

ARTICLE 1

1. Obstacles to substantially all the trade between the European Economic Community and Spain shall be eliminated in two stages according to the procedure hereinafter prescribed.
2. The first stage shall last at least six years.
3. Passage from the first to the second stage shall be effected by agreement between the Contracting Parties as and when the conditions are fulfilled.
4. The first stage shall be governed by the provisions hereinafter set forth.

PART I

TRADE

ARTICLE 2

1. Products originating in Spain shall upon importation into the Community benefit from the provisions set forth in Annex I.
2. Products originating in the Community shall upon importation into Spain benefit from the provisions set forth in Annex II.
3. The Contracting Parties shall take all general or special measures calculated to ensure execution of the obligations arising out of the Agreement.

They shall abstain from any action likely to jeopardize attainment of the aims of the Agreement.

ARTICLE 3

Any measure or practice of an internal fiscal character that establishes, whether directly or indirectly, a discrimination as between the products of one Contracting Party and the like products originating in the other Contracting Party shall be prohibited.

ARTICLE 4

The trade régime applied by Spain to products originating in or consigned to the Community may not result in any discrimination between the member States, their nationals or their companies.

The trade régime applied by the Community to products originating in or consigned to Spain may not result in any discrimination between Spanish nationals or companies.

ARTICLE 5

Subject to special provisions in respect of frontier trade, the treatment accorded by Spain to products originating in the Community may in no case be less favourable than that accorded to products originating in the most-favoured third State.

ARTICLE 6

To the extent that export duties are charged on the products of one Contracting Party when consigned to the other Contracting Party, those duties may not be in excess of those imposed on products consigned to the most-favoured third State.

ARTICLE 7

The provisions of articles 5 and 6 shall not prevent the maintenance or establishment by Spain of customs unions or free-trade areas, to the extent that these do not have the effect of changing the trade régime, and in particular the provisions concerning rules of origin, provided for by the present Agreement.

ARTICLE 8

The provisions set forth in the Protocol define the rules of origin applicable to products covered by this Agreement.

ARTICLE 9

1. A Contracting Party becoming aware of dumping practices in its relations with the other Contracting Party may, after consultation in the Joint Commission established by article 13, take measures of defence against such practices in accordance with the Agreement on implementation of Article VI of the General Agreement on Tariffs and Trade.

In case of urgency the said Contracting Party may, after notifying the Joint Commission, take the provisional measures prescribed by the said Agreement. Consultations thereon shall be held not later than two weeks after the taking of the measures.

2. In taking measures against bonuses and subsidies the Contracting Parties undertake to observe the provisions of Article VI of the General Agreement on Tariffs and Trade.

3. Dumping practices, bonuses and subsidies observed and measures taken against them shall, at the request of one of the Contracting Parties, be the subject of consultations every three months in the Joint Commission.

ARTICLE 10

Payments in respect of trade in goods and likewise the transfer of such payments to the member States in which the creditor resides or to Spain shall not be subject to any restriction to the extent that such trade falls within the purview of this Agreement.

ARTICLE 11

1. If serious disturbances occur in a sector of Spain's economic activity or threaten its external financial stability, or if difficulties arise that have the effect of altering the economic situation of any area of Spain, the latter may take the necessary safeguard measures.

These measures and their implementing modalities shall be notified without delay to the Joint Commission.

2. If serious disturbances occur in a sector of the economic activity of the Community or of one or more of the member States, or threaten their external financial stability, or if difficulties arise that have the effect of altering the economic situation of any area of the Community, the latter may take or authorize the member State or States concerned to take the necessary safeguard measures.

These measures and their implementing modalities shall be notified without delay to the Joint Commission.

3. For the implementation of the provisions of paragraphs 1 and 2, the measures selected must as a matter of priority be those causing the least possible disturbance in the functioning of the régime established by the Agreement. These measures must not exceed what is strictly necessary to remedy the difficulties which have arisen.

4. Consultations may take place in the Joint Commission on measures taken in pursuance of paragraphs 1 and 2.

ARTICLE 12

The provisions of this Agreement shall not prevent prohibitions or restrictions being imposed on imports, exports or transit on the grounds of public morality, public order, public security, protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archaeological value, or the protection of industrial or commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade.