

**SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY AND CONSISTENCY**

[insert date]

Dear Minister Muñoz

I refer to the *Trans-Pacific Strategic Economic Partnership Agreement* that entered into force on 28 May 2006 (TPSEP) and the *Trans-Pacific Partnership Agreement* (TPP) done at [insert date] on this date (Agreements).

I have the honour to confirm the following understanding relating to the Agreements reached by New Zealand and Chile during the course of the negotiations on TPP:

1. Nothing in TPP will derogate from the rights and obligations of New Zealand or Chile under TPSEP.
2. The following rules in Chapter 4 (Textiles) of TPP shall not apply to trade between New Zealand and Chile:
  - a. Article 4.2.4 (no de minimis exclusion for elastomeric yarns).
  - b. Chapter Notes which require sewing thread and narrow elastic bands to be originating.
3. The following rules in Chapter 4 (Textiles) of TPP shall not apply to trade between New Zealand and Chile:
  - a. CTH rule for yarns.
  - b. CTH rule for fabric.
  - c. CC rule for apparel (cut and sew rule).

I have the further honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments on the application between New Zealand and Chile of rights and obligations contained in TPP, and on the interpretation of the Agreements, which shall enter into force on the date on which TPP enters into force for both New Zealand and Chile.

Yours sincerely

Hon Tim Groser  
Minister of Trade  
New Zealand

**SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY AND CONSISTENCY**

[insert date]

Hon Tim Groser  
Minister of Trade  
New Zealand

Dear Minister Groser

I have the honour of acknowledging receipt of your letter of today's date, which states as follows:

*I refer to the Trans-Pacific Strategic Economic Partnership Agreement that entered into force on 28 May 2006 (TPSEP) and the Trans-Pacific Partnership Agreement (TPP) done at [insert date] on this date (Agreements).*

*I have the honour to confirm the following understanding relating to the Agreements reached by New Zealand and Chile during the course of the negotiations on TPP:*

- 1. Nothing in TPP will derogate from the rights and obligations of New Zealand or Chile under TPSEP.*
- 2. The following rules in Chapter 4 (Textiles) of TPP shall not apply to trade between New Zealand and Chile:*
  - a. Article 4.2.4 (no de minimis exclusion for elastomeric yarns).*
  - b. Chapter Notes which require sewing thread and narrow elastic bands to be originating.*
- 3. The following rules in Chapter 4 (Textiles) of TPP shall not apply to trade between New Zealand and Chile:*
  - a. CTH rule for yarns.*
  - b. CTH rule for fabric.*
  - c. CC rule for apparel (cut and sew rule).*

*I have the further honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments on the application between New Zealand and Chile of rights and obligations contained in TPP, and on the interpretation of the Agreements, which shall enter into force on the date on which TPP enters into force for both New Zealand and Chile.*

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I have the further honour to confirm that your letter reflects the understandings reached between the Governments of Chile and New Zealand during the course of the negotiations on TPP and that your letter and this letter in reply shall constitute an agreement between Chile and New Zealand.

Yours sincerely

Heraldo Muñoz  
Minister of Foreign Affairs