No. 23375

MEXICO
and
COSTA RICA

Trade Agreement (with annexes). Signed at San José on 22 July 1982

Authentic text: Spanish.

Registered by Mexico on 30 May 1985.

MEXIQUE
et
COSTA RICA

Accord commercial (avec annexes). Signé à San José le 22 juillet 1982

Texte authentique : espagnol.

Enregistré par le Mexique le 30 mai 1985.

[TRANSLATION — TRADUCTION]

TRADE AGREEMENT[1] BETWEEN THE UNITED MEXICAN STATES AND THE REPUBLIC OF COSTA RICA

The Plenipotentiaries of the United Mexican States and the Republic of Costa Rica, duly authorized by their respective Governments as witness to the credentials presented in good and due form,

Considering

1. That the United Mexican States is a signatory of the Montevideo Treaty of 1980;[2] that reference is made, in articles 7, 8 and 9 of the third section thereof, to partial scope agreements; and that article 25 thereof provides that such agreements may be concluded with other countries not members of LAIA and economic integration areas of Latin America; and that the provisions in Resolution 2 of the Council of Ministers establish the guidelines for such agreements,

2. That the Republic of Costa Rica is a signatory of agreements under which tax exemptions may be granted for imports and that, on the same lines, other laws authorizing similar benefits are in force in Costa Rica,

Have agreed as follows:

CHAPTER I. PURPOSE OF THE AGREEMENT

Article 1. Having regard to the level of economic development of both Parties, the purpose of this Agreement, concluded pursuant to article 25 of the Montevideo Treaty of 1980, shall be to grant concessions conducive to enhancing and increasing their reciprocal trade flows in a manner compatible with their respective economic policies and to further the consolidation of the Latin American integration process.

This Agreement may be extended in the future to other economic sectors of importance to the Parties.

CHAPTER II. PREFERENCES

Article 2. The underlying principle of this Agreement shall be to grant preferences in respect of the levies and other restrictions imposed by the Parties on such imports negotiated under the Agreement as originate in and are imported from their respective territories.

The preferences granted may be of a permanent, temporary or seasonal nature, and may be subject to import quotas or applied to products in one or more sectors of their respective tariff nomenclatures.

Article 3. The term "levies" shall mean customs duties and any other equivalent charges of a fiscal, monetary or foreign-exchange nature which are imposed on imports. This definition shall not include duties and charges relating to costs for services rendered.

[1] Came into force provisionally on 22 July 1982, the date of signature, and definitively on 15 June 1984 by the exchange of the instruments of ratification, which took place at Mexico City, in accordance with article 16.
[2] United Nations, *Treaty Series*, vol. 1329, p. 225.

Article 4. Tariff preferences shall consist of percentage reductions, the amounts of which shall be applied to national import tariffs.

Article 5. Where products originating in and imported from the territory of the Parties are concerned, the tariff preferences granted, the non-tariff restrictions specified at the time of negotiation, the period of validity of concessions, and any other terms pertaining to the transaction shall be recorded in annexes forming part of this Agreement.

Article 6. Products covered in the annexes shall be registered in accordance with the national tariffs corresponding to their respective tariff nomenclatures.

Where a nomenclature, in its most detailed form, does not give an accurate description of the product for which a concession is granted, a specific description of the product shall be entered in the annex concerned.

CHAPTER III. MAINTENANCE OF PREFERENCES

Article 7. The Parties undertake to maintain the percentage preferences agreed upon, irrespective of their tariff levels for the products concerned *vis-à-vis* third countries.

CHAPTER IV. NON-TARIFF RESTRICTIONS

Article 8. The term "restrictions" shall mean any administrative, financial, foreign-exchange or other measure whereby either Party unilaterally impedes or hampers its imports.

The foregoing shall not apply to measures adopted regarding the situations referred to in article 50 of the Montevideo Treaty of 1980, or to measures of a general and non-discriminatory nature.

CHAPTER V. SAFEGUARD CLAUSES

Article 9. The Parties reserve the right to apply, unilaterally and on a provisional basis, safeguard measures in respect of imports covered by this Agreement, where such imports cause, or threaten to cause, serious damage to certain productive activities. Implementation of such measures shall not entail any payment of compensation to the country affected.

Once the safeguards are in force, the Parties shall hold consultations with a view to ensuring that the measures adopted have the slightest possible effect on reciprocal trade flows.

CHAPTER VI. RULES CONCERNING ORIGIN

Article 10. The benefits deriving from the preferences granted in the annexes to this Agreement shall apply only to products originating in and exported from the territory of the Parties whose products shall be covered by the relevant certificates of origin issued by such public authorities as the Governments may designate for this purpose.

Article 11. For the purposes of the foregoing article, the Parties agree to adopt the rules concerning origin set forth in Resolutions 82 (III), 83 (III) and 84 (III) of the Latin American Free Trade Association (LAFTA) now in force in the Latin American Integration Association (LAIA), the texts of which are reproduced in annex 2.

Notwithstanding the provisions of the foregoing article, the Parties may establish specific requirements, in respect of origin, based on percentages or other criteria.

Should either Party use inputs originating in and imported from the other Party in its production, such inputs shall be regarded as national inputs.

Article 12. The Parties shall grant each other most-favoured-nation treatment, except in respect of: (*a*) commitments which they have assumed or may assume within a customs union, a free-trade zone or any other form of economic integration; and (*b*) frontier traffic.

With regard to the commitments assumed by Mexico in the Latin American Integration Association (LAIA), partial scope agreements shall be concluded with Latin American economic integration countries and areas.

Article 13. So far as taxes, charges and other internal levies are concerned, products originating in and imported from the territory of the Parties shall be entitled, within the respective territories, to treatment not less favourable than that applied to similar national products.

CHAPTER VII. EVALUATION AND REVISION

Article 14. With effect from the entry into force of this Agreement, the Parties shall carry out a joint evaluation of progress each year in order to assess the results achieved and to make whatever adjustments the two Parties may deem advisable for improving its implementation.

Article 15. Without prejudice to the provisions of the preceding article, the Parties may, at the request of either Party and at any time, carry out together whatever adjustments they may deem necessary for improving implementation of this Agreement.

CHAPTER VIII. PERIOD OF VALIDITY

Article 16. This Agreement shall apply provisionally from the date of its signature and enter into force definitively on the date on which the instruments of ratification are exchanged, i.e. once the Contracting Parties have obtained the approval which each of them requires in accordance with its respective constitutional procedures.

CHAPTER IX. DENUNCIATION

Article 17. Either Party may denounce this Agreement by notifying the other in writing 90 days in advance.

Once such denunciation is finalized, the rights acquired and obligations assumed under this Agreement shall automatically cease to apply for the denouncing Government, except in respect of the tariff preferences and other agreed treatments which shall remain in force for a period of one year counting from the date on which the denunciation was finalized.

CHAPTER X. ADMINISTRATION OF THE AGREEMENT

Article 18. In order to ensure optimum implementation of this Agreement, the Parties agree to establish an Administrative Commission, composed of representatives of both countries, appointed for the purpose by the Governments of Mexico and Costa Rica, respectively.

The Commission shall be constituted within 90 days following the date of signature and shall establish its own rules of procedure.

The Commission shall have the following functions, *inter alia*:

(*a*) To ensure implementation of the provisions of this Agreement;

(*b*) To recommend to the Governments of the Parties amendments to this Agreement;

(*c*) To submit to the Governments of the signatory countries whatever recommendations it may deem advisable for settling disputes which may arise from the interpretation and application of this Agreement;

(*d*) To establish specific requirements in respect of origin.

CHAPTER XI. TRADE PROMOTION

Article 19. In order to achieve the objectives of this Agreement as efficiently as possible, the Parties agree to grant each other the best possible facilities for promoting trade in their respective territories, such as the exchange of trade missions and delegations and participation in fairs and exhibitions held in the territory of the other signatory Party.

Similarly, both countries shall promote meetings of entrepreneurs and support the Mexican-Costa Rican Bilateral Committee of Entrepreneurs in order to further and facilitate trade relations between the two countries.

They shall, through their competent official institutions, carry out exchanges of information on the prospects offered by the markets of the Parties, with a view to increasing trade.

DONE at San José, Costa Rica, on 22 July 1982, in two originals, in the Spanish language, both texts being equally authentic.

For the Government
of the United Mexican States:

[*Signed*]

JORGE DE LA VEGA DOMÍNGUEZ
Minister of Trade

For the Government
of the Republic of Costa Rica:

[*Signed*]

MARCO ANTONIO LÓPEZ AGÜERO
Minister of Economy and Trade

ANNEX I[1]

PREFERENCES GRANTED BY MEXICO ON SUCH IMPORTS NEGOTIATED WITH COSTA RICA, WITHIN THE SCOPE OF THE TRADE AGREEMENT BETWEEN THE UNITED MEXICAN STATES AND THE REPUBLIC OF COSTA RICA, CONCLUDED AT SAN JOSÉ, COSTA RICA, ON 22 JULY 1982

ANNEX 2

RULES CONCERNING ORIGIN

Resolution 82 (III). Designation of origin of goods.
23 December 1963

Replacing Resolution 50 (II). Extended successively by Resolutions 104 (IV), 125 (V), 154 (VI), 218 (VII), 228 (VIII), 251 (IX), 267 (X), 235 (XI), 330 (XIII), 348 (XV), 358 (XVI), 366 (XVII), 373 (XVIII) and 383 (XIX). This document does not include annex 2 or the appendices to the Resolution to be revised and improved by the Standing Executive Committee.

The Conference of the Contracting Parties, at its third regular session, having regard:

To the provisions of article 49 of the Treaty,

To resolution 50 (II), article 9 of which sets forth the revised criteria for designating origin at the third regular session of the Conference,

To the guidelines proposed for such revision, set forth in the report of the Advisory Commission on Origin submitted to the Committee (document ALALC/CAO/I/dt 1/Rev. 1, and

To Resolution 49 (II) establishing the criteria and procedures for determining requirements in respect of the origin of goods included in the liberalization programme,

Considering Resolution 22 (I), article 1 of which authorizes the Committee to formulate the requirements in respect of origin with which every product must comply in order to qualify as originating in a Contracting Party,

Considering that, for the requirements in respect of origin to be established, technical work must be carried out systematically and continuously by the organs of the Association in order to bring these requirements into line with the development of production and trade within the Zone,

Considering that a work plan must be drawn up in order to designate specifically all products included in the liberalization programme, and

Considering that a procedure must be provided in order to enable the Committee to deal rapidly with cases causing serious damage to either Contracting Party,

Decides that:

Article 1. Goods wholly manufactured or processed in the territory of either Contracting Party shall be deemed to originate in the Zone, provided that only zonal materials are used in such manufacture or processing.

Article 2. Goods which are included in the liberalization programme and in the NEBALALC headings or subheadings indicated in annex 1 of this Resolution shall be deemed to originate in the Zone solely by virtue of being produced in the territory of either Contracting Party. The non-negotiated products in that annex have been included for guidance, as reference points for subsequent designation of origin when they are included in the liberalization programme.

Article 3. Goods in the manufacture or processing of which extra-zonal materials are used shall also be deemed to originate in the Zone, provided that they undergo processing in the territory of either Contracting Party, and thereby acquire a new identity as indicated by their classification in NEBALALC under a heading different from that of the aforesaid materials.

[1] Not published herein, in accordance with article 12(2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

Article 4. The Committee shall determine the specific requirements which, in addition to the change of heading referred to in article 3, shall be taken into account for a product to be deemed to originate in the Zone. To that end, the provisions of Resolution 49 (II) shall be taken as the basis.

Pending introduction of these specific requirements by the Committee, goods shall be deemed to originate in the Zone provided that they comply with the provisions of article 3, except in cases of simple assembly, splitting, packing and other similar operations.

Article 5. The Committee shall, at the request of either Contracting Party, establish or revise the specific requirements relevant to origin in accordance with the criteria set forth in the above-mentioned Resolution 49 (II). For this purpose, should the occasion arise, the Contracting Party concerned shall propose, with supporting data, the specific requirements which, in its opinion, should be applied to the products in question. The Committee shall give priority to establishing such requirements and, for that purpose, collect information on the production conditions prevailing in the Zone with respect to such products.

Article 6. The maximum utilization of zonal inputs criterion, established in article 7 of Resolution 49 (II), shall not be applied for determining requirements that involve the imposition of zonal materials if, in the opinion of the Committee, such materials are not acceptable in terms of supply, quality and price.

Article 7. Products resulting from operations or processes carried out in the territory of a Contracting Party whereby they acquire the definitive form in which they will be marketed, and provided that, in such processes, they use only extra-zonal materials and consist only of assemblies, packaging, splitting into lots or volumes, selection, classification, marking, composing assortments of goods and other similar operations or processes, shall be deemed not to originate in the Zone, as stipulated in article 2, paragraph (*c*), and article 3 of Resolution 49 (II).

Article 8. Products failing to meet the conditions established in the foregoing articles of this Resolution shall be deemed to originate in the Zone if the Committee, at the request of either Contracting Party or in exercise of its powers under Resolution 22 (I), so decides.

Article 9. Where the determination of specific requirements in respect of origin is requested by a Contracting Party by reason of situations which may seriously harm certain of its economic activities or its legitimate trade expectations, the following procedure shall be applied:

(1) The Contracting Party wishing a specific requirement to be established for a given product shall submit its request to the Committee, together with its reasons for alleging serious harm, and propose the requirement which, in its opinion, should be established;

(2) If the Committee, by a two-thirds majority, acknowledges that serious harm would ensue, it shall request the Contracting Parties to provide the information necessary for reaching a decision thereon and shall prescribe the period within which the Contracting Parties have to submit the information. The problem shall be taken up only when the information has been received within the period set by the Committee;

(3) The Committee shall put specific requirements for the products requested into effect within a period of 90 days counting from the date on which it received the request. To that end, the Committee shall proceed as follows:

(*a*) It shall put into effect such requirements as it may determine under the existing voting system, or

(*b*) If, for whatever reason, it cannot proceed as indicated in subparagraph (*a*), it shall put into effect provisional requirements so as to accommodate the proposals of the requesting Party or Parties, for which purpose it shall take into account principally the provisions of articles 7 and 8 of Resolution 49 (II). A two-thirds majority vote cast by the Committee members shall suffice for this decision;

(4) Should the Committee be unable to proceed in accordance with paragraph (3), subparagraphs (*a*) and (*b*), of this article, the requirement proposed by the Contracting Party concerned shall enter into force automatically on a provisional basis and for a period no longer than one year. Where two or more Contracting Parties find themselves in the situation referred to in this article, they shall have a further period of fifteen days within which to agree on the

requirement to be applied to the product in question; the requirement shall enter into force when they inform the Committee of their agreement.

The Committee shall continue its work on the product in question until paragraph (3) of this article is implemented.

Article 10. The establishment of specific requirements shall be brought into line with the work programme shown in annex 2 which forms part of this Resolution. The Committee shall include in the work programme such amendments as it may deem appropriate.

Article 11. The term "materials" shall mean the raw materials, intermediate products and parts or pieces used in the production of goods.

Article 12. The specific requirements referred to in this Resolution shall take precedence over general criteria.

Article 13. This Resolution shall remain in force until 31 December 1964, unless ratified at the fourth session. For this purpose, the Standing Executive Committee shall submit to the Conference a report on the results and experiences arising from implementation of this Resolution.

Article 14. Except for the specific instances of decisions adopted by a two-thirds majority, referred to in article 9, all other decisions relating to this Resolution shall be adopted under the existing voting procedure established by Conference Resolution 68 (III).

Article 15. This Resolution supersedes Conference Resolution 50 (II).

Annex 1

Heading 01: all
Heading 02: all
Heading 03: all
Heading 04: subheadings 04-01, 04-04, 04-05 and 04-06
Heading 05: all
Heading 06: all
Heading 07: all
Heading 08: all
Heading 09: all
Heading 10: all
Heading 12: all
Heading 13: subheadings 13-01 and 13-02
Heading 14: all
Heading 15: subheadings 15-15, 15-16 and 15-17
Heading 17: subheadings 17-01 and 17-03 (unrefined sugar)
Heading 18: subheadings 18-01 and 18-02
Heading 20: subheadings 20-03 and 20-04
Heading 21: subheadings 21-01
Heading 22: subheadings 22-01 and 22-02
Heading 23: subheadings 23-01, 23-02, 23-03, 23-04, 23-05 and 23-06
Heading 24: subheading 24-01
Heading 25: all
Heading 26: all
Heading 27: subheadings 27-01, 27-02, 27-03, 27-05, 27-09 and 27-15
Heading 31: subheadings 31-01 and 31-04
Heading 37: subheadings 37-06 and 37-07
Heading 38: subheadings 38-04, 38-06 and 38-10
Heading 40: subheadings 40-01, 40-03 and 40-04
Heading 41: subheadings 41-01 and 41-09
Heading 43: subheading 43-01
Heading 44: subheadings 44-01, 44-02, 44-03, 44-04 and 44-12
Heading 45: all
Heading 46: all

Heading 47: subheading 47-02
Heading 49: all
Heading 50: subheadings 50-01, 50-02 and 50-03
Heading 53: subheadings 53-01, 53-02, 53-03 and 53-04
Heading 54: subheadings 54-01 and 54-02
Heading 55: subheadings 55-01, 55-02 and 55-03
Heading 56: subheading 56-03
Heading 57: subheadings 57-01, 57-02, 57-03 and 57-04
Heading 58: subheading 58-03
Heading 63: all
Heading 65: subheadings 65-02 and 65-04
Heading 66: subheading 66-02
Heading 67: all
Heading 68: subheadings 68-01, 68-02, 68-03, and 68-16
Heading 69: subheadings 69-04, 69-05, 69-06, 69-07 and 69-08
Heading 71: subheadings 71-01, 71-02, 71-04, 71-09, 71-11, 71-12, 71-13, 71-14 and 71-15
Heading 72: all
Heading 73: subheading 73-03
Heading 95: subheadings 95-01, 95-02 and 95-03
Heading 96: subheadings 96-01, 96-03, 96-04, 96-05 and 96-06
Heading 98: subheadings 98-11, 98-13 and 98-16
Heading 99: all

Resolution 83 (III). Designation of origin of products used in assembly. 23 December 1963

Extended successively by Resolutions 104 (IV), 126 (V), 154 (VI), 218 (VII), 228 (VIII), 251 (IX), 267 (X), 285 (XI), 330 (XIII), 348 (XV), 358 (XVI), 336 (XVII), 373 (XVIII), and 383 (XIX)

The Conference of the Contracting Parties, at its third session,

Having regard to Resolution 82 (III) establishing that products obtained through assembly do not originate in the Zone if only extra-zonal materials are used,

Whereas, until the third regular session of the Conference, Resolution 50 (II) was in force, article 13 of which extended the period of validity of the criteria laid down in articles 2 and 3 of Committee Resolution 11 and that these articles established that products obtained through assembly, provided that a certain percentage of materials imported from third countries was not exceeded, originated in the Zone,

Considering that, at the second regular session of the Conference, the Contracting Parties negotiated tariff reductions, having taken into account Committee Resolution 11, then in force, and

Considering that it is desirable to allow a period within which producers can gradually become adjusted to new requirements in respect of origin in conformity with article 8 of Resolution 49 (II),

Decides that:

Until 31 December 1964 and so long as the Committee does not determine the specific requirement concerned, a product resulting from an assembly operation, carried out in the territory of a Contracting Party using zonal and extra-zonal materials, shall qualify as originating in the Zone, provided that the value CIF port of destination or the value CIF seaport of the extra-zonal materials does not exceed 10 per cent of the BASE value of the product.

UPDATING 2/1980

Resolution 84 (III). Declaration, certification and verification of the origin of goods. 23 December 1963

Replacing Resolution 51 (II). This document does not include the standard form to be amended by the Standing Executive Committee in the light of the results of determining specific requirements.

The Conference of the Contracting Parties at its third regular session,

Having regard to Conference Resolution 82 (III) establishing the requirements with which products included in the liberalization programme must comply in order to qualify as originating in the territory of the exporting Contracting Party,

Whereas it is essential to adopt provisions for ensuring by means of declaration or certification by competent legal entities, compliance with the requirements in respect of origin relevant to the product in question,

Whereas it is necessary to establish rules for verifying compliance with the aforesaid requirements where doubt exists as to the authenticity of declarations or certifications, or where it is suspected that the requirements have not been fulfilled, and

Whereas it is advisable to regulate the procedures for settling differences which cannot be reconciled between the disputing Parties with regard to the situations referred to in the previous paragraph,

Decides that:

CHAPTER I. DECLARATION AND CERTIFICATION

Article 1. For imports of products included in the liberalization programme to benefit from the tax and other reductions and restrictions granted by the Contracting Parties to each other, the documentation concerning exports of such products shall include a declaration testifying to compliance with the requirements in respect of origin established in Resolution 82 (III).

With respect to the products specified in annex I of Resolution 82 (III), this declaration shall be provided by the exporter and shall constitute sufficient evidence except where an importing Contracting Party considers certification necessary, in which case it shall give this information to the Standing Executive Committee for transmission to the other Contracting Parties.

Article 2. So far as the other products are concerned, the declaration referred to in article 1 shall be issued by the final producer of the goods and certified by an official department or trade-association agency accorded legal capacity by the exporting Contracting Party and having the requisite legal authorization.

Article 3. The standard form accompanying this Resolution shall be used in all cases.

Article 4. Prior to 31 December 1963, the Contracting Parties shall transmit to the Committee a list of the agencies and departments authorized to provide the certification referred to in articles 1 and 2. Such agencies and departments shall be registered by the Committee Secretariat which shall transmit a full list thereof to the Contracting Parties.

When authorizing trade-association agencies, the Contracting Parties shall ensure that they are entities which existed prior to the entry into force of this Resolution, which operate under national jurisdiction and which are entitled to delegate powers to other regional or local entities, where appropriate, but remain responsible for the veracity of certifications.

Article 5. Any change that the Contracting Parties may wish to introduce in the said register shall enter into force 30 days after the Secretariat has informed the Contracting Parties thereof.

Article 6. Should a Contracting Party find an authorized agency or department to be in breach of the rules or requirements in force in the Association in respect of origin, it shall so inform the exporting Contracting Party.

Where action has not been taken to rectify such a situation, and should the violations be repeated, the Contracting Party considering itself affected, having informed the Committee and provided it with the relevant information, shall have the right, 15 days after the date on which

the Committee has been notified of such a decision, not to accept for import purposes the certificates of origin issued by the agency in question.

Article 7. The provisions in the preceding articles shall not preclude implementation of the provisions in force for each Contracting Party in respect of consular visas.

CHAPTER II. VERIFICATION

Article 8. Where doubt exists concerning the authenticity of certification or where non-compliance with the requirements in respect of origin established in this Resolution is suspected, the importing Contracting Party shall not stop the import process for the goods in question but may, in addition to requesting the relevant additional proof, take whatever action it deems necessary to safeguard the interest of the tax authorities.

Article 9. The additional proof required in the situations referred to in article 8 may be supplied by the producer or exporter, as the case may be, through the competent authority of his country, which authority shall transmit the information resulting from its investigation. Such information shall be confidential.

Article 10. Where differences arise over certifications deemed unsatisfactory by a Contracting Party, that Party shall inform the Committee accordingly.

CHAPTER III. OTHER PROVISIONS

Article 11. Prior to 31 December 1963, the Contracting Parties shall transmit to the Committee the text of the legal provisions in force in their respective countries which prescribe penalties for offences relating to the declarations or certifications of the kind referred to in this Resolution.

Article 12. The provisions of articles 1, 2 and 3 of this Resolution shall enter into force on 1 January 1964.

Article 13. This Resolution replaces Resolution 51 (II).