

**Chapter [ ]**

**National Treatment and Market Access for Goods**

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## National Treatment and Market Access for Goods

### X.1 [EU: Objective]

The Parties progressively and reciprocally liberalize trade in goods over a transitional period starting from the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994.]

### X.2 Scope [US: and Coverage]

[US: Except as otherwise provided in this Agreement, this] [EU: This] Chapter applies to trade in goods [US: of a Party] [EU: between the Parties].

### X.3. National Treatment

1. Each Party shall accord national treatment to the goods of [US: another] [EU: the other] Party in accordance with Article III of GATT 1994, including its Notes and Supplementary Provisions. To this end, Article III of GATT 1994, including its Notes and Supplementary Provisions, is incorporated into and made part of this Agreement, mutatis mutandis.

2. [US: The treatment to be accorded by a Party under paragraph 1 means, with respect to a regional level of government, treatment no less favorable than the most favorable treatment that a regional level of government accords to any like, directly competitive, or substitutable goods, as the case may be, of the Party of which it forms a part.

3. Paragraphs 1 and 2 shall not apply to measures set out in Annex X-A.]

### X.4. [EU: Classification of Goods]

The classification of goods in trade between Parties shall be governed by each Party's respective tariff nomenclature in conformity with the Harmonized Commodity Description and Coding System 2012 ("HS 2012") and its amendments.]

### X.5. [EU: Reduction and] Elimination of Customs Duties [EU: on Imports]

1. [EU: Upon the entry into force of the] Except as otherwise provided in this Agreement, [EU: neither Party may] [US: no Party shall] increase any existing customs duty, or [US: adopt] [EU: introduce] any new customs duty [US: , ] on [EU: the importation of a good originating in the other Party] [US: an originating good].

[EU: This shall not preclude either Party from raising] [US: For greater certainty, a Party may:

(a) raise] a customs duty to the level established in its Schedule [US: to Annex X-B] following a unilateral reduction [EU: ,] [US: ; or

(b) maintain or increase a customs duty as authorized under Article 22 of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes by the Dispute Settlement Body of the WTO].

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2. [US: Except as otherwise provided in this Agreement, each Party shall progressively] [EU: Each party shall reduce and] eliminate its customs duties [EU: <sup>1</sup>] on [US: originating] [EU: imported] goods [EU: originating<sup>2</sup> in the other Party] in accordance with [US: its Schedule to Annex X-B] [EU: the schedules set out in the Annexes [...] and [...] (hereinafter referred to as “the Schedules”)].

3. (a) [US: Upon the request of a Party,] [EU: Three years after the entry into force of this Agreement, at the request of either Party,] the Parties shall consult to consider accelerating [EU: and broadening the scope of the reduction and] [US: the] elimination of customs duties [US: set out in their Schedules to Annex X-B] [EU: on imports].

(b) [US: An agreement] [EU: A decision] by the Parties [EU: (within the ... Committee) on such acceleration and broadening] [US: to accelerate the elimination of a customs duty on a good] shall supersede any duty rate or staging category determined pursuant to their Schedules [US: to Annex X-B] for that good [US: when approved by each Party in accordance with its applicable legal procedures].

4. [EU: If at any moment a Party reduces its applied most favored nation customs duty rates on imports after the date on entry into force of this Agreement, that duty rate shall apply if and for as long as it is lower than the customs duty rate on imports calculated in accordance with that Party's Schedule.]

[US: For greater certainty, no Party shall prohibit an importer from claiming for an originating good the rate of customs duty applied under the WTO Agreement.]

### X.6. [US: Waiver of Customs Duties]

1. No Party shall adopt any new waiver of customs duties, or expand with respect to existing recipients or extend to any new recipient the application of an existing waiver of customs duties, where the waiver is conditioned, explicitly or implicitly, on the fulfillment of a performance requirement.

2. No Party shall, explicitly or implicitly, condition on the fulfillment of a performance requirement the continuation of any existing waiver of customs duties.]

### X.7. [US: Temporary Admission of Goods]

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:

(a) professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;

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1 [See Definitions.]

2 [See Definitions.]

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(b) goods intended for display or demonstration, including their competent parts, ancillary apparatus, and accessories;

(c) commercial samples and advertising films and recordings; and

(d) goods admitted for sports purposes.

2. No Party shall condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that the good:

(a) be used solely by or under the personal supervision of a national or resident of a Party in the exercise of the business activity, trade, profession, or sport of that person;

(b) not be sold or leased while in its territory;

(c) be accompanied by a security in an amount no greater than the charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;

(d) be capable of identification when exported;

(e) be exported on the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within one year, unless extended;

(f) be admitted in no greater quantity than is reasonable for its intended use; and

(g) be otherwise admissible into the Party's territory under its law.

3. Each Party, at the request of the person concerned, and if its customs authority considers the reasons for that request to be valid, shall extend the time limit for temporary admission beyond the period initially fixed.

4. Each Party shall grant duty-free temporary admission for containers and pallets regardless of their origin, in use or to be used in the shipment of merchandise or goods in international traffic.

5. If any condition that a Party imposes under paragraph 2 has not been fulfilled, that Party may apply the customs duty and any other charge that would normally be owed on the good plus any other charges or penalties provided for under its law.

6. Each party shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that when such a good accompanies a national or resident of another Party who is seeking temporary entry, the good shall be releasable simultaneously with the entry of that national or resident.

7. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than the port through which it was admitted.

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8. Each Party shall provide that the importer or other persons responsible for a good admitted under this Article shall not be liable for failure to export the good upon presentation of satisfactory proof to the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension,

9. Subject to Chapter [...] (Investment) and [...] (Cross-Border Trade in Services):

a) each Party shall allow a container used in international traffic that enters its territory from the territory of another Party to exit its territory on any route that is reasonably related to the economic and prompt departure of such container;

b) no Party shall require any security or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a container;

c) no Party shall condition the release of any obligation, including any security, that it imposes in respect of the entry of a container into its territory on the container's exit through any particular port of departure; and

d) no Party shall require that the carrier bringing a container from the territory of another Party into its territory be the same carrier that takes the container out of the Party's territory.]

### **X.8. Goods Re-entered After Repair [US: or Alteration]**

1. [EU: For the purposes of this Article, repair means any processing operation undertaken on goods to remedy operating defects or material damage and entailing the re-establishment of goods to their original function or to ensure their compliance with technical requirements for their use, without which the goods could no longer be used in the normal way for the purposes for which it was intended. Repair of goods includes restoring and maintenance.]

[US: For purposes of this Article, repair or alteration does] [EU: It shall] not include an operation or process that [EU: either]:

(a) destroys [US: a good's] [EU: the] essential characteristics [EU: of goods] or creates [US: a] new or commercially different good [EU:s,] [US: ;] or

(b) transforms [US: an] unfinished good [EU: s] into [US: a] finished [US: good.] [EU: goods, or

(c) is used to improve the technical performance of goods.]

2. [EU: Except as otherwise provided in Annex X.13, a Party shall not] [US: No Party shall] apply [US: a] customs duty to [US: a] good [EU: s], regardless of [US: its] [EU: their] origin, that re-enter [US: s] its territory after [US: that good has] [EU: those goods have] been temporarily exported from its territory to the territory of [EU: the other] [US: another] Party for repair [US: or alteration], regardless of whether such repair [US: or alteration has increased the value of the good or could be performed in the territory of the Party from which the good was exported for repair or alteration] [EU: could be performed in the territory of the Party from which the goods were temporarily exported for repair].

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3. [EU: Paragraph 2 does not apply to goods imported in bond, into free trade zones, or zones of similar status, that are exported for repair and are not re-imported in bond, into free trade zones, or zones of similar status.]

4. [US: No Party shall] [EU: A Party shall not] apply [US: a] customs duty to [US: a] good [EU: s], regardless of [US: its] [EU: their] origin, [US: admitted] [EU: imported] temporarily from the territory of [US: another] [EU: the other] Party for repair [US: or alteration].

### **X.9. [US: Duty-Free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials**

Each Party shall grant duty-free entry to commercial samples of negligible value, and to printed advertising materials, imported from the territory of another Party, regardless of their origin, but may require that:

(a) the samples be imported solely for the solicitation of orders for goods or services provided from the territory of another Party or of a non-Party; or

(b) the advertising materials be imported in packets that each contain no more than one copy of each such material and that neither the materials nor the packets form part of a larger consignment.]

### **X.10. Import and Export Restrictions**

1. [EU: Article XI of the GATT 1994 and its Notes and Supplementary Provisions are incorporated into and made a part of this Agreement, *mutatis mutandis*.

2. Before taking any measures provided for in Articles XI.2 (a) and (c) of the GATT 1994, the Party intending to take measures shall supply the other Party with all relevant information, with a view to seeking a solution acceptable to the Parties. The Parties may agree on any means needed to put an end to the difficulties. If no agreement is reached within 30 days, the exporting Party may apply measures under this Article on the exportation of the product concerned, without prejudice to the dispute settlement provisions of this Agreement. Where exceptional and critical circumstances requiring immediate action make prior information or examination impossible, the Party intending to take the measures may apply forthwith the precautionary measures necessary to deal with the situation and shall inform the other Party immediately thereof.]

3. [US: Except as otherwise provided in this Agreement, no Party shall adopt or maintain any prohibition or restriction on the importation of any good of another Party or on the exportation or sale for export of any good destined for the territory of another Party, except in accordance with Article XI of the GATT 1994 and its Notes and Supplementary Provisions incorporated into and made a part of this Agreement, *mutatis mutandis*.

4. The Parties understand that the GATT 1994 rights and obligations incorporated by paragraph 3 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:

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- (a) export or import price requirements, except as permitted in enforcement of anti-dumping and countervailing duty orders or price undertakings;
- (b) import licensing conditioned on the fulfillment of a performance requirement; or
- (c) voluntary export restraints inconsistent with Article VI of the GATT 1994, as implemented under Article 18 of the SCM Agreement and Article 8.1 of the AD Agreement.

5. Paragraphs 3 and 4 shall not apply to the measures set out in Annex X-A.

6. For greater certainty, paragraph 3 applies to any good implementing or incorporating cryptography, where the good is not designated or modified specifically for government use and is sold or otherwise made available to the public.

7. In the event that a Party adopts or maintains a prohibition or restriction on the importation from or exportation to a non-Party of a good, no provision of this Agreement shall be construed to prevent that Party from:

- (a) limiting or prohibiting the importation of the good of the non-Party from territory of another Party; or
- (b) requiring, as a condition for exporting the good to territory of another Party, that the good not be re-exported to the non-Party, directly or indirectly, without being consumed in the territory of the other Party.

8. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, the Parties, on the request of a Party, shall consult with a view to avoiding undue interference with or distortion of pricing, marketing, or distribution arrangements in the other Party.

9. No Party shall as a condition for engaging in importation generally, or for the importation of a particular good, require a person of another Party to establish or maintain a contractual or other relationship with a distributor in its territory.

10. For greater certainty, paragraph 9 does not prevent a Party from requiring that a person referred to in that paragraph designate a point of contact for the purpose of facilitating communications between its regulatory authorities and that person.]

### **X.11. [US: Re-manufactured Goods**

1. For greater certainty, paragraph 3 of Article X.10 (Import and Export Restrictions) applies prohibitions and restrictions on re-manufactured goods.

2. If a Party adopts or maintains prohibitions or restrictions on used goods, it shall not apply those measures to re-manufactured goods.<sup>3]</sup>

3 [US: For greater certainty, subject to its obligations under this Agreement and the relevant WTO Agreements, a Party may require that re-manufactured goods:

- (a) be identified as such for distribution or sale in its territory; and

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### X.12. Import [EU: and Export] Licensing

1. [EU: The Parties affirm their existing rights and obligations under the WTO Agreement on Import Licensing Procedures.

2. The Parties shall ensure that all import and export licensing procedures are neutral in application, and administered in a fair, equitable, non-discriminatory and transparent manner.

3. The Parties shall only adopt or maintain licensing procedures as a condition for importation into their territory or exportation from their territory to the other Party when other appropriate procedures to achieve an administrative purpose are not reasonably available.

4. The Parties shall not adopt or maintain non-automatic import or export licensing procedures unless such procedures are necessary to implement a measure that is consistent with this Agreement. Any Party adopting a non-automatic licensing procedure shall indicate clearly the measure being implemented through such a licensing procedure.

5. The Parties shall introduce and administer any import licensing procedures in accordance with Articles 1 to 3 of the WTO Agreement on Import Licensing Procedures.

6. Any Party introducing licensing procedures or changes in these procedures shall proceed in accordance with Article 5 of the WTO Agreement on Import Licensing Procedures.

7. Upon request of the other Party, each Party shall promptly provide any relevant information regarding any licensing procedures which the Party to which the request is addressed intends to adopt or has adopted or maintained, including the information indicated in paragraph 5.]

8. [US: Promptly after this Agreement enters into force, each Party shall notify another party of its existing import licensing procedures, if any. The notification shall:

(a) include the information specified in Article 5.2 of the Import Licensing Agreement; and

(b) be without prejudice as to whether the import licensing procedure is consistent with this Agreement.

9. A Party shall be deemed to be in compliance with paragraph 8 if:

(a) it has notified that procedure to the Committee on Import Licensing provided for in Article 4 of the Import Licensing Agreement, together with the information specified in Article 5.2 of the agreement; and

(b) in the most recent annual submission due before entry into force of this Agreement for that Party to the Committee on Import Licensing in response to the annual questionnaire on import licensing procedures described in Article 7.3 of the Import Licensing Agreement, it has provided, with respect to that procedure the information requested in that questionnaire.

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(b) meet all applicable technical requirements that apply to equivalent goods in new condition.]



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10. A Party shall publish on an official government Internet website any new or modified import licensing procedure, including any information that it is required to publish under Article 1.4(a) of the Import Licensing Agreement. To the extent possible, the Party shall do so at least 20 days before the new procedure or modification takes effect.

11. No Party shall apply an import licensing procedure to a good of another Party unless the Party has complied with the requirements of paragraphs 8 and 10 with respect to that procedure.]

### **X.13. [US: Transparency in Export Licensing Procedures**

1. Within 30 days after the date of entry into force of this Agreement, each Party shall notify the other Party in writing of the publications in which its export licensing procedures, if any, are set out, including addresses of relevant government Internet websites. Thereafter, each Party shall publish any new export licensing procedure, or any modification of an export licensing procedure, it adopts no later than 30 days after the new procedure or modification takes effect.

2. Each Party shall ensure that it includes in the publications it has notified under paragraph 1:

(a) the texts of its export licensing procedures, including any modifications it makes to those procedures;

(b) the goods subject to each licensing procedure;

(c) for each procedure, a description of:

(i) the process for applying for license; and

(ii) any criteria an applicant must meet to be eligible to seek a license, such as possessing an activity license, establishing or maintaining an investment, or operating through a particular form of establishment in a Party's territory;

(d) a contact point or points from which interested persons can obtain further information on the conditions for obtaining an export license;

(e) the administrative body or bodies to which an application or other relevant documentation should be submitted;

(f) a description of any measure or measures that the export licensing procedure is designed to implement;

(g) the period during which each export licensing procedure will be in effect, unless the procedure will remain in effect until withdrawn or revised in a new publication;

(h) if the Party intends to use a licensing procedure to administer an export quota, the overall quantity and value of the quota and the opening and closing dates of the quota; and

(i) any exemptions or exceptions available to the public that replace the requirement to

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obtain an export license, how to request or use these exemptions or exceptions, and the criteria for them.

3. A Party shall provide another Party, upon the other Party's request and to the extent possible, the following information regarding a particular export licensing procedure that it adopts or maintains, except where doing so would reveal business proprietary or other confidential information of a particular person:

(a) the aggregate number of licenses the Party has granted over a recent period specified in the other Party's request; and

(b) measures, if any, that the Party has taken in conjunction with the licensing procedure to restrict domestic production or consumption or to stabilize production, supply, or prices for the relevant good(s).

4. Nothing in this Article shall be construed in a manner that would require a Party to grant an export license, or that would prevent a Party from implementing its obligations under United Nations Security Council Resolutions, as well as multilateral non-proliferation regimes, including: the *Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies*; the Nuclear Suppliers Group; the Australia Group; the *Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction*, done at Paris, January 13, 1993; the *Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction*, done at Washington, London and Moscow, April 10, 1972; the *Treaty on the Non-Proliferation of Nuclear Weapons*; and the Missile Technology Control Regime.

5. For the purposes of this Article:

**export licensing procedure** means a requirement that a Party adopts or maintains under which an exporter must, as a condition for exporting a good from the Party's territory, submit an application or other documentation to an administrative body or bodies, but does not include customs documentation required in the normal course of trade or any requirement that must be fulfilled prior to introduction of the good into commerce within the Party's territory.]

### **X.14. [US: Administrative] Fees Formalities [EU: Connected with Importation and Exportation]**

1. [EU: Each Party shall ensure, in accordance with Article VIII of the GATT 1994, that all fees and charges of whatever character other than customs duties imposed on or in connection with importation or exportation shall be limited in amount to the approximate cost of services rendered, which shall not be calculated on an *ad valorem* basis, and shall not represent an indirect protection to domestic goods or taxation of imports or exports for fiscal purposes. To this end Article VIII of the GATT 1994, including its Notes and Supplementary Provisions, is made part of this Agreement.]

2. No Party shall require consular transaction [EU: <sup>4</sup>], including related fees and charges, in

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4 [See Definitions.]

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connection with the importation of any good of a [EU: nother] Party.

3. Each Party shall [US: make available and maintain on the Internet] [EU: publish] a [US: current] list of the fees and charges [US: subject to the obligation in paragraph 2 that] it imposes in connection with importation or exportation.

### **X.15. [US: Export] [EU: Elimination of Customs] Duties [US: ,] [EU: and] Taxes [US:, or Other Charges] [EU: on Exports]**

[US: No] [EU: Neither] Party shall [US: adopt or] maintain [EU: or institute] any [EU: customs] duty, [EU: or] tax [US: or other charge] on [EU: or in connection with] the export [EU: ation or sale for export of goods] [US: of any good to territory of another Party] [EU: to the other Party, or any internal taxes on goods exported to the other Party that are in excess of those imposed on like goods destined for internal sale] [US: unless the duty, tax, or charge is also applied to the good when destined for domestic consumption].

### **X.16. [US: Committee on Trade in Goods] [EU: Institutional Provisions]**

1. [US: The Parties hereby establish a Committee on Trade in Goods, comprising representatives of each Party.

2. The Committee shall meet on the request of a Party or the Joint Committee to consider any matter arising under this Chapter, Chapter X (Roles of Origin and Origin Procedures), or Chapter Y (Customs Administration and Trade Facilitation).

3. The Committee's functions shall include:

(a) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement and other issues as appropriate; and

(b) addressing tariff and non-tariff barriers to trade in goods between the Parties and, if appropriate, referring such matters to the Joint Committee for its consideration.

4. The Committee shall also:

(a) discuss and endeavor to resolve any difference that may arise between the Parties on matters related to the classification of goods under the Harmonized System;

(b) review conversion to the Harmonized System 2017 nomenclature and its subsequent revisions to ensure that each Party's obligations under this Agreement are not altered, and consult to resolve any conflicts between:

- (i) the Harmonized System 2017 nomenclature or its revisions and Annex X-B; and
- (ii) Annex X-B and national nomenclatures.

The Committee may convene a subcommittee on customs matters to assist the Committee in its work under this paragraph.]

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### X.17. Definitions

[EU: Unless otherwise specified in this Chapter, terms shall have the meanings attributed to them in the GATT and the WTO multilateral agreements on trade in goods.]

For the purposes of this Chapter [EU: , the following definitions shall apply]:

**consular transaction** [US: s means the] [EU: The] procedure of obtaining from a consul of the importing Party in the territory of the exporting Party, or in the territory of a [US: non-] [EU: third] Party, a consular invoice or a consular visa for a commercial invoice, certificate of origin, manifest, shippers' export declaration, or any other customs documentation in connection with the importation of the good;

[EU: **Customs duty** A duty or charge of any kind imposed on or in connection with the importation or exportation of a good, including any form of surtax or surcharge imposed on or in connection with such importation or exportation. It does not include: (a) a charge equivalent to an internal tax imposed consistently with Article [...] of this Chapter; (b) a duty imposed consistently with [any bilateral duties authorized under the agreement, e.g. bilateral safeguards or DS sanctions, text to be defined]; (c) a duty applied consistently with Article VI, Article XVI, Article XIX of GATT 1994, the WTO Agreement on Implementation of Article VI of GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures, the WTO Agreement on Safeguards, Article V of the WTO Agreement on Agriculture and the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes; or (d) a fee or other charge imposed consistently with Article [...] of this Chapter.]

[US: **customs duties** includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:

- (a) charge equivalent to an internal tax imposed consistently with Article III-2 of GATT 1994, in respect of like, directly competitive, or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;
- (b) anti-dumping or countervailing duty; or
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered;

*The United States anticipates that the definition for “customs duties” will be moved to the General Definitions Chapter due to its use in multiple chapters.]*

[EU: **Originating** Qualifying under the rules of origin set out in the [Annex on Rules of Origin].]

[US: **advertising films and recordings** means recorded visual media or audio materials that exhibit for prospective customers that nature or operation of goods or services offered for sale or lease by a person established or resident in the territory of a Party;

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**commercial samples of negligible value** means commercial samples having a value, individually or in the aggregate as shipped, of not more than one US dollar, or the equivalent amount in the currency of another Party, or so marked, torn, perforated, or otherwise treated such that they are unsuitable for sale or use except as commercial samples;

**consumed** means:

- (a) actually consumed;
- (b) further processed or manufactured so as to result in a substantial change in the value, form, or use of the good or in the production of another good;

**container** means an article of transport equipment that is fully or partially enclosed to constitute a compartment intended for containing merchandise or goods, is substantial and has an internal volume of one cubic meter or more, is of a permanent character and accordingly strong enough to be suitable for repeated use, is used in significant numbers in international traffic, is specially designed to facilitate the carriage of merchandise of goods by more than one mode of transport without intermediate reloading, and is designed both for ready handling, particularly when being transferred from one mode of transport to another, and to be easy to fill and to empty, but does not include vehicles, accessories or spare parts of vehicles, or packaging;

**distributor** means a person of a Party who is responsible for the commercial distribution, agency, concession, or representation in the territory of the Party of goods of another Party;

**duty-free** means free of customs duty;

**goods admitted for sports purposes** means sports requisites for use in sports contests, demonstrations, or training in the territory of the Party into whose territory such goods are admitted;

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

**performance requirement** means a requirement that:

- (a) a given level or percentage of goods or services be exported;
- (b) domestic goods or services of the Party granting a waiver of customs duties or an import license be substituted for imported goods;
- (c) a person benefiting from a waiver of customs duties or an import license purchase other goods or services in the territory of the Party granting the waiver of customs duties or the import license, or accord a preference to domestically produced goods;
- (d) a person benefiting from a waiver of customs duties or an import license produce goods or supply services with a given level or percentage of domestic content in the territory of the Party granting the waiver of customs duties or the import license; or

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(e) relates in any way the volume or value of imports to the volume or value of exports or the amount of foreign exchange inflows;

but does not include a requirement that an imported good be:

(f) subsequently exported;

(g) used as a material in the production of another good that is subsequently exported;

(h) substituted by an identical or similar good used as a material in the production of another good that is subsequently exported; or

(i) substituted by an identical or similar good that is subsequently exported;

**printed advertising materials** means those goods classified in Chapter 49 of the Harmonized System, including brochures, pamphlets, leaflets, trade catalogs, yearbooks published by trade associations, tourist promotional materials, and posters, that are used to promote, publicize, or advertise a good or service, are essentially intended to advertise a good or service, and are supplied free of charge; and

**SCM Agreement** means the *WTO Agreement on Subsidies and Countervailing Measures*.]

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### [US: ANNEX A: NATIONAL TREATMENT AND IMPORT AND EXPORT RESTRICTIONS

#### Section A: Measures of the United States

Articles X.3 (National Treatment) and X.10 (Import and Export Restrictions) shall not apply to:

- (a) controls on the export of logs of all species;
- (b) (i) measures under existing provisions of the Merchant Marine Act of 1920 [46 App. U.S.C. § 883], the Passenger Vessel Services Act [46 App. U.S.C. §§ 289, 292, and 316] and [46 U.S.C. § 12108] to the extent that such measures were mandatory legislation at the time of the accession of the United States to the General Agreement on Tariffs and Trade 1947 (GATT 1947) and have not been amended so as to decrease their conformity with Part II of the GATT 1947;  
  
(ii) the continuation or prompt renewal of a non-conforming provision of any statute referred to in clause (i); and  
  
(iii) the amendment to a non-conforming provision of any statute referred to in clause (i) to the extent that the amendment does not decrease the conformity of the provision with Articles X.3 (National Treatment) and X.11 (Import and Export Restrictions);
- (c) actions authorized under Article 22 of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes by the Dispute Settlement Body of the WTO; and
- (d) any measure that the United States applies to address market disruption pursuant to procedures that have been incorporated into the WTO Agreement.]

### [US: ANNEX B: TARIFF ELIMINATION

1. Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article XX.X;]
2. The base rate of customs [EU: duties on imports, to which the successive reductions are to be applied under paragraph [...], shall be specified in the Schedules.] [US: duty and staging category for determining the interim rate of customs duty at each stage of reduction for an item are indicated for the item in each Party's Schedule to this Annex.]
3. [US: Interim staged rates shall be rounded down, at least to the nearest tenth of a percentage point or, if the rate of duty is expressed in monetary units, at least to the nearest tenth of one USD cent in the case of the United States and the nearest tenth of one EUR cent in the case of the European Union.
4. For purposes of this Annex and a Party's Schedule to this Annex, **year one** means the year of entry into force of this Agreement as provided for in Article [...] (Entry into Force and

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Termination).

5. For purposes of this Annex and a Party's Schedule to this Annex, beginning in year two, each annual stage of tariff reduction shall take effect on January 1 of the relevant year.]