

under this Agreement having substantially equivalent trade effects or concessions substantially equivalent to the value of the additional duties expected to result from the emergency action. The Party taking compensatory action shall apply the action only for the minimum period necessary to achieve the substantially equivalent trade effects and in any event, only while the measure under paragraph 5 is being applied.

8. Upon the termination of the emergency action, the rate of customs duty shall be the rate that would have been in effect but for the action.

9. Unless extended by the Joint Committee as set out in paragraph 10, the transition period referred to in paragraphs 1 and 6 is the longer of:

- (a) the five-year period beginning on the date of entry into force of this Agreement; or, where applicable,
- (b) the staged tariff elimination set out for a product in a Party's schedule in Annex E.

10. In the fifth year after the date of entry into force of this Agreement, the Parties shall consider, in the Joint Committee, whether there is a need to extend the transition period for certain products. The Joint Committee may extend the transition period for a certain product, in which case the transition period for that product shall be in accordance with the decision of the Joint Committee.

11. Each Party retains its rights and obligations under Article XIX of the GATT 1994 and the *WTO Agreement on Safeguards*.

VII INSTITUTIONAL PROVISIONS

ARTICLE 26

The Joint Committee

1. The Parties hereby establish the Canada-EFTA Joint Committee which shall be composed of representatives of the Parties.

2. The Joint Committee shall:

- (a) supervise the implementation of this Agreement;
- (b) keep under review the possibility of further removal of barriers to trade and other restrictive regulations of commerce between Canada and the EFTA States;
- (c) oversee the further elaboration of this Agreement;

- (d) supervise the work of all sub-committees and working groups established under this Agreement;
- (e) discuss, upon request by a Party, measures with respect to cultural industries maintained or adopted under Annex J;
- (f) discuss, upon request by a Party, the application of an emergency action taken under Article 25;
- (g) endeavour to resolve disputes that may arise regarding the interpretation or application of this Agreement; and
- (h) consider any other matter that may affect the operation of this Agreement.

3. The Joint Committee may decide to set up such sub-committees and working groups as it considers necessary to assist it in accomplishing its tasks. Except where specifically provided for in this Agreement, the sub-committees and working groups shall work under a mandate established by the Joint Committee.

4. The Joint Committee may take decisions as provided in this Agreement. On other matters the Joint Committee may make recommendations.

5. The Joint Committee shall take decisions and make recommendations by consensus.

6. The Joint Committee shall normally convene once a year in a regular meeting. The regular meetings of the Joint Committee shall be chaired jointly by Canada and one of the EFTA States. The Joint Committee shall establish its rules of procedure.

7. Each Party may request at any time, through a notice in writing to the other Parties, that a special meeting of the Joint Committee be held. Such a meeting shall take place within 30 days of receipt of the request.

VIII DISPUTE SETTLEMENT

ARTICLE 27

Choice of forum

1. Subject to paragraph 2 and except as otherwise provided elsewhere in this Agreement, any dispute regarding any matter arising under both this Agreement and the WTO Agreement may be settled in either forum at the discretion of the complaining Party.