

PART I

OBJECTIVES AND PRINCIPLES

Article 1

1. The aim of this Agreement of association is to promote a continuous and balanced strengthening of trade and economic relations between the Contracting Parties with equal conditions of competition, and the respect of the same rules, with a view to creating a homogeneous European Economic Area, hereinafter referred to as the EEA.

2. In order to attain the objectives set out in paragraph 1, the association shall entail, in accordance with the provisions of this Agreement :

- (a) the free movement of goods;
- (b) the free movement of persons;
- (c) the free movement of services;
- (d) the free movement of capital;
- (e) the setting up of a system ensuring that competition is not distorted and that the rules thereon are equally respected; as well as
- (f) closer cooperation in other fields, such as research and development, the environment, education and social policy.

Article 2

For the purposes of this Agreement :

- (a) the term "Agreement" means the main Agreement, its Protocols and Annexes as well as the acts referred to therein;
- (b) the term "EFTA States" means the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Kingdom of Sweden and, under the conditions laid down in Article 1(2) of the Protocol Adjusting the Agreement on the European Economic Area, the Principality of Liechtenstein;⁵
- (c) the term "Contracting Parties" means, concerning the Community and the EC Member States, the Community and the EC Member States, or the Community, or the EC Member States. The meaning to be attributed to this expression in each case is to be deduced from the relevant provisions of this Agreement and from the respective competences of the Community and the EC Member States as they follow from the Treaty establishing the European Economic Community and the Treaty establishing the European Coal and Steel Community.

Article 3

The Contracting Parties shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of this Agreement.

They shall abstain from any measure which could jeopardize the attainment of the objectives of this Agreement.

Moreover, they shall facilitate cooperation within the framework of this Agreement.

Article 4

Within the scope of application of this Agreement, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited.

Article 5

A Contracting Party may at any time raise a matter of concern at the level of the EEA Joint Committee or the EEA Council according to the modalities laid down in Articles 92 (2) and 89 (2), respectively.

Article 6

Without prejudice to future developments of case law, the provisions of this Agreement, in so far as they are identical in substance to corresponding rules of the Treaty establishing the European Economic Community and the Treaty establishing the European Coal and Steel Community and to acts adopted in application of these two Treaties, shall, in their implementation and application, be interpreted in conformity with the relevant rulings of the Court of Justice of the European Communities given prior to the date of signature of this Agreement.

Article 7

Acts referred to or contained in the Annexes to this Agreement or in decisions of the EEA Joint Committee shall be binding upon the Contracting Parties and be, or be made, part of their internal legal order as follows :

(a) an act corresponding to an EEC regulation shall as such be made part of the internal legal order of the Contracting Parties;

(b) an act corresponding to an EEC directive shall leave to the authorities of the Contracting Parties the choice of form and method of implementation.