

to the dumping within the meaning of Article VI of GATT 1994 or no other satisfactory solution has been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures;

(b) as regards Article 25, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Association Committee. The Association Committee may take any decision needed to put an end to the difficulties. If it has not taken such a decision within 30 days of the matter being referred to it, the exporting party may apply appropriate measures on the exportation of the product concerned;

(c) where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Community or Algeria, whichever is concerned, may, in the situations specified in Articles 22 and 25, apply forthwith the precautionary measures strictly necessary to deal with the situation and shall inform the other Party immediately thereof.

ARTICLE 27

Nothing in this Agreement shall preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security, of the protection of health and life of humans, animals or plants, of the protection of national treasures possessing artistic, historic or archaeological value, of the protection of intellectual, industrial and commercial property or of regulations concerning gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

ARTICLE 28

The concept of "originating products" for the application of the provisions of the present Title and the methods of administrative cooperation relating to them are set out in Protocol No 6.

ARTICLE 29

The Combined Nomenclature of goods shall be applied to the classification of goods for imports into the Community. The Algerian customs tariff shall be applied to the classification of goods for imports into Algeria.

TITLE III

TRADE IN SERVICES

ARTICLE 30

Reciprocal commitments

1. The European Community and its Member States shall extend to Algeria the treatment which they are obliged to grant under Article II.1 of the General Agreement on Trade in Services, hereinafter referred to as GATS.

2. The European Community and its Member States shall grant to Algerian service suppliers no less favourable treatment than that accorded to like service suppliers as specified in the schedule of specific commitments taken by the European Community and its Member States under the GATS to which it is annexed.

3. This treatment shall not apply to advantages accorded by either Party under the terms of an agreement of the type defined in Article V of the GATS or to measures taken on the basis of such an agreement and to other advantages granted in accordance with the list of most-

favoured-nation exemptions annexed by the European Community and its Member States to the GATS.

4. Algeria shall grant no less favourable treatment to service suppliers of the European Community and its Member States than that specified in Articles 31 to 33.

ARTICLE 31

Cross-border supply of services With regard to the supply of services by Community service suppliers into the territory of Algeria, other than through a commercial presence or the presence of natural persons, as referred to in Articles 32 and 33, Algeria shall grant treatment to Community service suppliers no less favourable than that accorded to companies of any third country.

ARTICLE 32

Commercial presence

1.(a) Algeria shall grant for the establishment of Community companies in its territory treatment no less favourable than that accorded to companies of any third country;
(b) Algeria shall grant to subsidiaries and branches of Community companies, established in its territory in accordance with its legislation, in respect of their operations, treatment no less favourable than that accorded to its own companies or branches, or to Algerian subsidiaries or branches of companies of any third country, whichever is the better.

2. The treatment referred to in paragraph 1(a) and (b) shall be granted to companies, subsidiaries and branches established in Algeria on the date of entry into force of this Agreement and to companies, subsidiaries and branches established there after that date.

ARTICLE 33

Temporary presence of natural persons

1. A Community company or Algerian company established in the territory of Algeria or the Community respectively shall be entitled to temporarily employ, or have temporarily employed by one of its subsidiaries or branches, in accordance with the legislation in force in the host country of establishment, employees who are nationals of Community Member States and Algeria respectively, provided that such employees are key personnel as defined in paragraph 2, and that they are employed exclusively by such companies, subsidiaries or branches. The residence and work permits of such employees shall only cover the period of such employment.

2. Key personnel of the abovementioned companies herein referred to as "organisations" are "intra-corporate transferees" as defined in (c) in the following categories, provided that the organisation is a legal person and that the persons concerned have been employed by it or have been partners in it (other than as majority shareholders), for at least the twelve months immediately preceding such movement:

(a) persons working in a senior position with an organisation, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or stockholders of the business or their equivalent, including:

- directing the establishment or a department or sub-division of the establishment;
- supervising and controlling the work of other supervisory, professional or managerial employees;
- having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions;

(b) persons working within an organisation who possess uncommon knowledge essential to the establishment's service, research equipment, techniques or management. The assessment of such knowledge may reflect, apart from knowledge specific to the establishment, a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession;

(c) an "intra-corporate transferee" is defined as a natural person working within an organization in the territory of a Party, and being temporarily transferred in the context of pursuit of economic activities in the territory of the other Party; the organisation concerned must have its principal place of business in the territory of a Party and the transfer be to an establishment (branch, subsidiary) of that organisation, effectively pursuing like economic activities in the territory of the other Party.

3. The entry into and the temporary presence within the respective territories of Algeria and the Community of nationals of the Member States or of Algeria respectively, shall be permitted, when these representatives of companies are persons working in a senior position, as defined in paragraph 2(a), within a company, and are responsible for the establishment of an Algerian or a Community company, in the Community or Algeria respectively, when:

- those representatives are not engaged in making direct sales or supplying services, and
- the company has no other representative, office, branch or subsidiary in a Community Member State or Algeria respectively.

ARTICLE 34

Transport

1. Articles 30 to 33 shall not apply to air, inland waterway or land transport or to national shipping (cabotage), subject to the provisions of paragraphs 2 to 6 of this Article.

2. In respect of activities undertaken by shipping agencies for the provision of international maritime transport services, including inter-modal activities involving a sea leg, each Party shall permit to the companies of the other Party their commercial presence in its territory in the form of subsidiaries or branches, under conditions of establishment and operation no less favourable than those accorded to its own companies or to subsidiaries or branches of companies of any third country whichever are the better. Such activities include, but are not limited to:

(a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, whether these services are operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;

(b) purchase and use, on their own account or on behalf of their customer (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of an integrated service;

(c) preparation of transport documents, customs documents, or other documents related to the origin and character of the goods transported;

(d) provision of business information of any means, including computerised information systems and electronic data interchange (subject to any non-discriminatory restrictions concerning telecommunications);

(e) setting up of any business arrangement, including participation in the company's stock and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the relevant provisions of this Agreement), with any locally established shipping agency;

(f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. With respect to maritime transport, the Parties undertake to apply effectively the principle of unrestricted access to the international market and traffic on a commercial basis. However, the legislation of each Party shall apply to the preferential right of the national flag for national cabotage and for salvage, towage and pilotage. These provisions do not prejudice the rights and obligations arising under the United Nations Convention on a Code of Conduct for Liner Conferences, as applicable for either Party to this Agreement. Non-conference lines shall be free to operate in competition with a conference line as long as they adhere to the principle of fair competition on a commercial basis. The Parties affirm their commitment to a freely competitive environment as being an essential feature of the dry and liquid bulk trade.

4. In applying the principles of paragraph 3 above, the Parties shall:

(a) not introduce cargo-sharing arrangements in future bilateral Agreements with third countries concerning dry and liquid bulk and liner trade. However, this does not exclude the possibility of such arrangements concerning liner cargo in those exceptional circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;

(b) abolish, upon entry into force of this Agreement, all unilateral measures, administrative, technical and other obstacles which could constitute a disguised restriction or have discriminatory effects on the free supply of services in international maritime transport.

5. Each Party shall grant, *inter alia*, a treatment no less favourable than that accorded to its own ships, for the ships used for the transport of goods, passengers or both, sailing under the flag of the other Party or operated by its nationals or companies, with respect to access to ports, the use of infrastructure and auxiliary maritime services of those ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

6. With a view to coordinated development of transport between the Parties, adapted to their commercial needs, the conditions of mutual market access and provision of air, road, rail and inland waterway transport services may be dealt with by specific arrangements, where appropriate, negotiated between the Parties after the entry into force of this Agreement.

ARTICLE 35

Domestic regulation

1. The provisions of Title III shall not prejudice the application by each Party of any measures necessary to prevent the circumvention of its measures concerning third country access to its market, through the provisions of this Agreement.

2. The provisions of this Title shall be applied subject to limitations justified on grounds of public policy, public security or public health. They shall not apply to activities which in the territory of either Party are connected, even occasionally, with the exercise of official authority.

3. The provisions of this title do not preclude the application by a Party of particular rules concerning the establishment and operation in its territory of branches of companies of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches as compared to branches of companies incorporated in its territory or, as regards financial services, for prudential reasons. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences or, as regards financial services, for prudential reasons.

4. Notwithstanding any other provisions of this Agreement, a Party shall not be prevented from taking measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Where such measures do not conform with the provisions of the Agreement, they shall not be used as a means of avoiding the obligations of a Party under the Agreement.

5. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

6. For the purpose of the movement of natural persons supplying a service, nothing in this Agreement shall prevent the Parties from applying their laws and regulations regarding entry and stay, work, labour conditions and establishment of natural persons and supply of services, provided that, in so doing, they do not apply them in a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific provision of the Agreement. The above provision does not prejudice the application of paragraph 2.

ARTICLE 36

Definitions

For the purposes of this Agreement:

(a) A "service supplier" shall mean any natural or legal person who supplies a service from the territory of one Party into the territory of the other Party, in the territory of one Party to the service consumer of the other Party, through commercial presence (establishment) in the territory of the other Party and through the presence of a natural person of a Party in the territory of the other Party;

(b) A "Community company" or "Algerian company" respectively shall mean a company set up in accordance with the laws of a Member State or of Algeria respectively and having its registered office or central administration or principal place of business in the territory of the Community or Algeria respectively. However, should the company, set up in accordance with the laws of a Member State or Algeria respectively, have only its registered office in the territory of the Community or Algeria respectively, the company shall be considered a Community or Algerian company respectively if its operations possess a real and continuous link with the economy of one of the Member States or Algeria respectively;

(c) "Subsidiary" of a company shall mean a company which is controlled by the first company;

(d) "Branch" of a company shall mean a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management and is materially equipped to negotiate business with third parties so that the latter, although knowing that there will, if necessary, be a legal link with the parent body, the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension;

(e) "Establishment" shall mean the right of Community or Algerian companies as referred to in subparagraph (b) to take up economic activities by means of the setting-up of subsidiaries and branches in Algeria or in the Community respectively;

(f) "Operation" shall mean the pursuit of economic activities;

(g) "Economic activities" shall mean activities of an industrial, commercial and professional character;

(h) "National of a Member State or of Algeria" shall mean a natural person who is a national of one of the Member States or of Algeria respectively.

With regard to international maritime transport, including inter-modal operations involving a sea leg, nationals of the Member States or of Algeria established outside the Community or Algeria respectively, and shipping companies established outside the Community or Algeria and controlled by nationals of a Member State or Algerian nationals respectively, shall also be subject to the provisions of this Title if their vessels are registered in that Member State or in Algeria respectively in accordance with their respective legislations.

ARTICLE 37

General provisions

1. The Parties shall avoid taking any measures or actions which render the conditions for the establishment and operation of each other's companies more restrictive than the situation existing on the day preceding the date of signature of this Agreement.
2. The Parties undertake to consider development of this Title with a view to the establishment of an "economic integration agreement" as defined in Article V of GATS. In making such recommendations, the Association Council shall take account of past experience of implementation of the most-favoured-nation treatment and of the obligations of each Party under the GATS, and in particular Article V thereof. The Association Council shall also, when making such examination, take into account progress made in the approximation of laws between the Parties in the relevant activities. This objective shall be subject to a first examination by the Association Council at the latest five years after the entry into force of this Agreement.

TITLE IV

PAYMENTS, CAPITAL, COMPETITION AND OTHER ECONOMIC PROVISIONS

CHAPTER 1

CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

ARTICLE 38

Subject to the provisions of Article 40, the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency.

ARTICLE 39

1. The Community and Algeria shall ensure, from the entry into force of the Agreement, that capital relating to direct investments in Algeria in companies formed in accordance with current laws can move freely and that the yield from such investments and any profit stemming therefrom can be liquidated and repatriated.
2. The Parties shall consult each other and cooperate with a view to establishing the necessary conditions for facilitating and fully liberalising the movement of capital between the Community and Algeria.

ARTICLE 40

Where one or more Member States of the Community, or Algeria, is in serious balance of payments difficulties, or under threat thereof, the Community or Algeria, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go