

TITLE II

INSTITUTIONAL PROVISIONS

ARTICLE 12

Trade Committee

1. The Parties hereby establish a Trade Committee. This Committee shall comprise representatives of the EU Party and representatives of each signatory Andean Country.

2. The Trade Committee shall meet at least once a year at the level of Ministers or the representatives that such level may designate. In addition, upon written request of a Party, the Trade Committee may meet at any time at the level of senior officials designated to take the necessary decisions.

3. The Trade Committee shall meet on a rotational basis, in Bogota, Brussels and Lima, unless the Parties agree otherwise. The Trade Committee shall be chaired by each Party for a period of one year, on a rotational basis.

4. Without prejudice to paragraph 1, the Trade Committee may meet in sessions where the EU Party and one signatory Andean Country participate, regarding matters which:

- (a) relate exclusively to the bilateral relationship between the EU Party and such signatory Andean Country; or
- (b) have been discussed in a session within a "specialised body" in which only the EU Party and one signatory Andean Country have participated, and that matter has been referred to the Trade Committee.

If another signatory Andean Country expresses interest in the matter to be discussed in such session, it may participate in the session subject to prior agreement of the EU Party and the signatory Andean Country concerned.

ARTICLE 13

Functions of the Trade Committee

1. The Trade Committee shall:
 - (a) supervise and facilitate the operation of this Agreement and the correct application of its provisions, and consider other ways to attain its general objectives;
 - (b) evaluate the results obtained from the application of this Agreement, in particular the evolution of the trade and economic relations between the Parties;
 - (c) supervise the work of all specialised bodies established under this Agreement and recommend any necessary action;
 - (d) evaluate and adopt decisions as envisaged in this Agreement regarding any subject matter which is referred to it by the specialised bodies established according to this Agreement;
 - (e) oversee the application of Article 105;
 - (f) supervise the further development of this Agreement;

- (g) without prejudice to the rights conferred in Title XII (Dispute Settlement) and other provisions of this Agreement, explore the most appropriate way to prevent or solve any difficulty that may arise in relation to issues covered by this Agreement;
- (h) adopt, at its first meeting, the Rules of Procedure and the Code of Conduct for arbitrators referred to in Article 315;
- (i) establish the remuneration and expenses to be paid to arbitrators;
- (j) adopt its own rules of procedure, as well as its meeting schedule and the agenda for its meetings;
- (k) consider any other matter of interest relating to an area covered by this Agreement.

2. The Trade Committee may:

- (a) establish and delegate responsibilities to specialised bodies;
- (b) receive or seek information from any interested person;

- (c) agree to the initiation of negotiations, with the aim of deepening the liberalisation already achieved in sectors covered by this Agreement;
- (d) consider any amendment or modification to the provisions of this Agreement, which shall be subject to the completion of the internal legal procedures of each Party;
- (e) adopt interpretations of the provisions of this Agreement¹. Such interpretations shall be taken into consideration by arbitration panels established under Title XII (Dispute Settlement);
- (f) take such other action in the exercise of its functions as the Parties may agree;
- (g) advance in the achievement of the objectives of this Agreement by means of modifications provided for therein, of:
 - (i) Annex I (Tariff Elimination Schedules), with the aim of adding one or more goods excluded from the tariff elimination schedule of a Party;
 - (ii) the time schedules established in Annex I (Tariff Elimination Schedules), with the aim of accelerating tariff reduction;

¹ Interpretations adopted by the Trade Committee shall not constitute an amendment or modification to the provisions of this Agreement.

- (iii) the specific rules of origin established in Annex II (Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation);
- (iv) the procuring entities listed in Appendix 1 of Annex XII (Government Procurement);
- (v) the lists of commitments set out in Annexes VII (List of Commitments on Establishment) and Annex VIII (List of Commitments on Cross-Border Supply of Services), and the reservations set out in Annex IX (Reservations Regarding Temporary Presence of Natural Persons for Business Purposes); and
- (vi) other provisions subject to modifications by the Trade Committee pursuant to an explicit provision of this Agreement.

Each Party shall implement, in accordance with its applicable legal procedures, any modification referred to in this subparagraph.

3. The Trade Committee may examine the impact of this Agreement on the micro, small and medium-sized enterprises (hereinafter referred to as "Micro and SMEs") of the Parties, including any resulting benefits.

4. The Parties shall, to the extent possible, exchange information within the Trade Committee concerning agreements establishing or modifying customs unions or free trade areas and, where requested, on other major issues related to the trade policy of each Party regarding third countries.

5. In the exercise of any of the functions set out in this Article, the Trade Committee may adopt any decision as envisaged in this Agreement.

ARTICLE 14

Decision-Making

1. The Trade Committee shall adopt its decisions by consensus.
2. The decisions adopted by the Trade Committee shall be binding upon the Parties, which shall take all necessary measures to implement them.
3. In the cases referred to in Article 12 paragraph 4, any decision shall be adopted by the EU Party and the signatory Andean Country concerned and shall have effect only between those Parties, provided that such decisions do not affect the rights and obligations of another signatory Andean Country.

ARTICLE 15

Specialised Bodies

1. This Agreement establishes the following sub-committees:
 - (a) Sub-committee on Market Access;

- (b) Sub-committee on Agriculture;
- (c) Sub-committee on Technical Obstacles to Trade;
- (d) Sub-committee on Customs, Trade Facilitation and Rules of Origin;
- (e) Sub-committee on Government Procurement;
- (f) Sub-committee on Trade and Sustainable Development;
- (g) Sub-committee on Sanitary and Phytosanitary Measures; and
- (h) Sub-committee on Intellectual Property.

2. Any specialised body established under this Agreement shall comprise representatives of the EU Party, and representatives of each signatory Andean Country.

3. The respective scope of competence and duties of the specialised bodies created in this Agreement are defined in the relevant Titles.

4. The Trade Committee may establish other sub-committees, working groups, or any other specialised bodies in order to assist it in the performance of its tasks. The Trade Committee shall determine the composition, duties and rules of procedure of such specialised bodies.

5. The specialised bodies shall inform the Trade Committee, sufficiently in advance, of their schedule of meetings and of the agenda of those meetings. They shall also report on their activities at each of the meetings of that Committee.

6. Notwithstanding paragraph 2, any specialised body may meet in sessions in which the EU Party and one of the signatory Andean Country participate, when such session regards matters relating exclusively to the bilateral relationship between the EU Party and such signatory Andean Country.

7. If another signatory Andean Country expresses interest in the matter to be discussed in such a session, such signatory Andean country may participate in the session subject to prior agreement of the EU Party and the signatory Andean Country concerned.

ARTICLE 16

Coordinators of the Agreement

1. Each Party shall designate a Coordinator of the Agreement and notify all other Parties accordingly, at the latest, at entry into force of this Agreement².

² For greater certainty, in the case of the EU Party, the notification shall be considered effective when it has been transmitted to the European Commission.

2. The Coordinators of the Agreement shall:
 - (a) prepare the agenda and coordinate the preparation of Trade Committee meetings;
 - (b) follow up on the decisions adopted by the Trade Committee, as appropriate;
 - (c) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided in this Agreement;
 - (d) receive any notifications and information submitted under this Agreement, including any notification or information submitted to the Trade Committee unless provided otherwise; and
 - (e) consider any other matter that may affect the operation of this Agreement, as requested by the Trade Committee.
3. The Coordinators of the Agreement may meet as necessary.