

Article 86

The EEA Joint Committee shall, in accordance with Part VII, take all decisions necessary for the implementation of Articles 78 to 85 and measures derived therefrom, which may include, inter alia, supplementing and amending the provisions of Protocol 31, as well as adopting any transitional arrangements required by way of implementation of Article 85.

Article 87

The Contracting Parties shall take the necessary steps to develop, strengthen or broaden cooperation in the framework of the Community's activities in fields not listed in Article 78, where such cooperation is considered likely to contribute to the attainment of the objectives of this Agreement, or is otherwise deemed by the Contracting Parties to be of mutual interest. Such steps may include the amendment of Article 78 by the addition of new fields to those listed therein.

Article 88

Without prejudice to provisions of other Parts of this Agreement, the provisions of this Part shall not preclude the possibility for any Contracting Party to prepare, adopt and implement measures independently.

PART VII

INSTITUTIONAL PROVISIONS

CHAPTER 1: THE STRUCTURE OF THE ASSOCIATION

Section 1

The EEA Council

Article 89

1. An EEA Council is hereby established. It shall, in particular, be responsible for giving the political impetus in the implementation of this Agreement and laying down the general guidelines for the EEA Joint Committee.

To this end, the EEA Council shall assess the overall functioning and the development of the Agreement. It shall take the political decisions leading to amendments of the Agreement.

2. The Contracting Parties, as to the Community and the EC Member States in their respective fields of competence, may, after having discussed it in the EEA Joint Committee, or directly in exceptionally urgent cases, raise in the EEA Council any issue giving rise to a difficulty.

3. The EEA Council shall by decision adopt its rules of procedure.

Article 90

1. The EEA Council shall consist of the members of the Council of the European Communities and members of the EC Commission, and of one member of the Government of each of the EFTA States.

Members of the EEA Council may be represented in accordance with the conditions to be laid down in its rules of procedure.

2. Decisions by the EEA Council shall be taken by agreement between the Community, on the one hand, and the EFTA States, on the other.

Article 91

1. The office of President of the EEA Council shall be held alternately, for a period of six months, by a member of the Council of the European Communities and a member of the Government of an EFTA State.

2. The EEA Council shall be convened twice a year by its President. The EEA Council shall also meet whenever circumstances so require, in accordance with its rules of procedure.

Section 2

The EEA Joint Committee

Article 92

1. An EEA Joint Committee is hereby established. It shall ensure the effective implementation and operation of this Agreement. To this end, it shall carry out exchanges of views and information and take decisions in the cases provided for in this Agreement.

2. The Contracting Parties, as to the Community and the EC Member States in their respective fields of competence, shall hold consultations in the EEA Joint Committee on any point of relevance to the Agreement giving rise to a difficulty and raised by one of them.

3. The EEA Joint Committee shall by decision adopt its rules of procedure.

Article 93

1. The EEA Joint Committee shall consist of representatives of the Contracting Parties.

2. The EEA Joint Committee shall take decisions by agreement between the Community, on the one hand, and the EFTA States speaking with one voice, on the other.

Article 94

1. The office of President of the EEA Joint Committee shall be held alternately, for a period of six months, by the representative of the Community, i.e. the EC Commission, and the representative of one of the EFTA States.

2. In order to fulfil its functions, the EEA Joint Committee shall meet, in principle, at least once a month. It shall also meet on the initiative of its President or at the request of one of the Contracting Parties in accordance with its rules of procedure.

3. The EEA Joint Committee may decide to establish any subcommittee or working group to assist it in carrying out its tasks. The EEA Joint Committee shall in its rules of procedure lay down the composition and mode of operation of such subcommittees and working groups. Their tasks shall be determined by the EEA Joint Committee in each individual case.

4. The EEA Joint Committee shall issue an annual report on the functioning and the development of this Agreement.

Section 3

Parliamentary cooperation

Article 95

1. An EEA Joint Parliamentary Committee is hereby established. It shall be composed of equal numbers of, on the one hand, members of the European Parliament and, on the other, members of Parliaments of the EFTA States. The total number of members of the Committee is laid down in the Statute in Protocol 36.
2. The EEA Joint Parliamentary Committee shall alternately hold sessions in the Community and in an EFTA State in accordance with the provisions laid down in Protocol 36.
3. The EEA Joint Parliamentary Committee shall contribute, through dialogue and debate, to a better understanding between the Community and the EFTA States in the fields covered by this Agreement.
4. The EEA Joint Parliamentary Committee may express its views in the form of reports or resolutions, as appropriate. It shall, in particular, examine the annual report of the EEA Joint Committee, issued in accordance with Article 94 (4), on the functioning and the development of this Agreement.
5. The President of the EEA Council may appear before the EEA Joint Parliamentary Committee in order to be heard by it.
6. The EEA Joint Parliamentary Committee shall adopt its rules of procedure.

Section 4

Cooperation between economic and social partners

Article 96

1. Members of the Economic and Social Committee and other bodies representing the social partners in the Community and the corresponding bodies in the EFTA States shall work to strengthen contacts between them and to cooperate in an organized and regular manner in order to enhance the awareness of the economic and social aspects of the growing interdependence of the economies of the Contracting Parties and of their interests within the context of the EEA.
2. To this end, an EEA Consultative Committee is hereby established. It shall be composed of equal numbers of, on the one hand, members of the Economic and Social Committee of the Community and, on the other, members of the EFTA Consultative Committee. The EEA Consultative Committee may express its views in the form of reports or resolutions, as appropriate.
3. The EEA Consultative Committee shall adopt its rules of procedure.

CHAPTER 2: THE DECISION-MAKING PROCEDURE

Article 97

This Agreement does not prejudice the right for each Contracting Party to amend, without prejudice to the principle of non-discrimination and after having informed the other Contracting Parties, its internal legislation in the areas covered by this Agreement:

- if the EEA Joint Committee concludes that the legislation as amended does not affect the good functioning of this Agreement; or
- if the procedures referred to in Article 98 have been completed.

Article 98

The Annexes to this Agreement and Protocols 1 to 7, 9 to 11, 19 to 27, 30 to 32, 37, 39, 41 and 47, as appropriate, may be amended by a decision of the EEA Joint Committee in accordance with Articles 93 (2), 99, 100, 102 and 103.

Article 99

1. As soon as new legislation is being drawn up by the EC Commission in a field which is governed by this Agreement, the EC Commission shall informally seek advice from experts of the EFTA States in the same way as it seeks advice from experts of the EC Member States for the elaboration of its proposals.

2. When transmitting its proposal to the Council of the European Communities, the EC Commission shall transmit copies thereof to the EFTA States.

At the request of one of the Contracting Parties, a preliminary exchange of views takes place in the EEA Joint Committee.

3. During the phase preceding the decision of the Council of the European Communities, in a continuous information and consultation process, the Contracting Parties consult each other again in the EEA Joint Committee at the significant moments at the request of one of them.

4. The Contracting Parties shall cooperate in good faith during the information and consultation phase with a view to facilitating, at the end of the process, the decision-taking in the EEA Joint Committee.

Article 100

The EC Commission shall ensure experts of the EFTA States as wide a participation as possible according to the areas concerned, in the preparatory stage of draft measures to be submitted subsequently to the committees which assist the EC Commission in the exercise of its executive powers. In this regard, when drawing up draft measures the EC Commission shall refer to experts of the EFTA States on the same basis as it refers to experts of the EC Member States.

In the cases where the Council of the European Communities is seized in accordance with the procedure applicable to the type of committee involved, the EC Commission shall transmit to the Council of the European Communities the views of the experts of the EFTA States.

Article 101

1. In respect of committees which are covered neither by Article 81 nor by Article 100 experts from EFTA States shall be associated with the work when this is called for by the good functioning of this Agreement.

These committees are listed in Protocol 37. The modalities of such an association are set out in the relevant sectoral Protocols and Annexes dealing with the matter concerned.

2. If it appears to the Contracting Parties that such an association should be extended to other committees which present similar characteristics, the EEA Joint Committee may amend Protocol 37.

Article 102

1. In order to guarantee the legal security and the homogeneity of the EEA, the EEA Joint Committee shall take a decision concerning an amendment of an Annex to this Agreement as closely as possible to the adoption by the Community of the corresponding new Community legislation with a view to permitting a simultaneous application of the latter as well as of the amendments of the Annexes to the Agreement. To this end, the Community shall, whenever adopting a legislative act on an issue which is governed by this Agreement, as soon as possible inform the other Contracting Parties in the EEA Joint Committee.

2. The part of an Annex to this Agreement which would be directly affected by the new legislation is assessed in the EEA Joint Committee.

3. The Contracting Parties shall make all efforts to arrive at an agreement on matters relevant to this Agreement.

The EEA Joint Committee shall, in particular, make every effort to find a mutually acceptable solution where a serious problem arises in any area which, in the EFTA States, falls within the competence of the legislator.

4. If, notwithstanding the application of the preceding paragraph, an agreement on an amendment of an Annex to this Agreement cannot be reached, the EEA Joint Committee shall examine all further possibilities to maintain the good functioning of this Agreement and take any decision necessary to this effect, including the possibility to take notice of the equivalence of legislation. Such a decision shall be taken at the latest at the expiry of a period of six months from the date of referral to the EEA Joint Committee or, if that date is later, on the date of entry into force of the corresponding Community legislation.

5. If, at the end of the time limit set out in paragraph 4, the EEA Joint Committee has not taken a decision on an amendment of an Annex to this Agreement, the affected part thereof, as determined in accordance with paragraph 2, is regarded as provisionally suspended, subject to a decision to the contrary by the EEA Joint Committee. Such a suspension shall take effect six months after the end of the period referred to in paragraph 4, but in no event earlier than the date on which the corresponding EC act is implemented in the Community. The EEA Joint Committee shall pursue its efforts to agree on a mutually acceptable solution in order for the suspension to be terminated as soon as possible.

6. The practical consequences of the suspension referred to in paragraph 5 shall be discussed in the EEA Joint Committee. The rights and obligations which individuals and economic operators have already acquired under this Agreement shall remain. The Contracting Parties shall, as appropriate, decide on the adjustments necessary due to the suspension.

Article 103

1. If a decision of the EEA Joint Committee can be binding on a Contracting Party only after the fulfilment of constitutional requirements, the decision shall, if a date is contained therein, enter into force on that date, provided that the Contracting Party concerned has notified the other Contracting Parties by that date that the constitutional requirements have been fulfilled.

In the absence of such a notification by that date, the decision shall enter into force on the first day of the second month following the last notification.

2. If upon the expiry of a period of six months after the decision of the EEA Joint Committee such a notification has not taken place, the decision of the EEA Joint Committee shall be applied provisionally pending the fulfilment of the constitutional requirements unless a Contracting Party notifies that such a provisional application cannot take place. In the latter case, or if a Contracting Party notifies the non-ratification of a decision of the EEA Joint Committee, the suspension provided for in Article 102 (5) shall take effect one month after such a notification but in no event earlier than the date on which the corresponding EC act is implemented in the Community.

Article 104

Decisions taken by the EEA Joint Committee in the cases provided for in this Agreement shall, unless otherwise provided for therein, upon their entry into force be binding on the Contracting Parties which shall take the necessary steps to ensure their implementation and application.

CHAPTER 3: HOMOGENEITY, SURVEILLANCE PROCEDURE AND SETTLEMENT OF DISPUTES

Section 1

Homogeneity

Article 105

1. In order to achieve the objective of the Contracting Parties to arrive at as uniform an interpretation as possible of the provisions of the Agreement and those provisions of Community legislation which are substantially reproduced in the Agreement, the EEA Joint Committee shall act in accordance with this Article.

2. The EEA Joint Committee shall keep under constant review the development of the case law of the Court of Justice of the European Communities and the EFTA Court. To this end judgments of these Courts shall be transmitted to the EEA Joint Committee which shall act so as to preserve the homogeneous interpretation of the Agreement.

3. If the EEA Joint Committee within two months after a difference in the case law of the two Courts has been brought before it, has not succeeded to preserve the homogeneous interpretation of the Agreement, the procedures laid down in Article 111 may be applied.

Article 106

In order to ensure as uniform an interpretation as possible of this Agreement, in full deference to the independence of courts, a system of exchange of information concerning judgments by the EFTA Court, the Court of Justice of the European Communities and the Court of First Instance of the European Communities and the Courts of last instance of the EFTA States shall be set up by the EEA Joint Committee. This system shall comprise:

(a) transmission to the Registrar of the Court of Justice of the European Communities of judgments delivered by such courts on the interpretation and application of, on the one hand, this Agreement or, on the other hand, the Treaty establishing the European Economic Community and the Treaty establishing the European Coal and Steel Community, as amended or supplemented, as well as the acts adopted in pursuance thereof in so far as they concern provisions which are identical in substance to those of this Agreement;

(b) classification of these judgments by the Registrar of the Court of Justice of the European Communities including, as far as necessary, the drawing up and publication of translations and abstracts;

(c) communications by the Registrar of the Court of Justice of the European Communities of the relevant documents to the competent national authorities, to be designated by each Contracting Party.

Article 107

Provisions on the possibility for an EFTA State to allow a court or tribunal to ask the Court of Justice of the European Communities to decide on the interpretation of an EEA rule are laid down in Protocol 34.

Section 2

Surveillance procedure

Article 108

1. The EFTA States shall establish an independent surveillance authority (EFTA Surveillance Authority) as well as procedures similar to those existing in the Community including procedures for ensuring the fulfilment of obligations under this Agreement and for control of the legality of acts of the EFTA Surveillance Authority regarding competition.

2. The EFTA States shall establish a court of justice (EFTA Court).

The EFTA Court shall, in accordance with a separate agreement between the EFTA States, with regard to the application of this Agreement be competent, in particular, for:

(a) actions concerning the surveillance procedure regarding the EFTA States;

(b) appeals concerning decisions in the field of competition taken by the EFTA Surveillance Authority;

(c) the settlement of disputes between two or more EFTA States.

Article 109

1. The fulfilment of the obligations under this Agreement shall be monitored by, on the one hand, the EFTA Surveillance Authority and, on the other, the EC Commission acting in conformity with the Treaty establishing the European Economic Community, the Treaty establishing the European Coal and Steel Community and this Agreement.

2. In order to ensure a uniform surveillance throughout the EEA, the EFTA Surveillance Authority and the EC Commission shall cooperate, exchange information and consult each other on surveillance policy issues and individual cases.

3. The EC Commission and the EFTA Surveillance Authority shall receive any complaints concerning the application of this Agreement. They shall inform each other of complaints received.
4. Each of these bodies shall examine all complaints falling within its competence and shall pass to the other body any complaints which fall within the competence of that body.
5. In case of disagreement between these two bodies with regard to the action to be taken in relation to a complaint or with regard to the result of the examination, either of the bodies may refer the matter to the EEA Joint Committee which shall deal with it in accordance with Article 111.

Article 110

Decisions under this Agreement by the EFTA Surveillance Authority and the EC Commission which impose a pecuniary obligation on persons other than States, shall be enforceable. The same shall apply to such judgments under this Agreement by the Court of Justice of the European Communities, the Court of First Instance of the European Communities and the EFTA Court.

Enforcement shall be governed by the rules of civil procedure in force in the State in the territory of which it is carried out. The order for its enforcement shall be appended to the decision, without other formality than verification of the authenticity of the decision, by the authority which each Contracting Party shall designate for this purpose and shall make known to the other Contracting Parties, the EFTA Surveillance Authority, the EC Commission, the Court of Justice of the European Communities, the Court of First Instance of the European Communities and the EFTA Court.

When these formalities have been completed on application by the party concerned, the latter may proceed to enforcement, in accordance with the law of the State in the territory of which enforcement is to be carried out, by bringing the matter directly before the competent authority.

Enforcement may be suspended only by a decision of the Court of Justice of the European Communities, as far as decisions by the EC Commission, the Court of First Instance of the European Communities or the Court of Justice of the European Communities are concerned, or by a decision of the EFTA Court as far as decisions by the EFTA Surveillance Authority or the EFTA Court are concerned. However, the courts of the States concerned shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.

Section 3

Settlement of disputes

Article 111

1. The Community or an EFTA State may bring a matter under dispute which concerns the interpretation or application of this Agreement before the EEA Joint Committee in accordance with the following provisions.
2. The EEA Joint Committee may settle the dispute. It shall be provided with all information which might be of use in making possible an indepth examination of the situation, with a view to finding an acceptable solution. To this end, the EEA Joint Committee shall examine all possibilities to maintain the good functioning of the Agreement.
3. If a dispute concerns the interpretation of provisions of this Agreement, which 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 and if the dispute has not been settled within three months after it has been brought

before the EEA Joint Committee, the Contracting Parties to the dispute may agree to request the Court of Justice of the European Communities to give a ruling on the interpretation of the relevant rules.

If the EEA Joint Committee in such a dispute has not reached an agreement on a solution within six months from the date on which this procedure was initiated or if, by then, the Contracting Parties to the dispute have not decided to ask for a ruling by the Court of Justice of the European Communities, a Contracting Party may, in order to remedy possible imbalances,

- either take a safeguard measure in accordance with Article 112(2) and following the procedure of Article 113;
- or apply Article 102 *mutatis mutandis*.

4. If a dispute concerns the scope or duration of safeguard measures taken in accordance with Article 111(3) or Article 112, or the proportionality of rebalancing measures taken in accordance with Article 114, and if the EEA Joint Committee after three months from the date when the matter has been brought before it has not succeeded to resolve the dispute, any Contracting Party may refer the dispute to arbitration under the procedures laid down in Protocol 33. No question of interpretation of the provisions of this Agreement referred to in paragraph 3 may be dealt with in such procedures. The arbitration award shall be binding on the parties to the dispute.

CHAPTER 4: SAFEGUARD MEASURES

Article 112

1. If serious economic, societal or environmental difficulties of a sectorial or regional nature liable to persist are arising, a Contracting Party may unilaterally take appropriate measures under the conditions and procedures laid down in Article 113.
2. Such safeguard measures shall be restricted with regard to their scope and duration to what is strictly necessary in order to remedy the situation. Priority shall be given to such measures as will least disturb the functioning of this Agreement.
3. The safeguard measures shall apply with regard to all Contracting Parties.

Article 113

1. A Contracting Party which is considering taking safeguard measures under Article 112 shall, without delay, notify the other Contracting Parties through the EEA Joint Committee and shall provide all relevant information.
2. The Contracting Parties shall immediately enter into consultations in the EEA Joint Committee with a view to finding a commonly acceptable solution.
3. The Contracting Party concerned may not take safeguard measures until one month has elapsed after the date of notification under paragraph 1, unless the consultation procedure under paragraph 2 has been concluded before the expiration of the stated time limit. When exceptional circumstances requiring immediate action exclude prior examination, the Contracting Party concerned may apply forthwith the protective measures strictly necessary to remedy the situation.

For the Community, the safeguard measures shall be taken by the EC Commission.

4. The Contracting Party concerned shall, without delay, notify the measures taken to the EEA Joint Committee and shall provide all relevant information.

5. The safeguard measures taken shall be the subject of consultations in the EEA Joint Committee every three months from the date of their adoption with a view to their abolition before the date of expiry envisaged, or to the limitation of their scope of application.

Each Contracting Party may at any time request the EEA Joint Committee to review such measures.

Article 114

1. If a safeguard measure taken by a Contracting Party creates an imbalance between the rights and obligations under this Agreement, any other Contracting Party may towards that Contracting Party take such proportionate rebalancing measures as are strictly necessary to remedy the imbalance. Priority shall be given to such measures as will least disturb the functioning of the EEA.

2. The procedure under Article 113 shall apply.

PART VIII

FINANCIAL MECHANISM

Article 115

With a view to promoting a continuous and balanced strengthening of trade and economic relations between the Contracting Parties, as provided for in Article 1, the Contracting Parties agree on the need to reduce the economic and social disparities between their regions. They note in this regard the relevant provisions set out elsewhere in this Agreement and its related Protocols, including certain of the arrangements regarding agriculture and fisheries.

Article 116

A Financial Mechanism shall be established by the EFTA States to contribute, in the context of the EEA and in addition to the efforts already deployed by the Community in this regard, to the objectives laid down in Article 115.

Article 117

Provisions governing the Financial Mechanism are set out in Protocol 38.

PART IX

GENERAL AND FINAL PROVISIONS

Article 118

1. Where a Contracting Party considers that it would be useful in the interests of all the Contracting Parties to develop the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Contracting Parties within the EEA Council. The latter may instruct the EEA Joint Committee to examine all the aspects of this request and to issue a report.