

CHAPTER 1

GENERAL PROVISIONS

ARTICLE 1

Objectives

1. The EFTA States and Montenegro shall establish a free trade area by means of this Agreement and the complementary Agreements on Agriculture, concurrently concluded between each individual EFTA State and Montenegro, with a view to spurring prosperity and sustainable development in their territories.
2. The objectives of this Agreement, which is based on trade relations between market economies and on the respect of democratic principles and human rights, are:
 - (a) to achieve the liberalisation of trade in goods, in conformity with Article XXIV of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the “GATT 1994”);
 - (b) to mutually increase investment opportunities between the Parties, and to gradually develop an environment conducive to enhanced trade in services;
 - (c) to provide fair conditions of competition for trade between the Parties and to ensure adequate and effective protection of intellectual property rights;
 - (d) to gradually achieve further liberalisation on a mutual basis of the government procurement markets of the Parties;
 - (e) to develop international trade in such a way as to contribute to the objective of sustainable development and to ensure that this objective is integrated and reflected in the Parties’ trade relationship; and
 - (f) to contribute in this way to the harmonious development and expansion of world trade.

ARTICLE 2

Trade Relations Governed by this Agreement

1. This Agreement shall apply to trade relations between, on the one side, the individual EFTA States and, on the other side, Montenegro, but not to the trade relations between individual EFTA States, unless otherwise provided for in this Agreement.

2. As a result of the customs union established by the Customs Treaty of 29 March 1923 between Switzerland and Liechtenstein, Switzerland shall represent Liechtenstein in matters covered thereby.

ARTICLE 3

Relation to Other International Agreements

1. The Parties confirm their rights and obligations under the WTO Agreement, the other agreements negotiated thereunder to which they are party, and any other international agreement to which they are party.

2. The provisions of this Agreement shall be without prejudice to the interpretation or application of rights and obligations under any other international agreement relating to investment to which one or several EFTA States and Montenegro are parties.

3. If a Party considers that the maintenance or establishment of a customs union, a free trade area, an arrangement for frontier trade or another preferential agreement by another Party has the effect of altering the trade regime provided for by this Agreement, it may request consultations with that Party. That Party shall afford adequate opportunity for consultations with the requesting Party.

ARTICLE 4

Territorial Application

1. This Agreement shall, except as otherwise specified in Article 8, apply:

- (a) to the land territory, internal waters, and the territorial sea of a Party, and the air-space above the territory of a Party, in accordance with international law; and
- (b) beyond the territorial sea, with respect to measures taken by a Party in the exercise of its sovereign rights or jurisdiction in accordance with international law.

2. This Agreement shall not apply to the Norwegian territory of Svalbard, with the exception of trade in goods.

ARTICLE 5

Central, Regional and Local Government

Each Party shall ensure within its territory the observance of all obligations and commitments under this Agreement by its respective central, regional and local governments and authorities, and by non-governmental bodies in the exercise of governmental powers delegated to them by central, regional and local governments or authorities.

ARTICLE 6

Transparency

1. Each Party shall publish or otherwise make publicly available its laws, regulations, judicial decisions, administrative rulings of general application and the international agreements to which it is party that may affect the operation of this Agreement.
2. A Party shall promptly respond to specific questions and provide, upon request, information to another Party on matters referred to in paragraph 1. The Parties are not required to disclose confidential information.