UNDERSTANDING 1

IN RELATION TO ARTICLE 17.6 (TAXATION)

The Parties share an understanding that the term “the provisions of this Agreement” referred to in paragraph 1 of Article 17.6 (Taxation) means the provisions that:

(a) accord non-discriminatory treatment to goods in the manner and to the extent provided for in Chapter Two (National Treatment and Market Access for Goods);

(b) prevent the maintenance or institution of customs duty or tax in respect of goods in the manner and to the extent provided for in Chapter Two (National Treatment and Market Access for Goods);

(c) accord non-discriminatory treatment to service suppliers and investors in the manner and to the extent provided for in Section A (General Provisions), Section B (Cross-border Supply of Services), Section C (Establishment) and Sub-section 6 (Financial Services) of Section E (Regulatory Framework) of Chapter Eight (Services, Establishment and E-Commerce) and Chapter Nine (Investment Protection); and

(d) accord protection to investors and their investments against expropriation in the manner and to the extent provided for in Chapter Nine (Investment Protection).