ARTICLE 11.9

Dispute settlement

The provisions of this Chapter shall not be subject to dispute settlement under Chapter 21.

CHAPTER 12

SUBSIDIES

ARTICLE 12.1

Principles

The Parties recognise that subsidies may be granted by a Party when they are necessary to achieve public policy objectives. However, certain subsidies have the potential to distort the proper functioning of markets and undermine the benefits of liberalisation of trade and investment. In principle, subsidies should not be granted by a Party when it finds that they have or could have a significant negative effect on trade or investment between the Parties.

ARTICLE 12.2

Definitions

For the purposes of this Chapter:

(a) "economic activities" means those activities pertaining to the offering of goods and services in a market;

(b) "subsidy" means a measure which fulfils *mutatis mutandis* the conditions set out in Article 1.1 of the SCM Agreement, irrespective of whether the recipients of the subsidy deal in goods or services; and

(c) "specific subsidy" means a subsidy which is determined *mutatis mutandis* to be specific in accordance with Article 2 of the SCM Agreement.

ARTICLE 12.3

Scope

1. This Chapter applies to specific subsidies to the extent they are related to economic activities[1].

[1] For greater certainty, education provided under the domestic educational system of each Party shall be considered as a non-economic activity.