

CHAPTER SEVEN

NON-TARIFF BARRIERS TO TRADE AND INVESTMENT IN RENEWABLE ENERGY GENERATION

Article 7.1

Objectives

In line with global efforts to reduce greenhouse gas emissions, the Parties share the objective of promoting, developing and increasing the generation of energy from renewable and sustainable non-fossil sources, particularly through facilitating trade and investment. To this effect, the Parties shall cooperate towards removing or reducing tariffs as well as non-tariff barriers and fostering regulatory convergence with or towards regional and international standards.

Article 7.2

Definitions

For the purposes of this Chapter:

- (a) “local content requirement” means
 - (i) with respect to goods, a requirement for an enterprise to purchase or use goods of domestic origin or from a domestic source, whether specified in terms of particular products, in terms of volume or value of products, or in terms of a proportion of volume or value of its local production;
 - (ii) with respect to services, a requirement which restricts the choice of the service supplier or the service supplied to the detriment of services or service suppliers from the other Party;
- (b) “measure” means any measure, within the scope of this Chapter, by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;
- (c) “offset” means any condition that encourages local development, such as the unjustified licensing of technology, investment, obligation to contract with a particular financial institution, counter-trade, and similar requirements;
- (d) “partnership” means any legal entity such as a corporation, trust, partnership, joint venture, association;
- (e) “service supplier” means as defined in paragraph (1) of Article 8.2 (Definitions).

Article 7.3

Scope

1. This Chapter shall apply to measures which may affect trade and investment between the Parties related to the generation of energy from renewable and sustainable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean

energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases, but not to the products from which energy is generated.

2. This Chapter shall not apply to research and development projects, nor demonstration projects carried out on a non-commercial scale.
3. This Chapter is without prejudice to the application of any other relevant provisions of this Agreement, including any exceptions, reservations or restrictions thereto, to the measures mentioned in paragraph 1, *mutatis mutandis*. For greater certainty, in the event of any inconsistency between this Chapter and other provisions of this Agreement, the other provisions of this Agreement shall prevail to the extent of the inconsistency.

Article 7.4

Principles

A Party shall:

- (a) refrain from adopting measures providing for local content requirements or any other offset affecting the other Party's products, service suppliers, entrepreneurs or establishments.
- (b) refrain from adopting measures requiring the formation of partnerships with local companies, unless such partnerships are deemed necessary for technical reasons and the Party can demonstrate such technical reasons upon request by the other Party;
- (c) ensure that any rules concerning the authorisation, certification and licensing procedures that are applied, in particular to equipment, plants and associated transmission network infrastructures, are objective, transparent, non-arbitrary and do not discriminate against applicants from the other Party;
- (d) ensure that administrative charges imposed on or in connection with the:
 - (i) importation and use of goods originating in the other Party, or affecting the provision of goods by the other Party's suppliers, are subject to Article 2.10 (Fees and Formalities Connected with Importation and Exportation);
 - (ii) provision of services by the other Party's suppliers are subject to Article 8.18 (Scope and Definitions), Article 8.19 (Conditions for Licensing and Qualification) and Article 8.20 (Licensing and Qualification Procedures); and
- (e) ensure that the terms, conditions and procedures for the connection and access to electricity transmission grids are transparent and do not discriminate against suppliers of the other Party.

Article 7.5

Standards, Technical Regulations and Conformity Assessment

1. Where international or regional standards exist with respect to products for the generation of energy from renewable and sustainable non-fossil sources, the Parties shall use these standards, or their relevant parts, as a basis for their technical regulations except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued. For the purposes of applying this paragraph, the International Organization for Standardization (hereinafter referred to as "ISO") and the International

Electrotechnical Commission (hereinafter referred to as “IEC”) shall in particular be considered relevant international standard-setting bodies.

2. Where appropriate, the Parties shall specify technical regulations based on product requirements in terms of performance, including environmental performance, rather than design or descriptive characteristics.
3. With respect to products listed in Chapter 84 of the Harmonized System (except 8401) as well as in HS 850231 and 854140:
 - (a) the Union will accept declarations of conformity from Singapore suppliers under the same terms as from Union suppliers for the purpose of placing such products on the market, without any further requirements; and
 - (b) Singapore will accept EU declarations of conformity or test reports, for the purpose of placing such products on the market without any further requirements. Singapore may require mandatory third party testing or certification under the conditions set out in Article 5 (Safeguard Measures) of Annex 4-A.

For greater certainty, this paragraph is without prejudice to either Party applying requirements not related to the products referred to in this paragraph, such as zoning laws or building codes.

Article 7.6

Exceptions

1. This Chapter is subject to the security and/or general exceptions set out in Article 2.14 (General Exceptions), Article 8.62 (General Exceptions), Article 9.3 (Security and General Exceptions) and, for greater certainty, the relevant provisions of Chapter Sixteen (Institutional, General and Final Provisions).
2. For greater certainty, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between the Parties’ products, service suppliers or investors where the same conditions prevail, or a disguised restriction on trade and investment between the Parties, nothing in this Chapter shall be construed to prevent the adoption or enforcement by any of the Parties of measures necessary for the safe operation of the energy networks concerned, or the safety of energy supply.

Article 7.7

Implementation and Cooperation

1. In the Trade Committee established pursuant to Article 16.1 (Trade Committee), the Parties shall cooperate and exchange information on any issues relevant for the implementation of this Chapter. The Parties may, by decision of the Trade Committee, adopt appropriate implementing measures to this effect, and update this Chapter as appropriate.
2. Cooperation may include:
 - (a) exchanging information, regulatory experiences and best practices in areas such as:
 - (i) the design and non-discriminatory implementation of measures promoting the uptake of energy from renewable sources;

- (ii) carbon capture and storage;
 - (iii) smart grids;
 - (iv) energy efficiency; or
 - (v) technical regulations, standards and conformity assessment procedures, such as those relating to grid code requirements;
- (b) promoting convergence, also in relevant regional *fora*, of their domestic or regional technical regulations, regulatory concepts, standards, requirements and conformity assessment procedures with international standards.