#### **CHAPTER 18**

### CONSULTATIONS AND DISPUTE SETTLEMENT

# **Section A: Introductory Provisions**

#### **Article 18.1: Definitions**

For the purposes of this Chapter:

**Complaining Party** means the Party that requests consultations under Article 18.5;

**dispute arising under this Agreement** means a complaint made by the Complaining Party that:

- (a) a benefit accruing to the Complaining Party directly or indirectly under this Agreement is being nullified or impaired, or the attainment of any objective of this Agreement is being impeded, as a result of either:
  - (i) the failure of the Responding Party to carry out its obligations under this Agreement; or
  - (ii) the inconsistency of a measure of the Responding Party with its obligations under this Agreement; or
- (b) a benefit that the Complaining Party could reasonably have expected to accrue to it under Chapter 2 (Trade in Goods), Chapter 3 (Rules of Origin and Origin Procedures), Chapter 4 (Customs Procedures and Trade Facilitation), Chapter 7 (Cross-Border Trade in Services) or Chapter 13 (Government Procurement) is being nullified or impaired as a result of the application of a measure by the Responding Party, whether or not that measure conflicts with the provisions of those Chapters; and

**Responding Party** means the Party to which the request for consultations is made under Article 18.5.

#### **Article 18.2: Scope**

1. Unless otherwise provided in this Agreement, this Chapter shall apply to the avoidance or settlement of disputes arising under this Agreement. This Chapter shall not apply to the settlement of disputes arising under Chapter 5 (Technical Barriers to Trade), Chapter 6 (Sanitary and Phytosanitary Measures), Chapter 15 (Competition Policy), and

Articles 16.6 (Small and Medium Enterprises (SMEs)) and 16.7 (Regulatory Coherence) of Chapter 16 (Transparency).

- 2. This Chapter shall apply subject to any special and additional provisions on dispute settlement contained in other chapters of this Agreement.
- 3. Subject to Article 18.4, this Chapter is without prejudice to the rights of a Party to have recourse to dispute settlement procedures available under other agreements to which it is a party.

#### **Article 18.3: General Provisions**

- 1. A panel established or reconvened under this Chapter shall interpret this Agreement in accordance with the customary rules of treaty interpretation of public international law. If an obligation under this Agreement is identical or substantially identical to an obligation under the WTO Agreement, the panel shall also consider relevant interpretations in reports of WTO panels and the Appellate Body adopted by the WTO Dispute Settlement Body.
- 2. All notifications, requests and replies made pursuant to this Chapter shall be in writing.
- 3. Any time periods provided for in this Chapter may be modified by agreement between the Parties.
- 4. The Parties may agree at any time not to apply any provision of this Chapter.
- 5. The Parties are encouraged at every stage of a dispute to make every effort to reach an agreed solution to the dispute.

# Article 18.4: Choice of Forum

- 1. If a dispute concerning any matter arises under this Agreement and under another international agreement to which the Parties are party, the Complaining Party may select the forum in which to address that matter.
- 2. Once the Complaining Party has selected a forum to address that matter, the forum selected shall be used to the exclusion of other fora in respect of that matter. However, this shall not apply if:
  - (a) substantially separate and distinct rights or obligations under different international agreements are in dispute; or

- (b) the forum selected fails for procedural or jurisdictional reasons to make findings on the merits of the claim.
- 3. For the purposes of paragraph 1, the Complaining Party shall be deemed to have selected the forum in which to settle the dispute when it has requested the establishment of a panel pursuant to Article 18.7 or requested the establishment of, or referred a matter to, a similar dispute settlement panel under another international agreement.

#### **Section B: Consultation Provisions**

#### **Article 18.5: Consultations**

- 1. Either Party may request consultations with respect to any dispute arising under this Agreement. The Responding Party shall accord due consideration to a request for consultations made by the Complaining Party and adequate opportunity for such consultations.
- 2. A request for consultations shall give the reasons for the request, including identification of the measure at issue and an indication of the factual and legal basis for the complaint.
- 3. The Complaining Party shall release a copy of its request for consultations to the public no later than 10 days after the date that it submits the request to the Responding Party.
- 4. The Responding Party shall reply to the request no later than seven days after the date of its receipt and shall enter into consultations no later than:
  - (a) 10 days after the date of receipt of the request in cases of urgency, including those which concern perishable goods; or
  - (b) 30 days after the date of receipt of the request for all other matters.
- 5. The Parties shall make every effort to reach a mutually satisfactory solution through consultations. To this end, each Party shall:
  - (a) provide sufficient information to enable a full examination of the matter, including how the measure at issue might affect the implementation or application of this Agreement;
  - (b) treat any confidential or proprietary information exchanged in the course of consultations on the same basis as the Party providing the information; and

- (c) endeavour to make available for the consultations personnel of its government agencies or other regulatory bodies who have responsibility for, or expertise in, the matter under consultation.
- 6. The consultations shall be confidential and without prejudice to the rights of either Party in any further or other proceedings.

## Article 18.6: Good Offices, Conciliation and Mediation

- 1. The Parties may agree at any time to undertake an alternative method of dispute resolution, such as good offices, conciliation or mediation. Procedures for such alternative methods of dispute resolution may begin and be terminated at any time.
- 2. If the Parties agree, the procedures referred to in paragraph 1 may continue while the matter is being examined by a panel established or reconvened under this Chapter.
- 3. Proceedings involving the procedures referred to in paragraph 1, and positions taken by the Parties during these proceedings, shall be confidential and without prejudice to the rights of either Party in any further or other proceedings.

### **Section C: Adjudication Provisions**

# **Article 18.7: Request for Establishment of Panels**

- 1. The Complaining Party may request the establishment of a panel to consider a dispute arising under this Agreement if:
  - (a) the Responding Party does not reply to a request for, or enter into, consultations in accordance with Article 18.5.4; or
  - (b) the consultations fail to resolve a dispute no later than:
    - (i) 20 days after the date of receipt of the request for consultations in cases of urgency, including those which concern perishable goods; or
    - (ii) 60 days after the date of receipt of the request for consultations regarding all other matters.
- 2. A request made pursuant to paragraph 1 shall identify the specific measure at issue and provide details of the factual and legal basis for the complaint (including the provisions of this Agreement to be addressed by the panel) sufficient to present the problem clearly.

- 3. The Responding Party shall immediately acknowledge receipt of the request made pursuant to paragraph 1, indicating the date on which the request was received.
- 4. The Complaining Party shall release to the public a copy of its request made pursuant to paragraph 1 no later than 10 days after the date that it submits the request to the Responding Party.
- 5. If a request is made pursuant to paragraph 1, a panel shall be established in accordance with Article 18.8.

# **Article 18.8: Establishment and Reconvening of Panels**

- 1. Unless the Parties otherwise agree, a panel shall consist of three panellists. All appointments and nominations of panellists under this Article shall conform fully with the requirements in paragraph 8, paragraph 9 and paragraph 10.
- 2. Within five days of the date of receipt by the Responding Party of a request under Article 18.7, the Parties shall enter into consultations with a view to reaching agreement on the procedures for composing the panel, taking into account the factual, technical and legal circumstances of the dispute. Any procedures for composing the panel which are agreed in accordance with this paragraph shall be used for the composition of the panel and shall also be used for the purposes of paragraph 12 and paragraph 13.
- 3. If the Parties are unable to reach agreement on the procedures for composing the panel within 10 days of the date of receipt of the request referred to in paragraph 2, either Party may, at any time thereafter, notify the other Party that it wishes to use the procedures set forth in paragraph 4, paragraph 5 and paragraph 6. If such a notification is made, the panel shall be composed in accordance with paragraph 4, paragraph 5 and paragraph 6.
- 4. Each Party shall appoint one panellist within 30 days of the date of receipt of the notification referred to in paragraph 3. For greater certainty, a natural person of a Party may be appointed.
- 5. Following the appointment of the panellists in accordance with paragraph 4, the Parties shall agree on the appointment of the third panellist who shall serve as the chair of the panel. To assist in reaching this agreement, each Party may provide to the other Party a list of up to three nominees for appointment as the chair of the panel.
- 6. If any of the three panellists have not been appointed within 60 days of the date of receipt of the notification referred to in paragraph 3, either Party may request the Director-General of the WTO to make the remaining appointments within a further period of 15 days. Any list of nominees which was provided under paragraph 5 shall also be provided to the Director-General of the WTO and may be used in making the required appointments. In the event that the Director-General of the WTO is a natural person of a

Party, the Deputy Director-General or the officer next in seniority who is not a natural person of a Party shall be requested to make the required appointments.

- 7. The date of establishment of the panel shall be the date on which the last panellist is appointed.
- 8. All panellists shall:
  - (a) have expertise or experience in law, international trade, other matters covered by this Agreement, or the resolution of disputes arising under international trade agreements;
  - (b) be chosen strictly on the basis of objectivity, reliability and sound judgement;
  - (c) be independent of, and not be affiliated with or take instructions from, either Party;
  - (d) not have dealt with the matter under dispute in any capacity; and
  - (e) comply with Annex 18-B.
- 9. Further to paragraph 8(a), all panellists appointed in accordance with this Article for a dispute arising in the financial services sector shall, unless otherwise agreed by the Parties, have expertise or experience in law or practice of financial services, which may include the laws and regulations concerning financial service suppliers.
- 10. Unless the Parties otherwise agree, the chair of the panel shall not:
  - (a) be a natural person of a Party;
  - (b) have his or her usual place of residence in the Area of a Party; or
  - (c) be employed by a Party.
- 11. Panellists shall serve in their individual capacities and not as government representatives, nor as representatives of any organisation. The Parties shall not give the panellists instructions nor seek to influence them as individuals with regard to matters before a panel.
- 12. If a panellist appointed under this Article resigns or becomes unable to act, a successor panellist shall be appointed in the same manner used to appoint the original panellist and shall have all the powers and duties of the original panellist. The work of the panel, including any applicable time periods, shall be suspended until the successor panellist has been appointed.

13. If a panel is reconvened under Articles 18.13 or 18.14, the reconvened panel shall, if possible, have the same panellists as the original panel. If this is not possible, any successor panellist shall be appointed in the same manner used to appoint the original panellist and shall have all the powers and duties of the original panellist.

#### **Article 18.9: Functions of Panels**

- 1. A panel shall make an objective assessment of the matter before it, including an objective assessment of:
  - (a) the facts of the case:
  - (b) the applicability of the provisions of this Agreement cited by the Parties; and
  - (c) whether:
    - (i) the Responding Party has failed to carry out its obligations under this Agreement;
    - (ii) a measure of the Responding Party is inconsistent with its obligations under this Agreement; or
    - (iii) a benefit that the Complaining Party could reasonably have expected to accrue to it under Chapter 2 (Trade in Goods), Chapter 3 (Rules of Origin and Origin Procedures), Chapter 4 (Customs Procedures and Trade Facilitation), Chapter 7 (Cross-Border Trade in Services) or Chapter 13 (Government Procurement) has been nullified or impaired as a result of the application of a measure by the Responding Party, whether or not that measure conflicts with the provisions of those Chapters.
- 2. A panel shall have the following terms of reference unless the Parties otherwise agree within 20 days of the date of the establishment of a panel:

"To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of a panel made pursuant to Article 18.7, and to make such findings as provided for in this Agreement."

The panel shall make its findings in accordance with this Agreement.

- 3. The panel shall set out in its reports:
  - (a) a descriptive section summarising the submissions and arguments of the Parties;

- (b) its findings on the facts of the case and the applicability of the provisions of this Agreement;
- (c) its findings on whether:
  - (i) the Responding Party has failed to carry out its obligations under this Agreement;
  - (ii) a measure of the Responding Party is inconsistent with its obligations under this Agreement; or
  - (iii) a benefit that the Complaining Party could reasonably have expected to accrue to it under Chapter 2 (Trade in Goods), Chapter 3 (Rules of Origin and Origin Procedures), Chapter 4 (Customs Procedures and Trade Facilitation), Chapter 7 (Cross-Border Trade in Services) or Chapter 13 (Government Procurement) has been nullified or impaired as a result of the application of a measure by the Responding Party, whether or not that measure conflicts with the provisions of those Chapters; and
- (d) its reasons for the findings in subparagraph (b) and subparagraph (c).
- 4. If jointly requested by the Parties, a panel may include in its reports any other findings relating to the dispute.
- 5. Unless the Parties otherwise agree, a panel shall base its reports solely on the relevant provisions of this Agreement, the submissions and arguments of the Parties, and any information or advice put before it under Article 18.10.14.
- 6. The findings of the panel cannot add to or diminish the rights and obligations provided in this Agreement.
- 7. The panel shall consult the Parties regularly and provide adequate opportunities for the development of a mutually satisfactory solution to the dispute.
- 8. A panel reconvened under this Chapter shall also carry out functions with regard to compliance review under Article 18.13 and review of the level of suspension of concessions or other obligations under Article 18.14. Paragraph 1, paragraph 2 and paragraph 3 shall not apply to a panel reconvened under Articles 18.13 or 18.14.
- 9. A panel shall make its findings by consensus. If a panel is unable to reach consensus, it may make its findings by majority vote.

#### **Article 18.10: Panel Procedures**

- 1. A panel established pursuant to Article 18.8 shall adhere to this Chapter. It shall conduct proceedings in accordance with this Chapter and, unless the Parties otherwise agree, apply the rules of procedure for panel proceedings set out in Annex 18-A. On request of a Party, or on its own initiative, the panel may, after consulting the Parties, adopt additional rules of procedure which do not conflict with this Chapter or Annex 18-A.
- 2. A panel reconvened under Articles 18.13 or 18.14 may, in consultation with the Parties, establish its own procedures which do not conflict with this Chapter or Annex 18-A, drawing as it deems appropriate from this Chapter or Annex 18-A.

#### **Timetable**

- 3. After consulting the Parties, a panel shall, as soon as practicable and whenever possible within 15 days of the date of establishment of the panel, fix the timetable for the panel process. The panel process, from the date of establishment of the panel until the date of the presentation of the panel's final report shall, as a general rule, not exceed a period of nine months.
- 4. Similarly, a panel reconvened pursuant to Article 18.13 shall, as soon as practicable and whenever possible within 15 days of reconvening, fix the timetable for the compliance review process taking into account the time periods specified in Article 18.13.

# Panel Proceedings

- 5. Panel proceedings should provide sufficient flexibility so as to ensure high-quality reports, while not unduly delaying the panel process.
- 6. Panel deliberations shall be confidential. The Parties shall be present only if invited by the panel to appear before it. All presentations and statements made at hearings shall be made in the presence of the Parties. There shall be no *ex parte* communications with the panel concerning matters under consideration by it.

#### **Submissions**

- 7. Each Party shall have an opportunity to set out in writing the facts of its case, its arguments and counter arguments. The timetable fixed by the panel shall include precise deadlines for submissions by each Party. Written submissions to the panel shall be made available to the Parties.
- 8. Subject to the protection of confidential information, a Party may release to the public its written submissions, written versions of its oral statements and written responses to requests or questions from the panel, if any, at the time such documents are

filed with the panel or, if not already released, no later than the date of the presentation of the panel's final report.

# Hearings

- 9. The timetable fixed by the panel shall provide for at least one hearing for the Parties to present their case to the panel. As a general rule, the timetable shall not provide for more than two hearings unless special circumstances exist.
- 10. The venue for hearings shall be decided by agreement between the Parties. If there is no agreement, the venue shall alternate between the Areas of the Parties with the first hearing to be held in the Area of the Responding Party.
- 11. Hearings before the panel shall be open to the public, unless the Parties otherwise agree or the submissions and arguments of the Parties contain confidential information.

# Confidentiality

12. The Parties and the panel shall treat as confidential any information or material submitted by a Party to the panel which that Party has designated as confidential. If a Party designates information or material as confidential, it shall, within 28 days of the date of receipt of a request of the other Party, provide a non-confidential summary of such information or material that could be disclosed to the public. For greater certainty, the Parties may agree to additional or different procedures concerning confidential information.

# Additional Information and Technical Advice

- 13. Each Party shall respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate.
- 14. A panel may seek information and technical advice from any individual or body which it deems appropriate. However, before doing so, the panel shall seek the views of the Parties. If the Parties agree that the panel should not seek the additional information or technical advice, the panel shall not proceed. The panel shall provide the Parties with any information or technical advice it receives and an opportunity to provide comments. If the panel takes the information or technical advice into account in the preparation of its reports, it shall also take into account any comments by the Parties on the information or technical advice.

# Reports

15. The panel shall provide to the Parties an interim report which complies with the requirements specified in Article 18.9.3.

- 16. The panel shall, as a general rule, present its interim report to the Parties within 180 days of the date of establishment of the panel or in cases of urgency, including those which concern perishable goods, within 160 days of the date of establishment of the panel. In exceptional cases, if the panel considers that it cannot present its interim report within 180 days, or within 160 days in cases of urgency, it shall promptly inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will present its interim report. Any delay shall not exceed a further period of 30 days, unless the Parties otherwise agree.
- 17. A Party may submit written comments on the interim report to the panel within 20 days of the date of receipt of the interim report or within such period as the Parties may agree.
- 18. After considering any written comments by the Parties and making any further examination it considers necessary, the panel shall present its final report to the Parties within 35 days, or 30 days in cases of urgency, after the date of presentation of the interim report, unless the Parties otherwise agree. The panel shall include a discussion in its final report of any comments made by the Parties on the interim report.
- 19. The interim and final reports of the panel shall be drafted without the presence of the Parties. Opinions expressed in the reports of the panel by its individual members shall be anonymous. The reports shall include any separate opinions on matters not unanimously agreed, not disclosing which panellists are associated with majority or minority opinions.
- 20. Each Party shall make the final report publicly available 15 days after the report is presented to the Parties, subject to the protection of any information contained in the report which a Party has designated as confidential.

# **Article 18.11: Suspension and Termination of Proceedings**

- 1. The Parties may agree that the panel suspend its work at any time for a period not exceeding 12 months from the date of such agreement. Within this period, the suspended panel proceedings shall be resumed on request of either Party. The Parties shall jointly notify the chair of the panel in the event of suspension or resumption. In the event of suspension of the panel proceedings, the relevant timeframes shall be extended by the same amount of time that the work of the panel was suspended. If the work of the panel has been continuously suspended for more than 12 months, the authority for establishment of the panel shall lapse.
- 2. The Parties may agree to terminate the proceedings of a panel, by jointly notifying the chair of the panel, in the event that a mutually satisfactory solution to the dispute has been found.

3. Before the panel presents its final report, it may at any stage of the proceedings propose to the Parties that the dispute be settled amicably.

### **Section D: Implementation Provisions**

### **Article 18.12: Implementation**

- 1. If a panel finds that the Responding Party has failed to carry out its obligations under this Agreement, or that a measure of the Responding Party is inconsistent with its obligations under this Agreement pursuant to Article 18.9.3(c), the Responding Party shall comply with its obligations under this Agreement.
- 2. If a panel finds that a measure of the Responding Party is causing nullification or impairment pursuant to Article 18.9.3(c), the Responding Party shall eliminate the nullification or impairment.
- 3. Within 30 days of the date of the presentation of the panel's final report to the Parties, the Responding Party shall notify the Complaining Party:
  - (a) of its intentions with respect to implementation, including an indication of possible actions it may take to comply with the obligations in paragraph 1 or paragraph 2;
  - (b) whether such implementation can take place immediately; and
  - (c) if it is impracticable for such implementation to take place immediately, the reasonable period of time the Responding Party considers it would need to implement.
- 4. If the Responding Party makes a notification under paragraph 3(c) that it is impracticable to comply immediately with the obligations in paragraph 1 or paragraph 2, it shall have a reasonable period of time to do so.
- 5. If a reasonable period of time is required, it shall, whenever possible, be agreed by the Parties. If the Parties are unable to agree on the reasonable period of time within 45 days of the date of the presentation of the panel's final report to the Parties, either Party may request that the chair of the panel determines the reasonable period of time. Such request shall be made no later than 120 days after the date of the presentation of the panel's final report to the Parties.
- 6. If a request is made pursuant to paragraph 5, the chair of the panel shall present the Parties with a report containing a determination of the reasonable period of time and the reasons for such determination within 45 days of the date of receipt of the request. If the chair considers that he or she cannot present the report within this timeframe, he or she

shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which he or she will present the report. Any delay shall not exceed a further period of 30 days, unless the Parties otherwise agree.

- 7. As a guideline, the reasonable period of time determined by the chair of the panel should not exceed 15 months from the date of the presentation of the panel's final report to the Parties. However, such reasonable period of time may be shorter or longer, depending upon the particular circumstances.
- 8. If the Responding Party considers that it has complied with the obligations in paragraph 1 or paragraph 2, it shall provide the Complaining Party with a description of any measure that it has taken to comply and the text of such measure, if any, before the expiry of the reasonable period of time.

### **Article 18.13: Compliance Review**

- 1. If the Parties disagree on the existence or consistency with this Agreement of a measure taken to comply with the obligations in Articles 18.12.1 or 18.12.2, such dispute shall be decided through recourse to a panel reconvened for this purpose (Compliance Review Panel) <sup>1</sup>. Unless otherwise provided in this Chapter, such a panel may be reconvened on request of either Party.
- 2. A request made pursuant to paragraph 1 may only be made after the earlier of either:
  - (a) the expiry of the reasonable period of time determined in accordance with Article 18.12; or
  - (b) a notification to the Complaining Party by the Responding Party that it has complied with the obligations in Articles 18.12.1 or 18.12.2, in accordance with Article 18.12.8.
- 3. A Compliance Review Panel shall make an objective assessment of the matter before it, including an objective assessment of:
  - (a) the factual aspects of any implementation action taken by the Responding Party; and
  - (b) whether the Responding Party has complied with the obligations in Articles 18.12.1 or 18.12.2.
- 4. The Compliance Review Panel shall set out in its report:
  - (a) a descriptive section summarising the arguments of the Parties;

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<sup>&</sup>lt;sup>1</sup> Consultations under Article 18.5 are not required for these procedures.

- (b) its findings on the facts of the dispute arising under this Article;
- (c) its findings on whether the Responding Party has complied with the obligations in Articles 18.12.1 or 18.12.2; and
- (d) its reasons for its findings in subparagraph (b) and subparagraph (c).
- 5. The panel reconvened pursuant to paragraph 1 shall, if possible, provide its interim report to the Parties within 75 days of the date it reconvenes and its final report 15 days thereafter. If the Compliance Review Panel considers that it cannot provide either report within the relevant timeframe, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will present the report. The Compliance Review Panel shall accord adequate opportunity to the Parties to review the entire interim report prior to its finalisation and include a discussion in its final report of any comments made by the Parties on the interim report.
- 6. If a panel is requested to reconvene pursuant to paragraph 1, it shall reconvene within 15 days of the date of receipt of the request. The period from the date of receipt of the request for the panel to reconvene to the presentation of its final report shall not exceed 120 days, unless Article 18.8.12 applies.

#### **Article 18.14: Compensation and Suspension of Concessions or other Obligations**

- 1. Compensation and the suspension of concessions or other obligations are temporary measures available in the event that the Responding Party does not comply with the obligations in Articles 18.12.1 or 18.12.2. However, neither compensation nor the suspension of concessions or other obligations is preferred to compliance with the obligations under Articles 18.12.1 or 18.12.2. Compensation is voluntary and, if granted, shall be consistent with this Agreement.
- 2. If either of the following circumstances exist:
  - (a) the Responding Party has notified the Complaining Party that it does not intend to comply with the obligations in Articles 18.12.1 or 18.12.2; or
  - (b) a failure of the Responding Party to comply with the obligations in Articles 18.12.1 or 18.12.2 has been established in accordance with Article 18.13,

the Responding Party shall, if so requested by the Complaining Party, enter into negotiations with a view to developing mutually acceptable compensation.

3. If the Parties have:

- (a) been unable to agree on compensation within 30 days of the date of receipt of the request made under paragraph 2; or
- (b) agreed on compensation but the Complaining Party considers that the Responding Party has failed to observe the terms of the agreement,

the Complaining Party may at any time thereafter notify the Responding Party that it intends to suspend the application to the Responding Party of concessions or other obligations under this Agreement equivalent to the level of nullification or impairment, and shall have the right to begin suspending such concessions or other obligations 30 days after the date of receipt of the notification by the Responding Party.

- 4. The right to suspend concessions or other obligations arising under paragraph 3 shall not be exercised if:
  - (a) a review is being undertaken pursuant to paragraph 9; or
  - (b) an agreed solution has been reached by the Parties.
- 5. A notification made under paragraph 3 shall specify the level of concessions or other obligations that the Complaining Party proposes to suspend, and the relevant chapter or chapters and sector or sectors to which the concessions or other obligations relate.
- 6. Subject to paragraph 7, in considering what concessions or other obligations to suspend, the Complaining Party shall apply the following principles:
  - (a) the Complaining Party should first seek to suspend concessions or other obligations in the same sector or sectors as that affected by the measure; and
  - (b) the Complaining Party may suspend concessions or other obligations in other sectors if it considers that it is not practicable or effective to suspend concessions or other obligations in the same sector or sectors. The notification made under paragraph 3 shall indicate the reasons on which such a decision is based.

#### 7. If the measure affects:

- (a) the financial services sector and any other sector, the Complaining Party may suspend its concessions or other obligations in the financial services sector that have an effect equivalent to the effect of the measure in the financial services sector; or
- (b) only a sector other than the financial services sector, the Complaining Party shall not suspend concessions or other obligations in the financial services sector.

- 8. The level of suspension of concessions or other obligations shall be equivalent to the level of nullification or impairment.
- 9. Within 30 days of the date of receipt of a notification made under paragraph 3, if the Responding Party objects to the level of suspension proposed or considers that the principles set forth in paragraph 6 and paragraph 7 have not been followed, the Responding Party may request the panel to reconvene to make findings on the matter. The panel shall provide its assessment to the Parties within 60 days of the date it reconvenes. If the panel considers that it cannot present its report within this timeframe, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will present its report. If a panel is requested to reconvene pursuant to this paragraph, it shall reconvene within 15 days of the date of receipt of the request, unless Article 18.8.12 applies.

#### Post-Suspension Review

- 10. The suspension of concessions or other obligations shall be temporary and shall only be applied until such time as the obligations in Articles 18.12.1 or 18.12.2 have been complied with or a mutually satisfactory solution is reached.
- 11. If the right to suspend concessions or other obligations has been exercised under this Article and the Responding Party considers that it has complied with the obligations in Articles 18.12.1 or 18.12.2, the Responding Party may request the panel to reconvene to examine the matter<sup>2</sup>.
- 12. Articles 18.13.3, 18.13.4 and 18.13.5 shall apply if the panel reconvenes pursuant to paragraph 11.

#### **Section E: Final Provisions**

#### **Article 18.15: Expenses**

- 1. Unless the Parties otherwise agree, each Party shall bear the costs of its appointed panellist and its own expenses.
- 2. Unless the Parties otherwise agree, the costs of the chair of the panel and other expenses associated with the conduct of the panel proceedings shall be borne in equal parts by the Parties.

<sup>&</sup>lt;sup>2</sup> If a Compliance Review Panel determines that a measure taken to comply is inconsistent with this Agreement, it may also, on request of either Party, assess whether the level of any existing suspension of concessions or other obligations by the Complaining Party is still appropriate and, if not, assess an appropriate level.

#### **Article 18.16: Contact Points**

- 1. Each Party shall designate a contact point for this Chapter and notify the other Party of the details of this contact point within 30 days of the date of entry into force of this Agreement. Each Party shall notify the other Party of any change to its contact point.
- 2. Any request, written submission or other document relating to any proceedings pursuant to this Chapter shall be delivered to the relevant Party through its designated contact point who shall provide confirmation of receipt of such documents in writing.

# **Article 18.17: Language**

- 1. All proceedings pursuant to this Chapter shall be conducted in the English language.
- 2. Any document submitted for use in any proceedings pursuant to this Chapter shall be in the English language. If any original document is not in the English language, a Party submitting it for use in the proceedings shall provide an English language translation of that document.