2. Each Party shall take such reasonable measures as may be available to it to encourage the observance of the provisions of Articles 7.5 to 7.11 by local government bodies within its territory on the level directly below that of the central government[1], which are responsible for the preparation, adoption and application of technical regulations, standards and conformity assessment procedures.

3. This Chapter does not apply to:

(a) purchasing specifications prepared by a governmental body for its production or consumption requirements; or

(b) sanitary and phytosanitary measures as defined in Annex A to the SPS Agreement.

ARTICLE 7.3

Incorporation of certain provisions of the TBT Agreement

1. The Parties affirm their rights and obligations under the TBT Agreement.

2. Articles 2 to 9 of the TBT Agreement and Annexes 1 and 3 to the TBT Agreement are incorporated into and made part of this Agreement, *mutatis mutandis*.

3. Where a dispute arises regarding a particular measure of a Party which the other Party alleges to be exclusively in breach of the provisions of the TBT Agreement referred to in paragraph 2, that other Party shall, notwithstanding paragraph 1 of Article 22.27, select the dispute settlement mechanism under the WTO Agreement.

[1] For the purposes of this Chapter, for the United Kingdom, "local government bodies within its territory on the level directly below that of the central government" includes local government bodies on the level directly below that of the Government of the United Kingdom and the Devolved Administrations.

ARTICLE 7.4

Definitions

For the purposes of this Chapter, the terms and definitions set out in Annex 1 to the TBT Agreement apply.

ARTICLE 7.5

Technical regulations

1. The Parties recognise the importance of good regulatory practices with regard to the preparation, adoption and application of technical regulations, in particular of the work carried out by the WTO Committee on Technical Barriers to Trade on good regulatory practices. In this context, each Party undertakes to:

(a) when developing a technical regulation:

(i) assess, in accordance with its laws and regulations or administrative guidelines, the available regulatory or non-regulatory alternatives to the proposed technical regulation that may fulfil its legitimate objective, in order to ensure that the proposed technical regulation is not more trade-restrictive than necessary to fulfil its legitimate objective, in accordance with paragraph 2 of Article 2 of the TBT Agreement; nothing in this provision shall affect the rights of each Party to prepare, adopt and apply measures without delay where urgent problems including safety, health, environmental protection or national security arise or threaten to arise;

(ii) endeavour to systematically carry out impact assessments for technical regulations with significant effect on trade, including an assessment of their impact on trade; and

(iii) specify, wherever appropriate, technical regulations based on product requirements in terms of performance rather than design or descriptive characteristics; and