

CHAPTER 1

INITIAL PROVISIONS AND GENERAL DEFINITIONS

Article 1.1: Establishment of the Free Trade Area

The Parties, consistent with Article XXIV of GATT 1994 hereby establish the Peru - Indonesia Comprehensive Economic Partnership Agreement (P-I CEPA) as a free trade area in accordance with the provisions of this Agreement.

Article 1.2: Objectives

The objectives of this Agreement are to liberalize and facilitate trade between the Parties in accordance with the provisions of this Agreement.

Article 1.3: Relation to Other Agreements

1. The Parties reaffirm their rights and obligations under existing agreements to which both Parties are party, including the WTO Agreement.
2. Unless otherwise provided in this Agreement, in the event of any inconsistency between this Agreement and any other agreement to which both Parties are party, the Parties shall, upon request, consult with each other with a view to finding a mutually satisfactory solution.¹

Article 1.4: General Definitions

For the purposes of this Agreement, unless otherwise specified in this Agreement:

AD Agreement means the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*, set out in Annex 1A to the WTO Agreement;

Agreement means the Peru - Indonesia Comprehensive Economic Partnership Agreement (P-I CEPA);

customs authority means the authority that, in accordance with the laws and regulations of each Party, is responsible for the administration and enforcement of its customs laws and regulations:

- (a) for Indonesia, the Directorate General of Customs and Excise of the Ministry of Finance; and

¹ For the purposes of the application of this Agreement, the Parties agree that the fact that an agreement provides more favorable treatment of goods than that provided for under this Agreement does not mean that there is an inconsistency within the meaning of paragraph 2.

- (b) for Peru, the National Superintendence of Customs and Tax Administration (*Superintendencia Nacional de Aduanas y de Administración Tributaria - SUNAT*);

or their successors;

days means calendar days, including weekends and holidays;

existing means in effect on the date of entry into force of this Agreement;

GATT 1994 means the *General Agreement on Tariffs and Trade 1994*, set out in Annex 1A to the WTO Agreement;

good means any merchandise, product, article, or material;

Harmonized System (HS) means the *Harmonized Commodity Description and Coding System*, including its General Rules for the Interpretation, Section Notes, Chapter Notes, and Subheading Notes;

Joint Commission means the Joint Commission, established under Article 10.1 (Institutional Provisions - Establishment of the Joint Commission);

measure means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, any administrative action, or any other form;

natural person of a Party means:

- (a) for Indonesia, a natural person who is Indonesian national as defined in the *Indonesia Law No. 12/2006*, as amended from time to time, or any successor legislation; and
- (b) for Peru, is a person who has the nationality of Peru by birth, naturalization or option in accordance with the *Political Constitution of Peru (Constitución Política del Perú)* and other relevant domestic legislation, or a permanent resident;

person means a natural person or juridical person;

person of a Party means a natural person or a juridical person of a Party;

preferential tariff treatment means tariff concessions granted to originating goods as reflected by the tariff rates applicable under this Agreement;

Safeguards Agreement means the *Agreement on Safeguards*, set out in Annex 1A to the WTO Agreement;

SCM Agreement means the *Agreement on Subsidies and Countervailing Measures*, set out in Annex 1A to the WTO Agreement;

SPS Agreement means the *Agreement on the Application of Sanitary and Phytosanitary Measures*, set out in Annex 1A to the WTO Agreement;

subheading means the first six digits in the tariff classification number under the Harmonized System (HS);

TBT Agreement means the *Agreement on Technical Barriers to Trade*, set out in Annex 1A to the WTO Agreement;

territory means:

- (a) for Indonesia, the land territories, internal waters, archipelagic waters, territorial sea, including the seabed and subsoil thereof, and airspace over such territories and waters, as well as the contiguous zone, the continental shelf and exclusive economic zone, over which Indonesia has sovereignty, sovereign rights or jurisdiction as defined in its laws, and in accordance with international law, including the *United Nations Convention on the Law of the Sea*, done at Montego Bay on 10 December 1982; and
- (b) for Peru, means the mainland territory, the islands, the maritime areas and the air space above them, under sovereignty or sovereign rights and jurisdiction of Peru, in accordance with the provisions of the *Political Constitution of Peru (Constitución Política del Perú)* and other relevant domestic law and international law;

WTO means the World Trade Organization; and

WTO Agreement means the *Marrakesh Agreement Establishing the World Trade Organization*, done at Marrakesh on 15 April 1994.