CHAPTER 1

INITIAL PROVISIONS AND GENERAL DEFINITIONS

Section I: Initial Provisions

Article 1.1: Objectives

The objectives of this Agreement are to:

(a) progressively liberalise and facilitate trade in goods and services between the Parties;

(b) facilitate the mutual recognition of the results of conformity assessment procedures for products or processes;

(c) liberalise, encourage and promote investment and ensure protection for investment and investment activities in the Parties;

(d) facilitate the movement of business persons;

(e) ensure and enhance adequate, effective and non-discriminatory protection of trade and investment between the Parties;

(f) enhance cooperation for mutual benefit of the Parties;

(g) promote transparency in the implementation of laws and regulations respecting matters covered by this Agreement; and

(h) provide an adequate protection of intellectual property rights that contributes to the balance between the intellectual property rights holders and the legitimate interest of users and the community with regard to the protected subject matter.

Article 1.2: Establishment of the Free Trade Area

The Parties, consistent with Article XXIV of the GATT 1994 and Article V of the GATS, hereby establish a free trade area in accordance with the provisions of this Agreement.

Article 1.3: Relation to Other Agreements

1. The Parties reaffirm their existing rights and obligations with respect to each other under the WTO Agreement and other agreements to which both Parties are parties.

2. In the event of any inconsistency between this Agreement and such other agreements, to which the Parties are parties, the Parties shall consult each other with a view to finding a mutually satisfactory solution in accordance with public international law.

Article 1.4: Extent of Obligations

Each Party is responsible for the observance of all provisions of this Agreement and shall take any necessary measures to implement the obligations under it, including its observance by central, regional or local governments and authorities, as well as non-governmental bodies in the exercise of governmental powers delegated to them by such governments or authorities, within its territory.

Article 1.5: Investment

For greater certainty, it is understood that the *Agreement between the Government of the Kingdom of Thailand and the Government of the Republic of Peru for the Promotion and Protection of Investments*, done at Bangkok on 15 November 1991 remains in force.

Section II: General Definitions

Article 1.6: Definitions of General Application

For the purposes of this Agreement, unless otherwise specified:

Agreement means the Free Trade Agreement between the Government of the Republic of Peru and the Government of the Kingdom of Thailand;

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

central level of government means the national level of government;

Customs Valuation Agreement means the WTO *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994* set out in Annex 1A to the WTO Agreement;

days means calendar days, including weekends and holidays;

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

GATS means the WTO *General Agreement on Trade in Services*, set out in Annex 1B to the WTO Agreement;

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

goods of a Party means domestic products as these are understood in the GATT 1994 or such goods as the Parties may agree, and includes originating goods of that Party;

Harmonized System or HS means the Harmonized Commodity Description and Coding System as defined in the *International Convention on the Harmonized Commodity Description and Coding System*, done at Brussels on 14 June 1983, including its General Rules of Interpretation, Section Notes, and Chapter Notes and Subheading Notes and their amendments, as adopted and implemented by the Parties in their respective tariff laws;

heading means any four-digit number, or the first four digits of any number, used in the nomenclature of the Harmonized System;

juridical person means entity constituted or organised under the applicable law of a Party, whether or not for profit, and whether privately or governmentally owned or controlled, including a corporation, trust, partnership, sole proprietorship, joint venture or association;

local level of government means the provincial and local municipalities;

measure means any law, regulation, procedure, requirement, practice, rule, decision or administrative act;

measure of a Party means any measure taken by:

(a) central, regional, or local level of government and authorities; and

(b) non-governmental bodies in the exercise of powers delegated by central, regional or local level of government or authorities;

national means:

(a) in the case of Peru, a natural person who has the nationality of Peru by birth, naturalisation, or option in accordance with the Political Constitution of Peru (*Constitución Política del Perú*) and other relevant domestic legislation, or a permanent resident of Peru; and

(b) in the case of Thailand, a person who possesses Thai nationality under the law in force in the Kingdom of Thailand;

originating good means any good that qualifies as originating of any Party, according to Chapter 3 (Rules of Origin) of this Agreement;

person means a natural person or a juridical person;

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

regional level of government means:

(a) for Peru, regional government in accordance with the Political Constitution of Peru (*Constitución Política del Perú*) and other applicable legislation; and

(b) for Thailand, the term of regional level of government is not applicable;

subheading means any six-digit number, or the first six digits of any number, used in the nomenclature of the Harmonized System;

territory[1] means:

(a) for Peru, 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; and

(b) for Thailand**,** the territory of the Kingdom of Thailand, including its internal waters, territorial sea, exclusive economic zone, the continental shelf and any other maritime areas in which it exercises sovereign rights and jurisdiction in accordance with international law; and

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

[1] For greater certainty, the definition of and references to "territory" contained in this Agreement apply exclusively for purposes of determining the geographical scope of application of this Agreement.