

# 行政院所屬各機關出國報告

(出國類別：國際會議)

## WTO 區域貿易協定委員會 (CRTA) 考量臺星經濟夥伴協定 (ASTEP) 委員會情形

服務機關：經濟部經貿談判代表辦公室、  
經濟部國際貿易局

姓名職稱：曾副總談判代表永光、林助理秘書芸萱、  
唐稽核永興、林技正秀慧

派赴國家：瑞士日內瓦

出國期間：104年3月28日至4月2日

報告日期：104年4月9日

## 摘 要

本次出席世界貿易組織（WTO）之區域貿易協定委員會（CRTA）第 76 次例會，議程包含 WTO 區域貿易協定之透明化機制之運作情形，並依序對歐盟-哥倫比亞-祕魯自由貿易協定（FTA）、我國與新加坡簽署之臺星經濟夥伴協定（ASTEP）及美國-巴林 FTA 等三項經濟合作協定進行考量程序（Consideration Process）。我國及新加坡分別於會中簡要說明 ASTEP 協定內容，嗣後歐盟發言肯定 ASTEP 為高標準及高品質之經濟合作協定，美國則就我國及新加坡相關經濟合作協定通知 WTO 之情形提出評論。會議整體氣氛平和，各項程序均順利完成。

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## 壹、目的

- 一、依據世界貿易組織（WTO）RTAs 透明化機制(Transparency Mechanism)，我國與新加坡簽署臺星經濟夥伴協定（ASTEP），經通知 WTO 後，需經其區域貿易協定委員會（CRTA）之考量程序（Consideration Process），以符合我國作為 WTO 會員之透明化義務；此考量程序僅為促進透明化之目的，而非就協定實質內容予以評斷或批判之非強制性質，過程包括 WTO 秘書處撰寫事實報告，並分送 WTO 各會員參考，接受各會員書面提問並最後於 CRTA 例會進行考量程序。
- 二、本次 CRTA 於本(104)年 3 月 30 日至 31 日假瑞士日內瓦 WTO 總部舉行第 76 屆例會，會議議程包括：(一)委員會工作現況報告及區域貿易協定透明化機制之執行情形；(二)考量「歐盟-哥倫比亞、歐盟-祕魯之自由貿易協定」、「臺星經濟夥伴協定」、及「美國-巴林自由貿易協定」等。
- 三、由於我國與新加坡於上（103）年 4 月 19 日生效之「臺星經濟夥伴協定」列於本屆 WTO CRTA 報告事項，爰本部經貿談判代表辦公室曾副總談判代表永光、林助理秘書芸萱、國際貿易局唐稽核永興、林技正秀慧組團前往瑞士日內瓦 WTO 總部出席 CRTA 第 76 屆例會，代表我國於會議中說明 ASTEP 內容，並回應與會會員提出之評論意見；另出席新入會會員（RAMs）集團討論農業談判議題發展會議、拜會 WTO 相關官員就 Post-Bali 等議題交換意見。

## 貳、過程

### 一、本（104）年 3 月 30 日 WTO CRTA 第 76 次例會會議情形

- （一）委員會工作情形：本次 CRTA 委員會由烏拉圭 Francisco Pirez Gordillo 大使擔任會議主席，秘書處首先就 WTO 區域貿易協定之透明化機制運作情形提出報告，包括刻正準備中瑞士-中國大陸 FTA 及印度-韓國 FTA 等事實報告（Factual Presentation）之情形，並請未提供資料及未完成通知程

序之會員，儘速提供資料並完成相關程序。另，美國代表發言盼各會員重視透明化機制，並針對會員間已簽署仍尚未通知之貿易協定提出關切，如歐盟與非洲國家簽屬之 FTA，應儘速通知。

(二) 委員會考量 ASTEP 情形：

1. 我國首先發言，分別以五個面向說明 ASTEP：

(1) 我國與新加坡經貿關係之重要性

2014 年新加坡為我國第 4 大出口市場，第 8 大進口來源，雙邊貿易額約達 289 億美元。ASTEP 係我國首次與東南亞主要貿易夥伴國簽署之經貿協定，對營造有利我國經濟發展環境，以及增進對外經貿關係均將產生正面助益。

(2) 臺星雙方依據 GATT 第 24 條與 GATS 第 5 條完成簽署並進行通知之簡要過程

2010 年 8 月 5 日雙方聯合發布新聞稿同意就簽署經濟合作協定進行個別可行性研究，並於同年 12 月 15 日雙方共同發布新聞稿確認洽簽經濟合作協定可為彼此帶來利益，同意正式展開經濟合作協定談判。隨後即依據 GATT 第 24 條與 GATS 第 5 條相關規定進行洽簽諮商。歷經 2 年多數回合之諮商後，雙方於 2013 年 11 月 7 日簽署協定，俟雙方各自完成國內程序後，於 2014 年 4 月 19 日生效，並通知 WTO。

(3) 協定重要內容

在貨品貿易部分，我方自由化範圍達稅則項目之 99.48%，其中，83.03%產品項目於協定生效後全面降為零關稅，除稻米等 40 項農產品排除在降稅清單外，其餘部分產品項目分 5 年、10 年、15 年降至零關稅或 5 年後降至原關稅 80%等不同開放程度。

在服務業部分，該協定涵蓋大多數行業（substantial sectoral coverage），符合 GATS 第 5 條規範。市場開放清單係採「負面表列（negative list）」方式，分別列出既存措施及未來政策之保留（reservations for existing and future measures）。因此，除表列之保留項目所列限制措施外，雙方對於服務貿易採無歧視性之方式開放市場。

不論是在貨品貿易或服務貿易方面，該協定都已經達到涵蓋雙方絕大部分貿易（substantially all the trade）的標準，為一個高規格之自由貿易協定。除此之外，該協定就食品安全檢驗與動植物防疫檢疫（SPS）措施及技術性貿易障礙（TBT）等非關稅障礙、關務及智慧財產權等，建立法規調和與合作機制，持續深化雙方經貿合作，並涵蓋廣泛的議題，包括 WTO 尚未涵蓋的投資、競爭及電子商務等章節。

#### (4) 經濟評估分析之正面效益

ASTEP 完成實質諮商談判後，研究機構依談判結果進行對我國之經濟評估，在 ASTEP 生效並於 15 年後執行降稅完畢，估計我方實質 GDP 將增加 7.01 億美元、總出口值將增加 7.82 億美元、總進口值將增加 7.19 億美元、國內總產值將增加 421.34 億臺幣（折約 13.9 億美元）。

#### (5) 協定生效後雙邊貿易之良好成效及執行情形

自 ASTEP 生效後（2014 年 5 月至 2015 年 1 月），我對新加坡出口較前年同期成長 9%，雙邊貿易總額亦較前期成長 5%，顯示協定生效後對雙邊貿易產生正面促進效益。此外，臺星雙方均十分重視落實協定之執行與累積之經驗，除各自籌組考察團開拓投資商機外，並預訂於本年舉行第一次協定檢視履行會議，進一步加深各項議題之交

流與合作，提升雙邊經貿關係。

2. 星方呼應我國發言，表示 ASTEP 為包含貨品貿易、服務貿易、智慧財產及政府採購等之高標準全面性經濟夥伴協定。在貨品貿易部分，星國 96.7%之貨品於 ASTEP 生效後立即降為零關稅。在貿易便捷化方面，雙方亦透過關務程序簡化、如無紙化貿易，有效降低進出口廠商之作業成本。星方樂見協定生效後，雙方在服務貿易及投資上的穩定成長，更有信心雙方未來將持續加深經貿及合作關係。

3. 會員評論意見：

(1) 歐盟：歐盟感謝臺星雙方詳細說明及秘書處準備事實報告，並表示 ASTEP 是一個全面性協定，除了廣泛的貨品貿易自由化外，在服務業方面，亦較雙方在服務貿易總協定服務業之承諾顯著的開放。在政府採購方面，雙方之標準亦較 WTO 政府採購協定承諾為高。

(2) 美國：美方發言關切我國 2010 年與中國大陸簽署之兩岸經濟合作協議 (ECFA) 以及新加坡與海灣國家委員會 (GCC) 簽署之 FTA 均尚未通知 WTO，並請臺星雙方說明何時將完成通知程序。我國回應 ECFA 已於 2011 年 5 月完成文本及其附件早期通知，並已納入 RTA 資料庫中。另星方回應該國與 GCC 之 FTA 將儘速完成通知程序。

(三) 委員會考量其他自由貿易協定 (FTA) 情形

1. 歐盟-哥倫比亞、歐盟-祕魯之 FTA (Trade Agreement between the European Union and Colombia and Peru): 歐盟、哥國及祕魯發言簡介該協定涵蓋如智慧財產權、環境保護、競爭等廣泛議題及實質貿易之高品質 FTA，歐盟、祕魯將於 2023 年、哥國將於 2028 年執行完全部關稅執行期，涵蓋 96%以上產品項目。在場會員無進一步評論與提

問。

2. 美國及巴林 FTA (The United States-Bahrain FTA): 美方發言簡介該協定，並指出在貨品貿易方面，巴林開放 100%工業產品及 81%農產品免關稅，此協定亦係全面性開放自由貿易協定。澳洲請巴林說明關稅高峰之情形。

## 二、其他相關行程及會議情形

- (一) 我方於前述 CRTA 會前，與代表新加坡出席本次會議之星國駐 WTO 代表團公使 Ms. Eunice Huang 晤談 CRTA 會議進行方式，協調雙方簡報順序及簡要說明稿之內容。
- (二) 本辦公室本次派員赴日內瓦期間，除出席前述 CRTA 會議外，亦出席由我常駐 WTO 代表團朱公使主持之新入會會員 (RAMs) 集團小團體農業議題諮商會議，會中我國與其他與會會員就後續談判立場、境內支持 (Domestic support) 及市場進入之降稅方式等議題進行討論。
- (三) 會晤 WTO 秘書處發言人 Keith Rockwell 就後峇里工作計畫 (Post-Bali Work Program) 等議題後續發展交換意見，會晤情形簡述如次：
  1. R 氏認為後峇里工作計畫的成效將取決於各會員在本年 7 月 31 日前是否就能就各項議題內容達成共識，隨著時限逼近，達成目標的困難度將愈來愈高。
  2. 另 R 氏並認為 WTO 在與 RTA 競合關係中仍具有優勢，因 WTO 涵蓋議題及地理區域均較各國洽簽之 RTA 廣泛，且其所建立之爭端解決制度，係為多數會員認可之成功運作機制。



## 參、心得及建議

- 一、參加 WTO CRTA 例會，有助了解國際間對我國所洽簽經濟合作協定之看法，並與其他 WTO 會員交流區域貿易協定的未來發展趨勢，我國作為 WTO 正式會員，應積極參與 WTO CRTA 各項委員會活動，以瞭解區域貿易協定之談判發展。
- 二、有關歐盟、墨西哥等會員書面提問我國與新加坡如何透過 ASTEP 所建立的協調人機制處理相關食品安全檢驗與動植物防疫檢疫（SPS）措施事件、進行技術性貿易障礙（TBT）合作進展等，建議於日後舉行之協定檢視履行會議中，進一步研商如何加深各項議題之交流與合作，以提升臺星雙邊經貿關係。
- 三、本次出席會議及相關拜會之經驗觀察，因 WTO 多邊架構下的杜哈回合談判進展緩慢，全球主要貿易國家亦基於各自戰略政策、經貿利益考量，致力投入雙邊或區域經濟整合談判。我國與新加坡洽簽之臺星經濟夥伴協定（ASTEP）係為我國首次與東南亞主要貿易夥伴國簽署之經貿協定，藉由 WTO 透明化機制程序，有助於各 WTO 會員瞭解我國推動經貿自由化之決心，對我國後續與其他國家洽簽經濟合作協定或參與區域性貿易協定具正面意義。



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**Committee on Regional Trade Agreements**

**FACTUAL PRESENTATION**

**AGREEMENT BETWEEN SINGAPORE AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN,  
PENGHU, KINMEN AND MATSU ON ECONOMIC PARTNERSHIP  
(GOODS AND SERVICES)**

*Report by the Secretariat*

This report, prepared for the consideration of the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

Any technical questions arising from this report may be addressed to Ms Jo-Ann Crawford (tel: +41 22 739 5422). Any statistical questions arising from this report may be addressed to Ms Rowena Cabos (tel: +41 22 739 5185).

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Key Facts	
<b>Parties to the Agreement:</b>	Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu
<b>Date of Signature:</b>	7 November 2013
<b>Date of Entry into Force:</b>	19 April 2014
<b>Date of Notification:</b>	22 April 2014
<b>Full implementation:</b>	1 January 2028

## 1 TRADE ENVIRONMENT

### 1.1 Merchandise trade

1.1. The Agreement (hereinafter referred to as "the Agreement") between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (hereinafter referred to as "Chinese Taipei") on Economic Partnership is their 22nd and sixth RTA, respectively, as notified to the WTO.<sup>1</sup>

1.2. In 2013, Singapore, with a population of 5.4 million, had a GDP estimated at US\$298 billion; Chinese Taipei had a GDP of US\$489 billion, and a population of 23.4 million. In 2013, Singapore's merchandise exports amounted to US\$410 billion (representing 2.18% of global exports), while imports amounted to US\$373 billion (1.97% of global imports). In the same year, merchandise exports from Chinese Taipei amounted to US\$305 billion (1.62% of global exports), while imports amounted to US\$270 billion (1.43% of global imports). The structure of their merchandise exports are broadly similar, dominated by exports of manufactures - 70% for Singapore and 83% for Chinese Taipei - followed by fuels and mining products. Exports of agricultural products account for only 2% of total exports for both Parties. The Parties share a similar import profile with manufactures accounting for about 60% of total imports, followed by fuels and mining products (about a third of total imports), while agricultural products account for 5.5% or less.<sup>2</sup>

1.3. In 2013, Chinese Taipei was Singapore's 10th largest merchandise trade export partner and its 5<sup>th</sup> largest source of imports. In the same year, Singapore was Chinese Taipei's 5<sup>th</sup> largest merchandise export destination and its 7th largest import source.<sup>3</sup>

1.4. Charts 1.1A and 1.1B show global and bilateral trends in merchandise trade for the Parties for the period 2000-2013. Singapore's merchandise trade has expanded, with imports rising from US\$116 billion in 2001 to US\$373 billion in 2013, and exports from US\$122 billion to US\$410 billion. After falling in 2009, trade recovered, though growth since 2011 has been slight compared to previous years. In the years surveyed, Singapore has run a steady and growing global trade surplus. From 2001, Chinese Taipei's global imports and exports rose steadily with its trade surplus widening slightly over the period as the growth in exports outpaced that in imports. Trade fell sharply in 2009, but picked up in 2010 with imports reaching US\$269 billion and exports US\$304 billion in 2013. Bilateral trade expanded during this period with Singapore's exports to Chinese Taipei increasing from US\$6.3 billion in 2001 to US\$15.3 billion in 2013, while exports by Chinese Taipei to Singapore increased from US\$4.1 billion to US\$19.4 billion over the same period. Singapore has run a growing trade deficit with Chinese Taipei over the period surveyed.<sup>4</sup>

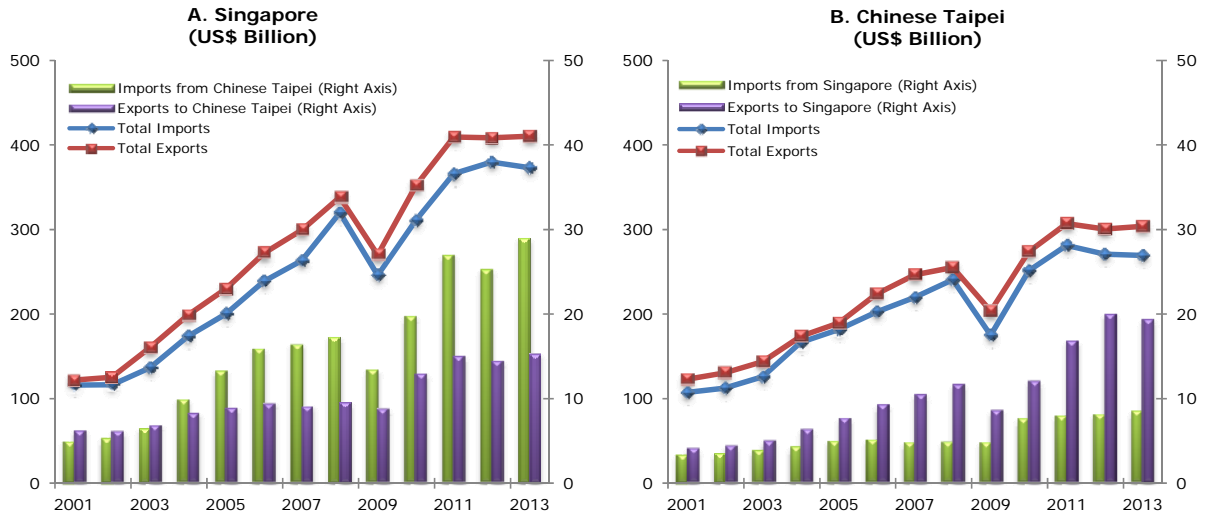
<sup>1</sup> Source: WTO Regional Trade Agreement Database.

<sup>2</sup> WTO Trade Profiles, September 2014.

<sup>3</sup> Excluding EU-intra trade.

<sup>4</sup> All figures in paragraph 1.4 are based on UN COMTRADE database.

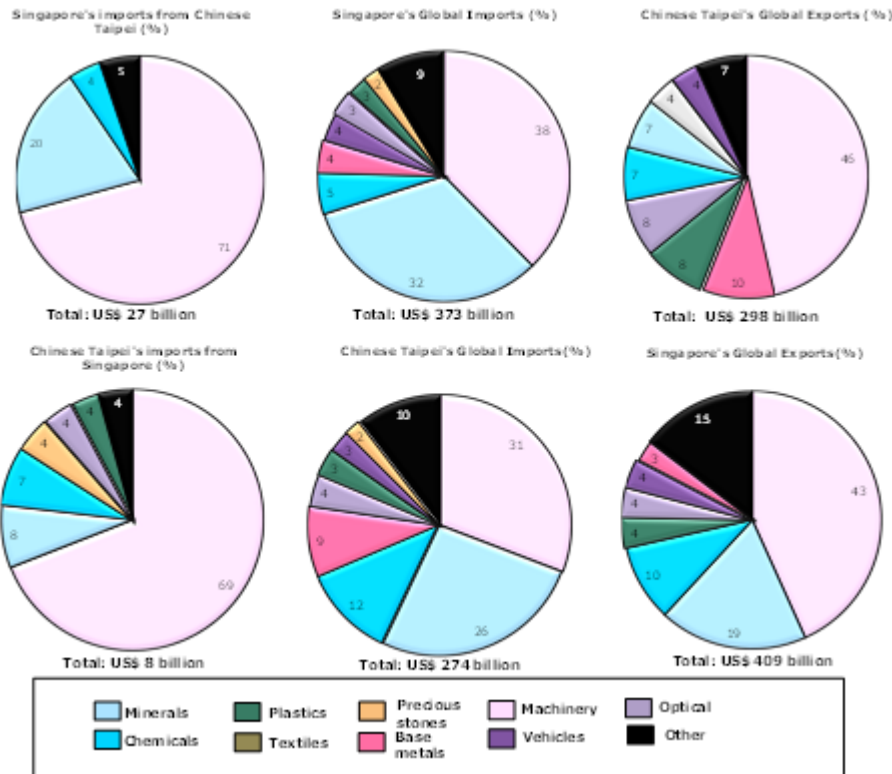
**Chart 1.1 Singapore and Chinese Taipei: Merchandise bilateral trade and with world, 2001-2013**



Source: UNSD, Comtrade database.

1.5. The commodity structure of trade among the Parties, as well as of their imports and exports to the world in the period 2011-2013, is shown in Chart 1.2 on the basis of Harmonized System (HS) sections. Over the period 2011-2013, Singapore's four largest export product categories – machinery, minerals, chemicals and plastics – made up 75.3% of its total exports and accounted for 87.6% of Chinese Taipei's imports from Singapore. Over the same period, the four largest export product categories from Chinese Taipei – machinery, base metals, plastics, and optical equipment – made up 71.8% of its total exports and accounted for 74% of Singapore's bilateral imports.

**Chart 1.2 Singapore and Chinese Taipei: product composition of merchandise trade, annual average (2011-2013)**



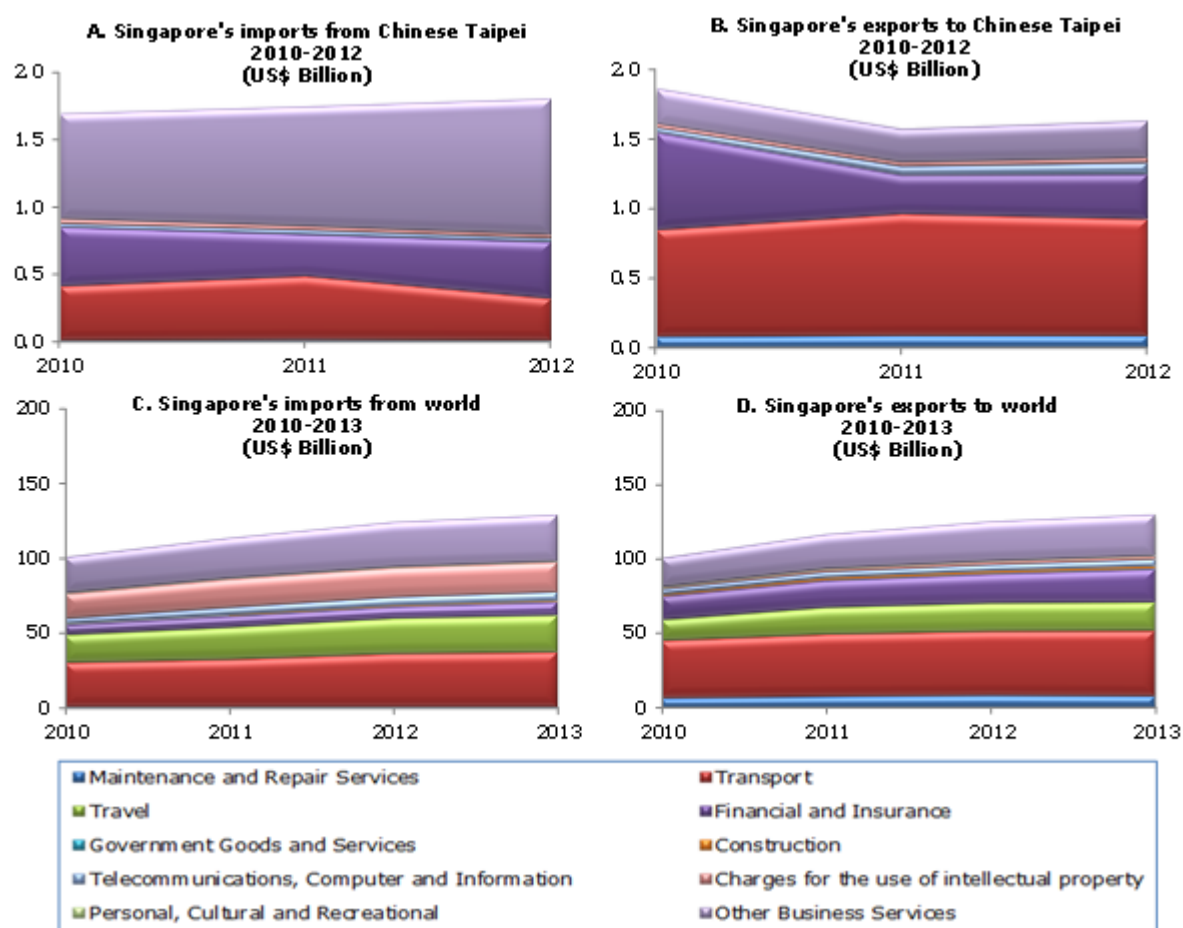
Source: UNSD, Comtrade database.

## 1.2 Trade in services and investment

1.1. In 2013, services exports from Singapore amounted to US\$122.1 billion accounting for 2.63% of world exports, and imports to US\$128.4 billion accounting for 2.93% of world imports. For Chinese Taipei, exports amounted to US\$51.4 billion (1.11% of world exports), and imports to US\$41.7 billion (0.95% of world imports).<sup>5</sup>

1.2. Chart 1.3 depicts Singapore's trade flows in services with the world and with Chinese Taipei by type of activity. In 2013, transportation services accounted for 33.9% of Singapore's global services exports, followed by other business services (21.5%) and financial and insurance services (17.3%). Transportation services accounted for the largest import share, accounting for 28.5%, followed by other business services (24%) and travel services (19%). In 2012, transport services accounted for 51.3% of Singapore's services exports to Chinese Taipei, followed by financial and insurance services (19.8%) and other business services (16.2%). Other business services accounted for 56.1% of Singapore's imports from Chinese Taipei, followed by financial and insurance services (23.2%) and transportation services (17.4%).

**Chart 1.3 Singapore's Trade in Commercial Services with world and Chinese Taipei**



Note: No bilateral trade on Travel, Government Goods and Services, Construction and Personal, Cultural and Recreational Services (2010-2012). Based on BPM6 methodology.

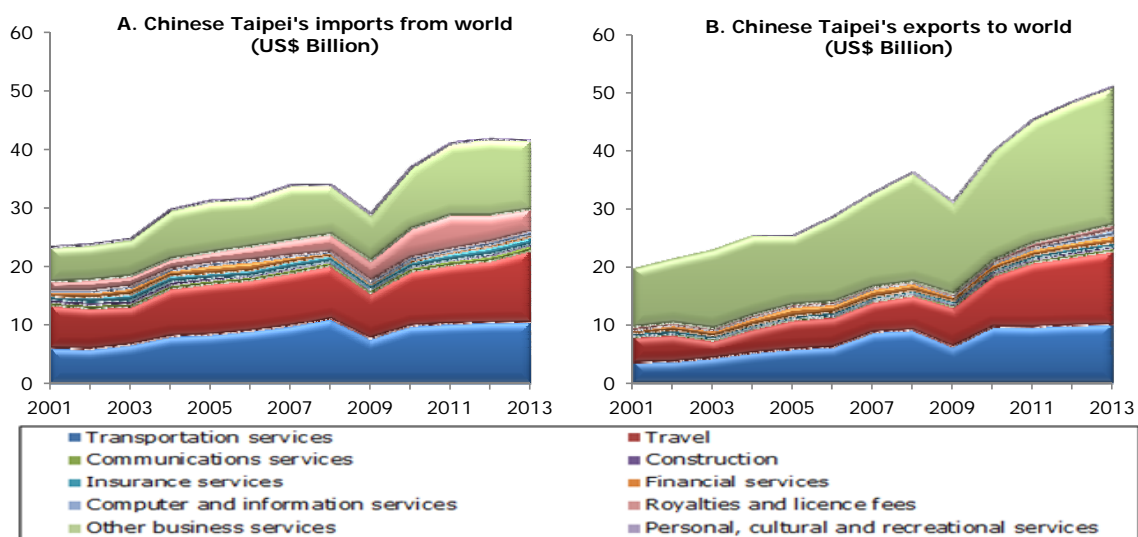
Source: Singapore Department of Statistics.

1.6. Chart 1.4 depicts Chinese Taipei's trade flows in services with the world by type of activity. In 2013, other business services accounted for 46.4% of Chinese Taipei's global services exports, followed by travel (24.7%) and transportation services (19.6%). Travel services accounted for the

<sup>5</sup> WTO Trade Profiles, September 2014.

largest import share, accounting for 29.5%, followed by other business services (27.8%) and transportation services (25.3%).

**Chart 1.4 Chinese Taipei: Trade in Commercial Services with world, 2001-2013**



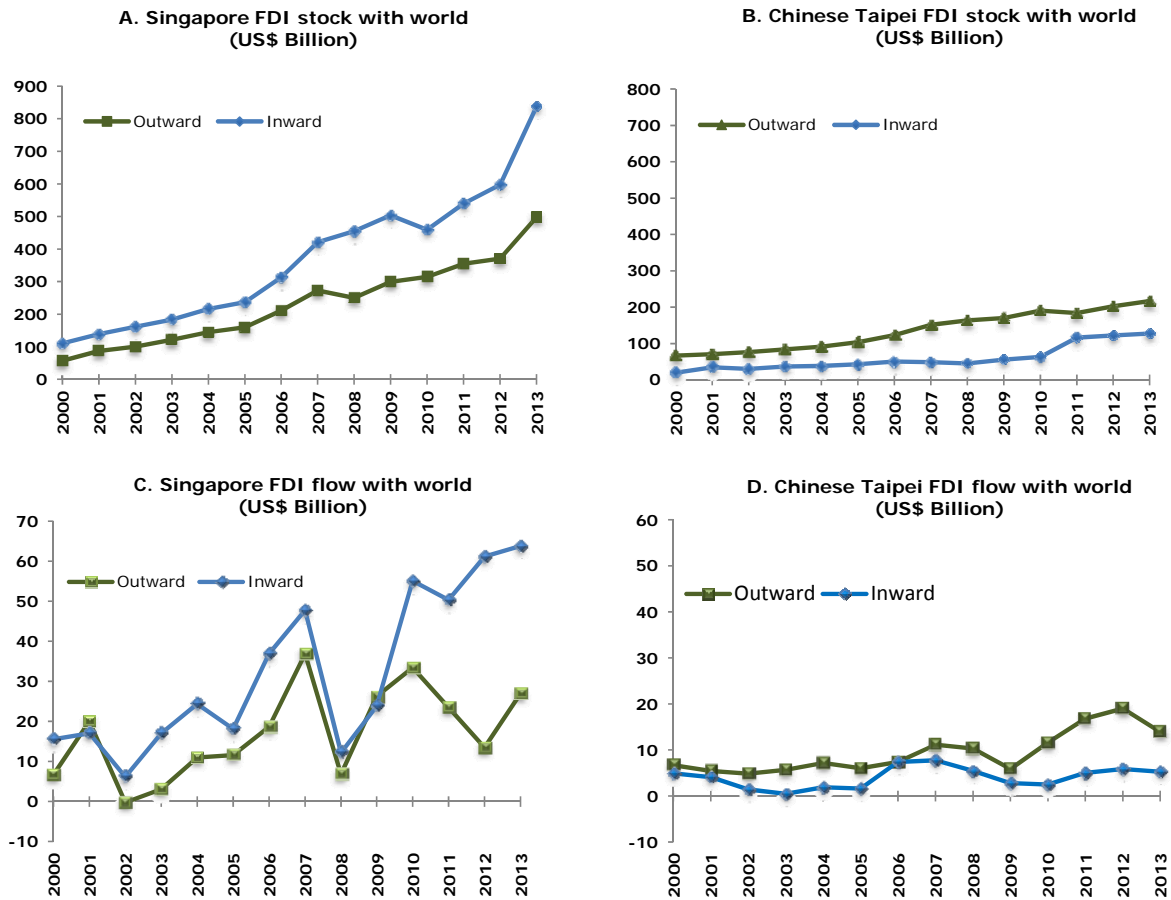
Note: Based on BPM5 methodology.

Source: WTO Statistics database and Chinese Taipei authorities.

1.7. Chart 1.5 depicts FDI stock and flow with the world for the Parties for the period 2000-2013. Singapore is a net recipient of global FDI in terms of both stocks and flows over the period analysed, while Chinese Taipei is a net provider.



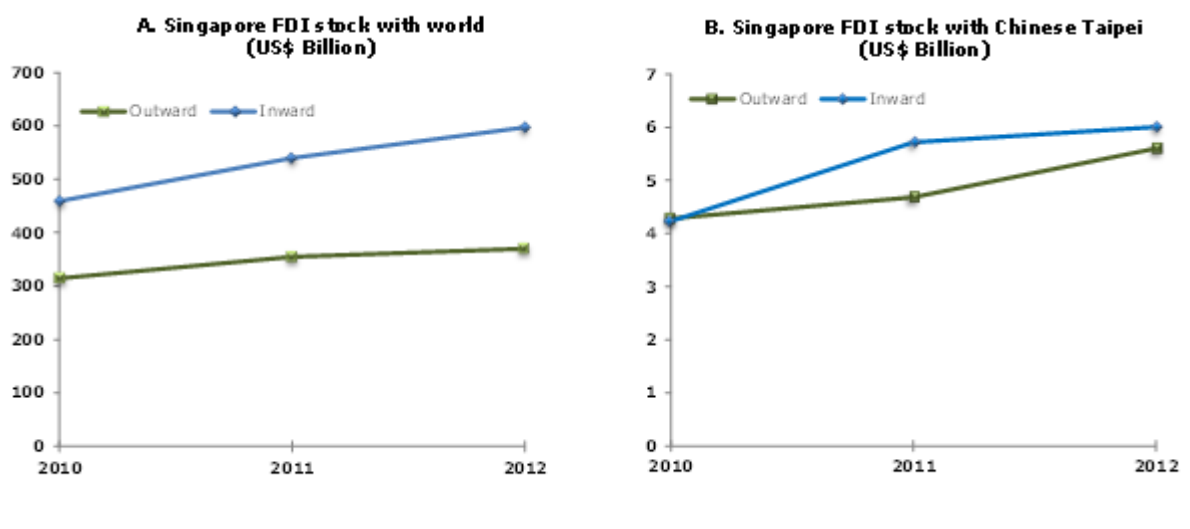
**Chart 1.5 Singapore and Chinese Taipei: FDI stock and flow with world, 2000-2013**



Source: UNCTADStat, Singapore Department of Statistics and Chinese Taipei authorities.

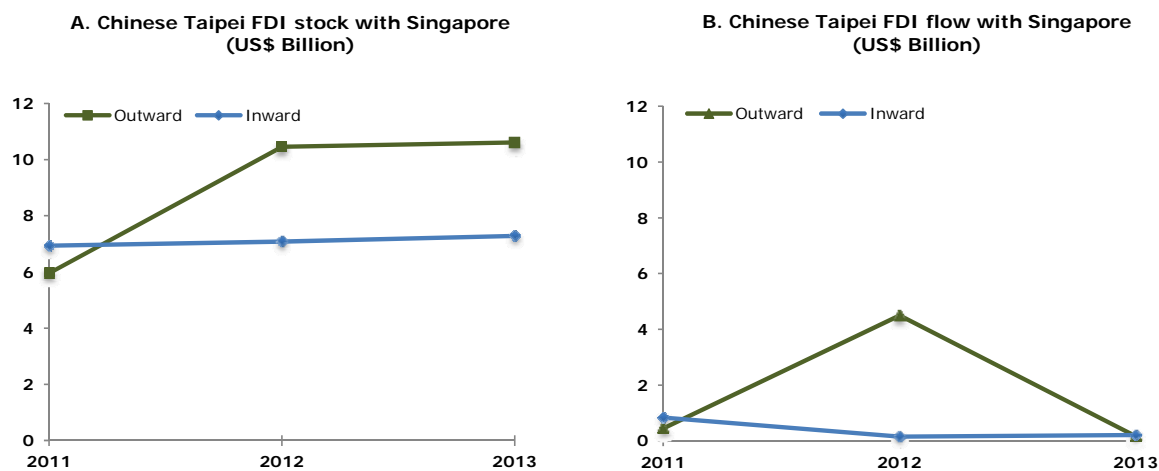
1.8. Chart 1.6 depicts Singapore's FDI stock with world and Chinese Taipei (2010-2012). Over the period surveyed, Singapore's inward FDI stock from Chinese Taipei has increased.

**Chart 1.6 Singapore: FDI stock with Chinese Taipei and world, 2010-2012**



Source: Singapore Department of Statistics.

1.9. Chart 1.7 depicts Chinese Taipei's FDI stock and flow with Singapore (2011-2013).

**Chart 1.7 Chinese Taipei: FDI stock and flow with Singapore, 2011-2013**

Source: Chinese Taipei authorities.

## 2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

### 2.1 Background Information

2.1. The Agreement covers goods and services. It was signed by the Parties on 7 November 2013 and entered into force on 19 April 2014.

2.2. The Agreement was notified to the WTO by the Parties on 22 April 2014 under Article XXIV:7(a) of GATT 1994 and Article V:7(a) of the GATS (WT/REG350/N/1 and S/C/N/739). The text of the Agreement, along with its schedules and annexes, is available on the website of the Parties' authorities.<sup>6</sup>

2.3. The Agreement contains 17 Chapters and a number of integral Annexes. (Box 2.1).

#### Box 2.1 Structure of the Agreement

	<b>Preamble</b>
<b>Chapter 1</b>	General Provisions
<b>Chapter 2</b>	General Definitions
<b>Chapter 3</b>	Trade in Goods
<b>Chapter 4</b>	Rules of Origin
<b>Chapter 5</b>	Customs Procedures
<b>Chapter 6</b>	Sanitary and Phytosanitary measures
<b>Chapter 7</b>	Technical Barriers to Trade
<b>Chapter 8</b>	Cross Border Trade in Services
<b>Chapter 9</b>	Investment
<b>Chapter 10</b>	Competition

<sup>6</sup> For Singapore:  
<http://www.iesingapore.sg/astep>  
 For Chinese Taipei:  
<http://www.moea.gov.tw/Tse/main/home/Home.aspx>

	<b>Preamble</b>
<b>Chapter 11</b>	Electronic Commerce
<b>Chapter 12</b>	Government Procurement
<b>Chapter 13</b>	Intellectual Property Cooperation
<b>Chapter 14</b>	Transparency
<b>Chapter 15</b>	Dispute Settlement
<b>Chapter 16</b>	Exceptions
<b>Chapter 17</b>	Administration and Final Provisions

Source: The Agreement.

### **3 PROVISIONS ON TRADE IN GOODS**

#### **3.1 Import duties and charges, and quantitative restrictions**

##### **3.1.1 General provisions**

3.1. Trade in goods between the Parties is governed by Chapter 3. The Parties agree to grant national treatment to each other's goods in accordance with Article III of GATT 1994 (Article 3.3). They agree to ensure in accordance with GATT Article VIII.1 that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with GATT Article III.2, and anti-dumping and countervailing duties) imposed or in connection with import and export are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to local goods or a taxation on imports or exports for fiscal purposes (Article 3.6). No Party shall require consular transactions, including related fees and charges, in connection with the import of any good of the other Party. The Parties shall make available and maintain electronically a current list of the fees and charges imposed in connection with imports and exports.

##### **3.1.2 Liberalization of trade and tariff lines**

3.2. The Parties shall eliminate customs duties on originating goods of the other Party in accordance with the tariff schedules set out in Annexes 3A and 3B. The Parties shall not increase an existing customs duty, introduce a new customs duty or impose an additional customs duty on the import of originating goods (Article 3.4).

3.3. The Parties shall not adopt or maintain any non-tariff measures that prohibit or restrict the import of any good of the other Party except in accordance with their WTO rights and obligations, or in accordance with other provisions of the Agreement (Article 3.9).

3.4. Except as otherwise provided in the Agreement, the Parties shall not adopt or maintain any prohibition or restriction on the import of any good destined for the other Party, except in accordance with GATT Article XI (Article 3.11).

##### **3.1.3 Liberalization schedule**

###### **3.1.3.1 Singapore**

3.5. Singapore eliminated customs duties on all goods immediately upon the entry into force of the Agreement in 2014.<sup>7</sup>

3.6. Table 3.1 shows the scheduled elimination in terms of tariff lines and trade, as applied by Singapore to imports from Chinese Taipei. Following the entry into force of the Agreement, the six lines subject to MFN duties became duty-free for imports from Chinese Taipei.

<sup>7</sup> Singapore's applied tariff in 2014 consisted of 9,558 lines at the HS eight-digit level, 99.9% of which had zero rates of duty on an MFN basis and 6 lines had specific tariffs.

**Table 3.1 Singapore: Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Number of lines	% of total lines in Singapore's tariff schedule	Value of Singapore's imports from Chinese Taipei (2011-2013) in million US\$	% of Singapore's total imports from Chinese Taipei 2011-2013
<b>MFN duty free (2014)</b>	9,552	99.9	25,300.6	99.997
<b>2014</b>	6	0.1	0.8	0.003
<b>Total</b>	9,558	100.0	25,301.3	100.0

Note: Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from WTO-IDB database.

3.7. Table 3.2 shows Singapore's tariff elimination, by HS section. The 6 lines liberalized on the entry into force of the Agreement are in HS Section IV and correspond to some alcoholic beverages.<sup>8</sup>

**Table 3.2 Singapore: Tariff elimination under the Agreement, by HS Section**

HS Section	MFN average%	No. of lines	MFN duty-free Lines 2014	Number of duty-free lines in 2014 under the Agreement
I	0.0	521	521	
II	0.0	474	474	
III	0.0	156	156	
IV	0.0 <sup>a</sup>	443	437	6
V	0.0	204	204	
VI	0.0	1,157	1,157	
VII	0.0	480	480	
VIII	0.0	100	100	
IX	0.0	157	157	
X	0.0	269	269	
XI	0.0	1,079	1,079	
XII	0.0	74	74	
XIII	0.0	215	215	
XIV	0.0	81	81	
XV	0.0	909	909	
XVI	0.0	2,067	2,067	
XVII	0.0	565	565	
XVIII	0.0	329	329	
XIX	0.0	27	27	
XX	0.0	239	239	
XXI	0.0	12	12	
<b>Total</b>	<b>0.0</b>	<b>9,558</b>	<b>9,552</b>	<b>6</b>

a 6 tariff lines with specific duties are not included in the calculation of average MFN tariffs.

Note: Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from the WTO-IDB database.

### 3.1.4 Chinese Taipei

3.8. As shown in Table 3.3, 29.5% of Chinese Taipei's tariff lines were duty free on an MFN basis in 2014, corresponding to 80.5% of Chinese Taipei's total imports from Singapore in 2011-2013.<sup>9</sup> Following the Agreement's entry into force, Chinese Taipei liberalized an additional 53.6% of lines, representing 17.8% of its imports from Singapore in 2011-2013. Ten years after entry into force a total of 99.1% of tariff lines will have been liberalized. Liberalization continues until 2028 at which point 99.5% of tariff lines, corresponding to 99.8% of imports from Singapore will be duty free. A total of 46 lines will remain subject to duties.

<sup>8</sup> The products are stout or porter (HS 22030010); other beer including ale (HS 22030090); and medicated samsu (HS 22089010, 22089020, 22089030, and 22089040).

<sup>9</sup> Chinese Taipei's tariff schedule is composed of 8,928 lines at the HS-8 digit level of which 8,757 (98.08%) are subject to ad valorem duties, 92 are subject to specific duties and 79 to mixed duties.

**Table 3.3 Chinese Taipei: Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Number of lines	% of total lines in Chinese Taipei's tariff schedule	Value of Chinese Taipei's imports from Singapore (2011-2013) in million US\$	% of Chinese Taipei's total imports from Singapore 2011-2013
<b>MFN duty free (2014)</b>	2,633	29.5	6526.7	80.5
2014	4,781	53.6	1439.4	17.8
2018	421	4.7	86.9	1.1
2023	1,006	11.3	38.1	0.5
2028	41	0.5	0.0	0.0
Remain dutiable	46	0.5	13.1	0.2
<b>Total</b>	<b>8,928</b>	<b>100.0</b>	<b>8,104.3</b>	<b>100.0</b>

Note: Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from the Chinese Taipei authorities.

3.9. In the case of Chinese Taipei, the lines subject to liberalization ten or more years after the Agreement's entry into force fall in HS Sections I-IV (Table 3.4).

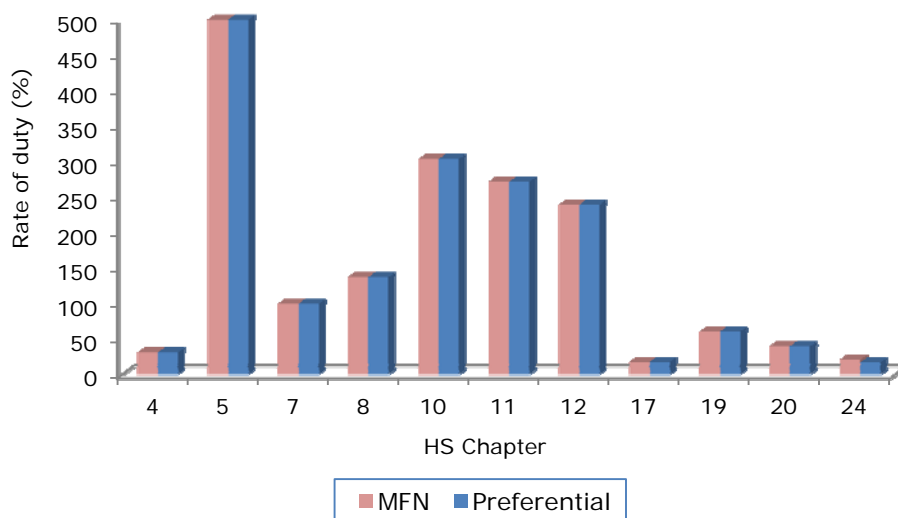
**Table 3.4 Chinese Taipei: Tariff elimination under the Agreement, by HS Section**

HS Section	MFN average %	No. of lines	MFN duty-free lines 2014	Number of duty-free lines under the Agreement				Remain dutiable	Avg. Final Tariff (Dutiable)
				2014	2018	2023	2028		
I	18.6	707	66	447	33	144	8	9	82.9
II	22.3	561	165	216	2	144	11	23	200.1
III	12.7	78	28	43	4	1	2		
IV	18.3	467	55	176	25	177	20	14	29.6
V	1.0	231	156	72	3				
VI	2.6	1,427	492	878	44	13			
VII	4.8	355	12	292	49	2			
VIII	3.3	87	34	32	9	12			
IX	1.9	154	112	32	10				
X	0.0	182	182						
XI	8.8	1,208	47	610	168	383			
XII	6.0	76	7	58	5	6			
XIII	6.7	257	10	231	7	9			
XIV	0.1	76	75	1					
XV	2.6	894	530	349	7	8			
XVI	3.6	1,293	335	866	27	65			
XVII	9.0	257	58	140	26	33			
XVIII	2.6	363	162	197	1	3			
XIX	1.7	21	14	7					
XX	3.2	224	83	134	1	6			
XXI	0.0	10	10						
<b>Total</b>	<b>7.3</b>	<b>8,928</b>	<b>2,633</b>	<b>4,781</b>	<b>421</b>	<b>1,006</b>	<b>41</b>	<b>46</b>	<b>125.3</b>

Note: For the calculation of averages, specific duties are excluded and the AVEs provided by the authorities or the ad valorem compound were used.  
Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from the Chinese Taipei authorities.

3.10. At the HS Chapter level, tariffs will continue to apply in 11 Chapters (Chart 3.1). In all but one HS Chapter, preferential tariffs are the same as the MFN rate. In HS Chapters 5, 19, 11 and 12, preferential duties are 500%, 303%, 271% and 239%, respectively. In HS Chapter 24 (tobacco) the preferential tariff is lower than the MFN rate indicating that some tariff commitments have been made on these tariff lines under the Agreement.

**Chart 3.1 Chinese Taipei: Average of dutiable rates, by HS Chapter**

Note: For the calculation of averages, specific duties are excluded and the AVEs provided by the authorities or the *ad valorem* compound were used. Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from the Chinese Taipei authorities.

### 3.1.5 Tariff rate quotas

3.11. There are no tariff rate quotas established under the Agreement.

### 3.2 Rules of origin

3.12. Chapter 4 and Annexes 4A-E concern rules of origin.

3.13. Article 4.1 sets out definitions used in the Chapter. Article 4.2 concerns originating goods. A good is considered to be originating if it is either (a) wholly obtained or produced entirely in a Party pursuant to the definition in Article 4.1 of the Agreement, (b) produced entirely in one or both Parties exclusively from materials whose origin conforms to the provisions of Chapter 4, (c) produced in one or both Parties using non-originating materials that conform to a change in tariff classification (CTC) requirement, a regional value content (RVC) requirement (as provided for in Article 4.3) or other requirements as specified in Annex 4B, and the good meets the other applicable provisions of Chapter 4, or (d) otherwise provided as an originating good under Chapter 4.

3.14. Article 4.4 outlines a list of operations that do not confer origin. The rules on accumulation permit originating materials from a Party, incorporated in the production of a good in the other Party, to be considered as originating in the other Party (Article 4.5). The de minimis rules in Article 4.6 permit a good that does not satisfy the CTC requirement pursuant to Annex 4B to nonetheless be considered as originating if the value of all non-originating materials used in its production that did not meet the CTC requirement does not exceed 10% of the transaction value of the given good and the good meets all other applicable criteria of the Chapter. Articles 4.7-4.10 deal, respectively, with accessories, spare parts, and tools; packaging materials and containers for retail sale; packing materials and containers for shipment; and indirect materials. Article 4.11 provides that goods will retain their originating status if transited through one or more non-Parties provided they did not undergo operations other than unloading, reloading, or any other operation necessary to preserve them in good condition, and did not enter the commerce of such non-Parties while in transit.

3.15. Outward processing is permitted provided that certain conditions are respected (Article 4.12). Annex 4C contains a list of goods in HS Chapters 40, 70, 82, 84, 85, 87, 90 and 94 that are eligible for outward processing. Article 4.13 outlines the conditions relating to the determination of fungible goods and materials as originating goods.

3.16. Section B of Chapter 4 sets out the customs procedures relating to origin. A claim for preferential tariff treatment must be based on a Declaration of Origin (laid out in Annex 4E of the Agreement) and signed by an exporter or producer of a Party. Exceptions from a Declaration of Origin is granted where the customs value does not exceed US\$1,000 or equivalent (or higher amount as may be established by a Party), provided that the import does not form part of a series of imports that may be considered to have been undertaken for the purpose of avoiding the declaration requirements. The importing Party may conduct a verification of origin in accordance with Article 4.18.

3.17. Annex 4B contains the product specific rules of origin that confer originating status. The product specific rules applying to industrial goods provide for the most part for a change in tariff classification (CTC) at the Chapter, Heading or Sub-heading level. For most goods, an alternative is provided through the addition of an RVC requirement of 35-45%. Textiles and clothing are for the most part subject to product specific rules or a RVC requirement. Processed agricultural products are mostly subject to a CTC or RVC (ranging from 35% to 45%) requirement, while unprocessed agricultural products are subject to a CTC or Wholly Obtained requirement.

### **3.3 Export duties and charges, and quantitative restrictions**

3.18. The Parties shall not adopt or maintain any duty, tax or other charge on the export of goods to the other Party (Article 3.5). The Parties shall not adopt or maintain any non-tariff measures that prohibit or restrict the export of any good destined for the other Party except in accordance with their WTO rights and obligations, or in accordance with other provisions of the Agreement (Article 3.9).

3.19. Except as otherwise provided in the Agreement, the Parties shall not adopt or maintain any prohibition or restriction on the export or sale for export of any good destined for the other Party, except in accordance with GATT Article XI (Article 3.11).

### **3.4 Regulatory provisions on trade in goods**

#### **3.4.1 Standards**

##### **3.4.1.1 Sanitary and phytosanitary measures**

3.20. Chapter 6 deals with Sanitary and Phytosanitary (SPS) measures. In Article 6.1 the Parties set out the objectives of the Chapter while Article 6.2 lays out general principles. The WTO Agreement on SPS Measures is incorporated into the Agreement, *mutatis mutandis*.

3.21. The Parties agree to give favourable consideration to any reasonable request by the other Party about SPS measures and shall provide relevant documentation within a reasonable time. They shall explore opportunities for further cooperation and collaboration on SPS matters of mutual interest and give favourable consideration to accepting the equivalence of each other's SPS measures (Article 6.3). Each Party shall designate a coordinator, responsible for coordination and communication with the other Party's coordinator in matters of relevant to the SPS Chapter. The coordinator may facilitate the establishment of Technical Working Groups.<sup>10</sup> Upon entry into force of the Agreement, the Parties shall exchange information on the coordinators and competent SPS authorities and shall notify each other of any significant change on the structures, organizations and divisions of the competent SPS authorities and coordinators.

##### **3.4.1.2 Technical barriers to trade**

3.22. Chapter 7 concerns technical barriers to trade (TBT). The objectives of the Chapter are set out in Article 7.1. In Article 7.3 the Parties affirm their existing rights and obligations under the TBT Agreement. Chapter 7 does not apply to SPS measures and purchasing specifications prepared by governmental bodies for production or consumption requirements of governmental bodies which are covered by the Chapter on government procurement. Chapter 7 applies to all goods

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<sup>10</sup> The Parties have indicated that as of December 2014 technical working groups have yet to be established.

and/or assessments of manufacturers or manufacturing processes of goods traded between the Parties, regardless of the origin of those goods.

3.23. On standards, the Parties shall use international standards or their relevant parts as a basis for their technical regulations and related conformity assessment procedures where relevant international standards exist or their completion is imminent, except where such standards are ineffective or inappropriate to fulfil legitimate objectives. In determining whether an international standard, guide or recommendation within the meaning of the TBT Agreement exists, the Parties shall base their determination on the Decision contained in WTO document G/TBT/1/Rev.10.

3.24. Under Article 7.5 on trade facilitation, the Parties shall cooperate and jointly identify work in the field of standards, technical regulations and conformity assessment procedures with a view to facilitating market access, which may include cooperation on regulatory issues such as the harmonization of technical regulations and standards, alignment to international standards, reliance on a supplier's declaration of conformity, and use of accreditations to qualify conformity assessment bodies. Article 7.6 concerns conformity assessment procedures. The Parties agree to intensify their exchange of information on the variety of mechanisms to facilitate the acceptance of conformity assessment results or certification. They shall seek to ensure that conformity assessment procedures applied between them facilitate trade by ensuring that they are no more restrictive than necessary to provide an importing Party with confidence that products conform with the applicable technical regulations, taking into account the risk that non-conformity would create. Upon request, a Party shall explain its reasons for not accepting the results of a conformity assessment procedure performed in the other Party. Each Party shall accredit, approve, licence or otherwise recognize conformity assessment bodies in the other Party on terms no less favourable than those it accords to its own such bodies. A Party shall explain a refusal to recognize a conformity assessment body in the other Party, upon request.

3.25. In Article 7.7 the Parties agree to information exchange. Article 7.8 concerns confidentiality. In order to facilitate the implementation of the Chapter and cooperation between the Parties, each Party shall designate a coordinator as specified in Annex 7 who is responsible for coordinating and communicating with interested persons. The provisions of the *Mutual Recognition Arrangement on Conformity Assessment between the Bureau of Standards, Metrology and Inspection and the Standards, Productivity and Innovation Board*, done on 28 November 2005, the *Agreement between the Taipei Representative Office in Singapore and the Singapore Trade Office in Taipei on Information Relating to Consumer Product Safety*, done on 19 October 2010, and the *APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment*, as amended from time to time are, *mutatis mutandis*, incorporated into the Agreement (Article 7.10).

### **3.4.2 Safeguard mechanisms**

#### **3.4.2.1 Global safeguards**

3.26. The Parties maintain their rights and obligations under GATT Article XIX and the WTO Agreement on Safeguards (Article 3.14). At the request of the other Party, the Party intending to take safeguard measures shall immediately provide written notification of all pertinent information on the initiation of a safeguard investigation, the provisional findings, and the final findings of the investigation. No Party shall apply, with respect to the same good, at the same time: a bilateral safeguard measure; and a measure under GATT Article XIX and the Agreement on Safeguards.

#### **3.4.2.2 Bilateral safeguards**

3.27. A Party may apply a safeguard measure if, as a result of the reduction or elimination of a customs duty an originating good of the other Party is being imported by the Party, in such increased quantities, in absolute terms or relative to local production and under such conditions as to cause or threaten to cause serious injury, or a threat thereof,<sup>11</sup> to a local industry producing like or directly competitive goods. The importing Party may suspend the further reduction of any customs duty on the good concerned or increase the duty on the good to a level not to exceed the

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<sup>11</sup> Defined in accordance with Article 4.1(a) and (b) of the WTO Agreement on Safeguards.



lesser of the MFN tariff applied at the time the measure is taken or on the day immediately preceding the date of entry into force of the Agreement (Article 3.14).

3.28. A Party shall notify in writing the initiation of an investigation and consult with the other Party as far in advance of applying a bilateral safeguard measure as practicable. A measure may only be applied following an investigation in accordance with Articles 3 and 4.2(c) of the Agreement on Safeguards. The investigation shall be completed within one year following the date of initiation. Neither Party may apply a bilateral safeguard measure except to the extent and for such a period of time as necessary to prevent or remedy serious injury and to facilitate adjustment; or for a period exceeding three years (which may be extended by up to two years if the measure continues to be necessary to prevent or remedy serious injury and to facilitate adjustment and there is evidence that the industry is adjusting). Upon termination of the measure, the rate of customs duty shall be the rate which would have been in effect but for the measure.

3.29. In critical circumstances a Party may apply a bilateral safeguard measure on a provisional basis not exceeding 200 days. Should the investigation not result in a finding of serious injury or threat thereof, the Party applying the measure shall promptly refund any tariff increases.

3.30. A Party applying a bilateral safeguard measure shall consult with the other Party in order to mutually agree on appropriate trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the safeguard measure. In the absence of an agreement on compensation, the Party whose goods are subject to the safeguard measure may take action with respect to goods of the other Party that has trade effects substantially equivalent to the safeguard measure.

#### **3.4.2.3 Balance of Payments**

3.31. The provisions on Balance of Payments are covered in Section 5 of the factual presentation.

#### **3.4.3 Anti-dumping and countervailing measures**

3.32. The Parties reaffirm their commitment to abide by the provisions of Article VI and the XVI of the GATT 1994 (Article 3.12) and maintain their rights and obligations under the WTO Anti-Dumping Agreement (Article 3.13).

#### **3.4.4 Subsidies and State-aid**

3.33. The Parties reaffirm their commitment to abide by the provisions of the WTO Agreement on Subsidies and Countervailing Measures and the WTO Agreement on Agriculture (Article 3.12). They agree to prohibit export subsidies on all goods, including agricultural goods.

#### **3.4.5 Customs-related procedures**

3.34. Chapter 5 sets out the provisions on customs procedures. Customs procedures of the Parties shall conform where possible with the standards and recommended practices of the World Customs Organization (Article 5.2). The Parties shall ensure that their laws, regulations, procedures and administrative rulings of general application governing customs matters are promptly published on the Internet; shall publish in advance any regulations of general application governing customs matters that they propose to adopt and provide interested persons with the opportunity to comment before adoption; and establish and maintain one or more inquiry points to address inquiries.

3.35. The Parties shall adopt a risk management approach in their customs activities based on their identified risk of goods thus facilitating clearance of low-risk consignments, while focusing inspection activities on high-risk goods (Article 5.5). They agree to facilitate the exchange of information on best practices in relation to customs procedures (Article 5.6). They shall provide importers and exporters with access to administrative review by an authority supervising customs administration and judicial review of the determination taken at the final level of administrative review, in accordance with their laws. Notice of the decision on appeal, together with the reasons for such decision shall be given in writing (Article 5.7).

3.36. The Parties shall maintain or establish a single window through which documentation and/or data requirements have to be submitted only once online in electronic form (Article 5.8). Each Party shall provide through its customs administration and in accordance with provisions laid down by its laws and regulations, for written advance rulings in respect of tariff classification and origin of goods to be issued to importers, or to exporters or producers in the other Party concerning questions on tariff classification, origin of goods and the application of the Customs Valuation Agreement. The Parties shall adopt or maintain procedures in order to issue such written advance rulings (Article 5.9). Rulings shall be made within 90 days (Article 5.9). The Parties shall determine the customs value of goods traded between them in accordance with the provisions of GATT Article VII and the Customs Valuation Agreement (Article 5.10).

#### **3.4.6 Other regulations**

### **3.5 Sector-specific provisions on trade in goods**

#### **3.5.1 Electronic Commerce**

3.37. Chapter 11 deals with Electronic Commerce. The Parties recognize the economic growth and opportunity that electronic commerce provides, and the importance of avoiding barriers to its use and development. They agree not to impose customs duties on electronic transmissions between them. Further provisions of the Chapter deal with non-discriminatory treatment, authentication and electronic signatures, paperless trading, and cooperation.

## **4 PROVISIONS ON CROSS BORDER TRADE IN SERVICES AND INVESTMENT**

### **4.1 Cross Border Trade in Services**

4.1. Chapter 8 covers measures adopted or maintained by a Party affecting cross border trade in or supply of services (CBTS) by service suppliers of the other Party. These include measures affecting: (i) the production, distribution, marketing, sale and delivery of a service; (ii) the purchase or use of, or payment for, a service; (iii) the access to and use of distribution, transport, or telecommunications networks and services in connection with the supply of a service; (iv) the presence of a service supplier of the other Party; and (v) the provision of a bond or other form of financial security as a condition for the supply of a service. The Parties' lists of non-conforming measures (exceptions from the core disciplines of the CBTS and Investment chapters) are contained in Annexes 8B:I and 8B:II.

4.2. Under the Agreement, CBTS means the supply of a service: i) from one Party into the other Party (mode 1); ii) in one Party by a person of that Party to a person of the other Party (mode 2); or iii) by a service provider of a Party through presence of natural persons of a Party in the other Party (mode 4). CBTS does not include the supply of a service in a Party by an investor of the other Party or a covered investment as defined in Article 9.1 (Investment).

4.3. Chapter 8 does not apply to measures affecting the supply of financial services as defined in paragraph 5(a) of the GATS Annex on Financial Services;<sup>12</sup> government procurement; air services including domestic and international air transportation services, whether scheduled or non-scheduled and related services in support of air services, other than aircraft repair and maintenance services, the selling and marketing of air transport services, and computer reservation system services; and subsidies or grants provided by a Party, including government-supported loans, guarantees and insurance, or any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to local services, service consumers or service suppliers. In addition, the Chapter does not apply to services supplied in the exercise of governmental authority.

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<sup>12</sup> The Parties' obligations with respect to measures affecting the supply of financial services are in accordance with their obligations under GATS, the *GATS Annex on Financial Services* and the *GATS Second Annex on Financial Services*, subject to any reservations thereto. These obligations are incorporated into the Agreement.

## 4.2 Investment

4.4. Chapter 9 on investment applies to measures adopted or maintained by a Party relating to: i) investors of the other Party;<sup>13</sup> ii) covered investments;<sup>14</sup> and, iii) all investments in the Party with regard to disciplines on performance requirements (Article 9.9). The Chapter does not bind either Party in relation to any act or fact that took place or ceased to exist before the Agreement's entry into force. The investment Chapter does not apply to services supplied in the exercise of governmental authority.

4.5. In the event of an inconsistency between the investment Chapter and another Chapter of the Agreement, the latter prevails to the extent of the inconsistency.

4.6. The investment Chapter does not apply to measures adopted or maintained by a Party in respect of investors of the other Party, and investments of such investors in financial institutions in the former Party (Article 9.3).<sup>15</sup> The Parties reaffirm their commitments under the GATS with respect to financial services, which are incorporated into the investment Chapter.

4.7. The Chapter on investment does not apply to measures adopted or maintained by a Party relating to: (a) activities or services forming part of a public retirement plan or statutory system of social security; (b) activities or services conducted for the account or with the guarantee or using the financial resources of the Party, including its public entities; or (c) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies; except that the provisions (outlined in footnote 11 shall apply if a Party allows any of the activities or services referred to in (a) or (b) to be conducted by its financial institutions in competition with a public entity or a financial institution).

4.8. The Parties' lists of non-conforming measures are set out in Annexes 8B:I and 8B:II. The key obligations of national treatment, performance requirements and senior management and boards of directors do not apply to any measure that a Party adopts or maintains with respect to sectors, sub-sectors, or activities as set out in those Annexes. National treatment does not apply to any measure that is an exception to, or a derogation from, a Party's obligations under the TRIPS Agreement. The obligations of national treatment, senior management and boards of directors do not apply to government procurement or subsidies or grants provided by a Party<sup>16</sup>, including government-supported loans, guarantees, and insurance.

4.9. Nothing in Chapter 9 shall be construed to prevent either Party from adopting or enforcing measures necessary to secure compliance with laws or regulations that are not inconsistent with the investment Chapter, including those relating to the prevention of deceptive and fraudulent practices (Article 9.3).

## 4.3 Denial of benefits

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<sup>13</sup> "Investor of a Party" is defined in Article 9.1 and includes permanent residents.

<sup>14</sup> According to Article 9.1, an "investment" means every kind of asset, owned or controlled, directly or indirectly, by an investor, that has the characteristics of an investment. Forms that an investment may take include but are not limited to: an enterprise; shares, stock, and other forms of equity participation in an enterprise, including rights derived therefrom; bonds, debentures, and loans and other debt instruments, including rights derived therefrom; futures, options, and other derivatives; turnkey, construction, management, production, concession, revenue-sharing, and other similar contracts; claims to money or to any contractual performance related to a business and having an economic value; intellectual property rights and goodwill; licences, authorisations, permits, and similar rights conferred pursuant to applicable local laws, including any concession to search for, cultivate, extract or exploit natural resources; and other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens, and pledges.

<sup>15</sup> Except for the following provisions: Article 9.6 (Special Formalities and Information Requirements); Article 9.7 (Minimum Standard of Treatment); Article 9.8 (Compensation for Losses); Article 9.12 (Expropriation); Article 9.13 (Transfers); Article 16.5 (Restrictions to Safeguard the Balance of Payments); Article 9.14 (Denial of Benefits); Article 9.16 (Settlement of Disputes between a Party and an Investor of the Other Party); Article 9.17 (Savings Clause); and Annex 9.

<sup>16</sup> In the event of losses due to war, armed conflict or other similar situations in the other Party, that Party shall be accorded treatment regarding restitution, compensation or other settlement no less favourable than that accorded to investors of any non-Party or its own investors, whichever is more favourable (Article 9.8). Such provision does not apply to existing measures relating to subsidies and grants provided by a Party, including government-supported loans, guarantees and insurance.

4.10. Subject to prior notification and consultation, a Party may deny the benefits of the Chapter on CBTS to a service supplier of the other Party if the service is being supplied by an enterprise that has no substantive business operations in the other Party and that is owned or controlled by persons of a non-Party or the denying Party (Article 8.10).

4.11. Subject to prior notification and consultation, a Party may deny the benefits of the Chapter on investment to an investor of the other Party that is an enterprise of such Party and to investments of such an investor where the Party establishes that the enterprise is owned or controlled by persons of a non-Party, or of the denying Party, and has no substantive business operations in the other Party (Article 9.14).

#### **4.4 General provisions on trade in services**

##### **4.4.1 Market access**

4.12. The Parties grant each other market access in accordance with Article 8.4. The types of limitations the Parties may not adopt or maintain mirror those in Article XVI of GATS, with the exception of the limitation on capital participation by investors of the other Party.

##### **4.4.2 National treatment and MFN**

4.13. Each Party shall accord to service suppliers of the other Party treatment no less favourable than that it accords, in like circumstances, to its own service suppliers (Article 8.3).

4.14. There are no provisions on MFN treatment of service suppliers and investment in the Agreement.

4.15. Each Party shall accord to investors of the other Party and to covered investments treatment no less favourable than that it accords, in like circumstances, to its own investors and to investments of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments (Article 9.5).

##### **4.4.3 Local presence**

4.16. According to Article 8.5, neither Party may require a service supplier of the other Party to establish or maintain a representative office or any form of enterprise, or to be resident as a condition for the cross-border supply of a service.

##### **4.4.4 Performance Requirements**

4.17. In connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment of an investor of a Party or of a non-Party, the Parties may not impose or enforce performance requirements (Article 9.9), *inter alia*, on export performance; local content requirements; purchase, or use of locally produced goods; foreign exchange inflows requirements; restrictions on sales of goods or services based on the volume or value of their export or foreign exchange earnings; technology transfer;<sup>17</sup> or exclusive supply.

4.18. Neither Party may condition the receipt or continued receipt of an advantage in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment of an investor of a Party or of a non-Party, on local content, purchase,

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<sup>17</sup> Does not apply when a Party authorizes use of an IPR in accordance with Article 31 of the TRIPS Agreement, nor to measures requiring the disclosure of proprietary information that fall within the scope of and are consistent with Article 39 of the TRIPS Agreement, nor when the requirement is imposed or enforced by a court, administrative tribunal or competition authority to remedy a practice determined to be anticompetitive under the Party's competition laws.

or use of locally produced goods, foreign exchange inflows, or foreign exchange earnings (Article 9.9).<sup>18</sup>

#### **4.4.5 Senior Management and Boards of Directors**

4.19. Neither Party may require that an enterprise of that Party that is a covered investment appoint to senior management positions natural persons of any particular "nationality/citizenship". A Party may require that a majority of the board of directors, or any committee thereof, of an enterprise of that Party that is a covered investment, be of a particular "nationality/citizenship", or resident in the Party, provided that the requirement does not materially impair the ability of the investor of the other Party to exercise control over its investment (Article 9.10).

#### **4.5 Other investment-related provisions**

4.20. Neither Party shall expropriate or subject to measures equivalent to expropriation a covered investment unless taken on a non-discriminatory basis, for public purpose in accordance with due process of law, and upon payment of compensation (Article 9.12). Compensation shall be equivalent to fair market value. Any measure of expropriation relating to land shall be for a purpose and upon payment of compensation in accordance with applicable legislation of the expropriating Party. Article 9.12 does not apply to the issuance of compulsory licences granted in relation to IPRs in accordance with the TRIPS Agreement, or to the revocation, limitation or creation of IPRs.

4.21. Annex 9 provides elaboration on indirect expropriation and clarifies, inter alia, that except in rare circumstances non-discriminatory measures taken in the exercise of a Party's regulatory powers such as public health, safety and the environment, do not constitute indirect expropriation.

4.22. The Parties shall permit all transfers relating to a covered investment to be made freely and without delay in a freely usable currency at the market rate of exchange at the time of transfer (Article 9.3). Article 9.15 deals with subrogation.

4.23. Article 9.16 provides for an investor-Party dispute settlement mechanism. Awards rendered by the arbitral tribunal are final and binding upon the Parties. In the event that there has been a breach of any obligation of the Chapter on investment, the remedy is limited to one or both of the following: payment of monetary damages and applicable interest; and restitution of property, in which case the award shall provide that the disputing Party may pay monetary damages and any applicable interest in lieu of restitution.

##### **4.5.1 Movement of natural persons**

4.24. Chapter 8 (CBTS) does not impose any obligation on a Party with respect to a natural person of the other Party seeking access to its employment market, or employed on a permanent basis, and does not confer any right on that natural person with respect to that access or employment nor does it apply to measures regarding "citizenship" or residence on a permanent basis.

4.25. There is no separate Chapter or commitments on the movement of natural persons. Both Parties reserve the right to adopt or maintain measures with respect to the temporary movement of natural persons.

#### **4.6 Liberalization commitments**

4.26. Both Chapter 8 on CBTS and Chapter 9 on Investment follow a negative-list approach which implies that, with respect to the core disciplines of market access, national treatment, local presence, senior management and boards of directors and performance requirements all sectors or sub-sectors are assumed to be open to competition from services suppliers or investors of the other Party, unless otherwise specified in Annex 8B: I or 8B: II.

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<sup>18</sup> Exceptions to certain provisions of Article 9.9 are made in the case of export promotion and international aid programmes, government procurement and requirements relating to local content requirements necessary to qualify for preferential tariff treatment or preferential quotas.

4.27. As a consequence, the obligations of national treatment, market access and liberalization of local presence requirements apply fully to CBTS between the Parties in all sectors, unless reservations are listed in Annexes 8B:I or 8B:II. Annex 8B:I represents a standstill commitment as a Party may maintain, review, or even amend the measures listed there, but not make them more restrictive. By contrast, Annex 8B:II contains the specific sectors where the Parties may adopt or maintain new or even more restrictive measures.

4.28. Similarly, national treatment as well as liberalization of performance requirements, and senior management and board of director requirements apply fully to investment-related matters in all sectors, except for the reservations contained in Annex 8B:I and 8B:II.

#### 4.6.2 Singapore

4.29. Under Annex 8B:I, Singapore has listed 28 reservations for existing measures, of which four are horizontal. It also listed 40 Annex 8B:II reservations, eight of which are horizontal.

4.30. The following sections refer to its horizontal and sector-specific commitments and liberalization.

##### 4.6.2.1 Horizontal commitments

4.31. In its GATS schedule, Singapore has horizontal limitations on the temporary movement of persons and national treatment limitations on the establishment of business firms. Under the Agreement, Singapore employs similar national treatment restrictions and residency requirements on the establishment of companies. Singapore additionally imposes foreign equity ceilings (at the aggregate and/or individual shareholder level) on certain Singapore companies.<sup>19</sup>

4.32. Under future Annex 8B:II reservations, Singapore has scheduled eight horizontal reservations reserving the right to adopt or maintain measures with regard to the following: the supply of a service by the presence of natural persons; the divestment of the administrator and operator of airports; the supply of health services by government-owned or controlled healthcare institutions; the supply of social services, social security, public training, and ambulance services; activities which may be conducted on land; alienation and divestment of real estate owned by the State; divestment of government owned assets or devolvement of services provided in the exercise of governmental authority; and real estate.

##### 4.6.2.2 Sector-specific commitments

4.33. Table 4.1 compares the degree of liberalization (modes 1-3 only) by sector in the Agreement with that in Singapore's GATS Schedule. In particular, it indicates whether for a given subsector the sectoral commitments in the Agreement (except as indicated in the horizontal reservations) are improved or the same as those in the GATS.

**Table 4.1 Singapore: comparison between GATS and the Agreement sector-specific commitments in trade in services (excluding mode 4)**

Sectors (CPC Classification)	GATS	FTA	
	Sectoral Commitments	Compared to the GATS	Sector-specific reservations (or provisions) specified in
<b>1. Business services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Professional Services	partial	improved	
B. Computer and Related Services	partial	improved	
C. Research and Development Services	partial	improved	
D. Real Estate Services	--	partial	
E. Rental/Leasing Services without Operators	--	partial	
F. Other Business Services	partial	improved	
<b>2. Communication services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Postal services	--	similar	
B. Courier services	partial	full	

<sup>19</sup> Port of Singapore Authorities, Singapore Technologies Engineering, Singapore Airlines and Singapore Power, Power Grid, Power Supply, Power Gas.

Sectors (CPC Classification)	GATS		FTA
	Sectoral Commitments	Compared to the GATS	Sector-specific reservations (or provisions) specified in
C. Telecommunication services	partial	improved	
D. Audiovisual services	partial	same	
E. Other	partial	improved	
<b>3. Construction &amp; related engineering services</b>	<b>partial</b>	<b>Full</b>	
A. General construction work for buildings	partial	Full	
B. General construction work for civil engineering	partial	Full	
C. Installation and assembly work	Partial	Full	
D. Building completion and finishing work	Partial	Full	
E. Other	partial	Full	
<b>4. Distribution services</b>	--	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Commission agents' services	--	improved	
B. Wholesale trade services	--	improved	
C. Retailing services	--	improved	
D. Franchising	--	improved	
E. Other	--	improved	
<b>5. Educational services</b>	--	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Primary education services	--	same	
B. Secondary education services	--	same	
C. Higher education services	--	same	
D. Adult education	--	improved	
E. Other education services	--	improved	
<b>6. Environmental services</b>	--	<b>improved</b>	<b>Annex 8B:II</b>
A. Sewage services	--	partial	
B. Refuse disposal services	--	improved	
C. Sanitation and similar services	--	improved	
D. Other	--	improved	
<b>7. Financial services</b>	<b>partial</b>	<b>same</b>	
A. All insurance and insurance-related services	partial	same	
B. Banking and other financial services	partial	same	
C. Securities and futures	partial	same	
<b>8. Health related and social services</b>	--	<b>same</b>	<b>Annex 8B:I and 8B:II</b>
A. Hospital services	--	same	
B. Other Human Health Services	--	same	
C. Social Services	--	same	
D. Other	--	same	
<b>9. Tourism and travel related services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I</b>
A. Hotels and restaurants (including catering)	partial	partial	
B. Travel agencies and tour operators services	partial	improved	
C. Tourist guides services	partial	improved	
D. Other	--	improved	
<b>10. Recreational, cultural and sporting services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:II</b>
A. Entertainment services	--	same	
B. News agency services	--	same	
C. Libraries, archives, museums and other cultural services	partial	same	
D. Sporting and other recreational services	--	improved	
E. Other	--	improved	
<b>11. Transport services</b>	<b>partial</b>	<b>Improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Maritime Transport Services	partial	improved	
B. Internal Waterways Transport	--	same	
C. Air Transport Services	--	same	
D. Space Transport	--	same	
E. Rail Transport Services	--	same	
F. Road Transport Services	--	same	
G. Pipeline Transport	--	improved	
H. Services auxiliary to all modes of transport	--	improved	
I. Other Transport Services	--	improved	

Note: 'Improved' means commitments that go beyond the GATS as regards market access or national treatment, under any of the three modes. 'Similar' means commitments that do not go beyond the GATS. 'Partial' means commitments that, under the GATS, are subject to some sector-specific limitation(s) under market access or national treatment, under any of the three modes.

--: no commitments.

Source: Schedule of Specific Commitments under the GATS (GATS/SC/136/Rev.1) and relevant section of Annex 8B:I and 8B:II of the Agreement.

4.34. Singapore's commitments under the Agreement on professional services are broader than those in its GATS schedule. Singapore has not made commitments in legal services in its GATS

schedule; an Annex 8B:II reservation under the Agreement to maintain or adopt any measure affecting the supply of legal services in the practice of Singapore law limits potential liberalization of this subsector. Singapore has scheduled no reservations on computer and related services and research and development services under the Agreement, thus liberalizing these subsectors compared to its GATS commitment. Real estate services and rental/leasing services without operators have been partially liberalized under the Agreement.

4.35. Singapore has not bound postal services in its GATS schedule. Its reservation to adopt or maintain any future measure affecting basic and express letter services limits liberalization of this subsector. In its GATS schedule, Singapore has made commitments for courier services in respect of documents and parcels (excluding letters and postcards). Singapore has no reservations on courier services under the Agreement, thus liberalizing this subsector. In telecommunications services under the Agreement, facilities-based and service-based operators must be locally incorporated (in its GATS schedule facilities-based and mobile services are subject to equity ceilings). Singapore reserves the right to adopt or maintain any measure that accords treatment to persons of Chinese Taipei equivalent to any measure adopted or maintained by Chinese Taipei limiting ownership by persons of Singapore enterprises engaged in the provision of public mobile and wireless communications in Chinese Taipei. In audiovisual services, Singapore reserves the right to maintain or adopt any measure affecting broadcasting services receivable by its Singaporean audience and to the allocation of spectrum in relation to broadcasting services, including services offered in Singapore and international services originating from Singapore, thus resulting in the same liberalization as under GATS.

4.36. Singapore has bound construction services but not related engineering services under the GATS. Under the Agreement, Singapore has listed no reservations in this sector.

4.37. In distribution services for which it has no GATS commitments, Singapore has scheduled under the Agreement restrictions on distribution services for medical and health-related products, and reserves the right to maintain or adopt any measure affecting the distribution, publishing and printing of newspapers; the supply of any products subject to import or export prohibition or non-automatic import or export licensing; and the supply of wholesale and retail trade services of tobacco products and alcoholic beverages.

4.38. Singapore has made no commitments in education services in its GATS schedule. Under the Agreement, Singapore reserves the training of doctors to local tertiary institutions and reserves the right to maintain or adopt any measure affecting the supply of primary, general secondary and higher secondary education services for Singapore citizens, including sports education services.

4.39. In environmental services, a sector in which it has no GATS commitments, Singapore reserves the right under the Agreement to adopt or maintain any measure affecting waste water management; waste management including hazardous waste; and the supply of potable water.

4.40. Singapore has made no commitments in health related and social services in its GATS schedule. Under the Agreement, Singapore imposes a residency requirement for service delivery of the following services: medical; dental; pharmacy; deliveries and related services; nursing; physiotherapeutic and para-medical services; allied health services; and optometry and opticianry services. Singapore also reserves the right to maintain or adopt any limit on the number of service suppliers and any measure with respect to the regulation of service suppliers providing (but not limited to) the afore-mentioned list of services.

4.41. In tourism and travel related services, Singapore has few restrictions in its GATS schedule. Under the Agreement, food and/or beverage serving services in eating facilities run by the government are limited to citizens or permanent residents and non-local service suppliers of food and/or beverage services must incorporate as a limited company in Singapore.

4.42. In recreational, cultural and sporting services, a sector in which it has commitments on library services under the GATS, Singapore reserves the right under the Agreement to maintain or adopt any measure relating to the creative arts, cultural heritage and other cultural industries, including entertainment services and other cultural services; and affecting the supply of betting and gambling services.



4.43. In transport services, Singapore's commitments in its GATS schedule pertain to maritime transport services only. Under the Agreement, for maritime transport services Singapore places limitations on the provision of cargo handling services, pilotage services, and the supply of desalinated water; the operation and management of cruise and ferry terminals; registration of ships under the Singapore flag; and the registration of Singapore seamen. In addition, Singapore reserves the right to maintain or adopt any measure affecting certain port and waterway operation services, pilotage and berthing services, navigation aid services and other supporting services for water transport. Singapore reserves the right to adopt or maintain any measure affecting the supply of internal waterways transport. In air transport services, Singapore imposes "effective control" and/or "substantial ownership" requirements on services suppliers providing air transport services (for both passenger and freight) as a Singapore designated airline and reserves the right to maintain or adopt any measure affecting investment in, and/or the supply of air transport-related services; relating to requirements of its bilateral and multilateral air services agreements; and affecting aerial work. Singapore reserves the right to maintain or adopt any measure affecting the supply of passenger transport services and railway and road transportation. The transportation of certain goods via pipeline is subject to a local presence requirement.

#### 4.6.3 Chinese Taipei

4.44. Under Annex 8B:I, Chinese Taipei has listed 32 reservations for existing measures, of which two are horizontal. It also listed seven Annex 8B:II reservations, five of which are horizontal.

4.45. The following sections refer to its horizontal and sector-specific commitments and liberalization.

##### 4.6.3.1 Horizontal commitments

4.46. As in its GATS schedule, Chinese Taipei maintains a mode 3 national treatment reservation on the leasing or ownership of land for certain uses and in certain areas. Under the Agreement, the acquisition of land by non-persons of Chinese Taipei is based on reciprocity. Such land may be acquired for self-use, investment or public welfare purposes provided that it is used for certain purposes.<sup>20</sup> Chinese Taipei reserves the right to maintain any existing measure with respect to investment and CBTS by a service supplier which is a permanent resident of Singapore or an enterprise of Singapore owned or controlled by persons of a non-Party, that is made pursuant to Chinese Taipei's relevant laws and regulations, provided that such treatment is no less favourable than that accorded in like circumstances, to investments and CBTS by service suppliers of any other non-Party.

4.47. Under future Annex 8B:II reservations, Chinese Taipei has scheduled seven reservations of which five are horizontal and which permit Chinese Taipei to adopt or maintain measures with regard to the following: provision of law enforcement and correctional services and certain services to the extent they are social services established or maintained for a public purpose;<sup>21</sup> rights or preferences granted to its indigenous peoples; rights or preferences granted to minorities with social or economic disadvantages; the production, use, distribution and retail of nuclear energy; and any measure with respect to the supply of a service by the presence of natural persons, or other movement of natural persons, including immigration, entry or temporary stay.

##### 4.6.3.2 Sector-specific commitments

4.48. Table 4.2 compares the degree of liberalization (modes 1-3 only) by sector in the Agreement with that in Chinese Taipei's GATS Schedule. In particular, it indicates whether for a given subsector the sectoral commitments in the Agreement (except as indicated in the horizontal reservations) are improved or the same as those in the GATS.<sup>22</sup>

<sup>20</sup> These include residences, business operations, churches, hospitals, public welfare institutions offices, cemeteries, or other uses approved by Chinese Taipei.

<sup>21</sup> Income security or insurance, social security or insurance, social welfare, public education, public training, health, child care, public sewage services.

<sup>22</sup> This Factual Presentation follows the WTO Services Sector Classification list, which is based on the UN Central Product Classification (CPC) and consists of 12 subsectors (WTO document MTN.GNS/W/120).

**Table 4.2 Chinese Taipei: comparison between GATS and the Agreement sector-specific commitments in trade in services (excluding mode 4)**

Sectors (CPC Classification)	GATS	FTA	
	Sectoral Commitments	Compared to the GATS	Sector-specific reservations (or provisions) specified in
<b>1. Business services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I</b>
A. Professional Services	partial	improved	
B. Computer and Related Services	full	same	
C. Research and Development Services	full	same	
D. Real Estate Services	partial	improved	
E. Rental/Leasing Services without Operators	partial	improved	
F. Other Business Services	partial	similar	
<b>2. Communication services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Postal services	--	improved	
B. Courier services	partial	improved	
C. Telecommunication services	partial	Improved	
D. Audiovisual services	partial	Improved	
E. Other	--	Improved	
<b>3. Construction &amp; related engineering services</b>	<b>partial</b>	<b>full</b>	-
A. General construction work for buildings	partial	full	
B. General construction work for civil engineering	partial	full	
C. Installation and assembly work	partial	full	
D. Building completion and finishing work	partial	full	
E. Other	partial	full	
<b>4. Distribution services</b>	<b>partial</b>	<b>full</b>	-
A. Commission agents' services	full	full	
B. Wholesale trade services	partial	full	
C. Retailing services	partial	full	
D. Franchising	full	full	
E. Other	--	full	
<b>5. Educational services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I</b>
A. Primary education services	--	partial	
B. Secondary education services	partial	partial	
C. Higher education services	partial	improved	
D. Adult education	partial	improved	
E. Other education services	partial	improved	
<b>6. Environmental services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Sewage services	partial	improved	
B. Refuse disposal services	partial	improved	
C. Sanitation and similar services	partial	improved	
D. Other	partial	improved	
<b>7. Financial services</b>	<b>partial</b>	<b>same</b>	-
A. All insurance and insurance-related services	partial	same	
B. Banking and other financial services	partial	same	
C. Securities and futures	partial	same	
<b>8. Health related and social services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Hospital services	partial	improved	
B. Other Human Health Services	--	improved	
C. Social Services	--	--	
D. Other	partial	improved	
<b>9. Tourism and travel related services</b>	<b>partial</b>	<b>full</b>	-
A. Hotels and restaurants (including catering)	partial	full	
B. Travel agencies and tour operators services	full	full	
C. Tourist guides services	partial	full	
D. Other	--	full	
<b>10. Recreational, cultural and sporting services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I and 8B:II</b>
A. Entertainment services	--	partial	
B. News agency services	full	same	
C. Libraries, archives, museums and other cultural services	--	partial	
D. Sporting and other recreational services	partial	improved	
E. Other	--	partial	
<b>11. Transport services</b>	<b>partial</b>	<b>improved</b>	<b>Annex 8B:I</b>
A. Maritime Transport Services	--	partial	
B. Internal Waterways Transport	--	partial	
C. Air Transport Services	partial	similar	
D. Space Transport	--	full	
E. Rail Transport Services	partial	similar	
F. Road Transport Services	partial	similar	
G. Pipeline Transport	--	full	
H. Services auxiliary to all modes of transport	partial	full	
I. Other Transport Services	--	full	

Note: 'Improved' means commitments that go beyond the GATS as regards market access or national treatment, under any of the three modes. 'Similar' means commitments that do not go beyond the GATS. 'Partial' means commitments that, under the GATS, are subject to some sector-specific limitation(s) under market access or national treatment, under any of the three modes.

--: no commitments.

Source: Schedule of Specific Commitments under the GATS (GATS/SC/136/Rev.1) and relevant section of Annex 8B: I and 8B:II of the Agreement.

4.49. In business services, Chinese Taipei's commitments are broader compared to its GATS schedule, although some reservations remain and new ones are introduced such as local presence requirements for professional services and real estate services subsectors, which are not scheduled under the GATS. Chinese Taipei's reservations in legal services; accounting, auditing and book keeping services; and taxation services mirror the partial commitments scheduled under the GATS, thus opening up other forms of these services. New reservations, not contained in its GATS schedule have been added on mining, agriculture, animal husbandry, forestry, and logging.<sup>23</sup> Other subsectors such as medical and dental services and services provided by midwives, nurses, physiotherapists and para-medical personnel that do not appear in its GATS Schedule are not subject to restriction under the Agreement.

4.50. In communication services, Chinese Taipei made no commitment in postal services in its GATS schedule and reserves the business of delivering letters, postcards or other correspondence to a publicly owned company under the Agreement. Concerning telecommunication services, Chinese Taipei has increased the limit for total direct shareholding by non-persons of Chinese Taipei to 49% (from 20% under the GATS) and specified shareholding limits in the publicly owned company Chunghwa Telecom. Investment ceilings on non-Chinese Taipei mobile satellite service operators in the GATS have been relaxed under the Agreement which permits such operators to provide service by entering into cooperative agreements with local companies. Under the Agreement, the registration of "country code top level domains" is limited to authorized juridical persons. In its GATS Schedule Chinese Taipei has made no commitments on radio and television transmission services, while radio and television services are subject to local content requirements. Under the Agreement, Chinese Taipei has scheduled a future measure for radio and television broadcast services reserving the right to adopt or maintain any measure relating to broadcasting services to international broadcasting services originating from Chinese Taipei, and to the allocation of spectrum in relation to broadcasting services.

4.51. Chinese Taipei improves its commitments in construction and related engineering services. The Agreement covers mode 1 while in its GATS schedule it is unbound (due to technical feasibility). In distribution services, Chinese Taipei has not made commitments in its GATS Schedule for wholesale and retailing services for firearms and military equipment; under the Agreement no reservations are scheduled, thus liberalizing the subsector. In education services, primary and secondary schools established by non-persons of Chinese Taipei are subject to enrolment restrictions.<sup>24</sup> In adult and other education the restrictions on board composition in Chinese Taipei's GATS Schedule have been relaxed under the Agreement, though the latter restricts non-persons of Chinese Taipei from serving as a local manager for institutions providing adult and/or other education services in Chinese Taipei.

4.52. Chinese Taipei has scheduled two reservations relating to water, limiting investment in water rights and permitting water supply enterprises (in principle operated by public entities) to be operated by juridical persons of Chinese Taipei upon approval. Under future measures, Chinese Taipei may adopt or maintain any measure with respect to the provision of public sewage services.

4.53. For financial services, the Parties have incorporated into the Agreement their obligations under the GATS, the GATS Annex on Financial Services and the GATS Second Annex on Financial Services.

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<sup>23</sup> CBTS and investment in fisheries and aquaculture are restricted. Investment is not allowed in forestry, wood logging and hunting and is conditionally restricted in agriculture and animal husbandry.

<sup>24</sup> Chinese Taipei has no commitments in primary education services in its GATS schedule.

4.54. In health related and social services, Chinese Taipei maintains investment and board composition reservations related to medical services and hospital services. It reserves the right to adopt or maintain any measure related to social services for a public purpose.

4.55. Chinese Taipei has taken no reservations in tourism and travel related services thus liberalizing this sector. In recreational, cultural and sporting services, Chinese Taipei expands its commitments to entertainment, libraries, archives, museums and other cultural services, for which it has no GATS commitments, subject to certain reservations. For games of luck and chance it sets out a future measure with regard to CBTS and investment.

4.56. Unlike in the GATS, Chinese Taipei extends its commitments to maritime, internal waterways, space and pipeline transport services: maritime services is subject to thresholds for investment and board composition; and the operation of internal waterways transport and cabotage is not permitted unless approved by the competent authorities. Chinese Taipei also adds new restrictions, not included in its GATS schedule, prohibiting investment in rail services. In air transport services for which Chinese Taipei has liberalized modes 1-3 of maintenance and repair of aircraft, selling and marketing of air transport services and computer reservation systems in its GATS schedule,<sup>25</sup> Chinese Taipei permits investment in civil air transport and general aviation enterprise, airport ground handling services, catering services, private airport terminal company, and airfield operation and management, subject however to a number of restrictions including investment thresholds and board composition.

## **4.7 Regulatory provisions**

### **4.7.1 Domestic regulation**

4.57. Article 8.7 mirrors GATS Article VI. If the results of negotiations related to Article VI:4 of the GATS enter into effect, the Parties shall amend Article 8.7, as appropriate, after consultations between them. The Parties agree to coordinate on such negotiations, as appropriate.

### **4.7.2 Recognition**

4.58. Article 8.8 mirrors GATS Article VII but extends recognition to countries or customs territories. Where a Party grants recognition it is not obliged to accord such recognition to the other Party, but shall afford adequate opportunity to negotiate accession to a recognition agreement or to negotiate a comparable one, if the other Party is interested.

### **4.7.3 Subsidies**

4.59. The Agreement contains no provisions on subsidies relating to services. Subsidies relating to investment are carved out from the obligations of Article 9.5 (National Treatment) and 9.10 (Senior Management and Boards of Directors).

### **4.7.4 Safeguards**

4.60. Provisions relating to balance of payments restrictions are covered in Section 5 of this report. The Agreement contains no other provisions on safeguards relating to services or investment.

## **4.8 Sector specific provisions on trade in services**

### **4.8.1 Telecommunications Services**

4.61. Annex 8A of the Agreement applies to measures affecting telecommunications services where specific commitments have been undertaken. Annex 8A follows the structure of the WTO Telecommunications Reference Paper with some modifications. For instance, for competitive safeguards, in addition to the anti-competitive practices listed in the Reference Paper, the Annex lists engaging in anti-competitive pricing services and unfair discrimination in the provision of telecommunications services. With regard to interconnection with major suppliers, the Annex

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<sup>25</sup> Mode 1 of maintenance and repair of aircraft is unbound (due to lack of technical feasibility).

requires Parties to ensure that a major supplier is required to allow other suppliers who interconnect with the major supplier: to locate their equipment essential for interconnection within the major supplier's buildings; or to install their cables and lines essential for interconnection within the facilities specified by the laws, regulations, or administrative adjudication of each Party; where physically feasible and where no practical or viable alternatives exist, in order to interconnect smoothly with the essential facilities of the major supplier. In addition, the Parties shall ensure that major suppliers are required to provide, to the relevant regulatory authorities, a reference interconnection offer for approval, or an interconnection agreement already in effect. The reference interconnection offer or model agreement must contain a minimum of elements including a list and description of interconnection-related services offered with terms and conditions; a list of cost-oriented prices; standard periods between the dates of request and commencement; and a statement regarding the duration of the proposed interconnection agreement, if it is fixed.

## **5 GENERAL PROVISIONS OF THE AGREEMENT**

### **5.1 Transparency**

5.1. The Parties shall promptly publish in a non-discriminatory and convenient manner, information relating to: import, export or transit procedures and required forms and documents; applied duty rates, taxes or changes of any kind imposed on imports or exports; rules for the classification or valuation of products for customs purposes; laws, regulations and administrative rulings of general application relating to rules of origin; import, export or transit restrictions or prohibitions; relevant trade legislation; all fees and charges imposed on imports, exports or transit formalities; penalty provisions against breaches of import, export or transit formalities; appeal procedures; agreements or parts thereof with any non-Parties relating to the import, export or transit of goods; and administrative procedures relating to the imposition of tariff quotas (Article 3.10).

5.2. In Chapter 14 on transparency the Parties agree to ensure that their laws, regulations, procedures and administrative rulings of general application relating to any matter covered by the Agreement are promptly published or otherwise made available. They agree to notify each other, to the maximum extent possible, of any measure that may materially affect the operation of the Agreement or otherwise substantially affect the other Party's interests. Article 14.4 deals with administrative proceedings. The Parties shall ensure that wherever possible, persons of the other Party that are directly affected by a proceeding are provided with reasonable notice, in accordance with their own procedures, when a proceeding is initiated and afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action and that their procedures are in accordance with their laws.

5.3. The Parties shall establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of the prompt review, and where warranted, correction of final administrative actions regarding matters covered by the Agreement (Article 14.5).

### **5.2 Current payments and capital movements**

5.4. The Parties permit all transfers and payments relating to CBTS to be made freely, without delay and in a freely usable currency at the market rate of exchange.<sup>26</sup> A Party may, however, prevent or delay a transfer or payment through the equitable, non-discriminatory and good faith application of its laws relating to: bankruptcy, insolvency or the protection of the rights of creditors; issuing, trading or dealing in securities, futures, options, or derivatives; financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; criminal or penal offences; ensuring compliance with orders or judgments in judicial or administrative proceedings; or social security, public retirement or compulsory savings schemes (Article 8.9).

5.5. The Parties permit all transfers relating to a covered investment to be made freely and without delay, including contributions to capital; profits, dividends, capital gains, and proceeds from the sale of all or any part of the investment or its liquidation; interest, royalty payments,

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<sup>26</sup> Subject to measures to safeguard the balance of payments as outlined in Article 16.5.

management fees, and technical assistance and other fees; payments made under a contract entered into by the investor, or its investment, including payments made pursuant to a loan agreement: payments made pursuant to Article 9.12 (Expropriation) and Article 9.8 (Compensation and Losses); and payments arising under 9.16 (Settlement of Disputes between a Party and an Investor of the other Party (Article 9.13)). As for CBTS, a Party may prevent or delay a transfer or payment through the equitable, non-discriminatory and good faith application of its laws.

5.6. A Party may prevent or limit transfers by a financial institution or financial services supplier through the equitable, non-discriminatory, and good faith application of measures relating to maintenance of the safety, soundness, integrity, or financial responsibility of financial institutions or financial services suppliers (Article 9.3).

### 5.3 Balance of Payments Safeguards

5.7. Article 16.5 provides for the use of certain measures in the case of balance of payments problems. Any such measure taken for trade in goods must be in accordance with Article XII of GATT 1994 and the *Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994*, which are incorporated into the Agreement. In the event of serious balance of payments and external financial difficulties or threat thereof affecting trade in services or investment, a Party may adopt or maintain restrictions on payments or transfers related to investments or trade in services in respect of which it has obligations under national treatment or market access, including on payments or transfers for transactions relating to such obligations.

5.8. The Parties recognize that particular pressures on the balance of payments of a Party in the process of economic development may necessitate the use of restrictions to ensure, *inter alia*, the maintenance of a level of financial reserves adequate for the implementation of its programme of economic development.

### 5.4 Exceptions

5.9. Chapter 16 sets out general exceptions. For the purposes of Chapters 3 (Trade in Goods), 5 (Customs Procedures), 6 (Sanitary and Phytosanitary Measures), 7 (Technical Barriers to Trade), 11 (Electronic Commerce) and 13 (Intellectual Property Cooperation) of the Agreement, Article XX of the GATT 1994 is incorporated into the Agreement, *mutatis mutandis*. Subparagraphs (a), (b) and (c) of Article XIV of GATS (including its footnotes) are incorporated into and made part of the Agreement, *mutatis mutandis*, for the purposes of Chapters 8 (Cross-Border Trade in Services), 9 (Investment), 11 (Electronic Commerce) and 13 (Intellectual Property Cooperation). The Parties understand that the measures referred to in GATT Article XX(b) and GATS Article XIV(b) include environmental measures necessary to protect human, animal or plant life or health and that GATT Article XX(g) applies to measures relating to the conservation of living and non-living exhaustible natural resources.

5.10. In the case of security exceptions, nothing in the Agreement shall require a Party to furnish or allow to have access to any information, the disclosure of which it considers contrary to its essential security interests; or preclude a Party from applying measures that it considers necessary for the fulfilment of its obligations with respect to the maintenance of international peace or security, or the protection of its own essential security interests<sup>27</sup> (Article 16.3).

5.11. Article 9.4 provides that a Party shall not be prevented from taking measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial institution or financial service supplier.

5.12. Nothing in the Agreement applies to taxation measures except those laid out in Article 16.4. Article 9.12 (Expropriation) and 9.16 (Settlement of Disputes between a Party and an Investor of the other Party) shall apply to taxation measures to the extent that such taxation measures

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<sup>27</sup> Including for the protection of critical public infrastructure, including but not limited to communications, power, water, and transportation infrastructure, from deliberate attempts intended to disable or degrade such infrastructure.

constitute expropriation as provided for therein. Further guidance to assess whether a taxation measure constitutes expropriation is provided in Article 16.4.

## **5.5 Accession and Withdrawal**

5.13. This is no accession provision in the Agreement. Either Party may terminate the Agreement by written notification to the other Party. The termination will take effect six months after the date of notification (Article 17.6).

## **5.6 Institutional framework**

5.14. The Parties establish a Committee on Trade in Goods to consider any matter arising under the Chapters on Trade in Goods and Rules of Origin. The Committee's functions shall include monitoring the implementation of these Chapters and their Annexes; promoting trade in goods between the Parties including through consultations and modifications to the rules of origin and other issues as appropriate; and such other activities as the Parties may agree (Article 3.16).

5.15. The Parties agree to meet within a year of the Agreement's entry into force to review the implementation of the Agreement; thereafter, subject to mutual agreement, the Parties may meet biennially or otherwise (Article 17.1). The Parties may review the implementation and application of the provisions of the Agreement including the work of any committees and working groups established under the Agreement; establish and delegate responsibilities to any ad hoc or standing committees, working groups or expert groups; and consider any other matter that may affect the operation of the Agreement.

## **5.7 Dispute settlement**

5.16. Chapter 15 deals with dispute settlement in general, while Article 9.16 deals with investor-Party disputes. Annex 15 contains model rules of procedure.

5.17. Article 15.2 sets out the scope and coverage and provides that the Chapter applies to the avoidance or settlement of disputes between the Parties regarding the implementation, interpretation or application of the Agreement or wherever a Party considers that a measure of the other Party is inconsistent with the obligations of the Agreement; the other Party has otherwise failed to carry out its obligations; or a measure of the other Party causes nullification or impairment of any benefit accruing to it directly or indirectly under Chapters 3 (Trade in Goods), 4 (Rules of Origin), 6 (SPS Measures), 7 (TBT), and 8 (CBTS). Findings, determinations and recommendations of an arbitral panel cannot add to or diminish the rights and obligations of the Parties under the Agreement.

5.18. Disputes arising under both the Agreement and the WTO Agreement may be settled in the forum selected by the complaining Party. Once dispute settlement proceedings have been initiated under Article 15.6 or under the WTO Agreement, the forum selected shall then be used to the exclusion of the other, unless substantially separate and distinct rights or obligations under different agreements are in dispute (Article 15.3).

5.19. Article 15.4 sets out the procedure for consultations with respect to a dispute under the Chapter. Upon receipt of a written request for consultations, the Responding Party shall reply within 10 days and enter into consultations within 20 days. Unless otherwise agreed, consultations are to be kept confidential.

5.20. The Parties may at any time agree to good offices, conciliation or mediation that may begin at any time and be terminated by either Party at any time (Article 15.5). Proceedings involving good offices, conciliation and mediation, and in particular positions taken by the Parties during these proceedings, shall be confidential.

5.21. A Party may request in writing the establishment of an arbitral panel if the matter has not been resolved within 60 days after the date of receipt of the request for consultations (Article 15.6). The arbitral panel shall consist of three members (Article 15.7). Each Party shall appoint a member of the arbitral panel within 30 days of the receipt of the request. If a Party fails to make such an appointment, it shall within 15 days of the expiry select a member from a roster,

failing which a member shall be selected by lot drawn by the other Party. The Parties shall jointly appoint the third member who shall serve as the chair of the arbitral panel. Upon failure to agree upon the chair within 30 days, the chair shall be selected by lot from the roster. Any person appointed a member of the arbitral panel shall have expertise or experience in law, international trade, other matters covered by the Agreement, or the resolution of disputes arising from international trade agreements. A roster is to be established within one year of the Agreement's date of entry into force.

5.22. The Parties may agree to suspend or terminate the proceedings before an arbitral panel at any time by jointly notifying the chair to this effect (Article 15.9). Unless the Parties agree otherwise, the arbitral panel shall follow the model rules of procedure in Annex 15 which shall ensure inter alia: that an arbitral panel shall meet in closed session; a right to at least one hearing before the arbitral panel; an opportunity for each Party to provide initial and rebuttal submissions; that each Party's written submissions, written versions of its oral statement, and written response to a request or question from the arbitral panel may be made public after they are submitted; a reasonable opportunity for each Party to submit comments on the initial report; and the protection of confidential information (Article 15.10).

5.23. Unless the Parties agree otherwise, the arbitral panel shall present its initial report within 90 days after the last member is selected. The Parties may submit written comments on the initial report within 14 days or such other period as they agree. The final report shall be presented within 30 days of the presentation of the initial report, unless the Parties agree otherwise. The final report of the arbitral panel shall be made publicly available within 15 days of its delivery, though opinions expressed by any member of the arbitral panel shall be anonymous (Article 15.13).

5.24. The final report of an arbitral panel shall be binding on the Parties and not subject to appeal (Article 15.14). In the event that the Parties are unable to agree on the means to resolve the dispute within 30 days of the issuance of the final report or if the Parties have agreed on the means to resolve the dispute but the Party complained against fails to implement the aforesaid within 30 days following the expiration of the reasonable period of time, the Party complained against shall enter into negotiations with the complaining Party with a view to reaching a mutually satisfactory agreement on any necessary compensatory adjustment. If no mutually satisfactory agreement on compensatory adjustment has been reached with 20 days or the complaining Party considers that the other Party has failed to observe the terms of an agreement on compensatory adjustment, the complaining Party may provide written notice that it intends to suspend the application of benefits of equivalent effect which take effect 30 days thereafter. If the Party complained against considers that the level of benefits that the complaining Party has proposed to be suspended is manifestly excessive or it has eliminated the non-conformity, nullification or impairment that the arbitral panel has found, it may request the original arbitral panel to determine the matter. The original arbitral panel shall present its determination to the Parties within 30 days after it reconvenes. If the arbitral panel determines that the level of benefits proposed to be suspended is manifestly excessive, it shall determine the level of benefits it considers to be of equivalent effect (Article 15.15).

5.25. Unless the Parties otherwise agree, the costs of the arbitral panel and other expenses associated with the conduct of its proceedings shall be borne in equal parts by the Parties (Article 15.17).

## **5.8 Relationship with other agreements concluded by the Parties**

5.26. In Article 1.4 the Parties reaffirm their existing rights and obligations with respect to each other under existing bilateral and multilateral agreements to which they are party, including the WTO Agreement. In the event of any inconsistency between the Agreement and other agreements to which they are party, the Parties shall immediately consult with each other with a view to find a mutually satisfactory solution. If the Agreement explicitly contains provisions regarding such inconsistency, those provisions shall apply.

5.27. Table 5.1 lists all other regional trade agreements (RTAs) notified and not notified to the GATT/WTO and in force to which Chinese Taipei and Singapore are party.



**Table 5.1 Singapore and Chinese Taipei: Participation in other RTAs (notified and non notified in force), as of 26 August 2014**

RTA Name	Date of entry into force	Coverage	GATT/WTO Notification	
			Year	WTO Provision
<b>SINGAPORE</b>				
ASEAN - Republic of Korea	01-Jan-10(G) 01-May-09(S)	Goods & Services	2010	Enabling Clause, GATT Art. XXIV & GATS Art. V
ASEAN - China	01-Jan-05(G) 01-Jul-07(S)	Goods Services	2005 2008	Enabling Clause GATS Art. V
Costa Rica - Singapore	01-Jul-13	Goods & Services	2013	GATT Art. XXIV & GATS Art. V
ASEAN - Australia - New Zealand	01-Jan-10	Goods & Services	2010	GATT Art. XXIV & GATS Art. V
ASEAN - India	01-Jan-10	Goods	2010	Enabling Clause
Peru - Singapore	01-Aug-09	Goods & Services	2009	GATT Art. XXIV & GATS Art. V
China - Singapore	01-Jan-09	Goods & Services	2009	GATT Art. XXIV & GATS Art. V
ASEAN - Japan	01-Dec-08	Goods	2009	GATT Art. XXIV
Panama - Singapore	24-Jul-06	Goods & Services	2007	GATT Art. XXIV & GATS Art. V
Trans-Pacific Strategic Economic Partnership	28-May-06	Goods & Services	2007	GATT Art. XXIV & GATS Art. V
Republic of Korea - Singapore	02-Mar-06	Goods & Services	2006	GATT Art. XXIV & GATS Art. V
Jordan - Singapore	22-Aug-05	Goods & Services	2006	GATT Art. XXIV & GATS Art. V
India - Singapore	01-Aug-05	Goods & Services	2007	GATT Art. XXIV & GATS Art. V
US - Singapore	01-Jan-04	Goods & Services	2003	GATT Art. XXIV & GATS Art. V
Singapore - Australia	28-Jul-03	Goods & Services	2003	GATT Art. XXIV & GATS Art. V
EFTA - Singapore	01-Jan-03	Goods & Services	2003	GATT Art. XXIV & GATS Art. V
Japan - Singapore	30-Nov-02	Goods & Services	2002	GATT Art. XXIV & GATS Art. V
New Zealand - Singapore	01-Jan-01	Goods & Services	2001	GATT Art. XXIV & GATS Art. V
ASEAN Free Trade Area (AFTA)	28-Jan-92	Goods	1992	Enabling Clause
Global System of Trade Preferences among Developing Countries (GSTP)	19-Apr-89	Goods	1989	Enabling Clause
Singapore - GCC	01-Sep-13	Goods & Services	Not notified	
<b>CHINESE TAIPEI</b>				
New Zealand - Chinese Taipei	01-Dec-13	Goods & Services	2013	GATT Art. XXIV & GATS Art. V
El Salvador- Honduras - Chinese Taipei	01-Mar-08	Goods & Services	2010	GATT Art. XXIV & GATS Art. V
Nicaragua - Chinese Taipei	01-Jan-08	Goods & Services	2009	GATT Art. XXIV & GATS Art. V
Guatemala - Chinese Taipei	01-Jul-06	Goods & Services	2011	GATT Art. XXIV & GATS Art. V
Panama - Chinese Taipei	01-Jan-04	Goods & Services	2009	GATT Art. XXIV & GATS Art. V
The Cross-Straits Economic Cooperation Framework Agreement (ECFA)	12-Sep-10	Goods & Services	Not notified	

Source: WTO Secretariat.

## 5.9 Government procurement

5.28. Chapter 12 deals with government procurement. The Parties reaffirm their rights and obligations under the WTO's GPA (both Parties are signatories) and the 30 March 2012 Decision on the Outcomes of Negotiations on the GPA. Nothing in Chapter 12 shall be construed to derogate from either Party's rights or obligations under the GPA.

5.29. The Parties shall apply the provisions of Articles I:(a), (c), (e)-(u), II-III, IV:1(a), 2-7, VI:1-2(b), 3, VII-XV, XVI:1-3, XVII-XVIII, the Agreement Notes, and Appendices II-IV of the GPA to all covered procurement. To that end, these GPA Articles, Notes and Appendices are incorporated into Chapter 12, mutatis mutandis. If the GPA is amended or superseded by another agreement, the Parties shall amend Chapter 12, as appropriate, after consultations.

5.30. The Parties agree to notify each other in the event of minor amendments, rectifications or other modifications of a purely formal or minor nature to their Schedules contained in Annex 12A of the Agreement. Modifications to Annex 12A Schedules involving business or commercial operations or functions of entities constituted or established as an enterprise with a legal entity

separate and distinct from the government of Party, regardless of whether or not the government holds any shares or interest in such a legal entity, shall also be notified. In neither case is the other Party entitled to compensatory adjustments. Other modifications are subject to appropriate compensatory adjustments in order to maintain a level of coverage comparable to that existing prior to the modification.

5.31. Singapore has scheduled a procurement threshold of SDR100,000 for all goods and services for central government entities under the Agreement (SDR130,000 in the revised GPA). Other thresholds are the same as those under the revised GPA. For goods, Chapter 12 applies to those goods covered by Singapore under the revised GPA. For services, Singapore's list of covered services under the Agreement contains a number of services in addition to those listed under the revised GPA<sup>28</sup> as shown in Table 5.2. For construction services, Chapter 12 applies to those listed by Singapore under the revised GPA.

**Table 5.2 Additional services covered by Singapore under the Agreement**

CPC	Description
6112	Maintenance and repair services of motor vehicles
	Voice telephone services
	Packet-Switched data transmission services
	Circuit-Switched data transmission services
	Telex services
	Telegraph services
	Facsimile services
	Private leased circuit services
	Enhanced/value-added facsimile services including store and forward, store and retrieval
	Code and protocol conversion services
	Cellular mobile phone services
	Trunked radio services
	Mobile data services
	Radio paging services
842	Software implementation services
845	Maintenance and repair of office machinery and equipment including computers
849	Other computer services
866	Services relating to management consulting (excluding arbitration and conciliation services)
8673	Integrated engineering services
8676	Technical testing and analysis services
871	Advertising services (limited to TV or radio advertisements)
9401	Sewage services
9402	Refuse disposal services
9403	Sanitation and similar services
9404	Cleaning services of exhaust gases
9405	Noise abatement services
9409	Other environmental protection services not elsewhere classified

Source: The Agreement.

5.32. Chinese Taipei has scheduled a procurement threshold of SDR100,000 for all goods and services for Annex I entities under the Agreement (SDR130,000 in the revised GPA). Other thresholds are the same as those under the revised GPA. For goods, Chapter 12 applies to those goods covered by Chinese Taipei under the revised GPA. For services, Chinese Taipei has listed two services (commercial market research and convention services related to logistics for meetings) that do not appear in its revised GPA listing.<sup>29</sup> A number of other services which are listed by Chinese Taipei under the revised GPA are not covered under the Agreement. These are shown in Table 5.3.<sup>30</sup> For construction services, Chapter 12 applies to those listed by Chinese Taipei under the revised GPA.

<sup>28</sup> WTO document, WT/Let/951.

<sup>29</sup> WTO document, WT/Let/978.

<sup>30</sup> These services are covered under the revised GPA with respect to a particular Party only to the extent that such Party has provided reciprocal access to that service.

**Table 5.3 Services covered by Chinese Taipei under the revised GPA but not the Agreement**

CPC	Description
861**	Legal services (limited to qualified lawyers under the laws of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu)
863**	Taxation services (excluding income tax certification services)
82203**, 82205**	Services incidental to residential and non-residential buildings and land sales agents
83104**	Leasing and rental services concerning aircraft without operator (excluding cabotage)
83106-83109	Leasing or rental services concerning other machinery and equipment without operator
8320	Leasing or rental services concerning personal and household goods
864	Market research and public opinion polling services
884**, 885	Services incidental to manufacturing (excluding CPC 88442 publishing and printing on a fee or contract basis)
633, 8861-8866	Maintenance and repair of equipment (excluding maritime vessel, aircraft or other transport equipment)
875	Photographic services
876	Packaging services
87909	Convention services
843**	On-line information and/or data processing
812**, 814**	Insurance services
ex 81**	Banking and investment services
8868**	Maintenance and repair of civil aircraft
8867	Maintenance and repair of road transport equipment

\*\* indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance.

Source: The Agreement.

## 5.10 Intellectual property rights

5.33. Chapter 13 deals with intellectual property. The Parties agree to develop and promote mutually beneficial cooperation in intellectual property. The forms of cooperation envisaged include inter alia: exchanging publicly available published documents and information by the Parties' intellectual property offices; exchanging experience on IP education and awareness; jointly collaborating in the organization of seminars; exchanging information on IP conferences, seminars and workshops; and facilitating linkages and dialogue.

## 5.11 Competition Policy

5.34. Chapter 10 deals with competition. Anti-competitive practices are defined as business conduct or transactions that adversely affect competition, such as: abuse of market power; anti-competitive mergers and acquisitions; and anti-competitive horizontal arrangements between competitors. The Parties agree to cooperate on matters relevant to competition policy in order to further effective competition law (Article 10.2). The Parties agree to notify each other of any enforcement activity regarding anti-competitive practices if such activity is liable to substantially affect the other Party's trade interests; relates to restrictions on competition which are liable to have a direct and substantial effect in the other Party; or concerns anti-competitive acts taking place principally in the other Party (Article 10.3).

5.35. Upon request, a Party shall make available public information concerning the enforcement of its measures proscribing anti-competitive business conduct and concerning exemptions provided under its competition laws. Information exchanged between the Parties in relation to consultation conducted pursuant to the provisions of the competition Chapter shall be kept confidential. The Parties may agree to the public release of information that they do not consider confidential (Article 10.4).

5.36. The Parties agree to enter into consultations to address specific matters arising under the competition Chapter in order to foster understanding (Article 10.5).

5.37. Nothing in the Chapter prevents a Party from designating or maintaining public or private monopolies according to its respective laws. With regard to public enterprises and enterprises to which special or exclusive rights have been granted, the Parties shall ensure as of the Agreement's entry into force that no measure is adopted or maintained that distorts trade in goods or services

among the Parties, contrary to the Agreement and the Parties' interests, and that such enterprises are subject to the rules of competition provided such rules do not obstruct the performance, in law or in fact, of the particular tasks assigned to them (Article 10.6).

5.38. The Parties do not have recourse to the dispute settlement mechanism of the Agreement for any matter arising under the competition Chapter, nor does the Chapter permit a Party to challenge any decision made by a competition authority of the other Party in enforcing applicable competition laws and regulations (Article 10.7).

## ANNEX

1. A comparison between the scheduled elimination of tariffs applied to the Parties' mutual imports and the duty rates applied by them on MFN imports is shown in Tables A1.1 and A1.2, by agricultural (WTO definition), non-agricultural and total products. Applied MFN duty rates in 2014 serve as a comparison.

2. Singapore's overall average applied MFN tariff rate in 2014 was 0%. Duty-free tariff lines accounted for 99.9% of all tariff lines. Upon entry into force of the Agreement, exporters from Chinese Taipei enjoyed duty-free market access in all goods.

**Table A1. 1 Singapore: Indicators of MFN tariff rates and preferential rates for imports from Chinese Taipei**

Origin of goods	Year	ALL PRODUCTS			Agricultural products <sup>a</sup>			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2014	0.0	0.0	99.9	0.0	0.0	99.5	0.0	0.0	100.0
Chinese Taipei	2014 to 2028	0.0	0.0	100.0	0.0	0.0	100.0	0.0	0.0	100.0

a WTO Definition.

Note: For the calculation of averages, specific rates are excluded.  
Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from WTO-IDB.

3. Chinese Taipei's average applied MFN rate in 2014 was 7.3%. The average applied tariff on agricultural products was 17.9% compared to an average applied tariff of 5.2% for non-agricultural products. Duty-free tariff lines accounted for 29.5% of all tariff lines. Upon entry into force of the Agreement, Singapore's exporters enjoyed a relative margin of preference of 34.6% for agricultural goods vis-à-vis the prevailing MFN tariff in 2014, and 73.1% for non-agricultural goods. Overall, Singapore's exporters enjoyed a margin of preference of 56.2% vis-à-vis the prevailing average applied MFN tariff. By the end of the transition period in 2028, the share of duty free lines vis-à-vis Singapore is scheduled to increase to 99.5% of the total tariff, of which 96.9% will be for agricultural lines and 100% for non-agricultural lines.

**Table A1.2 Chinese Taipei: Indicators of MFN tariff rates and preferential rates for imports from Singapore**

Origin of goods	Year	ALL PRODUCTS			Agricultural products <sup>a</sup>			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2014	7.3	10.4	29.5	17.9	23.3	23.0	5.2	7.5	30.8
Singapore	2014	3.2	18.6	83.0	11.7	33.7	65.2	1.4	10.7	86.7
	2015	2.8	16.7	83.0	10.9	31.3	65.2	1.2	9.0	86.7
	2016	2.5	14.8	83.0	10.0	28.8	65.2	1.0	7.4	86.7
	2017	2.2	12.8	83.0	9.2	26.4	65.2	0.8	5.7	86.7
	2018	1.9	15.1	87.8	8.3	25.8	67.7	0.5	6.6	91.8
	2019	1.6	13.4	87.8	7.6	23.5	67.7	0.4	5.3	91.8
	2020	1.4	11.6	87.8	6.8	21.1	67.7	0.3	4.0	91.8
	2021	1.2	9.8	87.8	6.1	18.8	67.7	0.2	2.7	91.8
	2022	1.0	8.0	87.8	5.3	16.4	67.7	0.1	1.3	91.8
	2023	0.8	7.7	99.0	4.6	81.3	94.4	0.0	4.6	100.0
	2024	0.7	7.2	99.0	4.4	78.8	94.4	0.0	3.7	100.0

Origin of goods	Year	ALL PRODUCTS			Agricultural products <sup>a</sup>			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
	2025	0.7	73.7	99.0	4.3	76.2	94.4	0.0	2.8	100.0
	2026	0.7	71.2	99.0	4.1	73.7	94.4	0.0	1.8	100.0
	2027	0.7	68.7	99.0	4.0	71.2	94.4	0.0	0.9	100.0
	2028	0.6	125.3	99.5	3.8	125.3	96.9	0.0	0.0	100.0

a WTO Definition.

Note: For the calculation of averages, specific duties are excluded.  
Based on the HS 2012 nomenclature.

Source: WTO estimates based on data from the Chinese Taipei authorities.

4. Table A1.3 shows the market access opportunities in Singapore for Chinese Taipei's top 25 exports, which in 2011-2013 accounted for an average of 48.6% of Chinese Taipei's global exports. The table shows in which year all HS 8-digit tariff lines corresponding to the product definition will become duty free in Singapore.

5. Chinese Taipei's top 25 exports cover a total of 106 HS lines all of which were already duty-free on an MFN basis in 2014.

**Table A1.3 Singapore: Market access opportunities under the agreement for Chinese Taipei's top 25 exports to the world**

Chinese Taipei's top export products in 2011-2013			Access Conditions to Singapore's import markets	
			MFN (2014)	
HS number	Description of the product	Share in global exports (%)	Average MFN applied rate (%)	Number of duty-free lines
854239	Other Electronic integrated circuits, other than amplifiers, memories, processors and controllers	16.7	0.0	1
271019	Petroleum oils and oils obtained from bituminous minerals (other than crude)	3.5	0.0	16
901380	- Other devices, appliances and instruments	3.0	0.0	3
901390	- Parts and accessories	2.6	0.0	4
851712	-- Telephones for cellular networks or for other wireless networks	2.5	0.0	1
271020	- Petroleum oils and oils obtained from bituminous minerals (other than crude)	2.3	0.0	1
854140	- Photosensitive semiconductor devices	2.1	0.0	5
854232	-- Memories	2.0	0.0	1
853400	Printed circuits.	2.0	0.0	4
847330	- Parts and accessories of the machines of heading 84.71	1.7	0.0	2
852351	-- Solid-state non-volatile storage devices	1.4	0.0	6
853120	- Indicator panels incorporating liquid crystal devices (lcd) or light emitting diodes (led)	1.0	0.0	1
851770	Parts of telephone sets	0.9	0.0	10
390330	- Acrylonitrile-butadiene-styrene (abs) copolymers	0.8	0.0	4
291736	-- Terephthalic acid and its salts	0.7	0.0	1
731815	-- Other screws and bolts, whether or not with their nuts or washers	0.7	0.0	1
870899	Other parts and accessories for motor vehicles	0.6	0.0	11
871200	Bicycles and other cycles (including delivery tricycles), not motorised.	0.6	0.0	4
900120	- Sheets and plates of polarising material	0.6	0.0	1
271012	-- Light oils and preparations	0.6	0.0	14
852580	-Television cameras, digital cameras and video camera recorders	0.6	0.0	5

Chinese Taipei's top export products in 2011-2013			Access Conditions to Singapore's import markets	
			MFN (2014)	
HS number and description of the product		Share in global exports (%)	Average MFN applied rate (%)	Number of duty-free lines
710812	-- Other unwrought forms	0.5	0.0	1
847170	- Storage units	0.5	0.0	7
290531	-- Ethylene glycol (ethanediol)	0.5	0.0	1
710692	-- Semi-manufactured	0.4	0.0	1
<b>Total of above</b>		<b>48.6</b>		<b>106</b>

Note: Based on HS 2012 nomenclature.

Source: WTO estimates based on data from WTO-IDB and UNSD, Comtrade databases.

6. Table A1.4 below shows market access opportunities for Singapore's top 25 exports, which in 2014 accounted for 52.3% of Singapore's exports. In 2014, 61 tariff lines were duty free on an MFN basis, with 21 dutiable. As a result of the Agreement a further 18 tariff lines will become duty free in 2014, with the remainder liberalized in 2018.

**Table A1.4 Chinese Taipei: Market access opportunities under the agreement for Singapore's top 25 exports to the world**

Singapore's top export products in 2011-2013			Access conditions to Chinese Taipei's import markets				
HS number and description of the product		Share in global exports (%)	MFN 2014			Duty-free in	
			Average MFN applied rate (%)	Duty Free	Dutiable Lines	2014	2018
271019	Petroleum oils & oils obtained from bituminous minerals	9.9	2.2	8	10	7	3
854239	Other Electronic integrated circuits, other than Amplifiers or Memories or Processors and controllers	8.5	0.0	1			
854231	-- processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits	7.3	0.0	1			
271012	-- light oils and preparations	4.9	0.9	3	1	1	
271020	- petroleum oils and oils obtained from bituminous minerals (other than crude)	3.2	1.6	3	3	3	
847330	- parts and accessories of the machines of heading 84.71	2.1	0.0	1			
854232	-- memories	1.7	0.0	1			
844399	Other parts and accessories for printing machinery excluding 8443.91	1.5	0.0	1			
880330	- other parts of aeroplanes or helicopters	1.3	0.0	1			
854290	Parts of electronic integrated circuits	1.3	0.0	2			
851712	-- telephones for cellular networks or for other wireless networks	1.1	0.0	1			
300490	Medicaments (excluding goods of heading 30.02/30.05/30.06/3004.10-3004.50)	1.0	1.5	12	1	1	
843143	-- parts for boring or sinking machinery of subheading 8430.41 or 8430.49	1.0	0.0	1			
847170	- storage units	0.9	0.0	2			
292249	Amino-acids, other than those containing > one kind of oxygen function, & their esters (excl. of 2922.41-2922.44); salts thereof	0.7	1.5	2	2	2	
711319	-- of other precious metal, whether or not plated or clad with precious metal	0.7	0.0	1			
890520	- floating or submersible drilling or production platforms	0.7	0.0	1			

Singapore's top export products in 2011-2013			Access conditions to Chinese Taipei's import markets				
HS number and description of the product		Share in global exports (%)	MFN 2014			Duty-free in	
			Average MFN applied rate (%)	Duty Free	Dutiable Lines	2014	2018
851762	-- machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	0.7	0.0	1			
854390	- parts	0.7	0.8	2	1	1	
293500	Sulphonamides.	0.6	5.0		1	1	
847150	- processing units other than those of subheading 8471.41 or 8471.49, whether or not containing in the same housing one or two of the following types of unit : storage units, input units, output units	0.5	0.0	1			
852329	Magnetic media for the recording of sound/of other phenomena, but excl. products of Ch. 37., other than cards incorporating a magnetic stripe	0.5	0.0	2			
490700	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value	0.5	0.0	5			
901890	- other instruments and appliances	0.5	0.0	8			
390190	Polymers of ethylene, in primary forms (excl. of 3901.10-3901.30)	0.4	2.5		2	2	
<b>Total of above</b>		<b>52.3</b>		<b>61</b>	<b>21</b>	<b>18</b>	<b>3</b>

Note: Based on HS 2012 nomenclature.

Source: WTO estimates based on data from the Chinese Taipei authorities and UNSD, Comtrade database.





**AGREEMENT BETWEEN SINGAPORE AND THE SEPARATE CUSTOMS TERRITORY OF  
TAIWAN, PENGHU, KINMEN AND MATSU ON ECONOMIC PARTNERSHIP  
(GOODS AND SERVICES)**

**QUESTIONS AND REPLIES**

The following communication, dated 24 March 2015, is being circulated at the request of the delegations of Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

This document reproduces the questions addressed to the Parties and the responses submitted.

**Question from the delegation of Australia**

**1.1 While acknowledging that the ASTEP has only been in force since 19 April 2014, Australia would welcome any information on the gains in Services trade between the parties since Entry into Force?**

The latest available data for Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's trade in services is for the year 2013. As such, we are not able to provide any information on services trade between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu since the implementation of the ASTEP in April 2014.

**Questions from the delegation of the European Union**

**Sanitary and phytosanitary measures**

**1.2 Under the Agreement, both parties agreed to designate a coordinator to communicate on SPS related affairs. Could the parties clarify how this coordination mechanism worked during the recent oil and food crisis that affected the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu?**

During the oil and food safety incidents, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu continually released and published the latest inspection results and related information on official website for reference. Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu had also continued with pre-existing working arrangements in handling the oil and food incidents. In this regard, the Agri-Food and Veterinary Authority of Singapore had communicated and worked with the food safety authorities from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu via emails on the imports of the affected products. Both sides will discuss how to cooperate and coordinate through the SPS Coordinator mechanism established under Chapter 6, if any future event arises.

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### **Technical barriers to trade**

#### **1.3 Could the parties clarify whether the TBT trade facilitation measure of the Agreement include mutual recognition of certification for electronic products, machinery and electrical machinery products?**

TBT trade facilitation under the ASTEP includes mutual recognition of certification for electronic products. As stipulated in Article 7.10 (Sectorial Annexes) of the ASTEP, the provisions of the Mutual Recognition Arrangement on Conformity Assessment between the Bureau of Standards, Metrology and Inspection and the Standards, Productivity and Innovation Board, done on 28 November 2005, and the APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment have been incorporated into and form an integral part of the ASTEP. The scope of mutual recognition of certification covered in the Mutual Recognition Arrangement on Conformity Assessment between the Bureau of Standards, Metrology and Inspection and the Standards, Productivity and Innovation Board is electronic and electrical equipment. Discussions on possible cooperation work under Article 7.5 (Trade Facilitation), such as mutual recognition, are in the nascent stage. Both sides would cooperate and jointly identify work in the field of standards, technical regulations, and conformity assessment procedures, and in particular, initiatives appropriate to particular issues or sectors.

### **Electronic Commerce**

#### **1.4 Under the Agreement, both parties agreed not to impose customs duties on electronic transmissions between them.**

**Could the parties clarify whether this does include online shopping cross-border transactions?**

Article 11.3 (Customs Duties and Internal Taxes) of the ASTEP does cover online shopping cross-border transactions, when the transactions involve digital products.

### **Government Procurement**

#### **1.5 Chinese Taipei agreed to lower its threshold on government procurement of goods and services. Does this include the sub-governments' procurement?**

The threshold of 100,000 SDRs in the ASTEP on government procurement of goods and services does not apply to the sub-central government entities.

### **Additional EU questions**

**1.6 According to a study conducted by the semi-governmental Chung-Hua Institute for Economic Research (CIER) in October 2013 (Chinese text only), the FTA between Chinese Taipei and Singapore will have significant negative impacts for EU's exports, in particular to chemical and plastics products (US\$-20.67 million), electrical products (US\$-29.3million) and machinery (US\$-25.28 million) to Chinese Taipei's within zero tariff, liberalized market on relevant services and the adaptation of trade facilitation measures.**

**Could the parties clarify what are Chinese Taipei's commitments to Singapore under the Agreement on chemical and plastics products, electrical products and machinery in terms of tariff reduction and market liberalization?**

For the tariff reduction commitments of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to Singapore on chemical, rubber, plastic products, electrical equipment, machinery and equipment, please see the table below.

**Tariff reduction commitments of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to Singapore on chemical, rubber, plastic products, electrical equipment, machinery and equipment**

Product	Total items <sup>a</sup>	Entry into force		Five equal annual stages		Ten equal annual stages	
		Items	Share (%)	Items	Share (%)	Items	Share (%)
Chemical, rubber, plastic products (GTAP 33)	1,766	1,654	93.7	97	5.5	15	0.9
Electronic equipment (GTAP 40)	198	189	95.5	1	0.5	8	4.0
Machinery and equipment (GTAP 41)	1,433	1,357	94.7	27	1.9	49	3.4

a HS-8 digit.

1.7 Pharmaceutical products took 6% weight of total EU exports goods to Chinese Taipei in 2013 according to DG Trade figures. After the Agreement took into effect, Singapore exports of pharmaceutical products to Chinese Taipei increased 34% while the EU 28 as a whole increased by 3.83% according to Chinese Taipei's Customs' figures.

Could the parties clarify what are Chinese Taipei's commitments to Singapore under the Agreement on pharmaceutical products including tariff reduction and trade facilitation measures?

For the tariff reduction commitments of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to Singapore on pharmaceutical products, please refer to the table below.

**Tariff reduction commitments of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to Singapore on pharmaceutical products**

Product	Total items <sup>a</sup>	Entry into force		Five equal annual stages		Ten equal annual stages	
		Items	Share (%)	Items	Share (%)	Items	Share (%)
Pharmaceutical products (SITC 54)	150	150	100	0	0	0	0

a HS-8 digit.

The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu does not implement specific trade facilitation measures on pharmaceutical products from Singapore.

**Questions from the delegation of Mexico**

**Technical barriers to trade**

1.8 With regard to cooperation in the fields of standards, technical regulations and conformity assessment procedures, has work already begun on this issue? Is there a work programme? On what subjects is work being carried out or due to begin?

Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu are committed to make efforts on cooperation in the fields of standards, technical regulations and conformity assessment procedures. Both sides intend to address the work proposed under Article 7.5 (Trade Facilitation) of the Agreement at review meetings in the future.

**Article 4.2 establishes that production processes may be performed in a third country, without goods losing their originating status, and stipulates certain conditions for the originating materials used. Is there a methodology for calculating the percentage of the value indicated in this Article? Is it possible to verify the origin of such products in third countries where production processes have been performed? How will producers of goods in the territory of a Party be able to determine the value of materials incorporated in a third country?**

Article 4.12 deals with goods whose production process can be segmented in such a way that the bulk of the production still takes place in the territory of the Party. It is usually the low value manpower intensive segment (e.g. assembly line work) that is done in the territory of the non-Party by an entity that is either related to the producer (e.g. subsidiary company) or under contract with the producer i.e. there is a direct relationship. In addition, to qualify for this outward processing method set out in Article 4.12, it is critical for the first and last segments of production to take place in the territory of the Party by the same producer. This ensures that there is seamless documentation for verification purposes.

For example, goods that have been manufactured under this production process are goods for which the production process can be divided into three stages as follows.

Stage 1: the fabrication of the semi-finished good by a producer in a Party;

Stage 2: the further processing of the semi-finished good in a non-Party;

Stage 3: the final processing and exporting of the outward processed good by the same producer and Party as that in stage 1.

The producer is required to track and categorize the work carried out in each stage, and the origin and cost of all inputs involved in the three different stages. The producer is also required to maintain the relevant documentation. For the purpose of verification, customs of Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu may require the following documentation to ascertain the origin of the relevant product based on Article 4.12.

For stage 1, the producer will be required to produce documentation such as the export invoice, export permit, bill of lading (BL)/manifest or any other relevant document for the export of the semi-finished good to the third party.

For stage 2, the producer will be required to produce proof of the work carried out in the territory of the third party by means of delivery note, import permit in the third party, contract/purchase/work order and certification from the factory in the third party to attest to the work carried out in that party.

For the last stage, the producer will be required to provide proof of re-importation of the outward processed good by means of the third party factory's invoice, export invoice from the third party's exporter, BL/manifest, import permit and other relevant documents.

Further, the producer will be required to produce the manufacturing cost statement for the good. The statement must be endorsed by the company's managing director and accountant.

As the Value-Add for such processes is based on the Build-Up methodology, we would like to clarify that:

- a. The "total value of non-originating inputs" is merely a summation of the value of all non-originating materials used by the producer in the manufacturing Party for his production of the good, and all costs charged to him (including that for any materials incorporated during) for the outward processing.
- b. The "value of originating materials", on the other hand, is a summation of the value of all originating materials used by the producer in the manufacturing Party for his production of the good, both before and after the outward processing.
- c. The percentages indicated in the Article may be obtained by dividing the respective value against the customs value of the final good.

Accordingly, it is not necessary to separately establish the value of materials incorporated in the third party during the outward processing since all inputs (both in terms of materials and costs) will count towards the total value of non-originating inputs.

**1.9 Article 4.4 sets out a list of operations that do not confer origin. Do these operations prevail over the rules of origin laid down in Annex 4B?**

Under ASTEP, the list of minimal operations intends to capture the operations or processes which contribute minimally to the essential characteristics of the goods and which by themselves, or in combination, do not confer origin. As set out in Article 4.2 (originating goods), one pathway to origin would be for the good to be produced in the territory of one or both Parties, using non-originating materials that conform to the requirements specified in Annex 4B as well as the other applicable provisions of this Chapter.

**1.10 Pursuant to paragraph 4 of Article 4.11 (Transit through non-Parties) in order to prove that the transport of goods through a third country complies with paragraph 3 of this Article, documents supplied by the third country or by the competent authorities will be used. What is meant by competent authorities? Does it refer to the authorities of the exporting Party? Does each Party have specific regulations to determine which documents should be submitted for the purposes of this Article? In accordance with the provisions of this Article, will the importing Party be unable to accept transport documents such as air waybills, bills of lading or consignment notes, in order to authorize transit, given that these documents are issued by a private operator?**

A competent authority may refer to any authority in the non-Party (which territory the goods are transited through) which is authorized to issue the relevant document or certification to prove compliance with the provisions in paragraphs 2 and 3 of the Article.

Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu do not stipulate the specific documents that must be presented for the purpose of the Article, however, the documents must be sufficient to show compliance to paragraphs 2 and 3 of the Article. Both parties understand that there are transiting non-Parties which do not have a competent authority which issues the relevant official document. As such, we can accept legitimate freight documents such as air waybills, bills of lading, commercial invoices, consignment notes and a declaration from the carrier/private operator in lieu of such official document if they could prove the necessary.

**Questions from the delegation of Peru**

**1.11 On the basis of the World Custom Organization, have the Parties agreed on an article on express shipments? If it is not the case, Peru would like to know the reason.**

There is no article on Express Shipments. The outcome of the negotiations is as such.

**1.12 Have the Parties established common procedures for the issuance of an advance ruling? If this is the case, does Article 5.8. on Single Window have any format to develop this commitment?**

There are no common procedures between Parties for the issuance of advance rulings. Nonetheless, Parties agreed on the general modalities such as what type of advance rulings to be issued, to whom, when, and how it is to be issued.

**Questions from the delegation of Thailand**

**National Treatment and MFN**

**1.13 The report says that there are no provisions on MFN Treatment of services suppliers and investment in the Agreement. Consequently, Thailand would like to seek clarification on that and its implication where one party accords the better treatment to non-party.**

There are no MFN provisions under the Services and Investment Chapters of the Agreement. Hence, better treatment accorded by a party to a non-party will not be automatically accorded to the other party.

**Performance requirements**

**1.14 According to Article Performance Requirements under Chapter of Investment which provides that the Parties may not impose or enforce performance requirements on ..., including restrictions on sales of services, Thailand would like to seek clarification on any measures subject to its scope and coverage and the application of such measures deemed to be violation of commitments.**

Measures subject to the scope and coverage of Article 9.9 Performance requirements are as listed in the Article. The first group of measures that are prohibited are those listed in paragraphs 1 (a) – (g) that condition the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment of an investor of a Party or of a non-Party on compliance with such measures, while the second group of prohibited measures are those that condition the receipt or continued receipt of an advantage on compliance with the requirements as listed in paragraphs 2 (a) – (d). Measures that do not conform with these obligations are scheduled in the lists of Non-Conforming Measures.

**Movement of natural persons**

**1.15 Thailand would like to seek clarification on the type of natural persons covered under the Services Chapter.**

Commitments on natural persons under the Services Chapter are similar to both Parties' existing WTO GATS commitments on natural persons. Singapore has made WTO commitments on intra-corporate transferees at the level of managers, executives and specialists. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has made WTO commitments on business visitors, intra-corporate transferees, and contractual service suppliers of certain service sectors/subsectors.

**Question on Annex 8B: I (the ASTEP's Legal text)**

**1.16 Thailand would like to seek clarification whether Annex 8B:1 covers a ratchet mechanism and its application.**

Annex 8B:1 covers a ratchet mechanism for measures reserved under the Non-Conforming Measure (NCM), where any amendment to any non-conforming measure should not decrease the conformity of the measure as it existed immediately before the amendment.

### 附件三、赴日內瓦出席 WTO 區域貿易協定委員會考量「臺星經濟夥伴協定」案行程

日期	時間	內容
3 月 28 日	23:50 	桃園國際機場搭乘 CI 61 前往德國法蘭克福(FRA)國際機場
3 月 29 日	8:25	抵達德國法蘭克福(FRA)國際機場等待轉機
	11:00 	於德國法蘭克福(FRA)國際機場搭乘德國漢莎航空 (LH 1216)
	13:10	抵達瑞士日內瓦國際機場
3 月 30 日	整日	出席 WTO 區域貿易協定委員會 (CRTA) 考量臺星經濟 夥伴協定會議
3 月 31 日	早上	出席新入會會員 (RAMs) 集團討論農業談判議題發展 會議
	下午	拜會 WTO 發言人 Keith Rockwell
4 月 1 日	6:55 	於日內瓦國際機場搭乘德國漢莎航空(LH 1229) 前往 德國法蘭克福(FRA)國際機場
	8:15 	於德國法蘭克福(FRA)國際機場搭乘 CI 62 返臺
4 月 2 日	早上	抵達桃園國際機場