

CHAPTER 14: ADMINISTRATION OF THE AGREEMENT

Section A Commission, Sub-commission and Secretariat

Article 14.01 Administrative Commission of the Agreement

1. The Parties hereby establish the Administrative Commission of the Agreement, which is composed of the officials referred to in Annex 14.01, or of the persons designated by them.

2. The Commission shall:

- (a) supervise the implementation and the correct application of the provisions of this Agreement;
- (b) evaluate the results in the application of this Agreement;
- (c) monitor the development of the Agreement and recommend to the Parties any modifications which it deems necessary;
- (d) resolve any disputes that may arise regarding the interpretation or application of this Agreement, as stipulated in Chapter 15 (Dispute Settlement);
- (e) supervise the work of all committees established or created under this Agreement, as indicated in Article 14.05 (3); and
- (f) consider any matter that may affect the operation of this Agreement, or any other to be entrusted by the Parties.

3. The Commission may:

- (a) establish and delegate responsibilities to committees and working groups of experts;
- (b) modify, in fulfillment of the Agreement's objectives:
 - (i) the schedules attached to Annex 3.04 (Tariff Reduction Schedule) with the objective of incorporating goods excluded from the tariff elimination;
 - (ii) the period referred to in Annex 3.04 (Tariff Reduction Schedule) to speed the process;
 - (iii) the rules of origin established in Annex 4.03 (Specific Rules of Origin);
 - (iv) the Uniform Regulations;
 - (v) the Annexes I, II and III of Chapter 10 (Investment); and

- (vi) the Annexes I, II and III of Chapter 11 (Cross-border Trade in Services);
- (c) seek the advice of non-governmental persons or groups;
- (d) develop any regulations needed for the implementation of this Agreement; and
- (e) take any other actions as are necessary in the exercise of its functions if the Parties so decide.

4. Each Party shall implement, in accordance with its applicable legal procedures, any modification referred to in subparagraph 3 (b).

5. The Commission shall establish its rules and procedures. All decisions of the Commission shall be taken by consensus.

6. The Commission shall convene at least once a year in regular session, and if requested by one of the Parties, in extraordinary session. Regular sessions of the Commission shall be chaired successively by each Party.

Article 14.02 Administrative Sub-commission of the Agreement

1. The Parties hereby establish the Administrative Sub-commission of the Agreement, which is composed of the officials as set out in Annex 14.02 or persons designated by them.

2. The Administrative Sub-commission shall:

- (a) prepare and revise technical documents for decision-making under this Agreement;
- (b) follow-up on the decisions taken by the Commission;
- (c) supervise the committees and the working groups of experts established under this Agreement as described in Article 14.05 (3), and in accordance with Article 14.01 (2); and
- (d) consider any other matter that may affect the operation of this Agreement, assigned by the Commission.

3. The Commission shall establish its rules and procedures to ensure the operation of the Administrative Sub-commission of the Agreement.

Article 14.03 Secretariat

1. Each Party shall:

(a) designate a permanent office or official responsible for acting on behalf of the National Section of the Secretariat of such Party and shall notify the Commission of the address, phone number and any other relevant information where its National Section is located;

(b) be responsible for:

(i) the operation and costs of the National Section; and

(ii) the remuneration and expenses to be paid to panelists, their assistants and experts appointed as stipulated in this Agreement, in Annex 14.03; and

(c) designate a Secretary of its National Section, who shall be the civil employee responsible for its administration.

2. The Secretariat shall:

(a) assist the Commission and the Sub-commission;

(b) support the arbitrating groups created pursuant to Chapter 15 (Dispute Settlement) and the procedures established in Article 15.11 (Model Rules of Procedure);

(c) support the work of the committees and working groups of experts established under the Agreement, as instructed by the Commission; and

(d) conduct any other matters instructed by the Commission.

Section B Committees and Working Groups of Experts

Article 14.04 General Provisions

1. The provisions in this Section shall apply to all the committees and working groups of experts established under the framework of this Agreement.

2. Each committee and working group of experts shall be composed of representatives of the Parties. All decisions shall be taken by consensus.

Article 14.05 Committees

1. The Commission may create committees other than the ones established in Annex 14.05.

2. Each committee shall:

- (a) supervise the implementation of the Chapters of this Agreement under its competence;
- (b) consider any proposed or actual measures submitted by a Party, that may affect the effective implementation of the Agreement;
- (c) request technical reports by the competent authorities, and take necessary actions to resolve the issue;
- (d) evaluate and recommend to the Commission any proposal for modifications, amendments or any other additional provisions to the Chapters of this Agreement under its competence; and
- (e) carry out the matters instructed by the Commission as established under this Agreement and any other mechanisms derived from it.

3. The Commission and the Sub-commission shall supervise the work of all committees established under this Agreement.

4. Each committee may establish its own rules and procedures, and shall meet upon request of any of the Parties or the Commission.

Article 14.06 Working Groups of Experts

1. Notwithstanding Article 14.01 (3) (a), a committee may create *ad hoc* groups of experts, for completing the technical studies it deems necessary to carry out its mandate, whose work shall be supervised. The working group of experts shall strictly complete the mandate entrusted to it, within the terms and timeframes established and shall report to its corresponding committee.

2. The rules and procedures of a working group of experts may be established by the corresponding committee.

ANNEX 14.01

Members of the Administrative Commission of the Agreement

The Administrative Commission of the Agreement under Article 14.01 (1) shall be composed of:

- (a) in the case of the Republic of China (Taiwan), the Minister of Economic Affairs;
- (b) in the case of the Republic of El Salvador, the Ministro de Economía; and
- (c) in the case of the Republic of Honduras, the Secretario de Estado en los Despachos de Industria y Comercio;

or their successors.

ANNEX 14.02

Members of the Administrative Sub-Commission of the Agreement

The Administrative Sub-commission of the Agreement established under Article 14.02 shall be composed of:

- (a) in the case of the Republic of China (Taiwan), the Director General of the Bureau of Foreign Trade, Ministry of Economic Affairs;
- (b) in the case of the Republic of El Salvador, the Director de la Dirección de Administración de Tratados Comerciales del Ministerio de Economía; and
- (c) in the case of the Republic of Honduras, the Director General de Integración Económica y Política Comercial de la Secretaría de Estado en los Despachos de Industria y Comercio;

or their successors.

ANNEX 14.03

Remuneration and Payment of Expenses

1. The Commission shall establish the amounts of remuneration and expenses that will be paid to panelists, their assistants and experts.
2. The remuneration of the panelists, their assistants and experts, their travel and lodging expenses, and general expenses of the panel shall be borne by the Parties; however, the level of development of the Parties shall be taken into account.
3. Each panelist, assistant and expert shall keep a record and render a final account of the person's time and expenses, and the panel shall keep a record and render a final account of all general expenses.

ANNEX 14.05

Committees

- Committee on Trade in Goods (Article 3.15).
- Committee on Rules of Origin and Custom Procedures (Article 4.15).
- Committee on Sanitary and Phytosanitary Measures (Article 8.12).
- Committee on Standards, Metrology, and Authorization Procedures (Article 9.13).
- Committee on Investment and Cross-border Trade in Services (Article 11.14).
- Ministerial Committee for Economic and Commercial Cooperation (Article 17.13).