products);
or
 - (ii) if this Agreement enters into force after 30 June 2019, the concession referred to in paragraph 1(a) (Agricultural products), together with the applicable annual concession increase for each administration period after 30 June 2019 to the year of entry into force;

and

- (b) for all other tariff concessions:
 - (i) if this Agreement enters into force in 2019, the concessions referred to in paragraphs 1(b) (Agricultural products) to 5 (Fisheries products); or
 - (ii) if this Agreement enters into force after 2019, the concessions referred to in paragraphs 1(b) (Agricultural products) to 5 (Fisheries products), together with the applicable annual concession increases for each administration period after 2019 to the year of entry into force.

2. For each year the Agreement is in force, the administration period for tariff concessions applied under this Annex shall be :

- (a) for 'TQ(1a)' – 1 July to 30 June of the following year; and
- (b) for all other tariff concessions – 1 January to 31 December of the same year.

3. If this Agreement enters into force part-way through an administration period referred to in paragraph 2 above, the quantity of each applicable tariff concession shall be calculated, for that administration period, by multiplying the concession quantity applied under paragraph 1(a) or (b) above by a fraction, the numerator of which shall be the number of days remaining in the administration period on the date of entry into force, including the day on which the Agreement enters into force, and the denominator of which shall be the total number of days in the administration period.”

B. AGRICULTURAL PRODUCTS

2. In paragraph 1, “with an increase by 10% each year of the original quantity” shall not be incorporated into this Agreement.

3. In paragraph 1(a), “1 000” shall be replaced by “425”, and after ““TQ(1a)””, insert “, with an increase of 17 metric tonnes each year”.

4. In paragraph 1(b), “3 500” shall be replaced by “1 516”, and after ““TQ(1b)””, insert “, with an increase of 58 metric tonnes each year”.

5. In paragraph 1(c), “2 000” shall be replaced by “866”, and after ““TQ(1c)””, insert “, with an increase of 33 metric tonnes each year”.

6. In paragraph 1(d), “7 250” shall be replaced by “10 477”, and after ““TQ(1d)””, insert “, with an increase of 403 metric tonnes each year”.
7. In paragraph 1(e), “1 000” shall be replaced by “167”.
8. In paragraph 2, “and with an increase by 5% each year of the original quantity” shall not be incorporated into this Agreement.
9. In paragraph 2(a), “1 500” shall be replaced by “450”, and after ““TQ(2a)””, insert “, with an increase of 12 metric tonnes each year”.
10. In paragraph 2(b), “500” shall be replaced by “159”, and after ““TQ(2b)””, insert “, with an increase of 4 metric tonnes each year”.
11. In paragraph 2(c), “1 000” shall be replaced by “300”, and after ““TQ(2c)””, insert “, with an increase of 8 metric tonnes each year”.
12. In paragraph 2(d), “500” shall be replaced by “150”, and after ““TQ(2a)””, insert “, with an increase of 4 metric tonnes each year”.
13. In paragraph 2(e), “1 000” shall be replaced by “300”, and after ““TQ(2e)””, insert “, with an increase of 8 metric tonnes each year”.

C. PROCESSED AGRICULTURAL PRODUCTS

14. In paragraph 3(a), “400” shall be replaced by “67”.
15. In paragraph 3(b), “400” shall be replaced by “67”.
16. In paragraph 3(c), “500” shall be replaced by “83”.

D. FISHERIES PRODUCTS

17. In paragraph 4(a), “5 000” shall be replaced by “833”.
18. In paragraph 4(b), “40” shall be replaced by “7”.
19. In paragraph 5, “150” shall be replaced by “25”.

SECTION 6

MODIFICATIONS TO ANNEX II (CHILE’S TARIFF ELIMINATION SCHEDULE)

A. SECTION 1

(Tariff Quotas for Products under category ‘TQ’)

1. The first paragraph, which commences “The following tariff concessions...”, shall be replaced by:

“The tariff concessions that shall apply as from the date of entry into force of this Agreement on an annual basis to imports into Chile of products originating in the United Kingdom shall be:

- (a) if this Agreement enters into force in 2019, the concessions referred to in paragraphs 1 to 4 of Section 1; or
- (b) if this Agreement enters into force after 2019, the concessions referred to in paragraphs 1 to 4 of Section 1, together with the applicable annual concession increases for each administration period after 2019 to the year of entry into force.

The administration period for tariff concessions applied under this Annex shall be 1 January to 31 December for each year the Agreement is in force. If this Agreement enters into force part-way through an administration period, the quantity of each applicable tariff concession shall be calculated, for that administration period, by multiplying the concession quantity applicable under paragraph (a) or (b) by a fraction, the numerator of which shall be the number of days remaining in the administration period on the date of entry into force, including the day on which the Agreement enters into force, and the denominator of which shall be the total number of days in the administration period.”

B. AGRICULTURAL PRODUCTS

2. In paragraph 1, “1 500” shall be replaced by “450”, and “by 5% each year of the original quantity” shall be replaced by “of 12 metric tonnes each year”.

C. FISHERIES PRODUCTS

3. In paragraph 3(a), “5 000” shall be replaced by “833”.

4. In paragraph 3(b), “40” shall be replaced by “7”.

5. In paragraph 4, “150” shall be replaced by “25”.

SECTION 7

MODIFICATIONS TO ANNEX III

DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS AND METHODS OF ADMINISTRATIVE COOPERATION

A. TITLE I

GENERAL PROVISIONS

1. After Article 1(m) (Definitions), insert as a new paragraph:

“(n) 'value added' shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries or territories referred to in Article 3a with which cumulation is applicable or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in the United Kingdom or in Chile.”

B. TITLE II:

DEFINITION OF THE CONCEPT OF ‘ORIGINATING PRODUCTS’

2. After Article 3 (Bilateral cumulation of origin), insert as a new Article:

“Article 3a

Extended cumulation of origin

1. Without prejudice to the provisions of Article 2(1), materials originating in the European Union shall be considered as materials originating in the United Kingdom when incorporated into a product obtained in the United Kingdom, provided that the working or processing carried out there goes beyond the operations referred to in Article 6.
2. Without prejudice to the provisions of Article 2(2), materials originating in the European Union shall be considered as materials originating in Chile when incorporated into a product obtained in Chile, provided that the working or processing carried out there goes beyond the operations referred to in Article 6.
3. Without prejudice to the provisions of Article 2(1), working or processing carried out in the European Union shall be considered as having been carried out in the United Kingdom when the materials obtained undergo subsequent working or processing in the United Kingdom, which goes beyond the operations referred to in Article 6.

4. For cumulation provided in paragraphs 1 and 2, when the working or processing carried out in the United Kingdom or Chile does not go beyond the operations referred to in Article 6, the product obtained shall be considered as originating in the United Kingdom or Chile only when the value added there is greater than the value of the materials used originating in any one of the other countries or territories.

5. For cumulation provided in paragraph 3, when the working or processing carried out in the United Kingdom does not go beyond the operations referred to in Article 6, the product obtained shall be considered as originating in the United Kingdom only when the value added there is greater than the value added in any one of the other countries or territories.

6. The cumulation provided for in this Article will apply provided that:

- (a) the countries involved in the acquisition of the originating status and the country of destination have arrangements on administrative cooperation which ensure the correct implementation of this Article; and
- (b) materials and products have acquired originating status in application of the same rules of origin as provided in this Annex.”

3. The footnote, (1), to Article 4.1(f) (Wholly obtained products), which commences “As long as any transfer ...”, shall not be incorporated into this Agreement.

4. Articles 4.2 and 4.3 shall be replaced by:

“2. The terms ‘their vessels’ and ‘their factory ships’ in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in the United Kingdom or Chile; and
- (b) which sail under the flag of the United Kingdom or Chile.

3. In addition to the requirements laid down in paragraph 2, products obtained under paragraph 1(f) and (g) shall be considered as wholly obtained in the United Kingdom or Chile when ‘their vessels’ and ‘their factory ships’:

- (a) are owned:
 - (i) to an extent of at least 50 per cent by nationals of the United Kingdom, Member States of the European Union or Chile; or
 - (ii) by a partnership or limited company with its head office in the United Kingdom, one of the Member States of the European Union or Chile, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of

the members of such boards are nationals of the United Kingdom, Member States of the European Union or Chile, and of which at least half the capital belongs to those States or to public bodies or nationals of the said States; or

- (iii) by a company other than those referred to in (ii) with its head office in the United Kingdom, one of the Member States of the European Union or Chile, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are nationals of the United Kingdom, Member States of the European Union or Chile;

and

- (b) of which the master and at least 75 per cent of the crew, officers included, are nationals of the United Kingdom, a Member State of the European Union or Chile.”

C. TITLE III

TERRITORIAL REQUIREMENTS

5. In Articles 11.1 and 11.2 (Principle of territoriality), at the start of the first sentence, insert “Except as provided for in Article 3a”.

6. In Article 12.1 (Direct Transport), in the first sentence, after “and Chile”, insert “or through the territory of the European Union”.

7. After Article 12.2, insert as a new paragraph:

“3. This Article is without prejudice to Article 31.”

D. TITLE IV

DRAWBACK OR EXEMPTION

8. In Article 14.1 (Prohibition of drawback of, or exemption from, customs duties), in the first sentence, after the words “or in Chile”, insert “or in the European Union”.

E. TITLE V

PROOF OF ORIGIN

9. Article 17.4 (Movement certificate EUR.1 issued retrospectively) shall be replaced by:

“Movement certificates EUR 1 issued retrospectively shall be endorsed with one of the following phrases:

ES ‘EXPEDIDO A POSTERIORI’

EN ‘ISSUED RETROSPECTIVELY’”

10. Article 18.2 (Issue of a duplicate movement certificate EUR.1) shall be replaced by:

“The duplicate issued pursuant to paragraph 1 shall be endorsed with one of the following words:

ES ‘DUPLICADO’

EN ‘DUPLICATE’”

11. In Article 29.3 (Amounts expressed in euro), the second and third sentences shall be replaced by:

“The amounts shall be communicated by October 15th, and shall apply from January 1st, the following year. The Parties shall notify each other of the relevant amounts.”

F. TITLE VII

CEUTA AND MELILLA

12. In Article 36 (Application of this Annex), paragraphs 1 to 3 shall be replaced by:

“The term ‘European Union’ used in this Annex does not cover Ceuta and Melilla.”

13. Article 37 (Special conditions) shall not be incorporated into this Agreement.

G. APPENDIX IV

INVOICE DECLARATION

14. In Appendix IV (Invoice Declaration), the second sentence of footnote (2), which commences “When the invoice declaration relates...”, shall not be incorporated into this Agreement.

SECTION 8

MODIFICATIONS TO ANNEX IV

AGREEMENT ON SANITARY AND PHYTOSANITARY MEASURES APPLICABLE TO TRADE IN ANIMALS AND ANIMAL PRODUCTS, PLANTS, PLANT PRODUCTS AND OTHER GOODS AND ANIMAL WELFARE

1. In the preamble, “, as defined in Article 197 of the Association Agreement” shall not be incorporated into this Agreement.
2. Section A of Appendix II (Competent Authorities) shall be replaced by:

“A. Competent Authorities of the United Kingdom

The United Kingdom shall notify Chile of its competent authorities on the date of entry into force of this Agreement.”

SECTION 9

MODIFICATIONS TO ANNEX V (AGREEMENT ON TRADE IN WINES)

1. In Appendix I (Geographical Indications of Wines originating in the Community), geographical indications relating to parts of the European Union that are not the United Kingdom shall not be incorporated into this Agreement.
2. In Appendix III (List of Traditional Expressions of the Community), traditional expressions relating to parts of the European Union that are not the United Kingdom shall not be incorporated into this Agreement.

SECTION 10

MODIFICATIONS TO ANNEX VI (AGREEMENT ON TRADE IN SPIRIT DRINKS AND AROMATISED DRINKS)

1. In Article 3(a) (Definitions), at the end of the sentence, insert the following as a footnote:

“The designations Irish Whisky, Uisce Beatha Eireannach/Irish Whiskey and Irish Cream, listed in Appendix I, cover spirit drinks produced in the Republic of Ireland and Northern Ireland.”

2. Section A of Appendix I (Protected Designations for Spirit Drinks and Aromatised Drinks) shall be replaced by:

“A. List of protected designations of spirit drinks originating in the United Kingdom:

1. (a) Whisky Scotch Whisky
 Irish Whisky
 (The terms ‘malt’ or ‘grain’ may be added to these names)
- (b) Whiskey Irish Whiskey
 Uisce Beatha Eireannach/ Irish Whiskey
 (The term ‘Pot Still’ may be added to these names)
2. Liqueur Irish Cream”
3. In the heading to Section A of Appendix I, after “originating in the United Kingdom:”, insert the following as a footnote:
 “This list shall not prejudice any existing rights in relation to Ireland recognised by Chile with respect to Irish Whisky, Uisce Beatha Eireannach/ Irish Whiskey and Irish Cream.”
4. Section C (List of protected designations of aromatised drinks originating in the Community) of Appendix I shall not be incorporated into this Agreement.

SECTION 11

MODIFICATIONS TO ANNEX VII (SCHEDULE OF SPECIFIC COMMITMENTS ON SERVICES)

A. PART A: COMMUNITY’S SCHEDULE

1. In the Introductory Note:
 - (a) paragraphs 1 and 2 shall not be incorporated into this Agreement; and
 - (b) the first sentence of paragraph 3 shall not be incorporated into this Agreement.

B. HORIZONTAL COMMITMENTS

2. In the table of specific commitments, in the column specifying limitations on national treatment, for mode 3, in paragraph (a), the second sentence, which commences “However, this does not...”, shall not be incorporated into this Agreement.

3. In the table of specific commitments, in the column specifying the limitations on national treatment, for mode 4, the second paragraph, which commences “Community directives on mutual recognition...”, shall not be incorporated into this Agreement.

C. SECTOR-SPECIFIC COMMITMENTS

4. In the table of specific commitments, for sector "1. BUSINESS SERVICES", sub-sector "E. Rental/Leasing Services without Operations", sub sub-sector (b) “Relating to Aircraft”, in the column specifying the limitations on market access, for mode 2, “or elsewhere in the Community” shall not be incorporated into this Agreement.

5. In the table of specific commitments, for sector "10. TRANSPORT SERVICES", sub-sector "B. Internal Waterways Transport", in the columns specifying the limitations on market access and on national treatment, for modes 1 and 3, in the first paragraph, “(including agreements following the Rhine-Main-Danube link)” and “Regulations implementing the Mannheim Convention on Rhine Shipping” shall not be incorporated into this Agreement.

D. ATTACHMENT A

6. The Glossary, entitled “Terms used for individual Member States”, shall not be incorporated into this Agreement.

SECTION 12

MODIFICATIONS TO ANNEX VIII (SCHEDULE OF SPECIFIC COMMITMENTS ON FINANCIAL SERVICES)

A. PART A: INTRODUCTORY NOTE

1. Paragraph 1 shall not be incorporated into this Agreement.

2. In paragraph 2, the words “The following abbreviations are used to indicate the Member States:” and the list of abbreviations for the Member States of the European Union shall not be incorporated into this Agreement.

B. HORIZONTAL COMMITMENTS

3. In the table of specific commitments, in the column specifying limitations on national treatment, for mode 3, in paragraph (a), the second sentence, which

commences “However, this does not...”, shall not be incorporated into this Agreement.

4. In the table of specific commitments, in the column specifying limitations on national treatment, for mode 4, the second paragraph, which commences “Community directives on mutual recognition...”, shall not be incorporated into this Agreement.

C. SECTOR-SPECIFIC COMMITMENTS

5. The footnote to the heading “I. FINANCIAL SERVICES-SPECIFIC COMMITMENTS (first part)”, which commences “Unlike foreign subsidiaries, ...”, shall not be incorporated into this Agreement.

D. ADDITIONAL COMMITMENTS BY PART OF THE EC INSURANCE

6. Paragraphs (a) and (d) shall not be incorporated into this Agreement.

SECTION 13

MODIFICATIONS TO ANNEX X (SCHEDULE OF SPECIFIC COMMITMENTS ON ESTABLISHMENT)

A. PART A: INTRODUCTORY NOTE

1. Paragraph 1 shall not be incorporated into this Agreement.

2. In paragraph 2, the words “The following abbreviations are used to indicate the Member States:” and the list of abbreviations for the Member States of the European Union shall not be incorporated into this Agreement.

B. HORIZONTAL COMMITMENTS

3. In the table of specific commitments, in the column specifying limitations on national treatment to establishment, in paragraph (a), the second sentence, which commences “However, this does not...”, shall not be incorporated into this Agreement.

SECTION 14

MODIFICATIONS TO ANNEX XIII (GOVERNMENT PROCUREMENT)

A. APPENDIX 2 (MEANS OF PUBLICATION)

In Section 1 (Community), “Official Journal of the European Communities <http://simap.eu.int>” shall be replaced by:

“Upon entry into force of this Agreement, the United Kingdom shall notify Chile of its means of publication of notices referred to in Article 147 of this Agreement.”

SECTION 15

INCORPORATION OF THE PROTOCOL ON MUTUAL ADMINISTRATIVE ASSISTANCE IN CUSTOMS MATTERS

Notwithstanding Article 10.1 of this Instrument, the Protocol of 13 June 2001 on Mutual Administrative Assistance in Customs Matters between the European Community and the Republic of Chile shall be incorporated into this Agreement, *mutatis mutandis*, subject to the following:

- (a) in Article 13.1 (Implementation), “the competent services of the Commission of the European Communities and” shall not be incorporated;
- (b) in Article 14.1 (Other Agreements), the third indent shall not be incorporated; and
- (c) Article 14.2 shall be replaced by:

“Notwithstanding the provisions of paragraph 1, the provisions of this Protocol shall take precedence over the provisions of any bilateral agreement on mutual assistance which has been concluded between the Parties prior to the date of application of this Agreement.”

JOINT DECLARATIONS

In relation to the Agreement establishing an association between the United Kingdom of Great Britain and Northern Ireland and the Republic of Chile ('Agreement'), the undersigned herewith declare:

Joint declaration concerning Article 1 of Annex III

The United Kingdom and Chile recognise the important role of the authorities appointed to carry out the duties related to origin certification and verification as specified in Annex III, Titles V and VI of the Agreement, and as defined in Article 1(m).

Accordingly, and should the need arise to appoint another governmental authority, the United Kingdom and Chile agree to start formal consultation as soon as possible with a view to guaranteeing that the successor authority is in the position to perform efficiently all obligations laid down in that Annex.

Joint declaration concerning Article 4 of Annex III

The United Kingdom and Chile declare that the provisions of Annex III of the Agreement, and in particular those of Article 4, are without prejudice of the rights and obligations of both the United Kingdom and Chile under the United Nations Convention on the Law of the Sea (the 'UNCLOS').

The United Kingdom and Chile, as signatories of the UNCLOS, explicitly recall their recognition and acceptance of the sovereign rights of the coastal State for the purpose of exploring and exploiting, conserving and managing the natural resources of the economic exclusive zone, as well as its jurisdiction and other rights over this zone, as provided for in Article 56 of the UNCLOS and other relevant provisions of that Convention.

Joint declaration concerning Article 6 of Annex III

The United Kingdom and Chile agree to refer to the procedure laid down in Annex III, Article 38, of the Agreement with the view to re-examining, should the need arise, the list of operations considered as insufficient working or processing to confer the status of originating products referred to in Article 6(1) of that Annex.

Joint declaration concerning Articles 16 and 20 of Annex III

The United Kingdom and Chile agree to examine the opportunity to introduce other means of certification of the originating status of products, as well as the opportunity to make use of the electronic transmission of proofs of origin. When reference is made to manuscript signature, the United Kingdom and Chile agree to consider the opportunity to introduce forms of signature other than manuscript.

Joint declaration regarding trilateral approach to rules of origin

In advance of trade negotiations between the European Union and the United Kingdom, the United Kingdom and Chile recognise that a trilateral approach to rules of origin, involving the European Union, is the preferred outcome in trading arrangements between the United Kingdom and Chile, and the European Union. This approach would replicate coverage of existing trade flows, and allow for continued recognition of originating content, from either of the United Kingdom or Chile, and from the European Union, in exports to each other, as per the intention of the Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part. In this regard, the United Kingdom and Chile understand that any bilateral arrangement between them represents a first step towards this outcome.

In the event of an agreement between the United Kingdom and the European Union, the United Kingdom and Chile approve taking the necessary steps, as a matter of urgency, to update Annex III to the Agreement to reflect a trilateral approach to rules of origin, involving the European Union. The necessary steps will be taken in accordance with the procedures of the Association Committee contained in Annex III.

Joint Declaration regarding the Principality of Andorra

1. Products originating in the Principality of Andorra, meeting the conditions of Article 3a(6)(b) of Annex III of the Agreement, and falling within Chapters 25 to 97 of the Harmonised System shall be accepted by the United Kingdom and Chile as originating in the European Union within the meaning of Part IV, Title II, of the Agreement.

2. Annex III shall apply *mutatis mutandis* for the purpose of defining the originating status of the abovementioned products.

Joint Declaration regarding the Republic of San Marino

1. Products originating in the Republic of San Marino, meeting the conditions of Article 3a(6)(b) of Annex III of the Agreement, shall be accepted by the United Kingdom and Chile as originating in the European Union within the meaning of Part IV, Title II, of this Agreement.

2. Annex III shall apply *mutatis mutandis* for the purpose of defining the originating status of the abovementioned products.

Joint declaration related to the oenological practices

The United Kingdom and Chile recognise that good oenological practices, as referred to in Article 19 of Annex V (Agreement on trade in wines) of the Agreement, are the aggregate of processes, treatments and techniques for the production of wine, authorised by the legislation of each of the United Kingdom and Chile, whose aim is

to improve the quality of the wine, without losing its essential nature, and which keeps the authenticity of the product and safeguards the main characteristics of the grape harvest that gives them their typical features.

Joint declaration related to requirements in relation to the oenological practices and processes included in Annex V, Appendix V, at the date of entry into force of this agreement

The United Kingdom and Chile agree that, without prejudice to Article 26 of Annex V (Agreement on trade in wines) of the Agreement, the oenological practices and processes included in Appendix V of that Annex at the date of the entry into force of this Agreement meet the requirements set out in Article 19 of that Annex.

Joint declaration related to Article 24(1) of the TRIPs

The United Kingdom and Chile agree that the provisions of Annex V (Agreement on trade in wines), Title I, of the Agreement fulfil their respective obligations under Article 24(1) of the TRIPs as far as the individual terms referred to in Appendices I and II are concerned.

Joint declaration on the substitute name for ‘Champagne’ or ‘Champaña’

The United Kingdom and Chile agree that they have no objections to the use of the following names as a substitute for ‘Champagne’ or ‘Champaña’:

- Espumoso,
- Vino Espumoso,
- Espumante,
- Vino Espumante,
- Sparkling Wine,
- Vin Mousseux.

Joint declaration related to Article 24 (1) of the WTO TRIPs Agreement

The United Kingdom and Chile agree that the provisions of Annex VI, Title I, of the Agreement fulfil their respective obligations under Article 24(1) of the WTO TRIPs Agreement as far as the individual terms referred to in Appendix I of that Annex are concerned.

Joint declaration on Pisco

The United Kingdom will recognise the denomination of origin Pisco for the exclusive use of products originating in Chile. This shall in no way prejudice the rights that the United Kingdom may recognise in addition to Chile, exclusively to Peru.

Joint declaration concerning financial responsibility

The United Kingdom and Chile agree to work within the framework of the Agreement on the establishment of provisions regarding the issue of financial responsibility for unrecovered, reimbursed or remitted import duties following administrative errors.

Joint declaration concerning Article 189(3)

The United Kingdom and Chile commit themselves to agree on opening the panel proceeding to the public if and when that principle is applied in the WTO.

Joint declaration regarding Article 196

The United Kingdom and Chile agree that Article 196 of the Agreement includes the tax exception referred to in Article XIV GATS and its footnotes.

Joint declaration regarding the recognition of wine with appellation of origin of Chile

The United Kingdom agrees to recognise the wines from Chile with appellation of origin as wines 'VCPRD'.

Joint declaration regarding contact points

For three months after the Agreement coming into effect, the below bodies will endeavour to facilitate communications on matters related to the Agreement between the offices or officials of the United Kingdom, on the one hand, and Chile, on the other, responsible for those matters where a relevant body, contact point or competent authority has not been appointed, designated or otherwise notified under the Agreement:

— For the United Kingdom: Department for International Trade (DIT); and

— For Chile: General Directorate of International Economic Relations (DIRECON), or its successor.

Done in Duplicate at Santiago this Thirtieth day of January 2019 in the English and Spanish languages, both texts being equally authoritative.

**For the Government of the United
Kingdom of Great Britain and
Northern Ireland:**

JAMIE BOWDEN

For the Government of Chile:

ROBERTO AMPUERO

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