

TITLE X

INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

Article 119

A Stabilisation and Association Council is hereby established which shall supervise the application and implementation of this Agreement. It shall meet at an appropriate level at regular intervals and when circumstances require. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

Article 120

1. The Stabilisation and Association Council shall consist of the members of the Council of the European Union and members of the European Commission, on the one hand, and of members of the Government of Serbia on the other.

2. The Stabilisation and Association Council shall establish its rules of procedure.

3. The members of the Stabilisation and Association Council may arrange to be represented, in accordance with the conditions to be laid down in its rules of procedure.

4. The Stabilisation and Association Council shall be chaired in turn by a representative of the Community and a representative of Serbia, in accordance with the provisions to be laid down in its rules of procedure.

5. In matters that concern it, the European Investment Bank shall take part, as an observer, in the work of the Stabilisation and Association Council.

Article 121

The Stabilisation and Association Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions within the scope of this Agreement in the cases provided for therein. The decisions taken shall be binding on the Parties, which shall take the measures necessary to implement the decisions taken. The Stabilisation and Association Council may also make appropriate recommendations. It shall draw up its decisions and recommendations by agreement between the Parties.

Article 122

1. The Stabilisation and Association Council shall be assisted in the performance of its duties by a Stabilisation and Association Committee, composed of representatives of the

Council of the European Union and of representatives of the European Commission, on the one hand, and of representatives of the Government of Serbia on the other.

2. In its rules of procedure the Stabilisation and Association Council shall determine the duties of the Stabilisation and Association Committee, which shall include the preparation of meetings of the Stabilisation and Association Council, and shall determine how the Committee shall function.

3. The Stabilisation and Association Council may delegate to the Stabilisation and Association Committee any of its powers. In this event the Stabilisation and Association Committee shall take its decisions in accordance with the conditions laid down in Article 121.

Article 123

The Stabilisation and Association Committee may create subcommittees. Before the end of the first year after the date of entry into force of this Agreement, the Stabilisation and Association Committee shall set up the necessary subcommittees for the adequate implementation of this Agreement.

A subcommittee that will address migration issues shall be created.

Article 124

The Stabilisation and Association Council may decide to set up other special committees or bodies that can assist it in carrying out its duties. In its rules of procedure, the Stabilisation and Association Council shall determine the composition and duties of such committees or bodies and how they shall function.

Article 125

A Stabilisation and Association Parliamentary Committee is hereby established. It shall be a forum for Members of the Parliament of Serbia and of the European Parliament to meet and exchange views. It shall meet at intervals that it shall itself determine.

The Stabilisation and Association Parliamentary Committee shall consist of members of the European Parliament and of members of the Parliament of Serbia.

The Stabilisation and Association Parliamentary Committee shall establish its rules of procedure.

The Stabilisation and Association Parliamentary Committee shall be chaired in turn by a member of the European Parliament and by a member of the Parliament of Serbia, in accordance with the provisions to be laid down in its rules of procedure.

Article 126

Within the scope of this Agreement, each Party undertakes to ensure that natural and legal persons of the other Party have access free of discrimination in relation to its own nationals to the competent courts and administrative organs of the Parties to defend their individual rights and their property rights.

Article 127

Nothing in this Agreement shall prevent a Party from taking any measures:

- (a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- (b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 128

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:

- (a) the arrangements applied by Serbia in respect of the Community shall not give rise to any discrimination between the Member States, their nationals, companies or firms;
- (b) the arrangements applied by the Community in respect of Serbia shall not give rise to any discrimination between nationals of Serbia as well as between Serbian companies or firms.

2. The provisions of paragraph 1 shall be without prejudice to the right of the Parties to apply the relevant provisions of their fiscal legislation to taxpayers who are not in identical situations as regards their place of residence.

Article 129

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall ensure that the objectives set out in this Agreement are attained.

2. The Parties agree to consult promptly through appropriate channels at the request of either Party to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.

3. Each Party shall refer to the Stabilisation and Association Council any dispute relating to the application or interpretation of this Agreement. In that case, Article 130 and, as the case may be, Protocol 7 shall apply.

The Stabilisation and Association Council may settle the dispute by means of a binding decision.

4. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Stabilisation and Association Council with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the Stabilisation and Association Council and shall be the subject of consultations if the other Party so requests within the Stabilisation and Association Council, the Stabilisation and Association Committee or any other body set up on the basis of Articles 123 or 124.

5. The provisions of paragraphs 2, 3 and 4 shall in no way affect and are without prejudice to Articles 32, 40, 41, 42, 46 and Protocol 3 (Definition of the concept of originating products and methods of administrative cooperation).

Article 130

1. When a dispute arises between the Parties concerning the interpretation or the implementation of this Agreement, any Party shall notify to the other Party and the Stabilisation and Association Council a formal request that the matter in dispute be resolved.

Where a Party considers that a measure adopted by the other Party, or a failure of the other Party to act, constitutes a breach of its obligations under this Agreement, the formal request that the dispute be resolved shall give the reasons for this opinion and indicate, as the case may be, that the Party may adopt measures as provided for in Article 129, paragraph 4.

2. The Parties shall endeavour to resolve the dispute by entering into good faith consultations within the Stabilisation and Association Council and other bodies as provided in paragraph 3, with the aim of reaching as soon as possible a mutually acceptable solution.

3. The Parties shall provide the Stabilisation and Association Council with all relevant information required for a thorough examination of the situation.

As long as the dispute is not resolved, it shall be discussed at every meeting of the Stabilisation and Association Council, unless the arbitration procedure as provided for in Protocol 7 has been initiated. A dispute shall be deemed to be resolved when the Stabilisation and Association Council has taken a binding decision to settle the matter as provided for in Article 129, paragraph 3, or when it has declared that there is no dispute anymore.

Consultations on a dispute can also be held at any meeting of the Stabilisation and Association Committee or any other relevant committee or body set up on the basis of Articles 123 or 124, as agreed between the Parties or at the request of any of the Parties. Consultations may also be held in writing.

All information disclosed during the consultations shall remain confidential.

4. For matters within the scope of application of Protocol 7, any Party may submit the matter in dispute for settlement through arbitration in accordance with that Protocol, when the Parties have failed to resolve the dispute within two months after the initiation of the dispute settlement procedure in accordance with paragraph 1.

Article 131

This Agreement shall not, until equivalent rights for individuals and economic operators have been achieved under this Agreement, affect rights ensured to them through existing Agreements binding one or more Member States, on the one hand, and Serbia, on the other.

Article 132

Annexes I to VII and Protocols 1, 2, 3, 4, 5, 6 and 7 shall form an integral part of this Agreement.

The Framework Agreement between the European Community and Serbia and Montenegro on the general principles for the participation of Serbia and Montenegro in Community Programmes, signed on 21 November 2004, and the Annex thereto shall form an integral part of this Agreement. The review provided for in Article 8 of that Framework Agreement shall be carried out within the Stabilisation and Association Council, which shall have the power to amend, if necessary, the Framework Agreement.

Article 133

This Agreement shall be concluded for an unlimited period.

Either Party may denounce this Agreement by notifying the other Party. This Agreement shall terminate six months after the date of such notification.

Either Party may suspend this Agreement, with immediate effect, in the event of the non-compliance by the other Party of one of the essential elements of this Agreement.

Article 134

For the purposes of this Agreement, the term 'Parties' shall mean the Community, or its Member States, or the Community and its Member States, in accordance with their respective powers, of the one part, and the Republic of Serbia, of the other part.

Article 135

This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the European Community and the European Atomic Energy Community are applied and under the conditions laid down in those Treaties, and to the territory of Serbia on the other.

This Agreement shall not apply in Kosovo which is at present under international administration pursuant to United Nations Security Council Resolution 1244 of 10 June 1999. This is without prejudice to the current status of Kosovo or the determination of its final status under that Resolution.

Article 136

The Secretary-General of the Council of the European Union shall be the depository of this Agreement.

Article 137

This Agreement shall be drawn up in duplicate in the Bulgarian, Spanish, Czech, Danish, German, Estonian, Greek, English, French, Italian, Latvian, Lithuanian, Hungarian, Maltese, Dutch, Polish, Portuguese, Romanian, Slovak, Slovene, Finnish, Swedish and Serbian languages, each text being equally authentic.

Article 138

The Parties shall approve this Agreement in accordance with their own procedures.

This Agreement shall enter into force on the first day of the second month following the date on which the Parties notify each other that the procedures referred to in the first paragraph have been completed.

*Article 139***Interim Agreement**

In the event that, pending the completion of the procedures necessary for the entry into force of this Agreement, the provisions of certain parts of this Agreement, in particular those relating to the free movement of goods as well as the relevant provisions on Transport, are put into effect by means of Interim Agreements between the Community and Serbia, the Parties agree that, in such circumstances for the purpose of the provisions of Title IV, Articles 73, 74 and 75 of this Agreement, Protocols 1, 2, 3, 5, 6 and 7, and relevant provisions of Protocol 4, hereto, the terms 'date of entry into force of this Agreement' mean the date of entry into force of the relevant Interim Agreement in relation to obligations contained in the abovementioned provisions.