

ensure that the provisions of the Protocol A and of the Agreement are effectively and harmoniously applied.

Article 10

Internal taxation

1. The Parties to this Agreement shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirect, discrimination between the products originating in the States Parties.
2. Products exported to the territory of one of the States Parties to this Agreement may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 11

Sanitary and phyto-sanitary measures

The Parties shall apply their veterinary, phyto-sanitary and sanitary measures in a non-discriminatory manner and no new measure having trade restrictive effect will be introduced.

Article 12

General exceptions

1. This 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 or health of humans, animals or plants and the environment; the protection of national treasures possessing artistic, historical or archaeological value; the protection of intellectual property; rules relating to gold or silver; or the conservation of exhaustible natural resources, if such measures are effectively applied in relation with domestic consumption or production restrictions.
2. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties to this Agreement.

Article 13

Security exceptions

1. Nothing in this Agreement shall prevent a State Party to this Agreement from taking any measures which it considers necessary:
 - (a) to prevent the disclosure of information contrary to its essential security interests;
 - (b) for the protection of its essential security interests or for the implementation of international obligations or national policies;
 - (c) relating to the traffic in arms, ammunition and implements of war, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (d) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or

(e) taken in time of war or other serious international tension constituting threat of war.

Article 14

State monopolies

The States Parties to this Agreement shall ensure that any state monopoly of a commercial character be adjusted, so that the objectives of the Agreement are not to be affected. At the end of the fifth year upon entry into force of the Agreement, there will be no discrimination on the conditions under which goods are procured or sold between the nationals of the two Parties to this Agreement. The Joint Committee will examine the necessary measures to fulfil this objective.

Article 15

Payments

1. Payments in free currency relating to trade between the Parties and the transfer of such payments to the territory of the State Party to this Agreement, where the creditor resides, shall be free from any restrictions.
2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short or medium term credits covering commercial transactions in which a resident participates.
3. Until a full convertibility of the currency in the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund is introduced, the Parties reserve the right to apply exchange restrictions connected to the granting or tacking up of short and medium term credits, provided that these restrictions are applied in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Parties shall promptly inform the Joint Committee on the introduction of such measures and on any changes therein.

Article 16

Rules of competition between the undertakings

1. The following are incompatible with the proper functioning of this Agreement insofar as they affect trade between the Parties:
 - (a) all agreements between the undertakings, decisions by associations of undertakings and concerted practices between the undertakings which have as their objective or effect the prevention, restriction or distortion of competition;
 - (b) abuse by one or more economic undertakings of a dominant position in the territories of the States Parties to this Agreement as a whole or in a substantial part thereof.
2. If a State Party to this Agreement considers that a given practice is incompatible with the provisions of paragraph 1 and if such practice causes or threatens to cause serious prejudice to the interest of that State Party or material injury to its domestic industry, it may take appropriate measures, upon consultation within the Joint Committee or 30 days after a request for such consultations is made.

Article 17

State aid