

CHAPTER 7

EXCEPTIONS AND GENERAL PROVISIONS

Section A: Exceptions

Article 7.1: General Exceptions

1. For the purposes of Chapter 2 (Customs Administration and Trade Facilitation), Article XX of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.¹
2. For the purposes of Chapter 4 (Services Domestic Regulation), paragraphs (a), (b), and (c) of Article XIV of GATS are incorporated into and made part of this Agreement, *mutatis mutandis*.
3. The Parties, through their Designated Representatives, understand that the measures referred to in Article XX(b) of the GATT 1994 and GATS Article XIV(b) include environmental measures necessary to protect human, animal, or plant life or health, and that Article XX(g) of the GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

Article 7.2: Essential Security

Nothing in this Agreement shall be construed to:

- (a) require a Party, either on its own or through its Designated Representative, to furnish or allow access to information the disclosure of which the authorities of the territory represented by the Party determine to be contrary to their essential security interests; or
- (b) preclude any measure that the authorities of the territory represented by the Party consider necessary for the fulfilment of any obligations with respect to the maintenance or restoration of international peace or security, or for the protection of their own essential security interests.

¹ For greater certainty, the existing rights and obligations of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu and the United States under the WTO Agreement that are incorporated into this Agreement shall be available to, or carried out by, the Parties, both on their own and through their Designated Representatives.

Article 7.3: Taxation Measures

1. For the purposes of this Article, **taxes** and **taxation measures** include excise duties, but do not include:
 - (a) a “customs duty” as defined in Article 1.4 (General Definitions); or
 - (b) the measures listed in subparagraphs (b), (c), and (d) of that definition.
2. Except as provided in this Article, this Agreement does not apply to a taxation measure.
3. Chapter 2 (Customs Administration and Trade Facilitation) applies to value added taxes.

Article 7.4: Exceptions for Financial Services

1. Notwithstanding the other provisions of this Agreement except for Chapter 2 (Customs Administration and Trade Facilitation), nothing in this Agreement prevents the authorities of the territory represented by a Party from adopting or maintaining a measure for prudential reasons,² including for the protection of investors, depositors, policy holders, or persons to whom a fiduciary duty is owed by a supplier of financial services, or to ensure the integrity and stability of the financial system. If the measure does not conform with the provisions of this Agreement to which this exception applies, the measure shall not be used as a means of avoiding the commitments or obligations under those provisions.
2. Nothing in this Agreement applies to any non-discriminatory measure of general application taken by a central bank or monetary authority of the territory represented by a Party or a supplier of financial services owned or controlled by the authorities of the territory represented by the Party in pursuit of monetary and related credit policies or exchange rate policies.
3. Nothing in this Agreement restricts the authorities of the territory represented by a Party from preventing or limiting a transfer by a supplier of financial services to, or for the benefit of, an affiliate of or person related to that supplier, through the equitable, non-discriminatory and good faith application of a measure relating to maintenance of the safety, soundness, integrity, or financial responsibility of a supplier of financial services. Nothing in this paragraph prejudices any other provision of this Agreement that permits the restriction of such transfers.

² The term “prudential reasons” includes the maintenance of the safety, soundness, integrity, or financial responsibility of suppliers of financial services as well as the safety, and financial and operational integrity of payment and clearing systems.

4. For greater certainty, nothing in this Agreement prevents the authorities of the territory represented by a Party from adopting or maintaining a measure necessary to secure compliance with laws or regulations that are not inconsistent with this Agreement, including those relating to the prevention of deceptive and fraudulent practices or to deal with the effects of a default on financial services contracts.

Article 7.5: Rights of Indigenous Peoples

Provided that these measures are not used as a means of arbitrary or unjustified discrimination against persons of the territory represented by the other Party or as a disguised restriction on trade in goods, services, and investment, this Agreement does not preclude a Party, either on its own or through its Designated Representative, from adopting or maintaining a measure the authorities of the territory represented by the Party deem necessary to fulfill its obligations to Indigenous peoples.

Section B: General Provisions

Article 7.6: Disclosure of Information

This Agreement does not require a Party, either on its own or through its Designated Representative, to furnish or allow access to information, the disclosure of which would be contrary to law or would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private.

Article 7.7: Contact Points

1. Each Party, in consultation with its Designated Representative, shall designate an overall contact point to facilitate communications between the Parties, their Designated Representatives, and the authorities of the territories represented by the Parties, on any matter covered by this Agreement.
2. Each Party, in consultation with its Designated Representative, shall designate contact points as may be required by this Agreement.
3. Unless otherwise provided in this Agreement, each Party shall notify the other Party in writing of any contact point provided for in this Agreement no later than 60 days after the date of entry into force of this Agreement.

4. Each Party shall promptly notify the other Party, in writing, of any changes to any contact point.