

3. The Cooperation Committee shall decide on:

- (a) possible changes to the list of the customs offices competent to clear the goods referred to in paragraph 1 and the procedure for forwarding the said goods to the Republic of San Marino;
- (b) the arrangements for assigning to the San Marino Exchequer the amounts collected in accordance with paragraph 2, and the percentage to be deducted by the European Economic Community to cover administrative costs in accordance with the relevant regulations in force within the Community;
- (c) any other arrangements necessary for the proper implementation of this Article.

4. The taxes and levies on imports of agricultural products may be used by San Marino for aiding production or exports. San Marino undertakes, however, not to accord higher export refunds or compensatory amounts than those accorded by the European Economic Community for exports to third countries.

Article 9

Quantitative restrictions on imports and exports and all measures having equivalent effect between the Community and the Republic of San Marino shall be prohibited from the entry into force of the Agreement.

Article 10

The Agreement 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, the protection of industrial or commercial property, or controls relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

Article 11

The Contracting Parties shall refrain from any domestic tax measure or practice leading directly or indirectly to discrimination between the products of one Contracting Party and similar products from the other Contracting Party.

Products sent to the territory of one of the Contracting Parties shall not be eligible for a refund of domestic charges which is higher than the charges which have been levied directly or indirectly.

Article 12

1. If serious disturbances arise in any sector of the economy of one of the Contracting Parties, the Contracting Party concerned may take the necessary safeguard measures in accordance with the procedures, and subject to the conditions, of the paragraphs below.

2. In the case referred to in paragraph 1, before taking the measures provided for therein or, in the cases covered by paragraph 3, as soon as possible, the Contracting Party in

question shall provide the Cooperation Committee with all relevant information required for a detailed examination of the situation with a view to seeking a solution acceptable to the Contracting Parties. At the request of the other Contracting Party, consultations shall take place within the Cooperation Committee before the Contracting Party concerned takes appropriate measures.

3. Where exceptional circumstances require immediate action making prior examination impossible, the Contracting Party concerned may apply forthwith such precautionary measures as are strictly necessary to remedy the situation.

4. In the selection of measures, priority must be given to those which least disturb the functioning of the Agreement. Such measures must not exceed the limits of what is strictly necessary to counteract the difficulties that have arisen.

The safeguard measures must be notified immediately to the Cooperation Committee, which shall hold regular consultations on them, particularly with a view to their abolition as soon as circumstances permit.

Article 13

1. In addition to the cooperation provided for in Article 23(8), the administrative authorities of the Contracting Parties responsible for implementing the provisions of this Agreement shall assist each other in other cases so as to ensure compliance with the provisions.

2. Procedures for the application of paragraph 1 shall be laid down by the Cooperation Committee.

TITLE II

COOPERATION

Article 14

The Community and the Republic of San Marino shall institute cooperation with the aim of strengthening existing links between them on as broad a basis as possible for the mutual benefit of the Parties, taking account of their respective powers. Cooperation shall focus on the priority areas referred to in Articles 15 to 18 of this Title.

Article 15

The Contracting Parties undertake to encourage the growth and diversification of the industrial and services sectors of the economy of San Marino, focusing their cooperation activities on small and medium-sized enterprises.

Article 16

The Contracting Parties undertake to cooperate on matters relating to environmental protection and improvement with the aim of resolving the problems caused by contamination of water, soil and air, by erosion and by deforestation. They will pay special attention to the problems of pollution in the Adriatic Sea.

Article 17

In accordance with their respective laws, the Contracting Parties shall support cooperation in the tourism sector through operations such as the exchange of officials and experts on tourism, exchanges of information and tourist statistics, and training in hotel management and administration. In this context, the Contracting Parties shall pay particular attention to the promotion of out-of-season tourism in San Marino.

Article 18

The Contracting Parties agree to undertake joint operations in communications, information and cultural matters to strengthen existing links between them.

Such operations may take the following forms:

- exchanges of information on subjects of mutual interest in the fields of culture and information,
- events of a cultural nature,
- cultural exchanges,
- academic exchanges.

Article 19

The Contracting Parties may enlarge the scope of this Agreement by mutual consent in order to supplement the areas of cooperation through agreements on specific sectors or activities.

TITLE III

SOCIAL PROVISIONS*Article 20*

The treatment accorded by each Member State to workers of San Marino nationality employed in its territory shall be free from any discrimination based on nationality in relation to its own nationals as regards working conditions or remuneration.

The Republic of San Marino shall accord the same treatment to workers who are nationals of a Member State and employed in its territory.

Article 21

1. Subject to the provisions of the following paragraphs, workers of San Marino nationality and any members of their families living with them shall enjoy, in the field of social security, treatment free from discrimination based on nationality in relation to nationals of Member States in which they are employed.

2. All periods of insurance, employment or residence completed by such workers in the various Member States shall be added together for the purpose of pensions and annuities in respect of old age, death and invalidity, and also for the purpose of medical care for the workers and for members of their families resident in the Community.

3. The workers in question shall receive family allowances for members of their families who are resident in the Community.

4. The workers in question shall be able to transfer freely to San Marino, at the rates applied by virtue of the law of the debtor Member State or States, any pensions or annuities in respect of disability, old age, death, industrial accident or occupational disease.

5. The Republic of San Marino shall accord to workers who are nationals of a Member State and employed in its territory, and to members of their families, treatment similar to that specified in paragraphs 1, 3 and 4.

Article 22

1. Before the end of the first year following the entry into force of this Agreement, the Cooperation Committee shall adopt provisions to implement the principles set out in Article 21.

2. The Cooperation Committee shall adopt detailed rules for administrative cooperation providing the necessary management and control guarantees for the application of the provisions referred to in paragraph 1.

3. The provisions adopted by the Cooperation Committee shall not affect the rights or obligations arising from bilateral agreements between San Marino and Member States of the Community where those agreements provide for more favourable treatment of nationals of San Marino or the Member States.

TITLE IV

GENERAL AND FINAL PROVISIONS*Article 23*

1. A Cooperation Committee is hereby set up with responsibility for administering the Agreement and ensuring that it is properly implemented. To that end it shall formulate recommendations. It shall take decisions in the cases provided for in the Agreement. The decisions shall be executed by the Contracting Parties in accordance with their own regulations.

2. With a view to the proper implementation of the Agreement, the Contracting Parties shall carry out exchanges of information and, at the request of either Party, shall consult together in the Cooperation Committee.

3. The Cooperation Committee shall draw up its own rules of procedure.

4. The Cooperation Committee shall be composed, on the one hand, of representatives of the Commission, assisted by delegates of the Member States and, on the other, of representatives of the Republic of San Marino.

5. The Cooperation Committee shall take decisions by common accord.