

**A Comparative Guide to the Chile-United States Free Trade Agreement and the  
Dominican Republic-Central America-United States Free Trade Agreement  
A STUDY BY THE TRIPARTITE COMMITTEE**

**Chapter Two: General Definitions**

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**CHILE – U.S.**  
**Date of Signature: June 6, 2003**  
**Chapter Two:**  
**General Definitions**

**DR - CAFTA**  
**Date of Signature: August 5, 2004**  
**Chapter Two:**  
**General Definitions**

[Article 2.1: Definitions of General Application](#)

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For purposes of this Agreement, unless otherwise specified:

For purposes of this Agreement, unless otherwise specified:

*NO CORRESPONDING PARAGRAPH*

**Central America** means the Republics of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua;

**central level of government** means:

**central level of government** means:

(a) for the United States, the federal level of government; and

(a) for Costa Rica, the Dominica Republic, El Salvador, Guatemala, Honduras and Nicaragua, the national level of government; and

(b) for Chile, the national level of government;

(b) for the United States, the federal level of government.

**Commission** means the Free Trade Commission established under Article 21.1 (The Free Trade Commission);

**Commission** means the Free Trade Commission established under Article 19.1 (The Free Trade Commission);

**covered investment** means, with respect to a Party, an investment in its territory of an investor of the other Party in existence as of the date of entry into force of this Agreement or established, acquired, or expanded thereafter;

**covered investment** means, with respect to a Party, an investment, **as defined in Article 10.28 (Definitions)**, in its territory of an investor of another Party in existence as of the date of entry into force of this Agreement or established, acquired, or expanded thereafter;

**customs authority** means the competent authority that is responsible under the law of a Party for the administration of customs laws and regulations;

**customs authority** means the competent authority that is responsible under the law of a Party for the administration of customs laws and regulations;

**customs duty** includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with Article III:2 of the GATT 1994; in respect of like, directly competitive, or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;

(b) antidumping or countervailing duty; and

(c) fee or other charge in connection with importation commensurate with the cost of services rendered;

**Customs Valuation Agreement** means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement;

**days** means calendar days;

**enterprise** means any entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture, or other association;

**enterprise of a Party** means an enterprise constituted or organized under the law of a Party;

**existing** means in effect on the date of entry into force of this Agreement;

**GATS** means the *General Agreement on Trade in Services*, which is part of the WTO Agreement;

**customs duty** includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form or surtax or surcharge in connection with such importation, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with Article III:2 of the GATT 1994, in respect of like, directly competitive, or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;

(b) antidumping or countervailing duty **that is applied pursuant to a Party's domestic law; or**

(c) fee or other charge in connection with importation commensurate with the cost of services rendered;

**Customs Valuation Agreement** means the WTO *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*;

**days** means calendar days;

**enterprise** means any entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture, or other association;

**enterprise of a Party** means an enterprise constituted or organized under the law of a Party;

**existing** means in effect on the date of entry into force of this Agreement;

**GATS** means the WTO *General Agreement on Trade in Services*;

**GATT 1994** means the *General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement;

**GATT 1994** means the WTO *General Agreement on Tariffs and Trade 1994*;

**goods of a Party** means domestic products as these are understood in the GATT 1994 or such goods as the Parties may agree, and includes originating goods of that Party. **A good of a Party may include materials of other countries;**

**goods of a Party** means domestic products as these are understood in the GATT 1994 or such goods as the Parties may agree, and includes originating goods of that Party;

**Harmonized System** (HS) means the *Harmonized Commodity Description and Coding System*, including its General Rules of Interpretation, Section Notes, and Chapter Notes, as adopted and implemented by the Parties in their respective tariff laws;

**Harmonized System** (HS) means the *Harmonized Commodity Description and Coding System*, including its General Rules of Interpretation, Section Notes, and Chapter Notes, as adopted and implemented by the Parties in their respective tariff laws;

**heading** means the first four digits in the tariff classification number under the Harmonized System;

**heading** means the first four-digits in the tariff classification number under the Harmonized System;

**measure** includes any law, regulation, procedure, requirement, or practice;

**measure** includes any law, regulation, procedure, requirement, or practice;

**national** means a natural person who has the nationality of a Party according to Annex 2.1 or a permanent resident **of a Party;**

**national** means a natural person who has the nationality of a Party according to Annex 2.1 or a permanent resident;

**originating** means qualifying under the rules of origin set out in Chapter Four (Rules of Origin and Origin Procedures);

**originating** means qualifying under the rules of origin set out in Chapter Four (Rules of Origin and Origin Procedures);

**NO CORRESPONDING PARAGRAPH**

**Party** means any State for which this Agreement is in force;

**person** means a natural person or an enterprise;

**person** means a natural person or an enterprise;

**person of a Party** means a national or an enterprise of a Party;

**person of a Party** means a national or an enterprise of a Party;

**preferential tariff treatment** means the duty rate applicable under this Agreement to an originating good;

**preferential tariff treatment** means the duty rate applicable under this Agreement to an originating good;

**procurement** means the process by which a government obtains the use of or acquires goods or services, or any combination thereof, for governmental purposes and not with a view to commercial sale or resale, or use in the production or supply of goods or services for commercial sale or resale;

**procurement** means the process by which a government obtains the use of or acquires goods or services, or any combination thereof, for governmental purposes and not with a view to commercial sale or resale **or with a view** to use in the production or supply of goods or services for commercial sale or resale;

<b><u>regional level of government</u></b> means, for the United States, a state of the United States, the District of Columbia, or Puerto Rico. For Chile, as a unitary state, “regional level of government” is not applicable;	<b><u>regional level of government</u></b> means, for the United States, a state of the United States, the District of Columbia, or Puerto Rico. <b>For Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua, “regional level of government” is not applicable;</b>
<b><u>Safeguards Agreement</u></b> means the <i>Agreement on Safeguards</i> , which is part of the WTO Agreement;	<b><u>Safeguards Agreement</u></b> means the WTO <i>Agreement on Safeguards</i> ;
<b><i>NO CORRESPONDING PARAGRAPH</i></b>	<b><u>sanitary or phytosanitary measures</u></b> means sanitary or phytosanitary measure means any measure referred to in Annex A, paragraph 1 of the SPS Agreement;
<b><u>SPS Agreement</u></b> means the <i>Agreement on the Application of Sanitary and Phytosanitary Measures</i> , which is part of the WTO Agreement;	<b><u>SPS Agreement</u></b> means the WTO <i>Agreement on the Application of Sanitary and Phytosanitary Measures</i> ;
<b><u>state enterprise</u></b> means an enterprise that is owned, or controlled through ownership interests, by a Party;	<b><u>state enterprise</u></b> means an enterprise that is owned, or controlled through ownership interests, by a Party;
<b><u>subheading</u></b> means the first six digits in the tariff classification number under the Harmonized System;	<b><u>subheading</u></b> means the first six-digits in the tariff classification number under the Harmonized System;
<b><u>TBT Agreement</u></b> means the <i>Agreement on Technical Barriers to Trade</i> , which is part of the WTO Agreement;	<b><i>NO CORRESPONDING PARAGRAPH</i></b>
<b><u>territory</u></b> means for a Party the territory of that Party as set out in Annex 2.1;	<b><u>territory</u></b> means for a Party the territory of that Party as set out in Annex 2.1;
<b><u>TRIPS Agreement</u></b> means the <i>Agreement on Trade-Related Aspects of Intellectual Property Rights</i> , which is part of the WTO Agreement; and	<b><u>TRIPS Agreement</u></b> means the WTO <i>Agreement on Trade-Related Aspects of Intellectual Property Rights</i> ;
<b><i>NO CORRESPONDING PARAGRAPH</i></b>	<b><u>WTO</u></b> means the World Trade Organization
<b><u>WTO Agreement</u></b> means the <i>Marrakesh Agreement Establishing the World Trade Organization</i> , done on April 15, 1994.	<b><u>WTO Agreement</u></b> means the <i>Marrakesh Agreement Establishing the World Trade Organization</i> , done on April 15, 1994.

<b><i>Annex 2.1 Country-Specific Definitions</i></b>	<b><i>Annex 2.1 Country-Specific Definitions</i></b>
For purposes of this Agreement, unless otherwise specified:	For purposes of this Agreement, unless otherwise specified:
<b><u>natural person</u></b> who has the nationality of a Party means:	<b><u>natural person</u></b> who has the nationality of a Party means:

(a) with respect to Chile, a *chileno* as defined in Article 10 of the *Constitución Política de la República de Chile* ; and

(a) with respect to Costa Rica, a *costarricense* as defined in Articles 13 and 14 of the *Constitución Política de la República de Costa Rica*;

(b) with respect to the Dominican Republic, a *dominicano* as defines in Article 11 of the *Constitución de la Republica Dominicana*;

(c) with respect to El Salvador, a *salvadoreño* as defined in Articles 90 and 92 of the *Constitución de la República de El Salvador*;

(d) with respect to Guatemala, a *guatemalteco* as defined in Articles 144, 145 and 146 of the *Constitución de la República de Guatemala*;

(e) with respect to Honduras, a *hondureño* as defined in Articles 23 and 24 of the *Constitución de la República de Honduras*;

(f) with respect to Nicaragua, a *nicaragüense* as defined in Article 15 of the *Constitución Política de la República de Nicaragua*; and

(b) with respect to the United States, “national of the United States” as defined in the existing provisions of the *Immigration and Nationality Act*, and

(g) with respect to the United States, “national of the United States” as defined in the existing provisions of the *Immigration and Nationality Act*; and

territory means:

(a) with respect to Chile, the land, maritime, and air space under its sovereignty, and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law; and

territory means:

(a) with respect to Costa Rica, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law;

(b) with respect to the Dominican Republic, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law;

(c) with respect to El Salvador, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law;

(d) with respect to Guatemala, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law;

(e) with respect to Honduras, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law;

(f) with respect to Nicaragua, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises

sovereign rights and jurisdiction in accordance with international law and its domestic law; and

(b) with respect to the United States,

(i) the customs territory of the United States, which includes the 50 states, the District of Columbia, and Puerto Rico,

(ii) the foreign trade zones located in the United States and Puerto Rico, and

(iii) any areas beyond the territorial seas of the United States within which, in accordance with international law and its domestic law, the United States may exercise rights with respect to the seabed and subsoil and their natural resources.

(g) with respect to the United States,

(i) the customs territory of the United States, which includes the 50 states, the District of Columbia, and Puerto Rico,

(ii) the foreign trade zones located in the United States and Puerto Rico, and

(iii) any areas beyond the territorial seas of the United States within which, in accordance with international law and its domestic law, the United States may exercise rights with respect to the seabed and subsoil and their natural resources