



5 March 2018

The Honourable François-Philippe Champagne
Minister of International Trade
Canada

Dear Minister,

In connection with the signing on 8 March 2018 of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the “Agreement”), I have the honour to confirm the following agreement reached between the Government of Malaysia (Malaysia) and the Government of Canada (Canada):

1. For the purposes of determining whether a good of heading 87.03 qualifies as originating in accordance with Chapter 3 (Rules of Origin and Origin Procedures) of the Agreement, the applicable product specific rule of origin will be:
 - (a) a change to a good of subheading 87.03 from any other heading; or
 - (b) no change in tariff classification required for a good of heading 87.03, provided there is a regional value content of not less than:
 - (i) 40 per cent under the net cost method; or
 - (ii) 50 per cent under the build-down method.
2. Starting from the date of entry into force of the Agreement for Malaysia, Malaysia shall not:
 - (a) apply any quantitative limit on the importation of originating new motor vehicles from Canada, including any limit applicable to vehicles that are subject to an import licensing requirement; or
 - (b) impose any new or additional charge applicable to the importation of originating motor vehicles from Canada.
3. Malaysia’s commitments in paragraph two of this letter shall apply notwithstanding any provision of Chapter 29 (Exceptions and General Provisions) of the Agreement.
4. In order to enhance the benefits of the Agreement, Canada shall endeavour to facilitate technical cooperation and capacity building activities with Malaysia in areas of mutual interest in the automotive sector.

I have the further honour to propose that this letter and your letter of confirmation in reply, equally valid in English and French, shall constitute an agreement between our Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement as between Malaysia and Canada.

Sincerely,

A handwritten signature in black ink, consisting of a long horizontal stroke with a small upward tick at the end and a small downward tick at the beginning.

Mustapa Mohamed
Minister of International Trade and Industry
Malaysia



8 March 2018

H. E. Mustapa Mohamed
Minister of International Trade and Industry
Malaysia

Dear Minister,

I have the honour to acknowledge receipt of your letter of 5 March 2018, which reads as follows:

“In connection with the signing on 8 March 2018 of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the “Agreement”), I have the honour to confirm the following agreement reached between the Government of Malaysia (Malaysia) and the Government of Canada (Canada):

1. For the purposes of determining whether a good of heading 87.03 qualifies as originating in accordance with Chapter 3 (Rules of Origin and Origin Procedures) of the Agreement, the applicable product specific rule of origin will be:
 - (a) a change to a good of subheading 87.03 from any other heading; or
 - (b) no change in tariff classification required for a good of heading 87.03, provided there is a regional value content of not less than:
 - (i) 40 per cent under the net cost method; or
 - (ii) 50 per cent under the build-down method.
2. Starting from the date of entry into force of the Agreement for Malaysia, Malaysia shall not:
 - (a) apply any quantitative limit on the importation of originating new motor vehicles from Canada, including any limit applicable to vehicles that are subject an import licensing requirement; or

(b) impose any new or additional charge applicable to the importation of originating motor vehicles from Canada.


3. Malaysia's commitments in paragraph two of this letter shall apply notwithstanding any provision of Chapter 29 (Exceptions and General Provisions) of the Agreement.

4. In order to enhance the benefits of the Agreement, Canada shall endeavour to facilitate technical cooperation and capacity building activities with Malaysia in areas of mutual interest in the automotive sector.

I have the further honour to propose that this letter and your letter of confirmation in reply, equally valid in English and French, shall constitute an agreement between our Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement as between Malaysia and Canada.”

I have the further honour to confirm that my Government shares this understanding and that your letter and this letter in reply, equally valid in English and French, shall constitute an agreement between our Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement as between Canada and Malaysia.

Sincerely,


The Honourable François-Philippe Champagne
Minister of International Trade
Canada