FREE TRADE AGREEMENT

BETWEEN

THE EFTA STATES

AND

THE MEMBER STATES OF THE CO-OPERATION COUNCIL FOR THE ARAB STATES OF THE GULF

PREAMBLE

The Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (hereinafter referred to as "the EFTA States");

and

the Governments of the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait (hereinafter referred to jointly as "GCC" or severally as the "GCC Member States");

hereinafter each EFTA State and each GCC Member State being referred to as a "Party" and collectively as "the Parties".

RECOGNIZING the longstanding friendship and strong economic and political ties between the GCC Member States and the EFTA States, in particular the Declaration on Co-operation signed in Brussels on 23 May 2000, and wishing to strengthen these links through the creation of a free trade area, thus establishing close and lasting relations;

REAFFIRMING their commitment to the principles and objectives set out in the United Nations Charter and the Universal Declaration of Human Rights;

DETERMINED to promote and strengthen the multilateral trading system, as set up through the World Trade Organization (WTO), in a manner conducive to the development of regional and international cooperation, thereby contributing to the harmonious development and expansion of world trade;

CONSCIOUS of the dynamic and rapidly changing global environment brought about by globalization and technological progress presenting various economic and strategic challenges and opportunities to the Parties;

DETERMINED to develop and strengthen their economic and trade relations through the liberalization and expansion of trade in goods and services in their common interest and for their mutual benefit;

RESOLVED to ensure a stable and predictable investment environment;

RESOLVED to foster creativity and innovation by protecting intellectual property rights;

AIMING to create new employment opportunities, improve health and living standards, promote opportunities for transfer of technology, and ensure a large and steadily growing volume of real income in their respective territories through the expansion of trade and investment flows;

REAFFIRMING their commitment to economic and social development based on the principles set out in the relevant International Labour Organisation (ILO) Conventions;

ACKNOWLEDGING the differences in the development levels and capacities between the Parties;

RECOGNIZING the need to enhance the competitive environment in their markets;

SEEKING to preserve and protect the environment in accordance with the principle of sustainable development;

CONVINCED that the establishment of a free trade area will provide a more favourable climate for the promotion and development of economic and trade relations between the Parties;

HAVE AGREED, in pursuit of the above, to conclude the following free trade agreement (hereinafter referred to as “this Agreement”):

CHAPTER 1 GENERAL PROVISIONS

ARTICLE 1.1

Objectives

1. The EFTA States and the GCC Member States hereby establish a free trade area in accordance with the provisions of this Agreement.

2. The objectives of this Agreement are:

   (a) to achieve the liberalisation of trade in goods, in conformity with Article XXIV of the General Agreement on Tariffs and Trade (hereinafter referred to as "the GATT 1994"), pursuant to Chapter 2;

   (b) to achieve the liberalisation of trade in services, in conformity with Article V of the General Agreement on Trade in Services (hereinafter referred to as "the GATS"), pursuant to Chapter 3;

   (c) to promote competition in their economies pursuant to Chapter 4;

   (d) to ensure adequate and effective protection of intellectual property rights, pursuant to Chapter 5;

   (e) to achieve further liberalisation on a mutual basis of the government procurement markets of the Parties, pursuant to Chapter 6; and

   (f) mutually enhance investment opportunities.

ARTICLE 1.2

Geographical Scope

1. Without prejudice to Annex IV, this Agreement shall 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; as well as

   (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. Annex I applies with respect to Norway.

ARTICLE 1.3

Trade and Economic Relations Governed by this Agreement

The provisions of this Agreement apply to the trade and economic relations between, on the one side, the individual EFTA States and, on the other side, the individual GCC Member States or, where specifically provided for, the GCC Member States acting jointly as GCC. This Agreement applies neither to the trade relations amongst the EFTA States nor to the trade relations amongst the GCC Member States.

ARTICLE 1.4

Relationship to Other Agreements

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

ARTICLE 1.5

Regional and Local Government

1. Each Party shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Agreement by the regional and local governments and authorities within its territory.

2. This provision is to be interpreted and applied in accordance with the principles set out in paragraph 3 (a) of Article I of the GATS and the Understanding on the Interpretation of Article XXIV of the GATT 1994, as applicable. Paragraph 3 (a) of Article I of the GATS and the Understanding on the Interpretation of Article XXIV of the GATT 1994 are hereby incorporated and made part of this Agreement.

ARTICLE 1.6

Transparency

1. The Parties shall publish or otherwise make publicly available their laws, regulations, judicial decisions and administrative rulings of general application as well as their respective international agreements which may affect the operation of this Agreement.

2. The Parties shall promptly respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1.

ARTICLE 1.7

Confidential Information

1. Each Party shall maintain the confidentiality of information which the Party submitting the information has designated as confidential.

2. Nothing in this Agreement shall require any Party to disclose confidential information, which would impede law enforcement, or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of any economic operator.

CHAPTER 2 TRADE IN GOODS[1]

ARTICLE 2.1

Scope

1. This Chapter applies to:

   (a) products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System (hereinafter referred to as "HS"), excluding the products listed in Annex II;

   (b) processed agricultural products specified in Annex III, with due regard to the arrangements provided for in that Annex; and

   (c) fish and other marine products as provided for in Annex V.

2. GCC and each EFTA State have concluded agreements on trade in agricultural products on a bilateral basis. These agreements form part of the instruments establishing a free trade area between the EFTA States and GCC.

ARTICLE 2.2

Customs Duties

1. No new customs duties shall be introduced in trade between the EFTA States and GCC, except as provided for in this Agreement.

2. The EFTA States shall, on entry into force of this Agreement, abolish all customs duties on imports of originating products from GCC.

3. GCC shall, on entry into force of this Agreement, abolish all customs duties on imports of originating products from the EFTA States, except as provided for in Annex VI.

4. A Party may introduce or maintain duties on exports in conjunction with domestic measures, in so far as it considers that such duties are necessary. Such duties shall be applied irrespective of the destination of the product. The Parties shall inform the Joint Committee of all export duties applied.

[1] As a result of the customs union established by the Treaty of 29 March 1923 between Switzerland and the Principality of Liechtenstein, Switzerland is representing the Principality of Liechtenstein in matters covered thereby.

5. A customs duty includes any duty or charge of any kind imposed in connection with the importation of a product, including any form of surtax or surcharge, but does not include any charge imposed in conformity with Articles III and VIII of the GATT 1994.

ARTICLE 2.3

Quantitative Restrictions on Import and Export

Article XI of the GATT 1994 is incorporated into and made a part of this Agreement *mutatis mutandis.*

ARTICLE 2.4

National Treatment

The Parties shall apply national treatment in accordance with Article III of the GATT 1994, including its interpretative notes, which is hereby incorporated into and made part of this Agreement.

ARTICLE 2.5

Rules of Origin and Methods of Administrative Co-operation

The provisions on rules of origin and methods of administrative co-operation are set out in Annex IV.

ARTICLE 2.6

Customs Valuation

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the WTO Agreement on Implementation of Article VII of the GATT 1994.

ARTICLE 2.7

Technical regulations

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment shall be governed by the WTO Agreement on Technical Barriers to Trade (hereinafter referred to as "the TBT Agreement").

2. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.

3. Without prejudice to paragraph 1, the Parties agree to hold consultations in the framework of the Joint Committee where a Party considers that an EFTA State or GCC has taken measures which are likely to create, or have created, an obstacle to trade, in order to find an appropriate solution in conformity with the TBT Agreement.

ARTICLE 2.8

Sanitary and Phytosanitary Measures

1. The rights and obligations of the Parties in respect of sanitary and phytosanitary measures shall be governed by the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (hereinafter referred to as "the SPS Agreement").

2. The Parties shall exchange names and addresses of contact points with sanitary and phytosanitary expertise in order to facilitate technical consultations and the exchange of information.

3. Without prejudice to paragraph 1, the Parties agree to hold consultations in the framework of the Joint Committee where a Party considers that an EFTA State or GCC has taken measures which are likely to create, or have created, an obstacle to trade, in order to find an appropriate solution in conformity with the SPS Agreement.

ARTICLE 2.9

Anti-dumping

1. The EFTA States and GCC shall endeavour to refrain from initiating anti-dumping procedures and measures against each other.

2. The rights and obligations of the Parties in respect of the application of anti-dumping measures shall be governed by Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994 except as provided for in this Article.

3. Before an EFTA State or GCC initiates an investigation to determine the existence, degree and effect of any alleged action in an EFTA State or GCC, as provided for in Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994, the Party considering initiating an investigation shall notify in writing the EFTA State or GCC whose goods are subject to investigation and allow for a 30 days period with a view to finding a mutually acceptable solution. The

consultations shall take place in the Joint Committee if an EFTA State or GCC so requests within ten days from the receipt of the notification.

4. If any anti-dumping measure were to be applied by an EFTA State or GCC, the measure shall without exception be terminated on a date not later than three years from its imposition. Nothing in this paragraph shall prevent an EFTA State or the GCC from introducing new anti-dumping measures in accordance with paragraph 2 and 3 of this Article on products subject to measures that have been terminated.

5. Five years after the date of entry into force of this Agreement, the Parties shall in the Joint Committee review whether there is need to maintain the possibility to take anti-dumping measures between them. If the Parties decide, after the first review, that there is a need to maintain the possibility, they shall thereafter conduct biennial reviews of this matter in the Joint Committee.

ARTICLE 2.10

State Trading Enterprises

The rights and obligations of the Parties in respect of state trading enterprises shall be governed by Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, including its interpretive notes which are hereby incorporated into and made part of this Agreement.

ARTICLE 2.11

Subsidies and Countervailing Measures

1. The rights and obligations of the Parties relating to subsidies and countervailing measures shall be governed by Articles VI and XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures, except as provided for in paragraph 2.

2. Before an EFTA State or GCC initiates an investigation to determine the existence, degree and effect of any alleged subsidy in an EFTA State or in a GCC Member State, as provided for in Article 11 of the WTO Agreement on Subsidies and Countervailing Measures, the Party considering initiating an investigation shall notify in writing the Party whose goods may be subject to investigation and allow for a 30 days period with a view to finding a mutually acceptable solution. The consultations shall take place in the Joint Committee if any Party so requests within ten days from the receipt of the notification.

ARTICLE 2.12

Global Safeguard Measures

The Parties confirm their rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguards. In taking measures under these WTO provisions, a Party shall exclude imports of an originating good from an EFTA State or GCC if such imports do not in and of themselves cause or threaten to cause serious injury. The Party taking the measure shall demonstrate that such exclusion is in accordance with its WTO obligations, as interpreted through the WTO jurisprudence.

ARTICLE 2.13

General Exceptions

The rights and obligations of the Parties in respect of general exceptions shall be governed by Article XX of the GATT 1994, which is hereby incorporated into and made part of this Agreement.

ARTICLE 2.14

Security Exceptions

The rights and obligations of the Parties in respect of security exceptions shall be governed by Article XXI of the GATT 1994, which is hereby incorporated into and made part of this Agreement.

CHAPTER 3 TRADE IN SERVICES

ARTICLE 3.1

Scope and Coverage

1. This Chapter applies to measures by Parties affecting trade in services. It applies to all services sectors.

2. In respect of air transport services, this Chapter shall not apply to measures affecting air traffic rights or measures affecting services directly related to the exercise of air traffic rights, except as provided for in paragraph 3 of the GATS Annex on Air Transport Services. The definitions of paragraph 6 of the GATS Annex on Air Transport Services are hereby incorporated into and made part of this Agreement, *mutatis mutandis*.

3. Articles 3.4, 3.5 and 3.6 shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale.

ARTICLE 3.2

Incorporation of Provisions from the GATS

Wherever a provision of this Chapter provides that a provision of the GATS is incorporated into and made part of this Agreement, the meaning of the terms used in the GATS provision shall be understood as follows:

(a) "Member" means Party;

(b) "Schedule" means a Schedule referred to in Article 3.16 and contained in Annex VII; and

(c) "specific commitment" means a specific commitment in a Schedule referred to in Article 3.16.

ARTICLE 3.3

Definitions

For the purpose of this Chapter, and with reference to Article 3.2:

(a) the following definitions of Article I of the GATS are incorporated into and made part of this Agreement:

(i) "trade in services";

(ii) "services"; and

(iii) "a service supplied in the exercise of governmental authority";

(b) "measures by Parties"[2] means measures taken by:

(i) central, regional or local governments and authorities; and

(ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

(c) "service supplier" means any person that supplies, or seeks to supply, a service;[3]

(d) "natural person of another Party" means a natural person who is a national or a permanent resident of an EFTA State or of a GCC Member State, under their respective legislation;

(e) "juridical person of another Party" means a juridical person that is either:

(i) constituted or otherwise organised under the law of that other Party, and is engaged in substantive business operations in the territory of:

(A) any Party; or

2 This definition incorporates the definition of subparagraphs (a) (i) and (ii) of paragraph 3 of Article I of the GATS. Reference is hereby made to Article 1.5 of this Agreement

3 Where the service is not supplied or sought to be supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (*i.e.* the juridical person) shall, nonetheless, through such commercial presence be accorded the treatment provided for service suppliers under this Chapter. Such treatment shall be extended to the commercial presence through which the service is supplied or sought to be supplied and need not be extended to any other parts of the service supplier located outside the territory where the service is supplied or sought to be supplied

(B) any Member of the WTO and is owned or controlled by natural persons of that other Party or by juridical persons that meet all the conditions of subparagraph (i)(A);

or

(ii) in the case of the supply of a service through commercial presence, owned or controlled by natural persons of that other Party, juridical persons that meet the conditions of subparagraph (e)(i) or State entities of that other Party;

(f) the following definitions of Article XXVIII of the GATS are hereby incorporated into and made part of this Agreement:

(i) "measure";

(ii) "supply of a service";

(iii) "measures by Members affecting trade in services";

(iv) "commercial presence";

(v) "sector" of a service;

(vi) "service of another Member";

(vii) "monopoly supplier of a service";

(viii) "service consumer";

(ix) "person";

(x) "juridical person";

(xi) "owned", "controlled" and "affiliated"; and

(xii) "direct taxes";

(g) "GATS" means the General Agreement on Trade in Services of 1994.

ARTICLE 3.4

Most-Favoured-Nation Treatment

1. Without prejudice to measures taken in accordance with Article VII of the GATS, and except as provided for in its List of MFN Exemptions contained in Annex VIII, a Party shall accord immediately and unconditionally, in respect of all measures affecting the supply of services, to services and service suppliers of another Party treatment no less favourable than the treatment it accords to like services and service suppliers of any non-party.

2. Treatment granted under other existing or future agreements concluded by one of the Parties and notified under Article V or Article V *bis* of the GATS shall not be subject to paragraph 1.[4]

3. The rights and obligations of the Parties in respect of advantages accorded to adjacent countries shall be governed by paragraph 3 of Article II of the GATS, which is hereby incorporated into and made part of this Agreement.

ARTICLE 3.5

Market Access

Commitments on market access shall be governed by Article XVI of the GATS, which is hereby incorporated into and made part of this Agreement.

ARTICLE 3.6

National Treatment

Commitments on national treatment shall be governed by Article XVII of the GATS, which is hereby incorporated into and made part of this Agreement.

ARTICLE 3.7

Additional Commitments

Additional commitments shall be governed by Article XVIII of the GATS, which is hereby incorporated into and made part of this Agreement.

[4] The Parties confirm their understanding that the Agreements between the Member States of the Cooperation Council of the Arab States of the Gulf and the Greater Arab Free Trade Area (GAFTA) are excluded from the application of the MFN obligation under this Article

ARTICLE 3.8

Domestic Regulation

1. The rights and obligations of the Parties in respect of domestic regulation shall be governed by paragraphs 1 to 3 of Article VI of the GATS, which are hereby incorporated into and made part of this Agreement.

2. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures do not constitute unnecessary barriers to trade in services, the Joint Committee shall develop any necessary disciplines. Such disciplines shall aim to ensure that such requirements and procedures are, *inter alia*:

(a) based on objective and transparent criteria, such as competence and the ability to supply the service;

(b) not more burdensome than necessary to ensure the quality of the service;

(c) in the case of licensing procedures, not in themselves a restriction on the supply of the service.

3. (a) In sectors in which a Party has undertaken specific commitments, pending the entry into force of disciplines developed in these sectors pursuant to paragraph 2, the Parties shall not apply licensing and qualification requirements and technical standards that nullify or impair such specific commitments in a manner which does not comply with the criteria outlined in subparagraphs 2(a), (b) or (c).

(b) In determining whether a Party is in conformity with the obligation under subparagraph (a), account shall be taken of international standards of relevant international organisations[5] applied by that Party.

4. Each Party shall provide for adequate procedures to verify the competence of professionals of any other Party.

ARTICLE 3.9

Recognition

1. For the purpose of the fulfilment of its relevant standards or criteria for the authorisation, licensing or certification of service suppliers, each Party shall give due consideration to any request by another Party to recognise the education or experience obtained, requirements met, or licences or certifications granted in that other Party. Such

[5] The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of at least all Parties

recognition may be based upon an agreement or arrangement with that other Party, or otherwise be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licences or certifications granted in the territory of a non-party, that Party shall afford another Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for another Party to demonstrate that the education or experience obtained, requirements met, or licences or certifications granted in the territory of that other Party should also be recognised.

3. Any such agreement or arrangement or autonomous recognition shall be in conformity with the relevant provisions of the WTO Agreement, in particular paragraph 3 of Article VII of the GATS.

4. Annex IX sets out further rights and obligations regarding recognition of qualifications of service suppliers of the Parties.

ARTICLE 3.10

Movement of Natural Persons

1. The rights and obligations of the Parties in respect of the movement of natural persons of a Party supplying services shall be governed by the GATS Annex on Movement of Natural Persons Supplying Services, which is hereby incorporated into and made part of this Agreement.

2. Annex X sets out further rights and obligations regarding movement of natural persons of a Party supplying services.

ARTICLE 3.11

Transparency

The rights and obligations of the Parties in respect of transparency shall be governed by paragraphs 1 and 2 of Article III and by Article III *bis* of the GATS, which are hereby incorporated into and made part of this Agreement

ARTICLE 3.12

Monopolies and Exclusive Service Suppliers

The rights and obligations of the Parties in respect of monopolies and exclusive service suppliers shall be governed by paragraphs 1, 2 and 5 of Article VIII of the GATS, which are hereby incorporated into and made part of this Agreement.

ARTICLE 3.13

Business Practices

The rights and obligations of the Parties in respect of business practices shall be governed by Article IX of the GATS, which is hereby incorporated into and made part of this Agreement.

ARTICLE 3.14

Payments and Transfers

1. Except under the circumstances envisaged in Article 9.2, a Party shall not apply restrictions on international transfers and payments for current transactions with another Party.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties under the Articles of the Agreement of the International Monetary Fund (hereinafter referred to as "IMF"), including the use of exchange actions which are in conformity with the Articles of the Agreement of the IMF, provided that a Party shall not impose restrictions on capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 9.2 or at the request of the IMF.

ARTICLE 3.15

Exceptions

The rights and obligations of the Parties in respect of general exceptions and security exceptions shall be governed by Article XIV and paragraph 1 of Article XIV *bis* of the GATS, which are hereby incorporated into and made part of this Agreement.

ARTICLE 3.16

Schedules of Specific Commitments

1. Each Party shall set out in a schedule the specific commitments it undertakes under Articles 3.5, 3.6 and 3.7. With respect to sectors where such specific commitments are undertaken, each Schedule shall specify the elements set forth in subparagraphs (a) to (e) of paragraph 1 of Article XX of the GATS.

2. Measures inconsistent with both Articles 3.5 and 3.6 shall be dealt with as provided for in paragraph 2 of Article XX of the GATS.

3. The Parties' Schedules of specific commitments are set out in Annex VII.

ARTICLE 3.17

Modification of Schedules

The Parties shall, upon written request by a Party, hold consultations to consider any modification or withdrawal of a specific commitment in the requesting Party's Schedule of specific commitments. The consultations shall be held within three months after the requesting Party made its request. In the consultations, the Parties shall aim to ensure that a general level of mutually advantageous commitments no less favourable to trade than that provided for in the Schedule of specific commitments prior to such consultations is maintained. Modifications of Schedules are subject to the procedures set out in Articles 7.1 and 9.6

ARTICLE 3.18

Review[6]

1. With the objective of further liberalising trade in services between them, in particular eliminating substantially all remaining discrimination within a period of ten years, the Parties shall review at least every two years, or more frequently if so agreed, their Schedules of specific commitments and their Lists of MFN Exemptions, taking into account in particular any autonomous liberalisation and on-going work under the auspices of the WTO. The first such review shall take place no later than two years after the entry into force of this Agreement.

2. If, after the entry into force of this Agreement, a Party enters into any agreement on trade in services with a non-party, it shall negotiate, upon request by another Party,

[6] The Parties confirm their understanding that the Agreements between the Member States of the Cooperation Council of the Arab States of the Gulf and the Greater Arab Free Trade Area (GAFTA), as well as the EFTA Convention and agreements between any EFTA State and other European countries are excluded from any review conducted pursuant to this Article

the incorporation into this Agreement of a treatment no less favourable than that provided under the agreement with the non-party. The Parties shall take into consideration the circumstances under which a Party enters into any agreement on trade in services with a non-party.

ARTICLE 3.19

Annexes

The following Annexes form part of this Chapter:

- Annex VII (Schedules of Specific Commitments);
- Annex VIII (Lists of MFN Exemptions);
- Annex IX (Recognition of Qualifications of Service Suppliers);
- Annex X (Movement of Natural Persons Supplying Services);
- Annex XI (Financial Services); and
- Annex XII (Telecommunications Services).

CHAPTER 4 COMPETITION

ARTICLE 4.1

Objective and General Principles

1. The Parties agree that anticompetitive business conduct may restrict trade between the Parties. Accordingly, each Party shall adopt or maintain measures to proscribe such conduct and take appropriate action with respect thereto.

2. The Parties undertake to adopt or maintain competition laws that give particular attention to anticompetitive agreements, abuse of a dominant position and mergers and acquisitions.

ARTICLE 4.2

Co-operation

The Parties may cooperate with the aim of putting an end to anti-competitive practices or their adverse effects on trade between the Parties. This cooperation may include notification, exchange of information and consultation. Any exchange of information shall be subject to the rules and standards of confidentiality applicable in the territory of each Party.

ARTICLE 4.3

Confidentiality

Nothing in this Chapter shall require a Party to provide information when this may affect an ongoing investigation or may be contrary to its laws, including those regarding disclosure of information, confidentiality or business secrecy.

ARTICLE 4.4

Consultations

A Party may request consultations regarding any matter related to this Chapter. The request for consultations shall indicate the reasons therefore. Consultations shall be held promptly. Any Party may request that consultations continue within the Joint Committee in order to obtain its recommendations in relation to the issue at hand. The Party addressed shall provide all assistance required to examine the issue and seek a solution thereto.

ARTICLE 4.5

Review

The Parties agree to review this Chapter at the level of the Joint Committee with a view to elaborating further steps in the light of future developments, in particular after the adoption of competition legislation by the Parties.

CHAPTER 5 INTELLECTUAL PROPERTY RIGHTS

ARTICLE 5.1

Protection of Intellectual Property Rights

1. For the purpose of this Chapter, "intellectual property" comprises copyright, including copyright in computer programmes and compilations of data, as well as neighbouring rights, trademarks for goods and services, geographical indications, industrial designs, patents, plant varieties, topographies of integrated circuits, as well as undisclosed information within the meaning of Article 39 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as "the TRIPS Agreement").

2. The Parties shall ensure adequate, effective and non-discriminatory protection of intellectual property rights, including effective means of enforcing such rights against infringement thereof, in accordance with the provisions of this Chapter.

3. Each Party shall accord to the nationals of the other Parties treatment no less favorable than that it accords to its own nationals with regard to the protection of intellectual property rights. Exemptions from such obligation must be in accordance with exceptions provided for under Articles 3 and 5 of the TRIPS Agreement.

4. The Parties shall grant to each other's nationals treatment no less favourable than that accorded to nationals of any other country. Exemptions from this obligation must be in accordance with the provisions of the TRIPS Agreement, in particular Articles 4 and 5 thereof.

5. The Parties agree, upon request of any Party to review this Chapter in the Joint Committee in order to avoid or remedy trade distortions and to improve the level of protection. If problems in the area of intellectual property protection affecting trading conditions were to occur, urgent consultations shall take place in the Joint Committee at the request of a Party, with a view to reaching mutually satisfactory solutions.

6. The Parties shall not later than two years after the entry into force of this Agreement conclude negotiations on an Annex containing further provisions on the protection and enforcement of intellectual property rights.

CHAPTER 6 GOVERNMENT PROCUREMENT

ARTICLE 6.1

Scope and Coverage

1. In accordance with the provisions of this Chapter, the Parties shall ensure the effective, reciprocal and gradual opening of their government procurement markets.

2. This Chapter applies to any law, regulation, procedure or practice regarding covered procurement by a procuring entity, whether or not it is conducted exclusively or partially by electronic means.

3. For the purpose of this Chapter, "covered procurement" means procurement for governmental purposes:

(a) of goods[7], services, or any combination thereof:

(i) as specified in Annexes XIII and XIV for each Party, and

(ii) not procured with a view to commercial sale or resale, or for use in the production or supply of goods or services for commercial sale or resale;

(b) by any contractual means, including purchase; lease; and rental or hire purchase, with or without an option to buy;

(c) for which the value, as estimated in accordance with Article 6.7, equals or exceeds the relevant threshold specified in Annexes XIII and XIV at the time of publication of a notice in accordance with Article 6.14;

(d) that is not excluded from coverage in paragraph 4 or in Annexes XIII and XIV for a Party.[8]

4. Except where provided otherwise in Annexes XIII or XIV, this Chapter shall not apply to:

(a) contracts awarded pursuant to:

[7] For the purpose of this Chapter, "goods" shall mean goods classified in Chapters 1 to 97 of the HS.

[8] The price preference for small and medium-sized enterprises (SMEs) applied by the Sultanate of Oman is defined in Annex XIV

(i) an international agreement and intended for the joint implementation or exploitation of a project by the contracting parties;

(ii) an international agreement relating to the stationing of troops;

(iii) the particular procedure of an international organisation;

(iv) all government procurement in goods, services and construction that will be executed in or for the benefits of the two Holy Cities of Makkah and Medina.

(b) non-contractual agreements or any form of government assistance and procurement made in the framework of assistance or co-operation programmes;

(c) the procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions, or services related to the sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;

(d) contracts for:

(i) the acquisition or rental of land, existing buildings, or other immovable property or concerning rights thereon;

(ii) the acquisition, development, production or co-production of programme material by broadcasters and contracts for broadcasting time;

(iii) arbitration and conciliation services;

(iv) public employment contracts; and

(v) research and development services other than those where the benefits accrue exclusively to the entity for its use in the conduct of its own affairs, on condition that the service is wholly remunerated by the entity.

5. Each Party shall specify the following information:

(a) in Annex XIII:

(i) in Appendix 1, the central government entities whose procurement is covered by this Chapter;

(ii) in Appendix 2, the sub-central government entities whose procurement is covered by this Chapter;

(iii) in Appendix 3, all other entities whose procurement is covered by this Chapter;

(iv) in Appendix 4, the goods covered by this Chapter;

(v) in Appendix 5, the services covered by this Chapter; and

(vi) in Appendix 6, the construction services covered by this Chapter;

(b) in Annex XIV, any general notes applicable to a Party.

ARTICLE 6.2

Exceptions

Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or a disguised restriction on international trade, nothing in this Chapter shall be construed to prevent any Party from imposing or enforcing measures:

(a) necessary to protect public morals, order, or safety;

(b) necessary to protect human, animal or plant life or health;

(c) necessary to protect intellectual property; or

(d) relating to goods produced or services supplied by persons with disabilities, philanthropic institutions, or prison labour.

ARTICLE 6.3

Definitions

For the purpose of this Chapter, the following definitions shall apply:

(a) "entity" means an entity covered in Annex XIII;

(b) "in writing or written" means any worded or numbered expression that can be read, reproduced and later communicated. It may include electronically transmitted and stored information;

(c) "permanent list" means a list of suppliers that a procuring entity has determined that they satisfy the conditions for participation in that list, and that the procuring entity intends to use more than once;

(d) "offsets" means any condition or undertaking that encourage local development or improve a Party's balance-of-payments accounts, such as the use of domestic content, the licensing of technology, investment, counter-trade, and similar actions;

(e) "person" means a natural person or a juridical person;

(f) "services" includes construction services, unless otherwise specified;

(g) "standard" is a document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or services or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, service, process or production method;

(h) "supplier" means any natural or juridical person or public body or group of such persons of a Party or bodies of a Party which can provide goods, services or the execution of works. The term shall cover equally a supplier of goods, a service provider or a contractor;

(i) "technical regulation" is a document which lays down characteristics of a product or a service or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, service, process or production method;

(j) "technical specifications" means a tendering requirement that:

(i) lays down the characteristics of goods or services to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or

(ii) addresses terminology, symbols, packaging, marking or labelling requirements, as they apply to a good or service; and

(k) "tenderer" means a supplier who has submitted a tender.

ARTICLE 6.4

National Treatment and Non-discrimination

1. With respect to all laws, regulations, procedures and practices regarding government procurement covered by this Chapter, each Party shall provide immediately

and unconditionally to the goods, services and suppliers of another Party a treatment no less favourable than that accorded by it to domestic goods, services and suppliers.

2. With respect to all laws, regulations, procedures and practices regarding government procurement covered by this Chapter, each Party shall ensure that:

(a) its entities do not treat a locally-established supplier less favourably than another locally-established supplier on the basis of the degree of foreign affiliation to, or ownership by, a person of another Party; and

(b) its entities do not discriminate against a locally-established supplier on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of another Party.

ARTICLE 6.5

Rules of Origin

No Party may apply rules of origin to goods imported or services supplied from another Party for purposes of government procurement covered by this Chapter that are different from, or inconsistent with, the rules of origin which that Party applies in the normal course of trade.

ARTICLE 6.6

Offsets

1. Except as provided for in paragraph 2, each Party shall ensure that its entities do not, in the qualification and selection of suppliers, goods or services, in the evaluation of bids or in the award of contracts, consider, seek or impose offsets.

2. A Party may adopt or retain an offset as set out in Appendix 6 of Annex XIV, provided that any requirement for, or consideration of, the imposition of the offset is clearly stated in the notice of intended procurement. Such measures shall be based on the development needs of that Party and shall accord suppliers of another Party treatment no less favourable than the treatment it accords to suppliers of any non-party.

ARTICLE 6.7

Valuation Rules

1. Entities shall not split up a procurement, nor use any other method of contract valuation with the intention of avoiding the application of this Chapter when determining whether a contract is covered by the disciplines thereof, subject to the conditions set out in Annexes XIII and XIV.

2. In calculating the value of a contract, an entity shall take into account all forms of remuneration, such as premiums, fees, commissions and interests.

ARTICLE 6.8

Transparency

1. Each Party shall promptly publish any law, regulation, judicial decision and administrative ruling of general application and procedure, including standard contract clauses and challenge procedures, regarding procurement covered by this Chapter in the appropriate publications referred to in Appendix 2 of Annex XIV, including officially designated electronic media.

2. Each Party shall promptly publish in the same manner all modifications to such measures.

3. Notwithstanding any other provision of this Agreement, a Party, including its procuring entities, shall not provide information to a particular supplier that might prejudice fair competition between suppliers.

ARTICLE 6.9

TenderingProcedures

1. Entities shall award their public contracts by using methods such as open or selective tendering procedures according to their national procedures, in compliance with this Chapter.

2. Entities shall treat tenders in confidence. In particular, they shall not provide information intended to assist particular participants to bring their tenders up to the level of other participants.

3. For the purposes of this Chapter:

(a) open tendering procedures are those procedures whereby any interested supplier may submit a tender;

(b) selective tendering procedures are those procedures whereby, consistent with Article 6.10 and other relevant provisions of this Chapter, only suppliers satisfying qualification requirements established by the entities are invited to submit a tender;

(c) limited tendering procedures are those procedures whereby entities may choose not to publish a notice of intended procurement, and may consult the suppliers of their choice and negotiate the terms of contract with one or more of these suppliers, under the conditions laid down in Article 6.12.

ARTICLE 6.10

Selective Tendering

1. Entities that intend to use selective tendering shall in the notice of intended procurement or in the notice inviting suppliers to submit a request for participation invite qualified suppliers to submit a request for participation and indicate the time-limit for submitting requests for participation.

2. When using selective tendering procedures, a procuring entity shall recognize as qualified suppliers such domestic suppliers and suppliers of another Party that meet the conditions for participation in a particular procurement, unless the procuring entity states in the notice or, where publicly available, in the tender documentation, any limitation on the number of suppliers that will be permitted to tender and the objective criteria for such limitation. Procuring entities shall select the suppliers to participate in the selective tendering procedure in a fair and non-discriminatory manner.

3. Where the tender documentation is not made publicly available from the date of publication of the notice referred to in paragraph 1, procuring entities shall ensure that the tender documentation is made available at the same time to all the qualified suppliers selected in accordance with paragraph 2.

4. Entities maintaining permanent lists of qualified suppliers may select suppliers to be invited to tender from among those listed, under the conditions foreseen in Article 6.11. Any selection shall allow for equitable opportunities for suppliers on the lists.

ARTICLE 6.11

Qualification of Suppliers

1. Any conditions for participation in procurement shall be limited to those that are essential to ensure that the potential supplier has the capability to fulfil the requirements of the procurement and the ability to execute the contract in question.

2. In the process of qualifying suppliers, entities shall not discriminate between domestic suppliers and suppliers of another Party. In assessing whether a supplier

satisfies the conditions for participation, a procuring entity shall evaluate the financial, commercial and technical abilities of a supplier on the basis of that supplier's business activities both inside and outside the territory of the Party of the procuring entity. The procuring entity shall base its assessment on the conditions that it has specified in advance in notices or tender documentation.

3. Nothing in this Article shall preclude the exclusion of any supplier on grounds such as bankruptcy, false declarations or conviction for serious crime such as participation in criminal organizations.

4. Entities shall publish in adequate time any conditions for participation in tendering procedures to enable interested suppliers to initiate and, to the extent that it is compatible with the efficient operation of the procurement practices, to complete the qualification procedure.

5. Procuring entities may establish or maintain a permanent list of qualified suppliers. They shall ensure that suppliers may apply for qualification at any time and that all qualified suppliers so requesting are included in the list within a reasonable and non-discriminatory short period of time. A supplier having requested to be included in the list shall be informed by the entities concerned of the decision in this regard in a timely fashion.

6. Entities operating in the utilities sectors or others may use a notice inviting suppliers to apply for inclusion on a permanent list as a notice of intended procurement and may exclude requests for participation from suppliers not yet qualified in respect of the procurement on the grounds that the procuring entity has insufficient time to examine the application.

ARTICLE 6.12

Limited Tendering

1. Subject to the conditions established in paragraph 2 when using the limited tendering procedure, a procuring entity may choose not to publish a contract notice prior to the award of the procurement contract.

2. Provided that limited tendering is not used to avoid maximum possible competition or in a manner which would constitute a means of discrimination among suppliers of another Party or protection to domestic producers or suppliers, entities may award their public contracts by limited tendering procedure in the following cases:

(a) where no suitable tenders have been submitted in response to an open or selective tender, on condition that the requirements of the initial tender are not substantially modified;

(b) where, for technical or artistic reasons, or for reasons connected with protection of exclusive rights, the contract may be performed only by a particular supplier and no reasonable alternative or substitute exists;

(c) for reasons of extreme urgency brought about by events unforeseen by the entity, the products or services could not be obtained in time by means of open or selective tendering procedures;

(d) for additional deliveries of goods or services by the original supplier where a change of supplier would compel the entity to procure equipment or services not meeting requirements of interchangeability with already existing equipment or services;

(e) when an entity procures prototypes or a first product or service which are developed at its request in the course of, and for, a particular contract for research, experiment, study or original development;

(f) when additional services which were not included in the initial contract but which were within the objectives of the original tender documentation have, through unforeseeable circumstances, become necessary to complete the services described therein;

(g) for new services consisting of the repetition of similar services and for which the entity has indicated in the notice concerning the initial service, that limited tendering procedures might be used in awarding contracts for such new services;

(h) for products purchased on a commodity market;

(i) in the case of contracts awarded to the winner of a design contest; in the case of several successful candidates, successful candidates shall be invited to participate in the negotiations as specified in the notice or the tender documents;

(j) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers.

ARTICLE 6.13

Negotiations

1. A Party may provide for its entities to conduct negotiations:

(a) in the context of procurements in which they have indicated such intent in the notice of intended procurement; or

(b) where it appears from the evaluation that no one tender is obviously the most advantageous in terms of the specific evaluation criteria set forth in the notices or tender documentation.

2. An entity shall:

(a) ensure that any elimination of tenderers in the negotiations is carried out in accordance with the evaluation criteria set out in the notices or tender documentation; and

(b) when negotiations are concluded, provide a common deadline for the remaining tenderers to submit any new or revised tenders.

ARTICLE 6.14

Publication of Notices

1. Each Party shall ensure that its entities provide for effective dissemination of the tendering opportunities generated by the relevant government procurement processes, providing suppliers of another Party with all the information required to take part in such procurement.

2. For each covered procurement as defined in paragraph 3 of Article 6.1, except as set out in paragraph 3(c) of Article 6.9 and in Article 6.12, entities shall publish in advance a notice inviting interested suppliers to submit tenders, or where appropriate, requests for participation for that contract.

3. The information in each notice of intended covered procurement shall include at least the following:

(a) name, address, and if available telefax number, electronic address of the entity and, if different, the address where all documents relating to the procurement may be obtained;

(b) the tendering procedure chosen and the form of the contract;

(c) a description of the intended procurement, as well as essential contract requirements to be fulfilled;

(d) any conditions that suppliers must fulfil to participate in the procurement;

(e) time-limits for submission of tenders and, where appropriate, other time limits;

(f) if possible, terms of payment and any other terms; and

(g) costs of the tendering documentation.

4. Each notice referred to in this Article and Appendix 5 of Annex XIV, shall be accessible during the entire time period established for tendering for the relevant procurement.

5. Entities shall publish the notices in a timely manner through means which offer the widest possible and non-discriminatory access to the interested suppliers of the Parties. The notices shall be accessible through the points of access specified in Appendix 2 of Annex XIV.

ARTICLE 6.15

Tender Documentation

1. A procuring entity shall provide interested suppliers with tender documentation that includes all the information necessary to permit suppliers to prepare and submit responsive tenders. The documentation shall include the criteria that the entity will consider in awarding the contract, including all cost factors, and the weights or, where appropriate, the relative values that the entity will assign to these criteria in evaluating tenders.

2. Unless already provided in the notice of intended procurement, such documentation shall include a complete description of:

(a) the procurement, including the nature, scope, and, where known, the quantity of the goods or services to be procured and any requirements to be fulfilled, including any technical specifications, conformity certifications, plans, drawings, or instructional materials;

(b) any conditions for participation, including any applicable fees, financial guarantees, information, and documents that suppliers are required to submit;

(c) where there will be a public opening of tenders, the date, time, and place for the opening of tenders; and

(d) any other terms or conditions relevant to the evaluation of tenders.

ARTICLE 6.16

Technical Specifications

1. Each Party shall ensure that its entities do not prepare, adopt or apply any technical specifications with a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties.

2. Technical specifications prescribed by entities shall, where appropriate:

(a) be in terms of performance and functional requirements rather than design or descriptive characteristics; and

(b) be based on international standards, where these exist or, in their absence, on national technical regulations, recognised national standards, or building codes.

3. Where design or descriptive characteristics are used in the technical specifications, an entity shall, where appropriate, include words such as "or equivalent" in the technical specifications and consider tenders that demonstrably meet the required design or descriptive characteristics and are fit for the purposes intended.

4. An entity shall not prescribe technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design or type, specific origin, producer or supplier, unless there is no other sufficiently precise or intelligible way of describing the procurement requirements and provided that, in such cases, words such as "as equivalent" are included in the tender documentation.

ARTICLE 6.17

Time Limits

1. All time limits established by the entities for the receipt of tenders and requests to participate shall be adequate to allow suppliers of another Party, as well as domestic suppliers, to prepare and to submit tenders, and where appropriate, requests for participation or applications for qualifying. In determining any such time limit, entities shall, consistent with their own reasonable needs, take into account such factors as the complexity of the intended procurement and the normal time for transmitting tenders from foreign as well as domestic points.

2. Each Party shall ensure that its entities shall take due account of publication delays when setting the final date for receipt of tenders or of requests for participation or for qualifying for the suppliers' list.

3. The minimum time limits for the receipt of tenders are specified in Appendix 3 to Annex XIV.

ARTICLE 6.18

Treatment of Tenders and Contract Awards

1. Tenders and requests to participate in procedures shall be submitted in writing.

2. A procuring entity shall receive, open, and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process, and the confidentiality of tenders.

3. Unless a procuring entity determines that it is not in the public interest to award a contract, it shall award the contract to the supplier that the entity has determined to be fully capable of undertaking the contract and, based solely on the evaluation criteria specified in the notices and tender documentation, has submitted:

(a) where price is the sole criterion, the lowest price; or

(b) the most advantageous tender.

4. Each Party shall ensure that its entities provide for effective dissemination of the results of government procurement processes.

5. Entities shall as soon as possible publish the decisions regarding the award of the contract and of the characteristics and relative advantages of the selected tender. Upon request, entities shall inform any eliminated tenderer of the reasons for the rejection of its tender.

ARTICLE 6.19

Bid Challenges

1. Each Party shall provide non-discriminatory, timely, transparent and effective procedures enabling suppliers to challenge alleged breaches of any obligations specified in this Chapter for procurements in which they have, or have had, an interest.

2. Challenges shall be heard by an impartial and independent reviewing authority. A reviewing authority, if it is not a court, shall either be subject to judicial review or shall have procedural guarantees of due process.

3. Provided it respects the previous paragraphs, each Party can determine according to its domestic laws and regulations the review procedures applicable to the hearing of challenges under this Article.

4. Each Party shall allow sufficient period of time for suppliers to prepare and submit a challenge.

ARTICLE 6.20

Information Technology

1. The Parties shall, to the extent possible, endeavour to use electronic means of communication to permit efficient dissemination of information on government

procurement, particularly as regards tender opportunities offered by entities, while respecting the principles of transparency and non-discrimination.

2. When conducting covered procurement by electronic means, a procuring entity shall:

(a) ensure that the procurement is conducted using generally available and interoperable information technology products and software, including those related to authentication and encryption of information; and

(b) maintain mechanisms that ensure the integrity of, and prevent inappropriate access to, requests for participation and tenders.

ARTICLE 6.21

Co-operation and Assistance

1. The Parties will co-operate in the area of government procurement by exchanging experience and information about best practices and regulatory frameworks.

2. The Parties shall endeavour to co-operate with a view to achieving a better understanding of their respective government procurement systems, as well as a better access to their respective markets.

3. Technical assistance shall be provided upon a duly motivated request, in particular through jointly developed training programmes.

ARTICLE 6.22

Modifications to Coverage

1. A Party may modify its coverage under this Chapter, provided that it:

(a) notifies the other Parties of the modification; and

(b) provides the other Parties, within 30 days following the date of such notification, appropriate compensatory adjustments to its coverage in order to maintain a level of coverage comparable to that existing prior to the modification.

2. Notwithstanding paragraph 1(b), no compensatory adjustments shall be provided to the other Parties where the modification by a Party of its coverage under this Chapter concerns:

(a) rectifications of a purely formal nature and minor amendments to Annexes XIII and XIV;

(b) one or more covered entities on which government control or influence has been effectively eliminated.

3. The Joint Committee shall endorse any modifications to coverage as set forth by this Article by amending the relevant Annex.

ARTICLE 6.23

Further Negotiations

If a Party offers in the future a non-party more favourable conditions for access to its government procurement market than agreed under this Chapter, it shall, upon request of another Party, enter into negotiations with a view to extending coverage under this Chapter on a reciprocal basis.

ARTICLE 6.24

Review and Implementation

1. The Joint Committee shall review the implementation of this Chapter every two years, unless otherwise agreed by the Parties; it shall consider any issue arising from it, and take appropriate action in the exercise of its functions.

2. At the request of a Party, the Joint Committee shall convene a working group to address issues related to the implementation of this Chapter.

ARTICLE 6.25

Transitional Period

1. Notwithstanding the provisions on national treatment set out in Article 6.4, GCC Member States may grant, for a transitional period not exceeding ten years from the date of entry into force of this Agreement, a price preference programme in favour of their domestic goods and services.

2. A price preference granted under this article shall not exceed 10% of the value of the goods and services produced domestically.

CHAPTER 7 INSTITUTIONAL PROVISIONS

ARTICLE 7.1

The Joint Free Trade Committee

1. The Parties hereby establish the Joint EFTA-GCC Free Trade Committee (hereinafter referred to as the "Joint Committee") comprising representatives of each Party.

2. The Joint Committee may establish standing or *ad hoc* sub-committees or working groups to assist it in accomplishing its tasks.

3. The Joint Committee shall meet for regular sessions every two years. The regular sessions shall be held alternately in the GCC Member States and the EFTA States. Special sessions can also be held at the request of any Party. Such sessions shall be held within 30 days from the date of the request in the territory of the requesting Party except if the Parties otherwise agree.

4. The meetings of the Joint Committee shall be chaired jointly by one of the EFTA States and one of the GCC Member States. The Joint Committee shall establish its rules of working procedures.

5. The functions of the Joint Committee shall, in addition to functions set out elsewhere in this Agreement, be as follows:

(a) to supervise the implementation of this Agreement;

(b) to review and assess the overall operation of this Agreement;

(c) to review and assess the results of this Agreement, in the light of the experience gained during its application and in the light of its objectives;

(d) to examine ways to further encourage trade and investment flows between the Parties;

(e) to consider any further elaborations and amendments to this Agreement that may be proposed by any Party;

(f) to endeavour to resolve disputes that may arise regarding the interpretation or application of this Agreement;

(g) to supervise the work of all sub-committees and working groups established under this Agreement; and

(h) to carry out any other task assigned to it by the Parties within the scope and objectives of this Agreement.

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

7. The Joint Committee may decide to amend the Annexes and Appendices to this Agreement. Subject to paragraph 8, the Joint Committee may set a date for the entry into force of such decisions.

8. If a representative of a Party in the Joint Committee has accepted a decision subject to the fulfilment of constitutional requirements, the decision shall enter into force on the date that the last Party notifies that its internal requirements have been fulfilled, unless the decision itself specifies a later date. The Joint Committee may decide that the decision shall enter into force for those Parties that have fulfilled their internal requirements, provided that at least one EFTA State and the GCC Member States are among those Parties. A Party may apply a decision of the Joint Committee provisionally until such decision enters into force for that Party, subject to its constitutional requirements.

9. Each Party shall, within one month after the entry into force of this Agreement, designate an official body to act as a contact point with regard to this Agreement, to receive official communications relating thereto and to provide the Joint Committee with administrative assistance.

CHAPTER 8 DISPUTE SETTLEMENT

ARTICLE 8.1

Objective and Scope

1. The objective of this Chapter is to provide the Parties with a dispute settlement mechanism that aims at achieving, mutually agreed solutions to, or settlement by arbitration of, any dispute arising from this Agreement.

2. Disputes on the same matter arising under both this Agreement and the WTO Agreement may be settled in either forum at the discretion of the complaining Party.[9] The forum thus selected shall be used to the exclusion of the other.

3. For the purpose of this Article, dispute settlement proceedings under the WTO Agreement or this Agreement are deemed to be initiated upon a request for the establishment of a panel by a Party.

4. Before a Party initiates dispute settlement proceedings under the WTO Agreement against another Party as regards a matter arising under both this Agreement and the WTO Agreement, it shall notify the Parties of its intention at least thirty days in advance.

ARTICLE 8.2

Good Offices, Conciliation or Mediation

1. Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the Parties involved so agree. They may begin at any time and be terminated at any time.

2. Proceedings involving good offices, conciliation and mediation and all information disclosed during such proceedings shall be confidential, non binding and without prejudice to the Parties' rights in any other proceedings.

[9] For the purpose of this Chapter the terms "Party", "Party to the dispute", "complaining Party", "Party complained against" are used regardless of whether two or more Parties are involved in a dispute.

ARTICLE 8.3

Consultations

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through co-operation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

2. A Party may request in writing consultations with another Party whenever it considers that a measure applied by the Party to which the request is made is inconsistent with this Agreement. Consultations shall take place in the Joint Committee unless the Party making or receiving the request for consultations disagrees.

3. Consultations shall, unless the Parties agree otherwise, be held in the territory of the defending Party.

4. Consultations shall be entered into in good faith within 30 days from the date of receipt of the request for consultations. Consultations on urgent matters, including those on perishable agricultural goods, shall be entered into in good faith within 15 days from the receipt of the request for consultations.

5. The consultations shall be deemed concluded within 60 days from the date of the consultation request, unless both Parties agree to continue consultations. If the Joint Committee has not been involved in the consultations and if the consultations fail the Joint Committee shall as soon as possible meet with the aim of solving the issue at hand. Consultations within the Joint Committee shall take place within 30 days unless the Parties agree otherwise.

6. The Parties involved in the consultations shall provide sufficient information to enable a full examination of how the measure might affect the operation of this Agreement.

7. The proceedings and all information disclosed during the consultations shall remain confidential. The Parties shall treat any confidential or proprietary information exchanged in the course of consultations in the same manner as the Party providing the information.

8. Consultations shall be without prejudice to the rights of the Parties involved in any further proceedings.

9. The Parties involved in the consultations shall inform the other Parties of any mutually agreed resolution of the matter.

ARTICLE 8.4

Establishment of Arbitration Panel

1. If the matter has not been resolved within the Joint Committee pursuant to Article 8.3, it may be referred to arbitration by one or more of the Parties involved by means of a written request addressed to the Party complained against. A copy of this request shall also be communicated to all other Parties so that each Party may determine whether to participate in the dispute.

2. Where more than one Party requests the establishment of an arbitration panel relating to the same matter or the request involves more than one defending Party a single arbitration panel shall be established to examine these requests whenever feasible.

3. The complaining Party shall state in its request the measure it considers to be in breach of this Agreement and provide a brief summary of the legal basis of the complaint.

4. A Party which is not a Party to the dispute shall be entitled, on delivery of a written notice to the disputing Parties, to make written submissions to the arbitration panel, receive written submissions, including annexes, of the disputing Parties, attend hearings and make oral statements.

ARTICLE 8.5

Arbitration Panel

1. The arbitration panel shall comprise three members.

2. In the written request pursuant to Article 8.4, the Party referring the dispute to arbitration shall designate one member of the arbitration panel.

3. Within 15 days of the receipt of the request referred to in paragraph 2, the Party to which it was addressed shall designate one member of the arbitration panel.

4. The Parties to the dispute shall agree on the appointment of the third member within 30 days of the appointment of the second member. The member thus appointed shall chair the arbitration panel.

5. If all three members have not been designated or appointed within 45 days from the date of receipt of the notification referred to in paragraph 2, the necessary designations shall be made at the request of any Party to the dispute by the Director-General of the WTO within a further 30 days. Should the designation or appointment of all three members not have taken place within the 30 days, the request shall be made to the Secretary-General of the Permanent Court of Arbitration (PCA). If the Director-General of the WTO or the Secretary-General of the PCA is unable to act under this

paragraph or is a national of a Party to this Agreement, the designation or appointment shall be effected by the Deputy Director-General of the WTO or the Deputy Secretary General of the PCA.

6. The Chair of the arbitration panel shall not be a national of any of the Parties, nor have his or her usual place of residence in the territory of any of the Parties, nor be employed or previously have been employed by any of the Parties, nor have dealt with the case in any capacity.

7. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's compliance with this Chapter or the Model Rules of Procedure as set out in Annex XV. If the other Party does not agree to the challenge or the challenged arbitrator does not withdraw, the decision on the challenge will be made by the Director-General of the WTO or the Secretary-General of the PCA in accordance with the procedure set out in paragraph 5.

8. If an arbitrator is unable to participate in the proceeding, dies, withdraws or is removed, a replacement shall be selected within 15 days in accordance with the selection procedure followed to appoint the original arbitrator and the succeeding arbitrator shall have all powers and duties of the original arbitrator. In such a case, the arbitration panel proceedings shall be suspended during this period.

9. The date of establishment of the arbitration panel shall be the date on which the chair is appointed.

ARTICLE 8.6

Procedures of the Arbitration Panel

1. Unless the Parties to the dispute agree otherwise, the arbitration panel proceedings shall be conducted in accordance with this Chapter and the Model Rules of Procedure as set out in Annex XV.

2. Notwithstanding paragraph 1, the procedures for all arbitration panel proceedings shall ensure that:

(a) the Parties to the dispute have the right to at least one hearing before the arbitration panel as well as the opportunity to provide initial and rebuttal written submissions;

(b) the Parties to the dispute be invited to all the hearings held by the arbitration panel;

(c) all submissions and comments made to the arbitration panel be available to the Parties to the dispute; and

(d) hearings can be opened to the public if both Parties agree in writing.

3. Unless otherwise agreed by the Parties to the dispute, the proceedings, hearings and deliberations, the initial report and all written submissions as well as all information not publicly available that is disclosed during arbitration shall remain confidential. Regardless of any such an agreement, information designated as confidential by a third Party referred to in paragraph 4 of Article 8.4 shall be kept confidential.

4. Unless the Parties to the dispute otherwise agree within 20 days from the date of receipt of the request for the establishment of the arbitration panel, the terms of reference shall be:

> "To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitration panel pursuant to Article 8.4 and to make findings of law and fact together with the reasons therefore as well as recommendations, if any, for the resolution of the dispute and the implementation of the ruling."

5. The arbitration panel shall make its ruling based on the provisions of this Agreement, applied and interpreted in accordance with the rules of interpretation of public international law as laid down in the Vienna Convention on the Law of Treaties. The rulings cannot add to or diminish the rights and obligations provided in the provisions of this Agreement.

6. Decisions of the arbitration panel shall be taken by a majority of its members if consensus can not be reached. Any member may furnish separate opinions on matters not unanimously agreed. No arbitration panel may disclose which members are associated with majority or minority opinions.

7. The expenses of the arbitration panel, including the remuneration of its members, shall be borne by the Parties to the dispute in equal shares.

ARTICLE 8.7

Suspension, Withdrawal and Termination of Panel Proceedings

1. Where the Parties to the dispute agree, the arbitration panel may suspend its work and proceedings at any time for a period not exceeding 12 months. If the work and the proceedings of the arbitration panel have been suspended for more than 12 months, the arbitration panel's authority for considering the dispute shall lapse unless the Parties agree otherwise.

2. A complaining Party may withdraw its complaint at any time before the final report has been issued. Such withdrawal is without prejudice to its right to introduce a new complaint regarding the same issue at a later point in time.

3. The Parties may, at any time, reach a mutually agreed solution to a dispute or decide to terminate the proceedings of an arbitration panel established under this Agreement.

4. The Party or Parties concerned shall notify the other Parties and the arbitration panel of a suspension of the panel work and proceedings, withdrawal of a complaint, termination of the panel proceedings or a mutually agreed solution. In the case of withdrawal, termination or a mutually agreed solution, the arbitration panel shall terminate its proceedings.

5. An arbitration panel may, at any stage of the proceeding prior to release of the final report, propose that the Parties to the dispute seek to settle the dispute amicably and may propose a solution.

ARTICLE 8.8

Initial Report

1. Following the consideration of submissions and oral arguments the arbitration panel shall present to the Parties to the dispute an initial report within 90 days from the date of the establishment of the arbitration panel. The initial report shall include the findings of fact and law together with the reasons therefore.

2. In cases of urgency, including those on perishable agricultural goods, the arbitration panel shall make every effort to issue its ruling within 60 days from the establishment of the arbitration panel.

3. Where the arbitration panel considers that the deadline referred to in paragraphs 1 and 2 cannot be met, the Chair shall notify the Parties in writing, stating the reasons for the delay and the additional time needed.

4. A Party to the dispute may submit written comments to the arbitration panel on the initial report within 14 days of the presentation of the report. At the request of a Party, the arbitration panel shall hold a further meeting with the Parties on the issues identified in the written comments.

5. The findings of the final panel report shall include its assessment of the arguments made at the interim review stage.

ARTICLE 8.9

Final Report

1. The arbitration panel shall present to the Parties to the dispute the final report, containing the matters referred to in Article 8.8, including any separate opinions on matters not unanimously agreed, within 30 days of presentation of the initial report or in case an additional hearing is requested in accordance with paragraph 4 of Article 8.8, within 45 days of the presentation of the initial report.

2. Unless the Parties to the dispute decide otherwise, the final report shall be published 15 days after it is presented to them.

ARTICLE 8.10

Implementation of Final Panel Report

1. The arbitration panel ruling is final and binding from the date it is issued and notified to the Parties to the dispute. The Party found in violation of this Agreement shall promptly comply with the ruling in the final report. If it is impracticable to comply immediately, the Parties to the dispute shall endeavour to agree on a reasonable period of time to do so. In the absence of such an agreement within 30 days, either Party to the dispute may request the original arbitration panel to determine the length of the reasonable period of time for compliance, in light of the particular circumstances of the case. The ruling of the arbitration panel should be given within 30 days from that request.

2. The Party complained against shall notify the other Party of the measure adopted in order to implement the rulings of the panel, as well as a detailed description of how the measure ensures implementation sufficient to allow the other Party to assess the measure.

3. At the request of a Party to the dispute, and before compensation can be sought or suspension of benefits can be applied in accordance with paragraphs 4 and 5, the original arbitration panel shall rule on the existence or on the conformity of any measure taken to comply with the rulings. The ruling of the arbitration panel shall be given within 90 days from the date of that request.

4. If the Party found in violation of this Agreement fails to properly implement, after the expiry of the reasonable period of time according to paragraph 1, the ruling of the final report of the arbitration panel or any subsequent ruling of the arbitration panel according to paragraph 3that Party shall, if so requested by the complaining Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within 20 days from date of the request for consultations, the complaining Party shall be entitled to suspend the application of benefits granted under this Agreement that are equivalent to those affected by the measure found to violate this Agreement.

5. In considering the benefits to be suspended, the complaining Party shall first seek to suspend benefits in the same sector or sectors as that affected by the measure that the arbitration panel has found to violate this Agreement. The complaining Party that considers it is not practicable or effective to suspend benefits in the same sector or sectors, may suspend benefits in another sector, indicating the reasons justifying its decision.

6. The complaining Party shall notify the other Party of the benefits which it intends to suspend no later than 60 days before the date on which the suspension is due

to take effect. Within 15 days from that notification, any of the Parties to the dispute may request the original arbitration panel to rule on whether the benefits which the complaining Party intends to suspend are equivalent to those affected by the measure found to violate this Agreement, and whether the proposed suspension is in accordance with paragraphs 4 and 5. The ruling of the arbitration panel shall be given within 45 days from that request. Benefits shall not be suspended until the arbitration panel has issued its ruling.

7. The suspension of benefits shall be temporary and only be applied until the measure found to violate this Agreement has been withdrawn or amended so as to bring it into conformity with this Agreement, or the Parties to the dispute have reached an agreement on a resolution of the dispute. The defending Party shall notify the other Party and the Joint Committee of the measures it has taken to comply.

8. At the request of a Party to the dispute, the original arbitration panel shall rule on the conformity with the ruling of any implementing measure adopted after the suspension of benefits and, in light of such ruling, whether the suspension of benefits should be terminated or modified. The ruling of the arbitration panel shall be given within 45 days from the date of that request. During this period benefits shall no longer be suspended.

ARTICLE 8.11

Other Provisions

1. Any time period mentioned in this Chapter may be modified by mutual agreement of the Parties involved.

2. When possible, the arbitration panel referred to in paragraphs 1, 3, 6 and 8 of Article 8.10 shall comprise the same panelists who issued the final report. If a member of the original arbitration panel is unavailable, the procedures laid down under Article 8.4 shall apply for the selection of a replacement arbitrator.

CHAPTER 9 FINAL PROVISIONS

ARTICLE 9.1

Taxation

Nothing in this Agreement shall affect the rights and obligations of a Party under any tax convention. In the event of any inconsistency between this Agreement and any tax convention, the tax convention shall prevail to the extents of the inconsistency.

ARTICLE 9.2

Restrictions to Safeguard the Balance of Payments

1. The Parties shall endeavour to avoid the imposition of restrictions to safeguard the balance of payments.

2. Where any of the Parties to this Agreement is in serious balance of payments difficulties, or under threat thereof, it may adopt or maintain restrictive measures with regard to trade in goods and services, including on payments and transfers.

3. The rights and obligations of the Parties in respect of such restrictions shall be governed by paragraphs 1 to 3 of Article XII of the GATS, Article XII of the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994. A Party adopting or maintaining such restrictions shall promptly notify the Joint Committee thereof.

ARTICLE 9.3

Electronic Commerce

The Parties recognize the growing role of electronic commerce for trade between them. With a view to supporting provisions of this Agreement related to trade in goods and services the Parties undertake to intensify their co-operation on electronic commerce for their mutual benefit. For that purpose the Parties have established the framework contained in Annex XVI.

ARTICLE 9.4

Exhibitions

The Parties shall encourage participation by their national institutions and companies in international exhibitions and fairs held in the territory of another Party.

Each Party shall permit the other Parties to hold temporary, general or specialized exhibitions in its territory, pursuant to its relevant domestic laws and regulations.

ARTICLE 9.5

Annexes and Appendices

The Annexes and Appendices to this Agreement are an integral part thereof.

ARTICLE 9.6

Amendments

1. This Agreement, and its Annexes and Appendices, may be amended with mutual consent of the Parties. Any proposal for amendment shall be submitted to the Joint Committee for consideration and approval.

2. Unless otherwise agreed by the Parties, and without prejudice to paragraph 7 of Article 7.1, the amendments to this Agreement and its Annexes shall enter into force on the first day of the third month following the date of the receipt of the last written notification to the Depositary informing the Depositary that all necessary requirements have been fulfilled.

3. The text of any amendments as well as the instruments of acceptance shall be deposited with the Depositary.

ARTICLE 9.7

Accession

1. Any State becoming a Member of the European Free Trade Association (EFTA) or a Member of the Co-operation Council for the Arab States of the Gulf (GCC), may accede to this Agreement, on terms and conditions to be agreed upon by the Parties, provided that the Joint Committee approves the accession of such State.

2. In relation to an acceding State, this Agreement shall enter into force on the first day of the third month following the deposit to the Depositary of such State's instrument of accession or the approval of the terms of accession by the existing Parties, whichever is later.

ARTICLE 9.8

Duration, Withdrawal and Termination

1. This Agreement shall be valid for an indefinite period.

2. A Party may withdraw from this Agreement by means of a written notification to the Depositary. The withdrawal shall take effect 12 months after the date on which the notification is received by the Depositary.

3. Any EFTA State which withdraws from the EFTA Convention or any GCC Member State which withdraws from the Charter of the Co-operation Council for the Arab States of the Gulf, shall, *ipso facto* on the same day as the withdrawal takes effect, cease to be a Party to this Agreement. A copy of the notification of withdrawal under the EFTA Convention or withdrawal from the Charter of the Cooperation Council for the Arab States of the Gulf shall promptly be submitted to the other Parties.

4. If all EFTA States withdraw or if all GCC Member States withdraw in accordance with paragraph 2, this Agreement shall be terminated as of the date when the withdrawal has taken effect for all EFTA States or all GCC Member States.

ARTICLE 9.9

Entry into Force

1. This Agreement is subject to ratification, acceptance or approval in accordance with the respective constitutional requirements of the Parties. The instruments of ratification, acceptance or approval shall be deposited with the Depositary.

2. If its constitutional requirements permit, any Party may apply this Agreement provisionally. Provisional application of this Agreement under this paragraph shall be notified to the Depositary.

3. This Agreement shall not enter into force or be applied provisionally between an EFTA State and GCC unless the complementary agreement on trade in basic agricultural goods between the EFTA State and GCC enters into force or is applied provisionally simultaneously.

4. This Agreement shall enter into force on the first day of the third month after the GCC Member States and at least one EFTA State have deposited their respective instruments of ratification, acceptance or approval with the Depositary.

5. In relation to an EFTA State depositing its instrument of ratification, acceptance or approval after this Agreement has entered into force this Agreement shall enter into force on the first day of the third month following the deposit of its instrument with the Depositary.

ARTICLE 9.10

Depositary

The Government of Norway shall act as the Depositary.

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

Done at Hamar, this 22nd day of June 2009, which corresponds to this 29th day of Jumada'II 1430 Hijri, in four originals, two in the English language which shall be authentic and two in Arabic, one English and one Arabic version being deposited with the Government of Norway and one English and one Arabic version being lodged with the GCC Secretariat. The Depositary shall transmit certified copies to all the Parties.

For the Republic of Iceland

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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

.....

For the Governments of the Member States of the Cooperation Council for the Arab States of the Gulf

.....

Yusuf Bin Alawi Bin Abdullah
Minister Responsible for Foreign Affairs of Sultanate of Oman
President of the Ministerial Council of the Cooperation Council for the Arab States of the Gulf

Abdulrahman Bin Hamad Al-Attiyah
Secretary-General of the Cooperation Council for the Arab States of the Gulf