

to their abolition. The measures shall be abolished when conditions no longer justify their maintenance, or, if the dispute is submitted to arbitration, when an arbitral award has been rendered and complied with.

2. Measures according to paragraph 1 may be taken without prior consultations in the Joint Committee in cases of a material breach of this Agreement by another Party. A material breach shall consist of the repudiation of this Agreement not sanctioned by the general rules of international law or a grave violation of an essential element of this Agreement, creating an environment not conducive for consultations or where a delay would be detrimental to the objectives of this Agreement.

ARTICLE 41

Arbitration

1. Disputes between the Parties, relating to the interpretation of rights and obligations under this Agreement, which have not been settled through direct consultations or in the Joint Committee within 90 days from the date of the receipt of the request for consultations, may be referred to arbitration by any Party to the dispute by means of a written notification addressed to the other Party to the dispute. A copy of this notification shall be communicated to Egypt or the EFTA Secretariat, as the case may be. Where more than one Party requests the submission to an arbitral tribunal of a dispute with the same Party relating to the same question a single arbitral tribunal should be established to consider such disputes whenever feasible.

2. The constitution and functioning of the arbitral tribunal shall be governed by Annex VI. The award of the arbitral tribunal shall be final and binding upon the Parties to the dispute.

CHAPTER VIII FINAL PROVISIONS

ARTICLE 42

Evolutionary clause

1. The Parties undertake to review this Agreement in light of international economic developments, i.a. in the framework of the WTO, and to examine in this context and in the light of any relevant factor, the possibility of further developing and deepening the co-operation under this Agreement and to extend it to areas not covered therein. The Parties may instruct the Joint Committee to examine this possibility and, where appropriate, to make recommendations to them, particularly with a view to opening up negotiations.

2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties in accordance with their own procedures.

ARTICLE 43

Annexes and Protocols

The Annexes and Protocols to this Agreement are an integral part of it. The Joint Committee may decide to amend the Annexes and Protocols.

ARTICLE 44

Amendments

Amendments to this Agreement other than those referred to in Article 43 which are approved by the Joint Committee shall be submitted to the Parties for ratification or acceptance and shall enter into force on the first day of the third month following the deposit of the last instrument of ratification or acceptance.

ARTICLE 45

Customs unions, free trade areas, frontier trade and other preferential agreements

This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas, arrangements for frontier trade and other preferential agreements, except insofar as they alter the trade arrangements provided for in this Agreement.

ARTICLE 46

Accession

1. Any new Member State of the European Free Trade Association may accede to this Agreement, provided that the Joint Committee decides to approve its accession, on terms and conditions to be negotiated between the acceding State and the Parties to this Agreement.

2. In relation to an acceding State, this Agreement shall enter into force on the first day of the third month following the exchange of its instrument of accession.

ARTICLE 47

Withdrawal and expiration

1. Each Party may withdraw from this Agreement by means of a written notification. The withdrawal shall take effect six months after the date on which the notification has been received by the other Parties.
2. If Egypt withdraws, this Agreement shall expire at the end of the notice period, and if all EFTA States withdraw it shall expire at the end of the latest notice period.
3. Any EFTA State which withdraws from the Convention establishing the European Free Trade Association shall *ipso facto* on the same day as the withdrawal takes effect cease to be a Party to this Agreement.
4. If any EFTA State withdraws from the Convention establishing the European Free Trade Association or from this Agreement, a meeting of the remaining Parties shall be convened to discuss the issue of the continued existence of this Agreement.

ARTICLE 48

Relation to the bilateral arrangements on trade in agricultural products

1. The bilateral arrangements on trade in agricultural goods between the EFTA States and Egypt referred to in Annex III shall enter into force on the date on which this Agreement enters into force for the EFTA State concerned and Egypt. Such bilateral arrangements on trade in agricultural goods shall remain in force as long as the Parties to it remain Parties to this Agreement.
2. If an EFTA State or Egypt withdraws from the bilateral arrangement on trade in agricultural products concluded between them, this Agreement shall terminate between that EFTA State and Egypt on the same date as the withdrawal from the arrangement becomes effective.

ARTICLE 49

Entry into force

1. This Agreement shall enter into force in relation to those Signatory States which have ratified the Agreement on the first day of the second month following the exchange of their instruments of ratification or acceptance, provided that Egypt is among the States that have deposited their instruments of ratification or acceptance.
2. A Signatory State may, if constitutional requirements allow, apply this Agreement provisionally during an initial phase, provided that Egypt has ratified the Agreement. Provisional application of the Agreement shall be notified to the other Signatory States.

ARTICLE 50

Depositary

The Government of Norway shall act as Depositary for the EFTA States.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

Done at Davos, this 27th day of January 2007 in two originals in the Arabic and English languages, both being equally authentic. In case of any divergence in the interpretation of this Agreement, the English text shall prevail.

For the Republic of Iceland

For the Arab Republic of Egypt

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For the Principality of Liechtenstein

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For the Kingdom of Norway

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For the Swiss Confederation

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