

CHAPTER 3

NON-TARIFF MEASURES

Article 3.1: General Application

1. Unless otherwise provided, neither Party shall adopt or maintain any non-tariff measure on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its WTO rights and obligations or this Agreement.
2. Each Party shall ensure the transparency of its non-tariff measures permitted in paragraph 1 in accordance with Articles 19.2 (Publication) and 19.3 (Provision of Information) of Chapter 19 (Transparency) and shall ensure that any such measures are not prepared, adopted or applied with the view to, or with the effect of, creating unnecessary obstacles in trade with the other Party. Any new measure or modification to an existing measure shall be duly notified to the other Party as soon as practicable, but in any event no later than the day the measure takes effect.
3. Each Party shall ensure that its laws, regulations, procedures and administrative rulings relating to non-tariff measures are promptly published, including on the internet where feasible, or otherwise made available in such a manner as to enable the other Party to become acquainted with them.

Article 3.2: Mechanism on Non-Tariff Measures

1. If a Party considers that a non-tariff measure of the other Party is an unnecessary obstacle to trade, that Party may nominate such a non-tariff measure for review by the Committee on Trade in Goods by notifying the other Party at least 30 days before the date of the next scheduled meeting of the Committee. A nomination of a non-tariff measure for review shall include reasons for its nomination and, if possible, suggested solutions.
2. Within 360 days of the date of entry into force of this Agreement, the Committee on Trade in Goods shall establish procedures for review of non-tariff measures nominated by either Party. Such review shall include consideration of the commercial significance of the trade impacted by the non-tariff measure, any progress achieved elsewhere, and whether less trade-restrictive alternatives exist. The Parties acknowledge that some non-tariff measures are imposed for legitimate reasons.
3. The Committee on Trade in Goods shall be supported in its review of non-tariff measures by the Sub-Committee on Sanitary and Phytosanitary Matters, Sub-Committee on

Technical Barriers to Trade, Sub-Committee on Trade Facilitation and other relevant technical bodies, as appropriate, in accordance with this Agreement.

4. Once it has reviewed the non-tariff measures, the Committee on Trade in Goods shall provide advice to the Joint Committee on any non-tariff measures that should receive priority consideration by the Joint Committee and provide guidance, if possible, on solutions.

5. In accordance with Chapter 15 (Economic Cooperation), the Committee on Trade in Goods shall take into account opportunities relating to non-tariff measures, including capacity building and institutional strengthening programs in its recommendations on possible economic cooperation activities to the Committee on Economic Cooperation.

6. Under certain circumstances, each Party may establish a special contact point to liaise with relevant entities of the other Party in relation to specific non-tariff measures affecting trade between the Parties.

7. Chapter 20 (Consultations and Dispute Settlement) shall not apply to the mechanism under this Article. This Article shall not prejudice the rights of the Parties under Chapter 20 (Consultations and Dispute Settlement) regarding any other provision in this Agreement. This Article shall not affect the interpretation of any other provision in this Agreement.

Article 3.3: Quantitative Restrictions

Unless otherwise provided, neither Party shall adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its WTO rights and obligations or this Agreement. To this end, Article XI of GATT 1994 shall be incorporated into and made part of this Agreement *mutatis mutandis*.

Article 3.4: Import Licensing

1. Each Party shall ensure that all import licensing measures are implemented in a transparent and predictable manner, and applied in accordance with the *Agreement on Import Licensing Procedures* in Annex 1A to the WTO Agreement (“Import Licensing Agreement”).¹

¹ In accordance with the WTO Agreements, for live female cattle (HS 0102.29.90), frozen beef (HS 0202.20.00) and sheep meat (HS 0204.41.00; 0204.42.00; 0204.43.00; 0204.50.00), Indonesia shall issue import permits, or equivalent instruments used for import authorisation, automatically and without seasonality.

2. After the date of entry into force of this Agreement, each Party shall promptly notify the other Party of existing import licensing procedures. Thereafter, each Party shall notify any new import licensing procedures and any modification to its existing import licensing procedures, to the extent possible 60 days before it takes effect, but in any case no later than the effective date of the licensing requirement. The information in any notification under this Article shall be in accordance with Articles 5.2 and 5.3 of the Import Licensing Agreement.

3. On request of the other Party, a Party shall respond to the request of that Party for information on import licensing requirements of general application within 60 days of receiving the request.

4. A Party shall be deemed to be in compliance with the obligations in paragraph 2 with respect to an import licensing procedure if:

(a) with respect to any new or modified import licensing procedure, it has notified that procedure to the WTO Committee on Import Licensing provided for in Article 4 of the Import Licensing Agreement in accordance with Articles 5.1, 5.2 and 5.3 of that Agreement; or

(b) with respect to any existing import licensing procedure, in that Party's most recent annual submission, due before the date of entry into force of this Agreement, to the WTO Committee on Import Licensing in response to the annual questionnaire on import licensing procedures described in Article 7.3 of the Import Licensing Agreement, it has provided, with respect to that procedure, the information requested in that questionnaire.