

PART II

FREE MOVEMENT OF GOODS

CHAPTER 1: BASIC PRINCIPLES

Article 8

1. Free movement of goods between the Contracting Parties shall be established in conformity with the provisions of this Agreement.
2. Unless otherwise specified, Articles 10 to 15, 19, 20 and 25 to 27 shall apply only to products originating in the Contracting Parties.
3. Unless otherwise specified, the provisions of this Agreement shall apply only to:
 - (a) products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Protocol 2;
 - (b) products specified in Protocol 3, subject to the specific arrangements set out in that Protocol.

Article 9

1. The rules of origin are set out in Protocol 4. They are without prejudice to any international obligations which have been, or may be, subscribed to by the Contracting Parties under the General Agreement on Tariffs and Trade.
2. With a view to developing the results achieved in this Agreement, the Contracting Parties will continue their efforts in order further to improve and simplify all aspects of rules of origin and to increase cooperation in customs matters.
3. A first review will take place before the end of 1993. Subsequent reviews will take place at two-yearly intervals. On the basis of these reviews, the Contracting Parties undertake to decide on the appropriate measures to be included in this Agreement.

Article 10

Customs duties on imports and exports, and any charges having equivalent effect, shall be prohibited between the Contracting Parties. Without prejudice to the arrangements set out in Protocol 5, this shall also apply to customs duties of a fiscal nature.

Article 11

Quantitative restrictions on imports and all measures having equivalent effect shall be prohibited between the Contracting Parties.

Article 12

Quantitative restrictions on exports and all measures having equivalent effect shall be prohibited between the Contracting Parties.

Article 13

The provisions of Articles 11 and 12 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

Article 14

No Contracting Party shall impose, directly or indirectly, on the products of other Contracting Parties any internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products.

Furthermore, no Contracting Party shall impose on the products of other Contracting Parties any internal taxation of such a nature as to afford indirect protection to other products.

Article 15

Where products are exported to the territory of any Contracting Party, any repayment of internal taxation shall not exceed the internal taxation imposed on them whether directly or indirectly.

Article 16

1. The Contracting Parties shall ensure that any State monopoly of a commercial character be adjusted so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of EC Member States and EFTA States.

2. The provisions of this Article shall apply to any body through which the competent authorities of the Contracting Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between Contracting Parties. These provisions shall likewise apply to monopolies delegated by the State to others.

CHAPTER 2: AGRICULTURAL AND FISHERY PRODUCTS

Article 17

Annex I contains specific provisions and arrangements concerning veterinary and phytosanitary matters.

Article 18

Without prejudice to the specific arrangements governing trade in agricultural products, the Contracting Parties shall ensure that the arrangements provided for in Articles 17 and 23 (a) and (b), as they apply to products other than those covered by Article 8(3), are not compromised by other technical barriers to trade. Article 13 shall apply.

Article 19

1. The Contracting Parties shall examine any difficulties that might arise in their trade in agricultural products and shall endeavour to seek appropriate solutions.

2. The Contracting Parties undertake to continue their efforts with a view to achieving progressive liberalization of agricultural trade.

3. To this end, the Contracting Parties will carry out, before the end of 1993 and subsequently at two-yearly intervals, reviews of the conditions of trade in agricultural products.

4. In the light of the results of these reviews, within the framework of their respective agricultural policies and taking into account the results of the Uruguay Round, the Contracting Parties will decide, within the framework of this Agreement, on a preferential, bilateral or multilateral, reciprocal and mutually beneficial basis, on further reductions of any type of barriers to trade in the agricultural sector, including those resulting from State monopolies of a commercial character in the agricultural field.

Article 20

Provisions and arrangements that apply to fish and other marine products are set out in Protocol 9.

CHAPTER 3: COOPERATION IN CUSTOMS-RELATED MATTERS AND TRADE FACILITATION

Article 21

1. In order to facilitate trade between them, the Contracting Parties shall simplify border controls and formalities. Arrangements for this purpose are set out in Protocol 10.

2. The Contracting Parties shall assist each other in customs matters in order to ensure that customs legislation is correctly applied. Arrangements for this purpose are set out in Protocol 11.

3. The Contracting Parties shall strengthen and broaden cooperation with the aim of simplifying the procedures for trade in goods, in particular in the context of Community programmes, projects and actions aimed at trade facilitation, in accordance with the rules set out in Part VI.

4. Notwithstanding Article 8(3), this Article shall apply to all products.

Article 22

A Contracting Party which is considering the reduction of the effective level of its duties or charges having equivalent effect applicable to third countries benefiting from most-favoured-nation treatment, or which is considering the suspension of their application, shall, as far as may be practicable, notify the EEA Joint Committee not later than thirty days before such reduction or suspension comes into effect. It shall take note of any representations by other Contracting Parties regarding any distortions which might result therefrom.

CHAPTER 4: OTHER RULES RELATING TO THE FREE MOVEMENT OF GOODS

Article 23

Specific provisions and arrangements are laid down in:

- (a) Protocol 12 and Annex II in relation to technical regulations, standards, testing and certification;
- (b) Protocol 47 in relation to the abolition of technical barriers to trade in wine;
- (c) Annex III in relation to product liability.

They shall apply to all products unless otherwise specified.

Article 24

Annex IV contains specific provisions and arrangements concerning energy.

Article 25

Where compliance with the provisions of Articles 10 and 12 leads to:

- (a) re-export towards a third country against which the exporting Contracting Party maintains, for the product concerned, quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Contracting Party;

and where the situations referred to above give rise, or are likely to give rise, to major difficulties for the exporting Contracting Party, that Contracting Party may take appropriate measures in accordance with the procedures set out in Article 113.

Article 26

Anti-dumping measures, countervailing duties and measures against illicit commercial practices attributable to third countries shall not be applied in relations between the Contracting Parties, unless otherwise specified in this Agreement.

CHAPTER 5: COAL AND STEEL PRODUCTS

Article 27

Provisions and arrangements concerning coal and steel products are set out in Protocols 14 and 25.

PART III

FREE MOVEMENT OF PERSONS, SERVICES AND CAPITAL

CHAPTER 1: WORKERS AND SELF-EMPLOYED PERSONS

Article 28

1. Freedom of movement for workers shall be secured among EC Member States and EFTA States.
2. Such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of EC Member States and EFTA States as regards employment, remuneration and other conditions of work and employment.
3. It shall entail the right, subject to limitations justified on grounds of public policy, public security or public health: