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## CHAPTER 1

### INITIAL PROVISIONS AND GENERAL DEFINITIONS

#### ARTICLE 1.1

##### Objectives

The objectives of this Agreement are to liberalise trade and investment, facilitate trade, and foster a closer economic relationship between the Parties.

#### ARTICLE 1.2

##### Establishment of a Free Trade Area

The Parties establish, by virtue of this Agreement, a free trade area in conformity with Article XXIV of GATT 1994 and Article V of GATS.

#### ARTICLE 1.3

##### General definitions

For the purposes of this Agreement, and unless otherwise provided:

- (a) "Agreement" means the Free Trade Agreement between the Government of the Republic of India and the European Union;

- (b) "Agreement on Agriculture" means the Agreement on Agriculture in Annex 1A to the WTO Agreement;
- (c) "Anti-dumping Agreement" means the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;
- (d) "customs authority" means:
  - (i) for the Union, the services of the European Commission responsible for customs matters, or, as appropriate, the customs administrations and any other authorities empowered in the Member States to apply and enforce customs laws and regulations; and
  - (ii) for India, the Central Board of Indirect Taxes and Customs (CBIC) or its successors.
- (e) "customs duty" means any duty, or charge of equivalent effect imposed on importation of goods, including any form of cess, surtax or surcharge and any other levies on import but does not include:
  - (i) charge equivalent to an internal tax imposed consistently with Article III of GATT 1994 including its Notes and Supplementary provisions;
  - (ii) anti-dumping, special safeguard, countervailing or safeguard duty applied in conformity with the GATT 1994, the Anti-dumping Agreement, the Agreement on Agriculture, the Agreement on Subsidies and Countervailing Measures and the Agreement on Safeguards, as appropriate;
  - (iii) fee or other charge in connection with importation commensurate with the cost of services rendered in conformity with Article X.8 (Fees and Charges).
- (f) "Customs Valuation Agreement" means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;
- (g) "days" means calendar days, including weekends and holidays;

- (h) "DSU" means the Understanding on Rules and Procedures Governing the Settlement of Disputes in Annex 2 to the WTO Agreement;
- (i) "existing" means in effect on the date of entry into force of this Agreement;
- (j) "GATS" means the General Agreement on Trade in Services in Annex 1B to the WTO Agreement;
- (k) "GATT 1994" means the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;
- (l) "good of a Party" means a domestic product as that is understood in GATT 1994, and includes originating goods of that Party;
- (m) "Harmonized System" or "HS" means the Harmonized Commodity Description and Coding System defined in the International Convention on the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes, Chapter Notes and Subheading Notes, developed by the World Customs Organization;
- (n) "Import Licensing Agreement" means the *Agreement on Import Licensing Procedures* in Annex 1A to the WTO Agreement;
- (o) "juridical person" means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;
- (p) "measure" means any measure by a Party<sup>1</sup>, whether in the form of a law, regulation, rule, procedure, decision, administrative action, practice, or any other form;

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<sup>1</sup> Measures by a Party include measures adopted or maintained by non-governmental bodies in the exercise of powers delegated by a Party, and measures adopted or maintained by any entity which is acting on the instructions of or under the direction or the control of a Party with regard to those measures.

- (q) "Member State" means a Member State of the European Union;
- (r) "originating" means qualifying as originating under the rules of origin set out in Chapter X (Rules of Origin);
- (s) "person" means a natural person or a juridical person;
- (t) "preferential tariff treatment" means the application of the duty rate under this Agreement to an originating good pursuant to Article [X.5] (Elimination or reduction of customs duties-Trade in Goods);
- (u) "Safeguards Agreement" means the Agreement on Safeguards in Annex 1A to the WTO Agreement;
- (v) "sanitary or phytosanitary measure" means any measure referred to in paragraph 1 of Annex A to the SPS Agreement;
- (w) "SCM Agreement" means the Agreement on Subsidies and Countervailing Measures in Annex 1A to the WTO Agreement;
- (x) "SME" means a small or medium-sized enterprise, including a micro-sized enterprise;
- (y) "service supplied in the exercise of governmental authority" means any service which is applied neither on a commercial basis nor in competition with one or more service suppliers;
- (z) "SPS Agreement" means the Agreement on the Application of Sanitary and Phytosanitary Measures in Annex 1A to the WTO Agreement;
- (aa) "TBT Agreement" means the Agreement on Technical Barriers to Trade in Annex 1A to the WTO Agreement;
- (bb) "territory" means:

- (i) In the case of India, the territory of the Republic of India includes its land territory, territorial waters, and the airspace above them, as well as other maritime zones including the Exclusive Economic Zone and the continental shelf over which the Republic of India exercises sovereignty, sovereign rights, or exclusive jurisdiction in accordance with its National law(s), rules and regulations and international law including the 1982 United Nations Convention on the Law of the Sea; and
  - (ii) with respect to the European Union, the territories in which the Treaty on European Union and the Treaty on the Functioning of the European Union are applicable, and under the conditions laid down in those Treaties.
- (cc) "Trade Facilitation Agreement" means the Agreement on Trade Facilitation in Annex 1A to the WTO Agreement;
- (dd) "TRIPS Agreement" means the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement;
- (ee) "WTO" means the World Trade Organization; and
- (ff) "WTO Agreement" means the Marrakesh Agreement Establishing the World Trade Organization, done on 15 April 1994.

#### ARTICLE 1.4

##### Relation to other agreements

1. The existing agreements between the Member States of the European Union, the European Community or the European Union, of the one part, and India, of the other part, are not superseded or terminated by this Agreement.
2. The Parties affirm their rights and obligations with respect to each other under the WTO Agreement. Nothing in this Agreement shall be construed as requiring a Party to act in a manner inconsistent with its obligations under the WTO Agreement.

3. In the event an inconsistency arises between this Agreement, and another agreement to which the Parties are a party, the Parties shall, on request of either Party, promptly consult with each other with a view to finding a mutually satisfactory solution.

## ARTICLE 1.5

### References to laws, regulations, other agreements and their amendments

1. Unless otherwise provided for in this Agreement, any reference in this Agreement to laws or regulations of a Party shall be understood to include amendments thereto.
2. Unless otherwise provided for in this Agreement, where international agreements are referred to or are incorporated into this Agreement, in whole or in part, they shall be understood to include amendments thereto, or their successor agreements, that enter into force for both Parties on or after the date of signature of this Agreement, unless a Party objects. In the event of such objection, the Parties shall, on request of either Party, promptly consult with each other with a view to finding a mutually satisfactory solution to this matter.

## ARTICLE 1.6

### Territorial application

1. This Agreement applies to the territory set out in Article 1.3 [General Definitions-Territory].
2. As regards those provisions concerning the tariff treatment of goods, including rules of origin and the temporary suspension of this treatment, this Agreement also applies to those areas of the European Union customs territory, as defined by Article 4 of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, not covered by point (a) of paragraph 1.