

FTAA – Free Trade Area of the Americas

Draft Agreement

Chapter II General Provisions

CHAPTER II General Provisions

Article 1. [[Purpose] [General Objectives] [Establishment of the Free Trade Area of the Americas]]

[1.1. The purpose of this Agreement is to establish a free trade area] [The Parties hereby create the Free Trade Area of the Americas] in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994 and Understanding thereon, and Article V of the General Agreement on Trade in Services (GATS).]

Article 2. [Objectives]

[2.1. This Agreement has the following objectives:]

- [a] trade liberalization with a view to generate economic growth and prosperity, contributing to the expansion of world trade;]
- [b] to generate increasing levels of trade in goods and services, and investment, by means of market liberalization, through [fair, clear, stable, and predictable] [fair, transparent, predictable, coherent and with no counter-effect on free trade] rules;]
- [c] to enhance competition and improve market access conditions for goods and services among the Parties, including in the area of government procurement;]
- [d] to eliminate barriers, restrictions and/or unnecessary distortions to free trade among the Parties,[including unfair trade practices, para-tariff measures, unjustified restrictions, domestic subsidies and aids to trade in goods and services];]
- [e] to eliminate the barriers to the movement of capital and business persons among the Parties;]
- [f] to foster the development of a hemispheric infrastructure that facilitates the circulation of goods, services, and investment; and]
- [g] to establish mechanisms that guarantee greater access to technology, through economic cooperation and technical assistance.]

Article 3. [Principles]

[3.1. This Agreement shall be governed by the following principles:]

- [a] the rules agreed upon shall be clear, transparent and stable, in order to prevent the possibility of any Party from applying unilateral, arbitrary and/or discretionary measures to the detriment of one or several other Parties;]
- [b] transparency in the actions of the Parties and of the bodies of this Agreement;]
- [c] consistency of the rights and obligations emanating from this Agreement with the rules and disciplines of the World Trade Organization (WTO);]

- [d] the coexistence of this Agreement with bilateral and subregional agreements, to the extent that the rights and obligations deriving from these agreements are greater in scope than those hereunder;]
- [e] special and differential treatment, considering the broad differences in the levels of development and size of the economies of the Parties, to promote the full participation of all Parties;]
- [f] the adoption of decisions by consensus;]
- [g] the sovereign equality of the Parties;]
- [h] good faith in compliance with commitments assumed by the Parties within the framework of this Agreement.]

Article 4. [Application and Scope of Obligations] [Scope of Coverage of Obligations]

[4.1. Each Party is fully responsible for the observance of all provisions of the FTAA Agreement, and shall take such reasonable measures as may be available to it to ensure such observance by regional and local governments and authorities within its territory.]

[4.2. The Parties shall ensure that their laws, regulations, and administrative procedures are consistent with the obligations of this Agreement. The rights and obligations under this Agreement are the same for all the Parties[, whether Federal or unitary States, including the different levels and branches of government], unless otherwise provided in this Agreement.]

[4.3. This Agreement shall co-exist with bilateral and subregional agreements, and does not adversely affect the rights and obligations that one or more Parties may have under such agreements, to the extent that such rights and obligations imply a greater degree of integration than provided for hereunder.]

[4.4. The Parties confirm the rights and obligations in force among them under the WTO Agreement. In the event of conflict between the provisions of the WTO Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail to the extent of the conflict.]