

CHAPTER THIRTY-ONE

SANCTIONS

ARTICLE 171

Sanctions

1. The Member States agree that for the attainment of the objectives of the Common Market, full commitment of each Member State to the fulfillment of the obligations contained in this Treaty shall be required. To this end, the Member States agree that specific sanctions may be imposed by the Authority to secure fulfillment by the Member States of their obligations under this Treaty.
2. For the purposes of paragraph 1 of this Article, the Authority may impose sanctions on a Member State:
 - (a) which defaults in performing an obligation under this Treaty; or
 - (b) whose conduct, in the opinion of the Authority, is prejudicial to the existence or the attainment of the objectives of the Common Market.
3. The Authority may in any of the events stipulated in paragraph 2 of this Article, impose any one or more of

the sanctions set out below:

- (a) suspend the exercise by such a Member State of any of the rights and privileges of membership to the Common Market;
- (b) impose a financial penalty on such Member State;
- (c) suspend from the Common Market a Member State on such conditions and for such period as the Authority may consider appropriate; or
- (d) expel a Member State.

4. The Authority may expel a Member State:

- (a) whose rights and privileges have been suspended under sub-paragraph (a) of paragraph 3 of this Article who fails to remedy the default leading to such suspension within the period specified therefor; or
- (b) which fails to pay the financial penalty imposed under sub-paragraph (b) of paragraph 3 of this Article.

5. A Member State suspended under sub-paragraph (c)

of paragraph 3 of this Article and which fails to meet the conditions imposed within the period specified shall automatically cease to be a Member State of the Common Market.

6. Where a Member State is in arrears for more than two years in the payment of its contributions for reasons other than those caused by public or natural calamity or exceptional circumstance that gravely affects its economy, such Member State may, by a resolution of the Authority, be suspended from taking part in the activities of the Common Market and shall cease to enjoy the benefits provided for under this Treaty.

ARTICLE 172

Continuation of Obligations and Re-admission

1. A Member State suspended under Articles 171 (3)(a) and 171 (3)(c) of this Treaty shall continue to perform its outstanding obligations under this Treaty during the period of suspension.
2. A Member State expelled under Article 171 (3)(d) of this Treaty may apply for re-admission to the Common Market. The Authority may impose such conditions as it may consider necessary for re-admission.