

CHAPTER 16

EXCEPTIONS

Article 193: General Exceptions

1. For purposes of Chapter 2 (National Treatment and Market Access for Goods), Chapter 3 (Rules of Origin and Operational Procedures Related to Origin), Chapter 4 (Customs Procedures and Trade Facilitation), Chapter 5 (Trade Remedies), Chapter 6 (Sanitary and Phytosanitary Measures), Chapter 7 (Technical Barriers to Trade), Article XX of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XX(b) of the GATT 1994, as incorporated into this Agreement, can include any measure 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 any exhaustible natural resource.

2. For purposes of Chapter 8 (Trade in Services), Article XIV of the GATS (including its footnotes) is incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XIV(b) of the GATS, as incorporated into this Agreement, can include any measure necessary to protect human, animal, or plant life or health.

Article 194: Security Exceptions

Nothing in this Agreement shall be construed:

- (a) to require a Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or
- (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests:
 - (i) relating to fissionable and fusionable materials or the materials from which they are derived;
 - (ii) relating to the supply of services as carried out directly for the purpose of provisioning a military establishment;
 - (iii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment; and

- (iv) taken in time of war or other emergency in international relations; or
- (c) to prevent any Party from taking any action in pursuance of its obligations under the United Nations Charter for maintenance of international peace and security.

Article 195: Disclosure of Information

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information, the disclosure of which would impede enforcement of its Constitution, laws, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private.

Article 196: Measures to safeguard the balance of payments

Where the Party is in serious balance of payments and external financial difficulties or threat thereof, in accordance with the WTO Agreement and consistent with the *Articles of the Agreement of the International Monetary Fund*, it may adopt measures deemed necessary.

Article 197: Prudential Measures

1. Notwithstanding any other provisions of this Agreement, a Party shall not be prevented from taking measures relating to financial services for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by an enterprise supplying financial services, or to ensure the integrity and stability of its financial system.
2. Where measures mentioned in paragraph 1 do not conform to the provisions of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under this Agreement.