

CHAPTER 15

DISPUTE SETTLEMENT

Article 15.1: Definitions

For purposes of this Chapter, the definitions below shall apply, unless the context otherwise expressly indicates:

- (a) **Arbitration Panel** means an arbitration panel established pursuant to Article 15.9 of this Chapter;
- (b) **Complaining Party** means any Party that requests the establishment of an Arbitration Panel under Article 15.9;
- (c) **Representative of a Disputing Party** means an employee, or a natural or juridical person appointed by a government department or agency or of any other government entity of a Party;
- (d) **Responding Party** means any Party alleged to be in breach of this Agreement;
- (e) **Consulting Party** means a Party that requests consultations under Article 15.8 or the Party to which the request for consultations is made; and
- (f) **Disputing Party** means a Complaining Party or a Responding Party.

Article 15.2: Objective

The objective of this Chapter is to establish an effective and efficient mechanism for settling disputes between the Parties concerning the interpretation and application of this Agreement with a view to reaching, where possible, a mutually agreed solution.

Article 15.3: Scope of Application

1. The provisions of this Chapter shall apply with respect to any dispute where a Party considers that another Party is in breach of a provision of this Agreement, or any difference concerning the interpretation or application of the provisions of this Agreement, except where otherwise expressly provided in this Agreement.
2. This Chapter shall not cover non-violation complaints.

Article 15.4: Contact Points

1. When a dispute arises, each Party shall designate a contact point to facilitate communications between the Parties with respect to any dispute initiated under this Chapter.
2. Any request, notification, written submission or other document made in accordance with this Chapter shall be delivered to the other Party through its designated contact point.

Article 15.5: Choice of the forum

1. Unless otherwise provided in this Article, this Chapter is without prejudice to the rights of the Parties to have recourse to dispute settlement procedures available under other international trade agreements to which they are both Parties. Where a dispute arises with regard to the alleged inconsistency of a particular measure with an obligation or any matter covered under this Agreement and other international trade agreements to which they are both Parties, the complaining Party may select the forum in which to settle the dispute.
2. Once a Party has selected the forum and initiated dispute settlement proceedings under this Chapter or another forum with respect to the particular measure referred to in paragraph 1, that Party shall not initiate dispute settlement proceedings in the other forum with respect to that particular measure unless the forum selected first fails to make findings on the issues in dispute for jurisdictional or procedural reasons.
3. For the purpose of paragraph 2:

- a) dispute settlement proceedings under this Chapter are deemed to be initiated when a Party requests the establishment of an Arbitration Panel in accordance with Article 15.9; and
 - b) dispute settlement proceedings under the WTO Agreement are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 6 of the DSU.
4. Without prejudice to Paragraph 2 of this Article, where a Disputing Party¹ has instituted a dispute settlement proceeding under either this Chapter or another forum, it shall decide on one forum to the absolute exclusion of the other.
5. Before a Party initiates dispute settlement proceedings under another forum against another Party in accordance with this Article, it may notify the other Party, and the joint committee of its intention.

Article 15.6: Request for Information

Before a request for consultations, good offices, conciliation and mediation is made pursuant to Article 15.7 or 15.8 respectively, a Party may request in writing any relevant information with respect to a measure at issue. The Party to which that request is made shall make all efforts to provide the requested information in a written response to be submitted no later than 20 days after the date of receipt of the request.

Article 15.7: Good Offices, Conciliation and Mediation²

1. Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the Disputing Parties so agree. These proceedings may commence and be terminated at any time.
2. Proceedings involving good offices, conciliation or mediation, and in particular, positions taken by the Disputing Parties during these proceedings, shall

¹For purposes of this Chapter the terms “Party”, “disputing Party”, “Party to the dispute”, “Complaining Party”, “Responding Party” are used regardless of whether two or more Parties are involved in a dispute.

²In conducting Mediation Procedures Rule 2 of Annex 15-B Rules of Procedures shall apply.

be confidential, non-binding and without prejudice to the rights of any Party in any further proceedings under this Chapter or any other proceedings.

3. If the Disputing Parties agree, good offices, conciliation or mediation may continue throughout the proceedings of the Arbitration Panel provided for in this Chapter.

4. The Disputing Parties shall inform the Joint Committee as soon as possible of any dispute referred by them to Good Offices, Conciliation and Mediation. The Joint Committee shall also be informed of the outcome of any such proceedings.

5. Without prejudice to the Parties' right to proceed with dispute settlement proceedings the Disputing Parties may, if mutually agreed, request the Joint Committee to amicably resolve the dispute. On receipt of such request, the Joint Committee shall act accordingly.

Article 15.8: Consultations

1. The Parties shall endeavor to resolve any dispute arising from this Agreement through good faith consultations, with the aim of reaching a mutually agreed solution. Consultations may take place in the Joint Committee, unless the party receiving the request for consultations disagrees.

2. Any Party may request in writing, consultations with another Party (hereinafter referred to as "Consulting Parties"), stating the reasons for the request, including identification of the measures at issue and the indication of the legal basis for the complaint. The Joint Committee shall be notified of such requests.

3. Consultations may be held in person or by any other means of communication agreed by the parties. Unless the parties agree otherwise, consultations, if held in person, shall take place in the territory of the Party to which the request is made.

4. The Party to which the request for consultations is made shall reply to the request promptly, but no later than ten (10) days after the date of receipt of the request.

5. Consultations shall be entered into within thirty (30) days from the date of receipt of the request for consultations. Consultations on urgent matters, including those on perishable goods, shall be entered into within fifteen (15) days from the receipt of the request for consultations.

6. Unless both Parties agree to continue consultations, the consultations shall be deemed concluded within sixty (60) days from the date of the consultation request, or thirty (30) days in urgent matters.
7. If consultations are not held within the timeframe laid down in paragraphs 5 and 6, the Complaining Party may proceed directly to request the establishment of an Arbitration Panel in accordance with Article 15.9 of this Chapter.
8. The Consulting Parties shall provide sufficient information so as to allow a complete examination of the measure at issue including how that measure is affecting the operation and application of this Agreement.
9. The Consultations and all information disclosed and positions taken by the parties, during the consultations shall remain confidential. The Parties shall treat any confidential or proprietary information exchanged in the course of consultations as indicated by the Party providing the information.
10. Consultations shall be without prejudice to the rights of the Parties involved in any further Proceedings.
11. The Consulting Parties involved in the consultations shall inform the Chairpersons of the Joint Committee of any mutually agreed solution of the matter.
12. If the Party to which the request is made does not respond to the request for consultations within timeframe laid down in paragraph 4 of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 5 or in paragraph 6 respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, or a Party fails to comply with the mutually agreed solution within the agreed timeframe the Party that sought consultations may have recourse to Article 15.9.

Article 15.9: Establishment of the Arbitration Panel

1. The request for the establishment of an Arbitration Panel shall be made by means of a written request delivered to the other Party and indicate whether consultations under Article 15.8 were held, and shall identify the measure at issue and indicate the legal basis specifying the relevant covered provisions in a manner sufficient to present how such measure is inconsistent with those provisions and provide the factual basis of the complaint.

2. Where more than one Party requests the establishment of an Arbitration Panel relating to the same matter or where the request involves more than one Responding Party, and whenever feasible, a single Arbitration Panel shall be established to examine complaints relating to the same matter.

Article 15.10: Composition of Arbitration Panel

1. An Arbitration Panel shall consist of three (3) members.

2. Each of the Disputing Parties shall, within thirty (30) days after the date of receipt of the request for the establishment of an Arbitration Panel, separately appoint one arbitrator.

3. Where the Disputing Parties have appointed their respective arbitrators, the arbitrators shall, within fifteen (15) days of the appointment of the second of them, designate by mutual agreement, the third arbitrator. If any Disputing Party has substantive objection to the designation of the third arbitrator, it shall, within seven (7) days from the date of designation, notify its objection of the third arbitrator, along with the reasons thereto, to the other Disputing Party and to the two arbitrators.

4. If one or more arbitrator has not been appointed or where either Party has made an objection to the designation of the third arbitrator within seven (7) days from the date of receipt of the notification referred to in paragraph 3, the necessary designations shall be made by the Director General of the WTO within thirty (30) days from the date of such request, at the request of any Party to the dispute. If the Director-General of the WTO is unable to make the necessary appointment under this paragraph or is a national of a Party to this Agreement, the request shall be made to the Secretary-General of the Permanent Court of Arbitration (PCA).

5. The third arbitrator shall be appointed as the Chairperson of the Arbitration Panel. He or she shall not be a national of, nor have his or her usual place of residence in, nor be employed by, any of the Disputing Parties. He or she shall also not have previously dealt with the dispute in any capacity, unless the Parties agree in writing otherwise.

6. If an arbitrator resigns or becomes unable to act, a replacement shall be selected within fifteen (15) days in accordance with the selection procedure followed to appoint the original arbitrator and the succeeding arbitrator shall have all powers and duties of the original arbitrator. In such case, the Arbitration Panel

Proceedings shall be suspended during this period and shall resume when the succeeding arbitrator starts performing his or her functions, unless the Arbitration Panel decides otherwise.

7. Any appointed arbitrator shall have specialized knowledge or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements. The arbitrators shall be independent, serve in their individual capacities, not be affiliated with, or take instructions from, any organization or government or be or have any conflict of interest. The arbitrators shall comply with the Code of Conduct for Members of Arbitration Panels set out in Annex 15-A.

8. The date of composition of the Arbitration Panel shall be the date on which the Chairperson is appointed.

9. The Disputing Parties shall keep the Joint Committee informed of any arbitration and their outcome.

10. Persons who provided good offices, conciliation or mediation to the Parties, pursuant to Article 15.7 in relation to the same or a substantially equivalent matter, shall not be eligible to be appointed as panellists in that matter.

Article 15.11: Procedures of the Arbitration Panel

1. The Arbitration Panel Proceedings shall be conducted in accordance with this Chapter and Annex 15-B Rules of Procedure, unless the Parties agree otherwise.

2. Notwithstanding paragraph 1 of this Article, the Proceedings of all Arbitration Panels shall ensure that:

- (a) the Disputing Parties have the right to at least one hearing before the Arbitration Panel as well as the opportunity to provide initial and rebuttal written submissions;
- (b) the Disputing Parties be invited to all the hearings held by the Arbitration Panel;
- (c) all submissions and comments made to the Arbitration Panel be available to the Disputing Parties;

- (d) the hearings are confidential, unless the Disputing Parties agree otherwise; and
- (e) the Arbitration Panel shall ensure equality of the Disputing Parties and due process.

3. A third Party³ which is not a Disputing Party shall be entitled, on delivery of a written notice to the Disputing Parties, to make written submissions to the Arbitration Panel, receive written submissions, including annexes, of the Disputing Parties, attend hearings and make oral statements.

4. Unless otherwise agreed by the Disputing Parties, the Proceedings, hearings and deliberations, the initial report and all written submissions as well as all information not publicly available that is disclosed during arbitration shall remain confidential.

5. Unless the Disputing Parties otherwise agree within twenty (20) days from the date of receipt of the request for the establishment of the Arbitration Panel, the terms of reference of the Arbitration Panel shall be:

“To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an Arbitration Panel pursuant to Article 15.9 and to make findings of law and fact together with the reasons therefore as well as recommendations, if any, for the resolution of the dispute and the implementation of the ruling.”

6. The Disputing Parties shall deliver any agreed terms of reference to the Arbitration Panel.

7. The function of an Arbitration Panel is to make an objective assessment of the dispute before it, in light of the request for its establishment, including an examination of the facts of the case and the applicability of the measure under consideration and its conformity with this Agreement.

8. The Arbitration Panel shall make its decisions, including panel reports, by consensus or by majority vote when consensus cannot be reached. Any Member may furnish separate opinions on matters not unanimously agreed. The Arbitration

³ For greater certainty, it is understood that a third Party may only be one or more of the Parties to this Agreement, which are not the Disputing Parties.

Panel shall not disclose which Members are associated with majority or minority opinions.

Article 15.12: Suspension and Termination of Proceedings

1. Where the Disputing Parties agree, the Arbitration Panel may suspend its work and proceedings at any time for a period not exceeding 12 months. If the work and the proceedings of the Arbitration Panel have been suspended for more than 12 months, the Arbitration Panel's authority for considering the dispute shall lapse unless the Parties agree otherwise.
2. The Disputing Parties may agree to terminate the proceedings of an Arbitration Panel at any time before the issuance of the award by jointly notifying the Chairperson of the Arbitration Panel. Such termination should be notified to the Joint Committee by the Chairperson.

Article 15.13: Amicable Resolution

1. An Arbitration Panel may at any stage of the proceeding prior to issuing of the award, propose that the Disputing Parties seek to settle the dispute amicably.
2. If a mutually agreed solution is reached during the panel procedure, the Parties shall jointly notify that solution to the Joint Committee and the Chairperson of the panel. Upon such notification, the panel shall be terminated.
3. Each Party shall take measures necessary to implement the mutually agreed solution within the agreed time period.
4. No later than at the expiry of the agreed time period, the implementing Party shall inform the other Party, in writing, of any measure that it has taken to implement the mutually agreed solution.

Article 15.14: Arbitration Panel Reports

1. The Arbitration Panel should submit an initial report containing descriptive sections of the facts and arguments made by the Disputing Parties, its findings and rulings to the Disputing Parties no later than ninety (90) days from the date of composition of the Arbitration Panel. Within fifteen (15) days from the

receipt of the initial report, a Party to the dispute may submit written comments to the Arbitration Panel. At the request of a Party, the Arbitration Panel shall hold a further meeting with the Parties on the issues identified in the written comments. After considering the written comments received from the Disputing Parties on the initial report, the Arbitration Panel may modify its initial report and make any further examination it considers appropriate. The Arbitration Panel should present to the Disputing Parties its award within one hundred and thirty-five (135) days from the date of composition of the Arbitration Panel.

2. Where no comments are received by the Panel within the period set for the receipt of comments on the initial report, the initial report shall be deemed to be the Panel's award and it shall be promptly circulated to the Disputing Parties and shall be forwarded to the Joint Committee.

3. In cases of urgency, including those on perishable agricultural goods, the Arbitration Panel shall make every effort to issue its award within sixty (60) days from the establishment of the Arbitration Panel. The Arbitration Panel may give a preliminary ruling within ten (10) days from its establishment on whether it deems the case to be urgent.

4. The Arbitration Panel may make separate awards on different issues at different times, consistent with the provisions of this Chapter.

5. The Arbitration Panel shall make its award based on the provisions of this Agreement, applied and interpreted in accordance with the rules of interpretation of public international law, including as laid down in the Vienna Convention on the Law of Treaties. The Panel may also consider, but shall not be bound by, relevant interpretations in reports as adopted by WTO Dispute Settlement Body. The award cannot add to or diminish the rights and obligations provided in the provisions of this Agreement.

6. The initial report and the award shall contain:

- (a) a summary of the submissions and arguments of the Disputing Parties;
- (b) the findings of fact, the applicability of the relevant provisions of the Agreement and the rationale behind any findings and conclusions;
- (c) a determination as to whether a measure at issue is inconsistent with the provisions of this Agreement, or any other determination

requested in the terms of reference set out in paragraph 5 of Article 15.11 (Procedure of the Arbitration Panel); and

- (d) recommendations, if any, for the resolution of the dispute and the implementation of the award.

7. The findings in the panel's award shall include its assessment of the arguments made at the initial report.

8. The award may be published, subject to the Disputing Parties' agreement, (15) days after it is presented to them, without prejudice to the protection of confidential information.

Article 15.15: Compliance with Award

1. The Arbitration Panel's award is final and binding from the date of its notification to the Disputing Parties.

2. The Responding Party shall promptly comply with the ruling in the award. If it is impracticable to comply immediately, the Disputing Parties shall endeavor to agree on a reasonable period of time to do so. In the absence of such agreement within thirty (30) days or fifteen (15) days in urgent cases from the issuance of the award, a party to the dispute may request the original Arbitration Panel to determine the length of the reasonable period of time, in light of the particular circumstances of the case. The ruling of the Arbitration Panel should be given within thirty (30) days or fifteen (15) days in urgent cases from the receipt of that request.

3. The Arbitration Panel's decision on the length of time required to implement the award shall be final.

4. The Responding Party shall, before the expiry of the reasonable period for implementation determined under paragraph 2 of this Article, notify the Complaining Party and the Joint Committee of the measure it has taken in order to comply with the Arbitration award.

5. If the Responding Party does not notify any action in order to comply with the Arbitration Panel award before the expiry of the implementation deadline, or otherwise fails to comply with the award in accordance with this Agreement, it shall, if so requested by the Complaining party, and no later than after the expiry

of a reasonable period of time, enter into negotiations with the Complaining Party to develop mutually acceptable solution.

6. In case of disagreement as to the existence of a measure complying with the award or to the consistency of that measure with the award, such disagreement shall be decided by the same Arbitration Panel upon the request of the Complaining Party before compensation can be sought or suspension of concessions or other obligations can be applied in accordance with Article 15.16 (Compensation and Suspension of Concessions or other Obligations). The Arbitration Panel shall issue its award in this regard within forty-five (45) days of its re-establishment.

Article 15.16: Compensation and Suspension of Concessions or other Obligations

1. In the event the Responding Party fails to comply with the award, the suspension of concessions or other obligations may commence thirty (30) days following the expiry of the reasonable period of time under paragraph 2 of Article 15.15 or after the Arbitration Panel has found that the measure taken to comply is not in conformity with the Agreement. The Complaining Party shall notify the Responding Party of concessions or other obligations it intends to suspend fifteen (15) days before the date on which the suspension is due to enter into force.

2. The suspension of concessions or other obligations:

- (a) shall be at a level equivalent to the nullification or impairment that is caused by the failure of the Responding Party to comply with the award; and
- (b) shall be restricted to concessions accruing to the Responding Party under this Agreement.

3. In considering what concessions to suspend in accordance with paragraph 2, 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 that the panel has found to be inconsistent with this Agreement or have caused nullification or impairment;⁴

⁴For purposes of this paragraph, “sector” means: (i) with respect to goods, all goods;

- (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; and
- (c) in the selection of the concessions or other obligations to suspend, the Complaining Party shall take into consideration those which least disturb the implementation of this Agreement.

4. The suspension of concessions or other obligations shall be temporary and shall only apply until the inconsistency of the measure with the relevant covered provisions which has been found in the award, has been removed, or until the Parties have agreed on a mutually satisfactory agreement or any necessary compensation.

5. Within fifteen (15) days from the receipt of the notification mentioned in paragraph 1 of this Article, the Responding Party may request the original Arbitration Panel to rule on whether the level of suspension of concessions or other obligations notified by the Complaining Party is equivalent to those affected by the measure found to be inconsistent with this Agreement, and whether the proposed suspension is in accordance with paragraph 2 of this Article. The ruling of the Arbitration Panel shall be given within thirty (30) days from the receipt of that request. Concessions or other obligations shall not be suspended until the Arbitration Panel has issued its ruling.

6. Upon the notification by the Responding Party to the Complaining Party of the measure taken to comply with the award of the Arbitration Panel, the following shall apply:

- (a) where the right to suspend concessions or other obligations has been exercised by the Complaining Party in accordance with Article 15.16, the Complaining Party shall terminate the suspension of concessions or other obligations no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2; or
- (b) where necessary compensation has been agreed, the Responding Party may terminate the application of such compensation no later than 30 days after the notification has been received by

(ii) with respect to services, a principal sector as identified in the current "Services Sectoral Classification List" which identifies such sectors.

Complaining Party, with the exception of the cases referred to in paragraph 2.

7. If the Parties do not reach an agreement on whether the measures notified in accordance with paragraph 6 are in compliance with the award within 30 days after the date of receipt of the notification, the Complaining Party shall request in writing the original panel to examine the matter. That request shall be notified simultaneously to the Responding Party and the Joint Committee. The decision of the Arbitration Panel shall be notified to the Parties no later than 30 days after the date of submission of the request. If the Arbitration Panel decides that the measures notified in accordance with paragraph 6 is consistent with the award, the suspension of concessions or other obligations, or the application of the compensation, shall be terminated no later than 15 days after the date of the decision. If the Arbitration Panel determines that the notified measures achieve only partial compliance with the award, the level of suspension of concessions or other obligations, or of the compensation, shall be adapted in light of the decision of the Arbitration Panel.

Article 15.17: Other Provisions

1. Whenever possible, the Arbitration Panel referred to in Articles 15.15 and 15.16 shall comprise the same arbitrators who issued the award. If a Member of the original Arbitration Panel is unavailable, the appointment of a replacement arbitrator shall be conducted in accordance with Article 15.10.

2. In the course of dispute settlement proceedings, all written submissions, requests, notices or other documents and electronic copies should be submitted simultaneously to the respective contact point designated and notified by the Disputing Parties.

3. Any time period mentioned in this Chapter may be modified by mutual agreement of the Disputing Parties.

4. When the Arbitration Panel considers that it cannot comply with a timeframe imposed on it under this Chapter, it shall inform the Disputing Parties in writing and provide an estimate of the additional time required. Any additional time required should not exceed 30 days.

5. The Code of Conduct set out in Annex 15-A shall apply to the procedures established in this Chapter.
6. The Rules of Procedure set out in Annex 15-B shall apply to the procedures established in this Chapter.
7. The Disputing Parties may agree to vary the Rules of Procedure to facilitate the resolution of their dispute.

Annex 15-A

Code of Conduct for Members of Arbitration Panels

Definitions

1. In this Code of Conduct,
 - (a) **Member** or **Arbitrators** means a member of an arbitration panel effectively established under Article 9 of the Dispute Settlement Chapter;
 - (b) **Candidate** means an individual who is under consideration for appointment as a member of an arbitration panel under Article 10 of the Dispute Settlement Chapter;
 - (c) **Assistant** means a person who, under the terms of appointment of a member, conducts, researches or provides assistance to the Member;
 - (d) **Proceeding**, unless otherwise specified, means an arbitration panel proceeding under the Dispute Settlement Chapter;
 - (e) **Staff**, in respect of a member, means persons under the direction and control of the member, other than assistants.

Standards of Conduct

2. Every Candidate and Members shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement mechanism is preserved.

Disclosure Obligations

3. Prior to confirmation of his or her selection as a Members of an arbitration panel, a Candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the Proceedings. To this end, a Candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.

4. A Candidate or panelist shall only communicate matters concerning actual or potential violations of this Code of Conduct to the Joint Committee for consideration by the Parties.

5. Once selected, a Member shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in paragraph 3 of this Annex and shall disclose them. The disclosure obligation is a continuing duty which requires a Member to disclose any such interests, relationships or matters that may arise during any stage of the Proceedings. The Member shall disclose such interests, relationships or matters by informing the Joint Committee, in writing, for consideration by the Parties.

The Duties of Arbitrators

6. Upon selection, an arbitrator shall perform his or her duties thoroughly and expeditiously throughout the course of the Proceedings, and with fairness and diligence.

7. An arbitrator shall consider only those issues raised in the Proceedings and which are necessary in order to make a ruling, and shall not delegate this duty to any other person.

8. An arbitrator shall take all appropriate steps to ensure that his or her Assistant and Staff are aware of, and comply with the obligations contained in this Code of Conduct.

9. An arbitrator shall not engage in ex parte communications concerning the Proceedings.

Independence and Impartiality of Members

10. An arbitrator shall be independent and impartial and avoid creating an appearance of impropriety or bias and shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party or fear of criticism.

11. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of his or her duties.

12. An arbitrator shall not use his or her position on the Arbitration Panel to advance any personal or private interests and shall avoid actions that may create the impression that others are in a special position to influence the arbitrator.

13. An arbitrator shall not allow financial, business, professional, family or social relationships or responsibilities to influence his or her conduct, judgment or impartiality.

14. An arbitrator shall avoid entering into any relationship, or acquiring any financial interest, that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

Annex 15-B

Rules of Procedure

Calculation of Deadlines

1. All terms established under this Annex shall be counted in calendar days from the day following the act or fact to which they refer.
2. For the purposes of calculating time periods, such period shall begin to run on the day following the day when a written communication is received. If the last day of such period is an official holiday, the period shall be extended until the first work day which follows. Official holidays or non-work days occurring during the running of the period of time shall be included in calculating the period.
3. Where any disputing Party receives a document on a date other than the date on which the same document is received by the other disputing Party, any period of time, the calculation of which is dependent on such receipt, shall be calculated from the date of receipt of the last such document.

Mediation

1. Should the disputing Parties agree to refer the dispute for mediation, they will jointly appoint a mediator within ten (10) days of such an agreement. Where the Parties are unable to agree on the appointment of a mediator, they may request the Chairpersons of the Joint Committee to appoint a mediator for them. A mediator shall not be a national of either of the disputing Parties.
2. The mediator shall convene a meeting with the disputing Parties no later than thirty (30) days after being appointed. The mediator will be supplied with the submissions of the disputing Parties no later than fifteen (15) days before the meeting and will issue an opinion no later than forty-five (45) days after meeting the disputing Parties. The mediator's opinion may include steps to resolve the dispute that are consistent with this Agreement. The mediator's opinion shall be non-binding. The mediation proceedings and all information disclosed during mediation shall remain confidential.

Commencing the Arbitration

Unless the disputing Parties otherwise agree, the parties shall meet with the Arbitration Panel within thirty (30) days following the date of the establishment of the Arbitration Panel in order to determine such matters that the disputing Parties or the Arbitration Panel deem appropriate, including the remuneration and

expenses that shall be paid to the arbitrators, which shall conform to the WTO standards.

Operation of Arbitration Panels

1. The Chairperson of the Arbitration Panel shall preside at all of its meetings. The Arbitration Panel may delegate to the Chairperson authority to make administrative and procedural arrangements. The Chairperson of the Arbitration Panel shall be responsible for organizing the Proceedings, in particular the organization of hearings, unless otherwise agreed by the disputing Parties.
2. With the exception of hearings, the Arbitration Panel may conduct its activities by any means, including telephone, facsimile transmissions, electronic mail, video link or computer links, unless otherwise provided in these rules.
3. Only the arbitrators may take part in the deliberations of the Arbitration Panel but the Arbitration Panel may permit their Assistants, to be present during such deliberations.
4. The drafting of any decision and ruling shall remain the exclusive responsibility of the Arbitration Panel.
5. Where a procedural question arises that is not covered by these rules, the Arbitration Panel may adopt an appropriate procedure provided that it is not inconsistent with this Agreement.

Initial submissions

1. The Complaining Party shall deliver its initial written submission including the facts of the case and its arguments to the Arbitration Panel no later than twenty-five (25) days after the date of establishment of the Arbitration Panel, with a copy sent simultaneously to the Responding Party.
2. The Responding Party shall deliver at least one written counter-submission including the facts of the case and its arguments to the Arbitration Panel no later than twenty-five (25) days after the date of receipt of the initial written submission by the Complaining Party, with a copy sent simultaneously to the Complaining Party.
3. A third party shall deliver its written submission at the latest within 15 days after receipt of the counter-submission.⁴ The Arbitration Panel shall, after receiving the views of the disputing Parties, decide which further written

submission shall be required from the disputing Parties or may be presented by them and shall fix the period communicating such statements.

Hearings

1. The disputing Parties shall agree on the venue, date and time of the hearings of the Arbitration Panel. In the absence of such agreement, the hearings of the Arbitration Panel shall be conducted at a venue, date and time determined by the Chairperson of the Arbitration Panel, in consultation with other members of the Arbitration Panel, provided that that venue is not within the territory of the Complaining Party.
2. The Chairperson shall notify in writing to the disputing Parties of the date, time and location of the hearing. The Arbitration Panel may decide not to convene a hearing unless the disputing Parties agree otherwise.
3. The Arbitration Panel may convene additional hearings if the disputing Parties so agree.
4. The three (3) arbitrators shall be present at all hearings.
5. The following persons may attend the hearing:
 - (a) Representatives of the Disputing Parties;
 - (b) Advisers of the disputing Parties;
 - (c) administration personnel, interpreters and translators; and
 - (d) arbitrators' Assistants.
6. Only Representatives and Advisers of a Disputing Party may address the Arbitration Panel.
7. Each disputing Party shall deliver, no later than five (5) days before the date of a hearing, a list of the names of those persons who will make oral arguments or presentations at the hearing on behalf of the disputing Party and of other Representatives or Advisers who will be attending the hearing.
8. The Arbitration Panel shall conduct the hearing in the following manner, ensuring that the Complaining Party and the Responding Party are afforded equal time:

Argument

(a) argument of the Complaining Party.

(b) argument of the Responding Party.

Rebuttal Argument

(a) rebuttal argument of the Responding Party.

(b) counter-rebuttal argument of the Complaining Party.

9. The Arbitration Panel may direct questions to either disputing Party or persons participating in the hearing at any time during a hearing.

10. The Arbitration Panel shall arrange for a transcript of each hearing to be prepared and shall, as soon as possible after it is prepared, deliver a copy of the transcript to the disputing Parties.

11. Within fifteen (15) days after the date of the hearing, each disputing Party may deliver a supplementary written submission responding to any matter that arose during the hearing.

Questions in Writing

1. The Arbitration Panel may, at any time during the Proceedings, address questions in writing to one or both disputing Parties.

2. A disputing Party to whom the Arbitration Panel addresses written questions to, shall deliver a copy of any written reply to the other disputing Party and the Arbitration Panel. The other disputing Party shall be given the opportunity to provide written comments to the reply within ten (10) days after the receipt of such written comments.

Confidentiality

Each disputing Party shall treat as confidential the Proceedings and the information submitted by the other disputing Party to the Arbitration Panel which that disputing Party has designated as confidential.

Ex Parte Contacts

1. The Arbitration Panel shall not meet or contact a disputing Party in the absence of the other disputing Party.

2. No arbitrator may discuss an aspect of the subject matter of the Proceeding with any disputing Party in the absence of the other arbitrators.

Role of Experts

1. On request of a disputing Party or on its own initiative, the Arbitration Panel may obtain information and technical advice from any natural or juridical person or body that it deems appropriate. Any information and technical advice so obtained shall be submitted to the disputing Parties for comments.
2. When a request is made for a written report of an expert, any time period applicable to the Arbitration Panel Proceeding shall be suspended for a period beginning on the date of receipt of the request and ending on the date the report is received by the Arbitration Panel.

Award of Arbitration Panel

The award of the Arbitration Panel shall be drafted without the presence of the disputing Parties and in the light of the information provided and the statements made in the Proceedings.

Notices

1. Any request, notice, written submissions or any other document shall be delivered by either disputing Party or the Arbitration Panel by delivery against receipt, an electronic copy should be submitted simultaneously to the respective e-mail addresses registered post, courier, facsimile transmission, telex, telegram or any other means of communication that provides a record of the receipt thereof.
2. A disputing Party shall provide a copy of each of its written submissions to the other disputing Party and to each of the arbitrators. A copy of the document also shall be provided in electronic format.
3. Minor errors of a clerical nature in any request, notice, written submission or any other document related to the Arbitration Panel Proceeding may be corrected by delivery of a new document clearly indicating the changes.

Language, Translation and Interpretation

1. Each disputing Party shall, within a reasonable period of time and before delivering its initial written submission, notify the other disputing Party and the Arbitration Panel in which language its written and oral submissions will be made.
2. disputing Party shall arrange for and bear the costs of the translation of its oral or written submissions into the language chosen by the other disputing Party.

3. Notwithstanding paragraph 1 of this Rule, the Arbitration Panel proceedings shall be conducted in the language or languages chosen by the disputing Parties. In case of disagreement, the arbitration panel shall decide on the language to be used. The costs of translation shall be borne equally by the disputing Parties.

4. The Arbitration panel award shall be in English language, unless the disputing Parties agree otherwise.

Costs and Expenses of the Arbitration panel

The expenses of the Arbitration Panel, including the remuneration of its Members, shall be borne by the disputing Parties in equal shares. Each Party to the dispute shall bear its own legal and other costs incurred in relation to the arbitration