

CHAPTER SIXTEEN

EXCEPTIONS

Article 16.1: General Exceptions

1. For purposes of Chapter Two (Trade in Goods), Chapter Three (Rules of Origin), Chapter Four (Customs Procedures and Trade Facilitation), Chapter Five (Sanitary and Phytosanitary Measures), and Chapter Six (Technical Barriers to Trade), Article XX of GATT 1994 and its interpretative note are incorporated into and form part of this Agreement, *mutatis mutandis*.

2. For purposes of Chapter Eight (Trade in Services) and Chapter Nine (Digital Trade)¹, Article XIV of GATS, including its footnotes, is incorporated into and forms part of this Agreement, *mutatis mutandis*.

Article 16.2: Security Exceptions

Nothing in this Agreement shall be construed:

- (a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests; or
- (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests:
 - (i) relating to fissionable and fusionable materials or the materials from which they are derived;
 - (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;

¹ This paragraph is without prejudice to whether a Party considers a digital product to be a good or service.

- (iii) relating to the supply of services as carried out directly or indirectly for the purpose of provisioning a military establishment;
 - (iv) taken in time of war or other emergency in international relations; or
- (c) to prevent any Party from taking any action in pursuance of its obligations under the *United Nations Charter* for the maintenance of international peace and security.

Article 16.3: Taxation

1. Nothing in this Agreement shall apply to any taxation measure.²
2. Nothing in this Agreement shall affect the rights and obligations of any Party under any tax convention. In the event of any inconsistency between this Agreement and any such tax convention, that tax convention shall prevail to the extent of the inconsistency.
3. In the case of a tax convention between the Parties, the competent authorities are those listed under that convention.

² For the avoidance of doubt, provisions where corresponding rights and obligations are also granted or imposed under the WTO Agreement shall apply to taxation measures. Taxes and taxation measures do not include customs duties as defined in Article 1.1 (General Definitions) and measures listed in exceptions (b), (c), and (d) of that definition.