

Section I – National Treatment

Article 2.03: National Treatment

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, and to this end Article III of the GATT 1994 is incorporated into and made part of this Agreement.
2. The treatment to be accorded by a Party under paragraph 1 means, with respect to a sub-national government, treatment no less favourable than the most favourable treatment accorded by that sub-national government to a like, directly competitive or substitutable good, as the case may be, of the Party of which it forms a part.
3. Paragraphs 1 and 2 do not apply to a measure set out in Annex 2.03 (Exceptions to Articles 2.03 and 2.08).

Section II – Tariffs

Article 2.04: Tariff Elimination

1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any customs duty, on an originating good.
2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on originating goods in accordance with its Schedule to Annex 2.04.
3. During the tariff elimination process, each Party shall apply to originating goods traded between the Parties the lesser of the customs duties resulting from a comparison between the rate established in the Party's Schedule to Annex 2.04 and the existing rate under Article II of GATT 1994.