# PROTOCOL TO AMEND THE FREE TRADE AGREEMENT AND

# THE SUPPLEMENTARY AGREEMENT ON TRADE IN SERVICES OF THE FREE TRADE AGREEMENT

#### **BETWEEN**

# THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND

#### THE GOVERNMENT OF THE REPUBLIC OF CHILE

The Government of the People's Republic of China ("China") and the Government of the Republic of Chile ("Chile"), hereinafter referred to as "the Parties";

**RECALLING** the *Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Chile* (Free Trade Agreement) done at Pusan, Republic of Korea on November 18, 2005;

**RECALLING** the Supplementary Agreement on Trade in Services of the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Chile (Agreement on Trade in Services) done at Sanya, Hainan Province, China on April 13, 2008;

**RECALLING** the Memorandum of Understanding between the Ministry of Commerce of the People's Republic of China and the Ministry of Foreign Affairs of the Republic of Chile on Launching the Enhancement Negotiation for China-Chile Free Trade Agreement done at Santiago, Chile on November 22, 2016;

**DESIRING** to improve the Free Trade Agreement and the Agreement on Trade in Services to better respond to the evolving global economic architecture through reaffirmation of the commitment, and to deepen economic linkages between China and Chile through enhancing the liberalisation of trade in goods, trade in services, rules of origin, customs procedures and trade facilitation, economic and technical cooperation and rules;

**MINDFUL** that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development;

**CONFIDENT** that an enhancement of the Free Trade Agreement and the Agreement on Trade in Services would contribute to increasing the depth and expanding the scope of cooperation and promoting trade and investment among the Parties; and

**PURSUANT** to Article 117 of the Free Trade Agreement and Article 20 of the Agreement on Trade in Services;

### HAVE AGREED AS FOLLOWS:

# NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS<sup>1</sup>

#### **Article 1: Tariff Elimination**

1. Article 8(2) of Chapter III (National Treatment and Market Access for Goods) of the Free Trade Agreement shall be deleted and substituted entirely by a new Article 8(2) as set out below:

"Except as otherwise provided in this Protocol, each Party shall progressively eliminate its customs duties on originating goods of the other Party in accordance with its tariff elimination schedule (Schedule), as set out in Annex 1-A of this Protocol."

2. Article 8(3) of Chapter III (National Treatment and Market Access for Goods) of the Free Trade Agreement shall be deleted and substituted entirely by a new Article 8(3) as set out below:

"If a Party reduces its applied most favored nation import customs duty rate (except for the interim duty rate referred in Article 4 and 9 of Regulation on Import and Export Tariff of the People's Republic of China) after the entry into force of this Protocol and before the end of the tariff elimination period, the Schedule of that Party shall apply to the reduced rate."

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<sup>&</sup>lt;sup>1</sup> For greater certainty, the provisions of Chapter III (National Treatment and Market Access for Goods) of the Free Trade Agreement that are not substituted by this Protocol shall remain in force.

#### RULES OF ORIGIN<sup>2</sup>

#### **Article 2: Definitions**

For the purposes of this Chapter:

**authorised body** means the authority that, according to the legislation of each Party, is responsible for the issuing of the Certificate of Origin and which may designate or delegate this responsibility into other entities or bodies. In the case of Chile, the authorised body is the General Directorate of International Economic Affairs:

**CIF** means the value of the good imported, inclusive of the cost of freight and insurance up to the port or place of entry into the country of importation;

**Customs Valuation Agreement** means the *Agreement on Implementation of Article VII of the GATT 1994*, which is part of the WTO Agreement;

**FOB** means the value of the good free on board, independent of the means of transportation, at the port or site of final shipment abroad;

generally accepted accounting principles means the recognised consensus or substantial authoritative support in the territory of a Party, with respect to the recording of revenues, expenses, costs, assets and liabilities; the disclosure of information; and the preparation of financial statements. These standards may encompass broad guidelines of general application, as well as detailed standards, practices and procedures;

**material** means any matter or substance used in the production of a good and physically incorporated into that good;

**originating material** means a material that qualifies as originating in accordance with this Chapter;

producer means a person who engages in the production of a good; and

**production** means methods of obtaining goods, including growing, raising, mining, harvesting, fishing, farming, trapping, hunting, capturing, gathering, collecting, breeding, extracting, manufacturing, processing or assembling.

<sup>&</sup>lt;sup>2</sup> For greater certainty, this Chapter with its annexes shall replace Chapter IV (Rules of Origin) and Chapter V (Procedures Related to Rules of Origin), including Annex 3 (Product Specific Rules), Annex 4 (Certificate of Origin), Annex 5 (Competent Governmental Authorities of Chile) and Annex 6 (Model Of Certificate And Verification Networking System On Certificate Of Origin (CVNSCO)) of the Free Trade Agreement.

#### **Article 3: Originating Goods**

For the purposes of this Protocol, a good shall be regarded as originating in China or in Chile when:

- (a) the good is wholly obtained or produced entirely in the territory of one Party, within the meaning of Article 4;
- (b) the good is produced entirely in the territory of one Party, exclusively from originating materials whose origin is in conformity with the provisions of this Chapter; or
- (c) the good is produced in the territory of one Party using nonoriginating materials that are in conformity with a regional value content not less than 40%, except for the goods listed in the Annex 2-A, which must comply with the requirements specified therein,

and goods meet the other applicable requirements of this Chapter.

#### **Article 4: Wholly Obtained Goods**

For the purposes of Article 3 (a), the following goods shall be regarded as wholly obtained or produced in the territory of one Party:

- (a) mineral products extracted from the soil or from the seabed;
- (b) plants and plants products harvested there;
- (c) live animals, born and raised there;
- (d) goods obtained from live animals raised there;
- (e) goods obtained by hunting, trapping, aquaculture or fishing conducted there;
- (f) goods of sea fishing and other products obtained from the territorial sea of that Party;
- (g) goods of sea fishing and other products obtained from outside the territorial sea of a Party by a vessel registered or recorded with that Party and flying its flag there, provided that such Party has the right to exploit such waters in accordance with international law and domestic law of that Party;
- (h) goods manufactured on board a factory vessel registered or recorded in a Party and flying the flag of that Party, exclusively from products referred to in subparagraph (f) and subparagraph (g);

- (i) used goods consumed and collected there, provided that such products can no longer perform their original purpose nor are capable of being restored or repaired, and fit only for the recovery of raw materials;
- (j) waste and scrap resulting from manufacturing operations conducted there provided that such waste and scrap can no longer perform their original purpose nor are capable of being restored or repaired, and are fit only for the recovery of raw materials;
- (k) goods extracted from the seabed or beneath the seabed outside the territorial sea of a Party, provided that such Party has the right to exploit such seabed and beneath the seabed in accordance with international law and domestic law of that Party; and
- (l) goods manufactured there exclusively from products specified in subparagraphs (a) through (k).

#### **Article 5: Change in Tariff Classification**

A change in tariff classification requirement under Annex 2-A requires that the non-originating materials used in the production of the goods undergo a change of tariff classification as a result of that production in the territory of one Party.

#### **Article 6: Regional Value Content (RVC)**

1. The regional value content of a good shall be calculated on the basis of the following method:

$$RVC = \frac{(V - VNM)}{V} X100$$

where:

**RVC** is the regional value content, expressed as a percentage;

**V** is the value of the good, as determined in accordance with the provisions of the Customs Valuation Agreement, adjusted on an FOB basis; and

**VNM** means the value, as defined in the Customs Valuation Agreement, of the non-originating materials, adjusted on a CIF basis, except as provided in paragraph 3.

- 2. The value of the non-originating materials used by the producer in the production of a good shall not include, for purposes of calculating the RVC of the good, pursuant to paragraph 1, the value of non-originating materials used to produce originating materials that are subsequently used in the production of the good.
- 3. In case of the non-originating materials obtained in a Party, VNM shall be the earliest ascertainable price paid or payable for the non-originating materials used in the production of the goods in that Party. The value of such non-originating materials shall not include freight, insurance, packing costs and any other costs incurred in transporting the material from the supplier's warehouse to the producer's location.

# **Article 7: Minimal Operations**

- 1. The following operations shall be considered as insufficient working or processing to confer the status of originating goods:
  - (a) preserving operations to ensure that the goods remain in good condition during transport and storage;
  - (b) breaking-up and assembly of packages;
  - (c) simple assembly of parts of products to constitute a complete good or disassembly of products into parts;
  - (d) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
  - (e) ironing or pressing of textiles;
  - (f) simple painting and polishing operations;
  - (g) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
  - (h) operations to color sugar or form sugar lumps;
  - (i) peeling, stoning and shelling, of fruits, nuts and vegetables;
  - (j) sharpening, simple grinding or simple cutting;
  - (k) sifting, screening, sorting, classifying, grading, matching, (including the making-up of sets of articles);
  - (l) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards, and all other simple packaging operations;

- (m) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (n) simple mixing of products, whether or not of different kinds;
- (o) operations whose sole purpose is to ease port handling;
- (p) a combination of two or more operations specified in subparagraphs (a) to (o); and
- (q) slaughter of animals.

#### 2. For the purposes of this Article:

**simple** generally describes activities which need neither special skills nor special machines, apparatus or equipment specially produced or installed for carrying out the activity; and

**simple mixing** generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction.

#### **Article 8: Accumulation**

Where originating goods or materials of a Party are incorporated into a good in the other Party's territory, the goods or materials so incorporated shall be regarded to be originating in the latter's territory.

#### **Article 9: De Minimis**

A good that does not meet tariff classification change requirements, pursuant to the provisions of Annex 2-A, shall nonetheless be considered to be an originating good, if:

- (a) the value of all non-originating materials determined pursuant to Article 6, including materials of undetermined origin, that do not meet the tariff classification change requirement does not exceed 10% of the FOB value of the given good; and
- (b) the good meets all the other applicable criteria of this Chapter.

#### **Article 10: Sets**

- 1. Sets, as defined in General Rule 3 for the Interpretation of the Harmonized System, shall be regarded as originating when all the components of the set are originating.
- 2. Nevertheless, when a set is composed of originating and non-originating goods, the set as a whole shall be regarded as originating, provided that the value of the non-originating goods as determined in accordance with Article 6, does not exceed 15 percent of the FOB value of the set.

#### **Article 11: Accessories, Spare Parts and Tools**

- 1. Accessories, spare parts, or tools presented with the good upon importation shall be disregarded when determining the origin of the good, provided that:
  - (a) the accessories, spare parts, or tools are classified with and not invoiced separately from the good; and
  - (b) the quantities and the value of said accessories, spare parts, or tools are the normal ones for the good.
- 2. Where the goods are subject to a regional value content requirement, the value of the accessories, spare parts or tools described in paragraph 1 shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating the regional value content of the goods.

#### **Article 12: Fungible Materials**

- 1. The determination of whether fungible materials are originating materials shall be made either by physical separation of each of the materials or by the use of an inventory management method recognised in the generally accepted accounting principles of the exporting Party.
- 2. The inventory management method selected under paragraph 1 for a particular fungible material shall continue to be used for that material throughout the fiscal year.
- 3. Fungible materials means materials which are interchangeable for commercial purposes, whose properties are essentially identical, and between which it is impractical to differentiate by a mere visual examination.

#### **Article 13: Packing Materials and Containers**

- 1. Packing materials and containers used for the transport of goods shall not be taken into account in determining the origin of the goods.
- 2. Packaging materials and containers in which a good is packaged for retail sale shall, if classified with the good, be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification in the product specific rules of origin. However, if the good is subject to a regional value content requirement, the value of the packaging materials and containers used for retail sale shall be taken into account as originating materials or non-originating materials, as the case may be, when determining the origin of the good.

#### **Article 14: Neutral Elements**

- 1. In order to determine whether a good is originating, the origin of the neutral elements defined in paragraph 2 shall not be taken into account.
- 2. Neutral elements mean articles used in the production of a good which are, not physically incorporated into it, neither form part of it, including:
  - (a) fuel, energy, catalysts and solvents;
  - (b) equipment, devices, and supplies used for testing or inspecting the goods;
  - (c) gloves, glasses, footwear, clothing, safety equipment and supplies;
  - (d) tools, dies and molds;
  - (e) spare parts and materials used in the maintenance of equipment and buildings;
  - (f) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings; and
  - (g) 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.

#### **Article 15: Direct Consignment**

1. An originating good shall be eligible for preferential tariff treatment under this Protocol if it meets the requirements established in this Chapter and is directly consigned from the exporting Party to the importing Party.

- 2. Notwithstanding paragraph 1, an originating good transported through one or more non-parties, with or without trans-shipment or temporary storage in such non-parties, shall be considered as directly consigned, provided that:
  - (a) the good remains under customs control in those non-parties;
  - (b) the good does not undergo any operation there other than unloading and reloading, repacking, re-labelling for the purposes of satisfying the requirements of the importing Party, temporary storage or any operation required to keep it in good conditions; and
  - (c) in cases where the good is temporarily stored in the territory of one or more non-parties, as provided in paragraph 2, stay of the good in those non- parties shall not exceed 12 months from the date of entry.
- 3. Consignments of originating good may be split up in non-parties for further transport, subject to the fulfilment of the conditions listed in paragraph 2.
- 4. The customs authority of the importing Party may require the importer to submit documentary evidence to confirm compliance with the conditions listed in paragraph 2, such as contractual transport documents, bills of lading, warehouse documents or any evidence related to the good itself.

### **Article 16: Certificate of Origin**

- 1. A Certificate of Origin, which when used independently, comprehends both written and electronic versions, shall be issued by an authorised body of the exporting Party in written or electronic form.
- 2. Each Party shall inform the other Party of the names and addresses of the authorised bodies issuing the Certificates of Origin and shall provide specimen impressions of seals or other security features used by such authorised bodies. Any change in names, addresses, official seals or other security features shall be promptly notified to the customs authority of the other Party.
- 3. A Certificate of Origin shall be issued in the exporting Party before or at the time of shipment when the goods have been determined to be originating in accordance with the provisions of this Chapter. The exporter or producer shall submit an application for the Certificate of Origin together with appropriate supporting documents proving that the goods qualify as originating.
- 4. The written Certificate of Origin, based on the template in Annex 2-B, shall be duly signed and stamped. The electronic Certificate of Origin shall contain all the information listed in Annex 2-B, unless the Parties otherwise agree.

- 5. The Certificate of Origin shall be completed in the English language and shall be applicable to one or more goods under one consignment.
- 6. A Certificate of Origin shall remain valid for 12 months from the date of issue.
- 7. If a Certificate of Origin has not been issued before or at the time of shipment due to force majeure, involuntary errors, omissions or other valid causes, a Certificate of Origin may be issued retrospectively but no later than one year from the date of shipment, bearing the words "ISSUED RETROACTIVELY".
- 8. In cases of theft, loss or accidental destruction of a Certificate of Origin, the exporter or producer may make a written request to the authorised body that issued the original certificate for a certified copy. The certified copy shall bear the words "CERTIFIED COPY of the original Certificate of Origin number \_\_\_\_ dated \_\_\_\_". The certified copy shall have the original period of validity as the original Certificate of Origin.
- 9. The exporter or producer to whom a Certificate of Origin has been issued in the exporting Party, shall notify in writing to the authorised body of the exporting Party without delay when such exporter or producer knows that such good does not qualify as an originating good of the exporting Party.
- 10. The authorised body shall carry out proper examination in accordance with the laws and regulations of the exporting Party upon each application for the Certificate of Origin to ensure that:
  - (a) the Certificate of Origin is duly completed;
  - (b) the origin of the good is in conformity with the provisions of this Protocol; and
  - (c) other statements on the Certificate of Origin correspond to the appropriate supporting documentary evidence submitted.

#### Article 17: Claim for Preferential Tariff Treatment

- 1. For the purposes of preferential tariff treatment for goods that qualify as originating according to this Chapter, the importer shall:
  - (a) make a claim for preferential tariff treatment before or at the time of importation, either by written or electronic means, or otherwise as provided by the laws and regulations of the importing Party;
  - (b) possess a valid copy of Certificate of Origin for the imported good;

- (c) submit, if required by the importing customs authority, such documentation relating to the importation of the good; and
- (d) submit, if required by the importing customs authority, evidence to prove that the consignment requirements specified in Article 15 have been met.
- 2. If the importer who claims preferential tariff treatment for goods imported from the other Party has reasons to believe that the Certificate of Origin on which a declaration was based contains information that is not correct, he shall promptly notify the customs authority of the importing Party about these reasons and pay any owing duties.

#### **Article 18: Refund of Deposit**

Each Party shall provide that, where an originating good was imported, the importer may, no later than one year after the date of importation, or any longer period if provided for by the importing Party in its laws and regulations, apply for refund of any excess duties, deposit, or guarantee paid as a result of the good not having been accorded preferential tariff treatment, upon presentation of:

- (a) a written declaration at the time of importation or later according to the laws and regulations of the importing Party, that the good presented qualifies for preferential treatment;
- (b) the Certificate of Origin; and
- (c) other documentation relating to the importation of the good as the customs authority of the importing Party may require.

#### Article 19: Waiver of Certificate of Origin

- 1. For the purposes of preferential tariff treatment under this Chapter, each Party shall provide that a Certificate of Origin shall not be required for:
  - (a) any consignment of originating goods of a customs value not exceeding 1,000 US Dollar or its equivalent amount in the currency of the importing Party, or such higher amount as each Party may establish; or
  - (b) other originating goods as provided for in the laws and regulations of the importing Party.

2. Waivers provided for in paragraph 1 shall not be applicable when it is established by the customs authority of the importing Party that the importation concerned forms part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purposes of avoiding the submission of a Certificate of Origin.

#### **Article 20: Non-Party Invoice**

The importing Party shall not reject a Certificate of Origin only for the reason that the invoice was issued in a non-Party, provided that the requirements under this Chapter are complied with.

#### **Article 21: Amendments to Certificates of Origin**

Neither erasures nor superimpositions shall be permitted on any written Certificate of Origin. Any amendment to a written Certificate of Origin shall be made by striking out the erroneous information and making any addition which might be required. Any such alterations shall be affixed with the official seal used by the authorised body which issued the written Certificate of Origin.

### **Article 22: Preservation of Certificate of Origin and Supporting Documents**

- 1. For the purposes of Article 23, each Party shall provide that the producer, exporter, and importer to keep a copy of the Certificate of Origin, as the case may be, and any other supporting document sufficient to determine the origin of the goods as defined in this Chapter for 3 years.
- 2. The exporting Party shall provide that the authorised body shall keep a copy of Certificates of Origin for 3 years.
- 3. All documents identified in paragraph 1 and paragraph 2 may be maintained in paper or electronic form according to the domestic laws and regulations of each Party.

#### **Article 23: Verification of Origin**

- 1. For the purposes of verifying the authenticity or validity of the Certificate of Origin or determining whether goods imported qualify as originating goods or both, the importing customs authority may conduct a verification of origin process, by means of:
  - (a) written requests to the exporting Party for information related to origin of the goods; or

- (b) written requests to the exporting Party to verify the validity of the Certificate of Origin.
- 2. The customs authority of the importing Party requesting a verification of origin shall specify the reasons, and provide any documents and information justifying the verification.
- 3. The verification of origin shall be carried out by the exporting Party. For this purpose, they shall have the rights to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
- 4. The exporting Party to whom a request for verification is made under paragraph 1, shall confirm the reception of the request, and respond to the verification request within six months from the date of the receipt of the request.
- 5. The request of information in accordance with paragraph 1 (a) shall not preclude the use of the verification visit provided for in Article 24.
- 6. Where the customs authority of the importing Party determines that it has been certified more than once falsely that a good qualifies as originating, the customs authority of the importing Party may suspend preferential tariff treatment to identical goods imported by the same importer, until it demonstrates that it has complied with the provisions under this Protocol.
- 7. All the information requested, supporting documents, and all other related information regarding this Article may be exchanged electronically between the customs authorities of the Parties, the importer, exporter, producer or authorised bodies.

#### **Article 24: Verification Visit**

- 1. The customs authority of the importing Party may:
  - (a) request to conduct a visit, whereby it shall deliver a written communication with such request to the exporting Party at least 30 days in advance of the proposed date of the visit, the receipt of which is to be confirmed by the exporting Party; and
  - (b) request to the exporting Party to provide information relating to the origin of the good in its possession during the visit pursuant to subparagraph (a).
- 2. The communication referred to in paragraph 1 shall include:
  - (a) the division of the customs authority issuing the communication;

- (b) the exporter whose premises are requested to be visited;
- (c) the proposed date and place of the visit;
- (d) the objective and scope of the proposed visit, including specific reference to the good subject to the verification, referred to in the Certificate of Origin, the Certificate of Origin or a copy of it; and
- (e) the names and titles of the officials of the customs authority of the importing Party that intent to be present during the visit.
- 3. The exporting Party shall respond in writing to the customs authority of the importing Party, within 30 days of the receipt of the communication referred to in paragraph 1.
- 4. For the compliance of subparagraph 1 (a), the exporting Party shall collect and provide information relating to the origin of a good and check, for these purposes, the facilities used in the production of the good, through a visit with the customs authority of the importing Party to the premises of the exporter to whom the Certificate of Origin has been issued.
- 5. The exporting Party shall provide information within 45 days, or in any other mutually agreed period from the last day of the visit, to the customs authority of the importing Party pursuant to paragraph 1.

#### **Article 25: Denial of Preferential Tariff Treatment**

The customs authority of the importing Party may deny preferential tariff treatment to a good when:

- (a) the good not qualify as originating;
- (b) the importer, exporter or producer fails to comply with any relevant requirements of this Chapter;
- (c) the Certificate of Origin does not meet the requirements of this Chapter;
- (d) the exporting Party fails to comply with the requirements of the Article 23 or Article 24;
- (e) the information provided to the importing Party pursuant to Article 23 and Article 24, is not sufficient to prove that the good qualifies as originating good of the exporting Party; or
- (f) in the event that preferential tariff treatment is denied, the customs authority of the importing Party shall provide to the exporter or

importer, as the case may be, the reasons for that decision in writing as expeditiously as possible.

#### **Article 26: Penalties**

Penalties for the infringement of the provisions of this Chapter shall be imposed in accordance with the laws and regulations of each Party.

#### **Article 27: Confidentiality**

- 1. The Parties shall maintain, in accordance with their laws and regulations, the confidentiality of confidential business information acquired pursuant to this Chapter and shall protect that information from disclosure that could prejudice the competitive position of the person who provided the information. Any violation of the confidentiality shall be treated in accordance with the laws and regulations of each Party.
- 2. This information may only be disclosed to customs and revenue authorities, or in the context of judicial proceedings.

### **Article 28: Committee on Rules of Origin**

- 1. The Parties, with the view to an effective implementation and operation of this Chapter, hereby establish a Committee on Rules of Origin (Committee on ROO), which shall report to the Free Trade Commission.
- 2. The Committee on ROO shall be composed by representatives from the competent governmental authorities of the Parties.
- 3. The functions of the Committee on ROO shall be as follows:
  - (a) keeping Annex 2-A updated on the basis of the transposition of the Harmonized System; and
  - (b) reviewing the implementation and operation of this Chapter and addressing any technical issues related to the implementation of this Chapter and its annexes, such as change in tariff classification, regional value content calculation, etc.; and enhancing the cooperation in this regard.
- 4. The Committee on ROO shall meet at such venues and times as the Parties may agree.

# Article 29: Electronic Origin Data Exchange System and Electronic Certificate of Origin

- 1. Both Parties shall develop an Electronic Origin Data Exchange System to ensure the effective and efficient implementation of this Chapter in a manner jointly determined by the Parties.
- 2. The technical solution of electronic origin data exchange system shall be agreed by the relevant authorities.
- 3. The technical aspects of the electronic certificate of origin shall be addressed by the Committee on ROO. The Parties may agree on additional conditions for the application of this Article.

#### **Article 30: Minor Discrepancies**

- 1. If the origin of an imported good is not in doubt, minor transcription errors in a Certificate of Origin or discrepancies in documentation, or the absence of overleaf instructions in a Certificate of Origin, shall not render the Certificate of Origin invalid if it does in fact correspond to the good. However, this does not prevent the customs authority of the importing Party from initiating a verification process in accordance with Article 23 and Article 24, respectively.
- 2. For multiple goods declared under the same Certificate of Origin, minor discrepancies encountered with one of the goods listed shall not affect the granting of preferential tariff treatment and customs clearance of the remaining goods listed in the Certificate of Origin.

#### **Article 31: Acceptance of Copies**

Each Party shall, where appropriate, endeavor to accept paper or electronic copies of the Certificate of Origin and the supporting documents required for imported goods.

#### **Article 32: Transitional Provision for Goods in Transit**

The customs authority of the importing Party shall grant preferential treatment for an originating good of the exporting Party which is in the process of being transported from the exporting Party to the importing Party on the date of entry into force of this Protocol.

# CUSTOMS PROCEDURES AND TRADE FACILITATION<sup>3</sup>

#### **Article 33: Definitions**

For the purposes of this Chapter:

#### customs administration means:

- (a) for China, the General Administration of Customs of the People's Republic of China; and
- (b) for Chile, the National Customs Service;

**customs law** means the statutory and regulatory provisions relating to the importation, exportation, movement or storage of goods, the administration and enforcement of which are specifically charged to the customs administration, and any regulations made by the customs administration under their statutory powers;

**customs procedures** means the treatment applied by each customs administration to goods and the means of transport that are subject to customs control;

**Customs Valuation Agreement** means the *Agreement on Implementation of Article VII of the GATT 1994*, which is a part of the WTO Agreement; and

**means of transport** means various types of vessels, vehicles and aircrafts which enter or leave the territory carrying persons and/or goods.

#### **Article 34: Scope and Objectives**

- 1. This Chapter shall apply, in accordance with the international obligations and customs law of the Parties, to customs procedures applied to goods traded between the Parties and to the movement of means of transport between the Parties.
- 2. For the purposes of this Chapter, the Parties shall:
  - (a) promote the simplification and harmonization of their customs procedures;
  - (b) facilitate trade between them; and
  - (c) promote cooperation between their customs administrations, within the scope of this Chapter.

<sup>&</sup>lt;sup>3</sup> For greater certainty, this Chapter shall constitute an integral part of the Free Trade Agreement.

#### **Article 35: Facilitation**

- 1. Each Party shall ensure that its customs procedures and practices are predictable, consistent, transparent and trade facilitating.
- 2. Customs procedures of each Party shall, where possible and to the extent permitted by their respective customs law, conform with the trade-related instruments of the World Customs Organization (WCO) to which that Party is a contracting party, including those of the International Convention on the Simplification and Harmonization of Customs Procedures, as amended, known as the Revised Kyoto Convention.
- 3. The customs administrations of the Parties shall facilitate the clearance, including release of goods in administering their procedures.
- 4. Each Party shall endeavour to provide a focal point, electronic or otherwise, through which its traders may submit, where possible, required regulatory information in order to obtain clearance, including release of goods.

#### **Article 36: Customs Valuation**

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of GATT 1994 and the Customs Valuation Agreement.

#### **Article 37: Tariff Classification**

The Parties shall apply the International Convention on the Harmonized Commodity Description and Coding System to goods traded between them.

#### **Article 38: Customs Cooperation**

To the extent permitted by the laws and regulations of the Parties, the customs administrations of the Parties shall assist each other, in relation to:

- (a) the implementation and operation of this Chapter and the Agreement Between the Government of the People's Republic of China and the Government of Republic of Chile Concerning Co-Operation and Mutual Administrative Assistance in Customs Matters; and
- (b) such other issues as the Parties mutually determine.

#### **Article 39: Review and Appeal**

Each Party shall, in accordance with its laws and regulations, provide that the importer, exporter or any other person affected by that administrative rulings, determinations or decisions, have access to:

- (a) a level of administrative review of determinations by its customs authorities, independent of the official or office responsible for the decision under review; and
- (b) judicial review of the administrative determinations subject to its laws and regulations.

#### **Article 40: Advance Rulings**

- 1. Customs administration of each Party shall, upon written request of an importer in its territory<sup>4</sup>, issue written advance rulings prior to the importation of a good into its territory, on the basis of the facts and circumstances provided by the requester, including a detailed description of the information required to process a request for an advance ruling, concerning:
  - (a) tariff classification; or
  - (b) whether a good qualifies as an originating good under the provisions established in this Protocol.
- 2. The customs administrations shall issue advance rulings after receiving a written request, provided that the requester has submitted all necessary information. The issuance of advance ruling on determination of origin of a good shall be made within 150 days of the receipt of the request.
- 3. Each Party shall provide that advance rulings shall be in force from their date of issuance, or such other date specified by the ruling, for at least one year, provided that the facts or circumstances on which the advance ruling is based remain unchanged.
- 4. The customs administrations issuing the advance ruling may modify or revoke an advance ruling where facts or circumstances prove that the information on which the advance ruling is based is false or inaccurate.
- 5. Where an importer claims that the treatment accorded to an imported good should be governed by an advance ruling, the customs administrations may evaluate whether the facts and circumstances of the importation are consistent with the facts and circumstances upon which the advance ruling was based.

<sup>&</sup>lt;sup>4</sup> For China, the applicant of an advance ruling on tariff classification shall be registered with China Customs. For Chile, the applicant for an advance ruling does not need to be registered and the advance ruling can be applied by an importer, exporter or producer.

- 6. Each Party shall make its advance rulings publicly available, subject to confidentiality requirements in its domestic laws and regulations, for purposes of promoting the consistent application of advance rulings to other goods.
- 7. If a requester provides false information or omits relevant circumstances or facts in its request for an advance ruling, or does not act in accordance with the terms and conditions of the ruling, the importing Party may apply appropriate measures to the requester, including civil, criminal, and administrative actions, penalties, or other sanctions in accordance with its laws and regulations.

#### **Article 41: Use of Automated Systems**

The customs administrations shall endeavour to use information technology to support customs operations, including sharing best practices for the purpose of improving their customs procedures, where it is cost-effective and efficient, particularly in the paperless trading context, taking into account developments within the World Customs Organization in this area.

#### **Article 42: Risk Management**

- 1. Each customs administration shall focus measures of control on high-risk goods and facilitate the clearance of low-risk goods in administering customs procedures.
- 2. Each customs administration shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination or disguised restrictions on international trade.

#### **Article 43: Transparency**

- 1. Each Party shall promptly publish, including on the Internet, its laws, regulations, and where applicable, administrative rules or procedures, of general application relevant to trade in goods between the Parties.
- 2. Each Party shall designate one or more enquiry points to address enquiries from interested persons on customs matters, and shall make available on the Internet information concerning procedures for making such enquiries.
- 3. To the extent practicable and in a manner consistent with its domestic law and legal system, each Party shall publish, in advance on the Internet, draft laws and regulations of general application relevant to trade between the Parties, with a view to affording the public, especially interested persons, an opportunity to provide comments.

4. To the extent practicable and in a manner consistent with its domestic law and legal system, each Party shall ensure that a reasonable interval is provided between the publication and the entry into force of new or amended laws and regulations of general application relevant to trade between the Parties.

#### **Article 44: Release of Goods**

- 1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties. This paragraph shall not require a Party to release a good where its requirements for release have not been met.
- 2. In accordance with paragraph 1, each Party shall adopt or maintain procedures that:
  - (a) provide for the release of goods as rapidly as possible after arrival, provided all other regulatory requirements have been met; and
  - (b) as appropriate, provide for advance electronic submission and processing of information before the physical arrival of goods with a view to expediting the release of goods.
- 3. Each Party shall, provided that all regulatory requirements have been met, endeavour to adopt and maintain a procedure for the release of perishable goods<sup>5</sup> in order to permit prompt customs clearance.

#### **Article 45: Authorized Economic Operator**

- 1. The customs administrations of the Parties shall endeavour to establish the program of Authorized Economic Operators (AEO) to promote informed compliance and efficiency of customs control, and to share best practices between the Parties.
- 2. The customs administrations of the Parties shall endeavour to work towards mutual recognition of AEO.

#### **Article 46: Penalties**

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Each Party shall, in accordance with its laws and regulations, adopt or maintain measures that provide for the imposition of civil or administrative penalties and, where appropriate, criminal penalties for violations of customs laws relating to this Chapter.

<sup>&</sup>lt;sup>5</sup> For the purposes of this provision, perishable goods are goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.

#### **Article 47: Confidentiality**

The customs administration of each Party shall use the information received in accordance with this Chapter only for the purposes for which the information was given, and shall not disclose any such information.

#### **Article 48: Consultation**

- 1. The customs administration of each Party may at any time request consultations with the customs administration of the other Party on any matter arising from the operation or implementation of this Chapter, in cases where there are reasonable grounds provided by the requesting Party. Such consultations shall be conducted through the relevant contact points, and shall take place within 45 days of the request, unless the customs administrations of both Parties mutually determine otherwise.
- 2. In the event that such consultations fail to resolve any such matter, the requesting Party may refer the matter to the Committee on Customs Procedures and Trade Facilitation set forth on Article 49 of this Chapter for consideration.
- 3. Each customs administration shall designate one or more contact points for the purposes of this Chapter and provide details of such contact points to the other Party. Customs administrations of the Parties shall notify each other promptly of any amendments to the details of their contact points.

#### **Article 49: Committee on Customs Procedures and Trade Facilitation**

- 1. The Parties, with the view to an effective implementation and operation of this Chapter, hereby establish a Committee on Customs Procedures and Trade Facilitation (Committee on CPTF).
- 2. The Committee on CPTF shall be composed by representatives from Customs administrations, and upon mutual agreement, relevant government authorities of the Parties.
- 3. The functions of the Committee on CPTF shall be as follows:
  - (a) ensure the proper functioning of this Chapter and resolve all issues arising from its application;
  - (b) review the operation and implementation of this Chapter, as well revise this Chapter as appropriate;
  - (c) identify areas related to this Chapter to be improved for facilitating trade between the Parties;

- (d) exchange information on customs strategic development of each Party to strengthen the cooperation between the Parties; and
- (e) make recommendations and report to the Free Trade Commission.
- 4. The Committee on CPTF shall meet at such venues and times as agreed by the Parties.

#### ELECTRONIC COMMERCE<sup>6</sup>

#### **Article 50: Definitions**

For the purposes of this Chapter:

**digital certificates** are electronic documents or files that are issued or otherwise linked to a party, to an electronic communication or transaction, for the purposes of establishing the party's identity;

**electronic authentication** means the process or act of providing authenticity and reliability verification for the parties involved in electronic signature, to ensure integrity and security of electronic communication or transaction;

**electronic signature** means data in electronic form that is in, affixed to, or logically associated with a data message, which may be used to identify the signatory in relation to the data message and to indicate the approval of the signatory of the information contained in the data message. Data message means information generated, sent, received or stored by electronic, optical or similar means;

**electronic version of a document** means a document in electronic format prescribed by a Party, including a document sent by facsimile transmission;

**personal data** means information about an individual whose identity is apparent, or can reasonably be ascertained, from the information; and

**trade administration documents** means forms issued or controlled by a Party which must be completed by or for an importer or exporter in relation to the import or export of goods.

#### **Article 51: General Provisions**

- 1. The Parties recognise the economic growth and opportunities provided by electronic commerce, and the importance of avoiding unnecessary barriers to its use and development consistent with this Protocol.
- 2. The purposes of this Chapter are to promote electronic commerce between the Parties and the wider use of electronic commerce globally.

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<sup>&</sup>lt;sup>6</sup> For greater certainty, this Chapter shall constitute an integral part of the Free Trade Agreement.

3. The Parties shall, in principle, endeavour to ensure that bilateral trade in electronic commerce shall be no more restricted than comparable non-electronic bilateral trade.

#### **Article 52: Domestic Electronic Transactions Framework**

- 1. Each Party shall adopt or maintain measures regulating electronic transactions based on the following principles:
  - (a) a transaction including a contract shall not be denied legal effect, validity or enforceability solely on the grounds that it is in the form of an electronic communication; and
  - (b) Parties should not arbitrarily discriminate between different forms of electronic transactions.
- 2. Nothing in paragraph 1 prevents a Party from making exceptions in its domestic law to the general principles outlined in paragraph 1.
- 3. Each Party shall:
  - (a) minimise the regulatory burden on electronic commerce; and
  - (b) ensure that regulatory frameworks support development of electronic commerce.

#### **Article 53: Electronic Authentication and Electronic Signatures**

- 1. No Party may adopt or maintain legislation for electronic signature that would deny the legal validity of a signature solely on the basis that the signature is in electronic form.
- 2. Each Party shall maintain domestic legislation for electronic signature that permits:
  - (a) parties to electronic transaction to mutually determine the appropriate electronic signature and authentication method unless there is a domestic or international legal requirement to the contrary; and
  - (b) electronic authentication agencies to have the opportunity to prove before judicial or administrative authorities a claim that their electronic authentication to electronic transaction complies with legal requirements with respect to electronic authentication.

- 3. Each Party shall work towards the mutual recognition of digital certificates and electronic signatures.
- 4. Each Party shall encourage the use of digital certificates in the business sector.

#### **Article 54: Online Consumer Protection**

Each Party shall, to the extent possible and in a manner considered appropriate, adopt or maintain measures which provide protection for consumers using electronic commerce that is at least equivalent to measures which provide protection for consumers of other forms of commerce.

#### **Article 55: Online Personal Data Protection**

Recognizing the importance of protecting personal information in electronic commerce, each Party shall adopt or maintain domestic laws and other measures which ensure the protection of the personal information of the users of electronic commerce.

### **Article 56: Paperless Trading**

- 1. Each Party shall endeavour to accept electronic versions of trade administration documents used by the other Party as the legal equivalent of paper documents, except where:
  - (a) there is a domestic or international legal requirement to the contrary; or
  - (b) doing so would reduce the effectiveness of the trade administration process.
- 2. Each Party may require electronic signature for particular certificates following the international standards to ensure the safety of trade process.
- 3. Each Party shall work towards developing a single window to government incorporating relevant international standards for the conduct of trade administration, recognising that each Party will have its own unique requirements and conditions.

#### **Article 57: Cooperation**

- 1. The Parties shall encourage cooperation in research and training activities that would enhance the development of electronic commerce, including by sharing best practices on electronic commerce development.
- 2. The Parties shall encourage cooperative activities to promote electronic commerce, including those that would improve the effectiveness and efficiency of electronic commerce.
- 3. The cooperative activities referred to in paragraphs 1 and 2 may include, but are not limited to:
  - (a) sharing best practices about regulatory frameworks;
  - (b) sharing best practices about on-line consumer protection, including unsolicited commercial electronic messages;
  - (c) working together to assist small and medium enterprises to overcome obstacles to the use of electronic commerce; and
  - (d) further areas as agreed between the Parties.
- 4. The Parties shall endeavour to undertake forms of cooperation that build on and do not duplicate existing cooperation initiatives pursued in international forums.

## **Article 58: Non-Application of Dispute Settlement**

No Party shall have the recourse to Chapter X (Dispute Settlement) of the Free Trade Agreement for any matter arising under Article 52, Article 53, Article 54, Article 55 and Article 56 of this Chapter.

#### COMPETITION<sup>7</sup>

#### **Article 59: Definitions**

For the purposes of this Chapter:

**anticompetitive business conduct** means business conducts or transactions that adversely affect competition in the territory of a Party, such as:

- (a) agreements between enterprises, decisions by associations of enterprises and concerted practices, which have as their object or effect the prevention, restriction or distortion of competition in the territory of either Party as a whole or in a substantial part thereof;
- (b) any abuse by one or more enterprises of a dominant position in the territory of either Party as a whole or in a substantial part thereof; or
- (c) concentrations between enterprises, which significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position in the territory of either Party as a whole or in a substantial part thereof; and

#### **competition laws** means:

- (a) for China, the Antimonopoly Law and its implementing regulations and amendments; and
- (b) for Chile, Decree Law N° 211 of 1973 and its implementing regulations, as well as any amendments thereof.

#### **Article 60: Objectives**

Each Party understands that proscribing anticompetitive business conduct, implementing competition policies and cooperating on competition issues, contribute to prevent the benefits of trade liberalization from being undermined and to promote trade and investment, economic efficiency and consumer welfare.

<sup>&</sup>lt;sup>7</sup> For greater certainty, this Chapter shall constitute an integral part of the Free Trade Agreement.

#### **Article 61: Competition Laws and Authorities**

- 1. Each Party shall maintain or adopt competition laws that promote and protect the competitive process in its market by proscribing anticompetitive business practices.
- 2. Each Party shall maintain an authority or authorities responsible for the enforcement of its national competition laws.

#### **Article 62: Principles in Law Enforcement**

- 1. Each Party shall be consistent with the principles of transparency, non-discrimination, and procedural fairness in its competition law enforcement.
- 2. Each Party shall treat persons who are not persons of that Party no less favourably than persons of that Party in like circumstances in the competition law enforcement.
- 3. Each Party shall ensure that before it imposes administrative punishment or restrictive conditions against a person for violation of its national competition laws, it affords that person the reasonable opportunity to present opinion or evidence in its defence.
- 4. Each Party shall provide a person that is subject to the imposition of administrative punishment or restrictive conditions for violation of its national competition laws with the opportunity to apply for administrative or judicial reconsideration and/or initiate administrative or judicial litigation under the laws of that Party.

# **Article 63: Transparency**

- 1. Each Party shall make public its competition laws and regulations, including procedural rules for the investigation.
- 2. Each Party shall ensure that all final administrative decisions finding a violation of its national competition laws are in written form and set out any relevant findings of fact and legal basis on which the decision is based.
- 3. Each Party shall make public the decisions and any orders implementing them in accordance with its national competition laws and regulations. Each Party shall ensure that the version of the decisions or orders that the Party makes available to the public do not include business confidential information that is protected from public disclosure by its national law.

#### **Article 64: Cooperation in Law Enforcement**

- 1. The Parties recognise the importance of cooperation and coordination in the field of competition, to promote effective competition law enforcement. Accordingly, each Party shall cooperate through exchange of non-confidential information and experience, consultations and technical cooperation.
- 2. The Parties agree to cooperate in a manner compatible with their respective laws, regulations and important interests, and within their reasonably available resources.

#### **Article 65: Technical Cooperation**

The Parties may promote technical cooperation, including exchange of experiences, capacity building through training programs, workshops and research collaborations for the purposes of enhancing each Party's capacity related to competition policy and law enforcement.

#### **Article 66: Consultations**

To foster understanding between the Parties, or to address specific matters that arise under this Chapter, each Party shall, on request of the other Party, enter into consultations regarding representations made by the other Party. In its request, the Party shall indicate, if relevant, how the matter affects trade or investment between the Parties.

### **Article 67: Independence of Competition Law Enforcement**

This Chapter shall not affect the independence of each Party in enforcing its respective competition laws.

#### **Article 68: Dispute Settlement**

No Party shall have the recourse to Chapter X (Dispute Settlement) of the Free Trade Agreement for any matter arising under this Chapter.

#### ENVIRONMENT AND TRADE<sup>8</sup>

### **Article 69: Objectives**

- 1. The Parties recall the Stockholm Declaration on the Human Environment of 1972, the Rio Declaration on Environment and Development of 1992, Agenda 21 on Environment and Development of 1992, the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Rio+20 Outcome Document "The Future We Want" of 2012 and the 2030 Agenda for Sustainable Development.
- 2. The Parties recognise that economic development, social development and environmental protection are interdependent and mutually supportive components of sustainable development. The Parties underline the benefits of cooperation on environmental issues as part of a global approach to sustainable development.

#### **Article 70: Level of Protection**

- 1. The Parties reaffirm each Party's sovereign right to establish its own levels of environmental protection and its own environmental development priorities and to adopt or modify its environmental laws and policies.
- 2. Each Party shall seek to ensure that its environmental laws and policies provide for, and encourage high levels of environmental protection, and shall strive to continue to improve its respective levels of environmental protection.

#### **Article 71: Enforcement of Environmental Laws and Regulations**

- 1. A Party shall not fail to effectively enforce its environmental laws and regulations, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties.
- 2. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in their environmental laws and regulations. Accordingly, neither Party shall waive or otherwise derogate from such laws and regulations in a manner that weakens or reduces the protections afforded in those laws and regulations.
- 3. The Parties agree that environmental laws and regulations shall not be used for trade protectionist purposes.

<sup>&</sup>lt;sup>8</sup> For greater certainty, this Chapter shall constitute an integral part of the Free Trade Agreement.

4. Nothing in this Chapter shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of the other Party.

# **Article 72: Multilateral Environmental Agreements**

- 1. The Parties recognise that multilateral environmental agreements (MEAs) play an important role globally and domestically in protecting the environment. Accordingly, the Parties reaffirm their commitments to the effective implementation in their laws and practices of the MEAs to which both Parties are party.
- 2. The Parties agree to dialogue and cooperate, as appropriate, with respect to environmental issues of mutual interest related to MEAs to which they are parties, in particular on trade-related issues with a view to strengthening the cooperation between them.

#### **Article 73: Review of Environmental Impact**

The Parties shall endeavour to review the impact of the implementation of the Free Trade Agreement, its existing supplementary agreements and this Protocol on environment, at appropriate time after the entry into force of this Protocol, through their respective participative processes and institutions.

### **Article 74: Cooperation**

Recognising the importance of cooperation in the field of environment in achieving the goals of sustainable development, the Parties commit to building on the existing bilateral agreements and to further strengthening cooperative activities in areas of common interest, as appropriate, in particular trade related environmental issues in manners that the Parties deem appropriate.

#### **Article 75: Institutional Arrangements**

- 1. With a view to facilitating the implementation of this Chapter and the related communications, the following contact points are designated:
  - (a) For China: The Ministry of Commerce (MOFCOM); and
  - (b) For Chile: The General Directorate for International Economic Affairs of Ministry of Foreign Affairs or its successor.

2. A Party may, through the contact points referred to in paragraph 1, request consultations within the Free Trade Commission regarding any matter arising under this Chapter. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter.

# **Article 76: Non-Application of Dispute Settlement**

No Party shall have the recourse to Chapter X (Dispute Settlement) of the Free Trade Agreement for any matter arising under this Chapter.

#### ECONOMIC AND TECHNICAL COOPERATION9

#### **Article 77: Agriculture Cooperation**

The Parties agree to effectively implement the Five-Year Plan to Upgrade China-Chile Agricultural Cooperation (2017-2021) and its subsequent extensions signed by the Ministries of Agriculture from both countries, and to deepen cooperation in agricultural science and technology, among other in areas of dry land farming and water-saving technology, animal and plant disease prevention and control, agricultural education and China-Chile Demonstration Farm Construction.

#### **Article 78: Protection of Rights and Interests of Financial Consumers**

- 1. The Parties agree to strengthen cooperation on the protection of rights and interests of financial consumers. The Parties shall endeavour to protect the legitimate rights and interests of citizens of the Parties in their travelling in the other Party as consumers of products and services.
- 2. The Parties shall cooperate on matters of education, promotion and protection of financial consumer's rights.
- 3. The Parties agree to enhance cooperation in the protection of personal financial information.

#### Article 79: Cross-border Payment Cooperation on Supervisory Issues

The Parties agree to strengthen cooperation on cross-border payment supervision and seek to set up a supervision cooperation mechanism and an information sharing mechanism, consistent with the cooperation framework established in accordance with Chapter XIII (Cooperation) of the Free Trade Agreement and with the respective laws and regulations of each Party.

#### **Article 80: Global Value Chains**

The Parties shall establish cooperation at:

<sup>9</sup> For greater certainty, this Chapter shall constitute an integral part of Chapter XIII (Cooperation) of the Free Trade Agreement.

- (a) exchanging knowledge and exploring trade policy strategies aimed at deepening the integration of Chile and China into global value chains;
- (b) sharing knowledge and experiences on the interaction of trade policy with other public policies in the development of strategies for the engagement in global value chains, aiming at long-term economic development for both Parties; and
- (c) strengthening cooperation in the calculation of Trade in Value Added (TiVA) within the framework of the work of APEC.

#### **Article 81: Government Procurement**

- 1. The Parties, recognising the importance of government procurement in their respective economies, shall endeavour to promote cooperative activities between the Parties in the field of government procurement.
- 2. The Parties shall publish their laws, or otherwise make publicly available their laws, regulations and administrative rulings of general application as well as their respective international agreements that may affect their procurement markets.
- 3. (a) The Parties shall, at the national level, subject to their respective laws and regulations, exchange information on their respective laws and regulations on government procurement.
  - (b) The exchange of information under paragraph 3(a) shall be facilitated through the following contact points:
    - (i) for China, the Ministry of Finance; and
    - (ii) for Chile, the General Directorate of International Economic Affairs of the Ministry of Foreign Affairs or its successor.
- 4. The Parties agree to commence negotiations on government procurement as soon as possible, following completion of negotiations on the accession of China to the WTO Agreement on Government Procurement, with a view to concluding, on a reciprocal basis, an agreement on government procurement between the Parties.

# TRADE IN SERVICES<sup>10</sup>

# **Article 82: Schedules of Specific Commitments**

The Schedules of Specific Commitments referred to in Article 4 of the Agreement on Trade in Services shall be replaced by the enhanced Schedules of Specific Commitments of each Party, which shall substitute the Annex II of the Agreement on Trade in Services, and are hereby annexed as Annex 8-A to this Protocol.

<sup>&</sup>lt;sup>10</sup> For greater certainty, the provisions of the Agreement on Trade in Services that are not substituted by this Protocol shall remain in force.

### FINAL PROVISIONS

#### **Article 83: Annexes and Footnotes**

The annexes and footnotes to this Protocol constitute an integral part thereof.

#### **Article 84: Amendment**

This Protocol may be amended by agreement in writing by the Parties and such amendment shall come into force on such date as may be agreed between the Parties.

#### **Article 85: Entry into Force and Termination**

- 1. The entry into force of this Protocol is subject to the completion of necessary domestic legal procedures by each Party.
- 2. This Protocol shall enter into force 60 days after the date on which the Parties exchange written notification that such procedures have been completed or after such other period as the Parties may agree.
- 3. This Protocol is valid within the validity period of the Free Trade Agreement and the Agreement on Trade in Services.

#### **Article 86: Authentic Texts**

This Protocol shall be done in Chinese, Spanish and English. The three texts of this Protocol are equally authentic. In the event of divergence, the English text shall prevail.

**IN WITNESS WHEREOF**, the undersigned being duly authorised by their respective Governments, have signed this Protocol.

**DONE** at Da Nang, Vietnam, in duplicate, this tenth day of November in the year two thousand and seventeen.

For the Government of the People's For the Government of the Republic of Republic of China: Chile:

**ZHONG SHAN**Minister of Commerce

**HERALDO MUÑ OZ**Minister of Foreign Affairs