PROTOCOL AMENDING THE TREATY ESTABLISHING THE CARIBBEAN COMMUNITY (PROTOCOL IV: TRADE POLICY)

PREAMBLE:

The Parties to the Treaty Establishing the Caribbean Community (hereinafter referred to as "the Member States");

Determined to continue the deepening of regional integration through the creation of a Single Market and Economy;

Convinced that participation in international trade and access to international investment are essential for regional economic development and for enhancing the quality of life of the peoples of the Community;

Conscious that a fully integrated and liberalised internal market will create favourable conditions for sustained, market-led production of goods on an internationally competitive basis;

Mindful that co-operation and joint action in developing trade relations with third States and in establishing appropriate regulatory and administrative procedures and services are essential for the development of the international and intraregional trade of Member States,

Have agreed as follows:

ARTICLE I: Use of Terms

1. In this Protocol unless the context otherwise requires:

"**Community**" includes the Caribbean Single Market and Economy to be established by the Protocols amending or replacing the Caribbean Common Market Annex to the Treaty, as amended by Protocol I;

"**Community Origin**" means origin which complies with the Rules of Origin set out in Article VIII;

"**the Competent Authority**" means the Minister of Government so designated by a Member State;

"the Council for Finance and Planning" means the Organ of the Community so named in Article 6(2)(d) of the Treaty, as amended by Protocol I;

"the Council for Trade and Economic Development" means the Organ so named in Article

6(2)(b) of the Treaty, as amended by Protocol I;

"the Legal Affairs Committee" means the subsidiary body so named in Article 10(1) of the Treaty;

"Secretary-General" means the Secretary-General of the Community;

"**Treaty**" means the Treaty establishing the Caribbean Community signed at Chaguaramas on the 4th day of July 1973 and includes any amendments thereto which take effect either provisionally or definitively (herein referred to as "the Treaty").

2. In this Protocol a reference to Protocol I is a reference to the Protocol amending the Treaty and signed at Antigua and Barbuda on 19 February, 1997.

ARTICLE II: Amendment

The provisions of this Protocol shall replace Article 61, Chapter 3 except Articles 19 and 30 and Chapter 4 and the schedules to the Caribbean Common Market Annex to the Treaty, and take effect as hereinafter provided.

ARTICLE III: Change of Title

1. Substitute the following for Chapter Three - "Trade Liberalisation", and Chapter Four - "Common Protective Policy":

"Chapter Three - Trade Policy"

ARTICLE IV: Insert new Article to read as follows:

Article 13: Objectives of the Community Trade Policy

- 1. The goal of the Community Trade Policy shall be the sustained growth of intra-community and international trade and mutually beneficial exchange of goods and services among Member States and between the Community and third States.
- 2. In fulfilment of the goal set out in paragraph 1 of this Article the Community shall pursue the following objectives:
 - a. full integration of the national markets of all Member States of the Community into a single unified and open market area;
 - b. the widening of the market area of the Community;
 - c. the active promotion of export of internationally competitive goods originating within the Community;
 - d. the securing of the most favourable terms of trade for Community goods exported to third States and groups of States.
- 3. In order to achieve the objectives of its Trade Policy, the Community shall:

- a. undertake:
 - i. the establishment of common instruments, common services and the joint regulation, operation and efficient administration of the internal and external commerce of the CARICOM Single Market and Economy;
 - ii. where possible, the employment of common negotiating strategies in the development of mutually beneficial trade agreements with third States and groups of States;
 - iii. participation and joint representation as appropriate in international and regional organisations which negotiate, establish and apply disciplines governing international and regional trade;
- b. prohibit the imposition by Member States of new restrictions on imports and exports of products of Community origin.
- 4. Member States shall eliminate existing restrictions on imports and exports of goods of Community origin, other than those authorised by this Treaty.

ARTICLE V: Replace Articles 33 and 34 with the following:

Article 14: Co-ordination of External Trade Policy

- 1. Member States shall co-ordinate their trade policies with third States or groups of third States.
- 2. The Community shall pursue the negotiations of external trade and economic agreements on a joint basis in accordance with principles and mechanisms established by the Conference.
- 3. Bilateral agreements to be negotiated by Member States in pursuance of their national strategic interests shall:
 - a. be without prejudice to their obligations under the Treaty; and
 - b. prior to their conclusion, be subject to certification by the CARICOM Secretariat that the agreement does not prejudice or place at a disadvantage the position of other CARICOM States vis-a-vis the Treaty.
- 4. Where trade agreements involving tariff concessions are being negotiated, the prior approval of the Council for Trade and Economic Development (COTED) shall be required.
- 5. Nothing in this Treaty shall preclude Belize from concluding arrangements with neighboring economic groupings provided that treatment not less favourable than that accorded to third States within such groupings shall be accorded to Member States of the Community, and that the arrangements make adequate provision to guard against the deflection of trade into the rest of CARICOM from the countries of such groupings through Belize.

ARTICLE VI: Replace Article 31 with the following:

Article 15: Establishment of Common External Tariff

Member States shall establish and maintain a common external tariff in respect of all goods which do not qualify for Community treatment in accordance with plans and schedules set out in relevant determinations of the COTED.

ARTICLE VII: Replace Article 32 with the following:

Article 16: Operation of the Common External Tariff

- 1. Any alteration or suspension of the Common External Tariff on any item shall be decided by the COTED.
- 2. Where:
 - a. a product is not being produced in the Community;
 - b. the quantity of the product being produced in the Community does not satisfy the demand of the Community; or
 - c. the quality of the product being produced in the Community is below the Community standard or a standard the use of which is authorised by the COTED, the COTED may decide to authorise the reduction or suspension of the Common External Tariff in respect of imports of that product subject to such terms and conditions as it may decide, provided that in no case shall the product imported from third States be accorded more favourable treatment than similar products produced in Member States.
- 3. The authority referred to in paragraph 2 to suspend the Common External Tariff may be exercised by the Secretary-General on behalf of the COTED during any period between meetings of the COTED. Any exercise of such authority by the Secretary-General shall be reported to the next meeting of the COTED.
- 4. Each Member State shall, for the purpose of administering the Common External Tariff, appoint a Competent Authority which shall be notified to the COTED.
- 5. The COTED shall continuously review the Common External Tariff, in whole or in part, to assess its impact on production and trade, as well as to secure its uniform implementation throughout the Community, in particular, by reducing the need for discretionary application in the day to day administration of the Tariff.

ARTICLE VIII: Replace Article 14 with the following:

Article 17: Community Rules of Origin

- 1. Subject to the provisions of this Article, goods that have been consigned from a Member State to a consignee in another Member State shall be treated as being of Community origin, where the goods:
 - a. have been wholly produced within the Community; or
 - b. have been produced within the Community wholly or partly from materials

imported from outside the Community or from materials of undetermined origin by a process which effects a substantial transformation characterised:

- i. by the goods being classified in a tariff heading different from that in which any of those materials is classified; or
- ii. in the case of the goods set out in the List in Schedule I to this Protocol (hereinafter referred to as "the List"), only by satisfying the conditions therefor specified.
- 2. Goods that have been consigned from one Member State to a consignee in another Member State for repair, renovation or improvement shall, on their return to the Member State from which they were exported, be treated for the purpose of re-importation only, in like manner as goods which are of Community origin, provided that the goods are reconsigned directly to that Member State from which they were exported and the value of materials imported from outside the Community or of undetermined origin which have been used in the process of repair, renovation or improvement does not exceed:
 - a. in the case where the goods have undergone the process of repair, renovation or improvement in a More Developed Country, 65 per cent of the cost of repair, renovation or improvement;
 - b. in the case where the goods have undergone the process of repair, renovation or improvement in a Less Developed Country, 80 per cent of the cost of repair, renovation or improvement.
- 3. Where there is an interruption or inadequacy of supplies of regional materials and the manufacturer of goods, for which the qualifying condition for Community origin is that of "wholly produced" or "produced from regional materials", is unable by reason of circumstances beyond his control to obtain supplies of the regional materials, he shall so inform the Competent Authority.
- 4. The Competent Authority shall:
 - a. after receipt of information from the manufacturer, cause investigations to be made into the matter, and if he is satisfied that the representation from the manufacturer is justified, submit to the Secretary-General in the prescribed instrument an application for a certificate provided for in this Article;
 - b. at the time of making the application, inform the other Member States of the inability of the manufacturer to obtain the supplies of the required materials from within the Community with respect to quantities and specifications of the materials sought and the period during which the materials are required.
- 5. The Secretary-General shall, on receipt of the application from the Competent Authority:
 - a. forthwith make the relevant enquiries by the quickest possible means from the Competent Authorities in the other Member States as to their ability to supply the materials required by the manufacturer; and
 - b. request a reply to the enquiry from each Competent Authority within seven

calendar days of the despatch of his enquiry.

- 6. A Competent Authority shall reply to the enquiry referred to in paragraph 5 within the time specified.
- 7. Where the Secretary-General, on the basis of his investigations, is satisfied that the application received from the Competent Authority justifies favourable consideration, he shall, notwithstanding that he may not have received a reply to his enquiry from one or more Member States, within fourteen calendar days after the receipt of the application from the Competent Authority, issue, on behalf of the COTED, a certificate to the Competent Authority authorising the use of like materials from outside the Community, subject to such conditions as he may think fit to impose.
- 8. The Secretary-General shall inform Member States of the issue of his certificate, including any conditions attaching thereto and that notwithstanding anything to the contrary in the provisions of this Article, goods manufactured from like materials imported from outside the Community shall be deemed to be of Community origin.
- 9. A Member State may treat as of Community origin any imports consigned from another Member State, provided that the like imports consigned from any other Member State are accorded the same treatment. Member States concerned shall promptly inform the COTED of any trading arrangements concluded pursuant to this paragraph and the COTED may, as it deems fit, recommend to the Member States concerned the adoption of alternative trading arrangements.
- 10. The provisions of Schedule I shall apply to and have effect for the purposes of this Article. The COTED shall keep the Schedule and, in particular, the List under continuous review, and may amend the Schedule in order to ensure the achievement of the objectives of the Community.
- 11. The issue of a certificate in accordance with paragraph 7 shall be reported by the Secretary-General to the COTED at the Meeting of the COTED next following the date of issue thereof.

ARTICLE IX: Insert new Article to read as follows:

Article 18: Export Promotion

- 1. The COTED shall adopt appropriate measures for the promotion and export of goods and services.
- 2. In the implementation of measures to promote such exports, the COTED shall give consideration to:
 - a. the establishment and maintenance of effective trade information systems and services;
 - b. the design and implementation of trade facilitation programmes including the conduct of market research and the organisation of trade missions;
 - c. co-ordinating and supporting the active participation of Member States in international trade promotion fora, including trade fairs and exhibitions.

ARTICLE X: Replace Article 15 with the following:

Article 19: General Provisions on Trade Liberalisation

- 1. Member States shall establish and maintain a regime for the free movement of goods and services within the Single Market and Economy.
- 2. Each Member State shall refrain from trade policies and practices, the object or effect of which is to distort competition, frustrate free movement of goods, or otherwise nullify or impair benefits to which other Member States are entitled under this Treaty.
- 3. Upon the entry into force of this Protocol the Member States shall not introduce in their territories any new restrictions on imports or exports of Community origin save as otherwise provided in this Treaty.

ARTICLE XI: Replace Article 20 with the following:

Article 20: Freedom of Transit

- 1. Member States shall grant freedom of transit within the Community with respect to goods and vessels and other vehicles transporting those goods.
- 2. For the purpose of paragraph 1 of this Article, transit means the passage of goods and of vessels and aircraft and vehicles transporting those goods:
 - a. through or across the frontier of a Member State;
 - b. with or without transhipment, warehousing, breaking bulk or change of mode of transport, where the passage is only a portion of a journey beginning and terminating beyond its frontier.
- 3. In granting freedom of transit within the meaning of paragraph 2, Member States:
 - a. shall ensure that there are no unnecessary delays or restrictions and that goods, vessels, aircraft and vehicles transporting those goods are subject only to charges for transport, handling, and other services rendered;
 - b. shall not discriminate based on the flag of vessels, place of origin, departure, entry, exit or destination or any circumstance relating to the ownership of goods, vessels, or aircraft or vehicles;
 - c. shall, with respect to regulations, formalities, fees and other service charges in connection with the transit, ensure that treatment extended to any Member State is on terms no less favourable than those extended to all other Member States.

ARTICLE XII: Replace Article 15 with the following:

Article 21: Import Duties

- 1. Save as otherwise provided in this Treaty, Member States shall not impose import duties on goods of Community origin.
- 2. Nothing in paragraph 1 of this Article shall be construed to extend to the imposition of non-discriminatory internal charges on any products or a substitute not produced in the

importing Member State.

- 3. For the purposes of this Protocol "import duties" means any tax or surtax of customs and any other charges of equivalent effect whether fiscal, monetary or exchange, which are levied on imports except duties notified under Article XV of this Protocol and other charges which fall within that Article.
- 4. This Article does not apply to fees and similar charges commensurate with the cost of services rendered.
- 5. Nothing in paragraph 3 of this Article shall be construed to exclude from the application of paragraph 1 of this Article any tax or surtax of customs on any product or a substitute not produced in the importing State.

ARTICLE XIII: Replace Article 18 with the following:

Article 22: Prohibition of Export Duties

- 1. Member States shall not apply any export duties on goods of Community origin traded within the Community.
- 2. Nothing in this Article shall prevent a Member State from taking such measures as are necessary to prevent evasion of export duties which are applied to products destined for export outside of the Community where such products are re-exported through another Member State.
- 3. For the purposes of this Article, "export duties" means any duties or charges with equivalent effect imposed on or in connection with the exportation of goods.

ARTICLE XIV: Replace Article 16 with the following:

Article 23: Export Drawback

- 1. Each Member State may refuse to treat as of Community origin goods which benefit from export drawback allowed by Member States. In applying this paragraph, each Member State shall accord the same treatment to such goods consigned from all other Member States.
- 2. Whenever a Member State intends to apply an export drawback within the meaning of paragraph 6, it shall notify the COTED.
- 3. The Member State shall, at the time of notification, set out the circumstances which justify the need to apply an export drawback, the products which will benefit therefrom, the nature and proposed duration of the measures, and such other information as the COTED may prescribe from time to time.
- 4. The COTED shall give its earliest consideration to the notification referred to in paragraph 3 and make a determination of the appropriateness of the measures and, if it is not satisfied, may recommend that the Member State which intends to apply an export drawback, modify the programme.
- 5. The COTED shall review annually all export drawback programmes maintained by Member States.
- 6. For the purposes of this Article -

- a. 'export drawback' means any arrangement for the refund or remission, wholly or in part, of import duties applicable to imported materials: provided that the arrangement, expressly or in effect, allows refund or remission if certain goods or materials are exported, but not if they are retained for home use;
- b. 'remission' includes exemption for materials brought into free ports and other places which have similar customs privileges;
- c. 'duties' means:
 - i. all charges on or in connection with importation, except fiscal charges to which Article XV of this Protocol applies; and
 - ii. any protective element in such fiscal charges;
- d. 'materials' shall have the meaning assigned to it in Rule I of Schedule I to this Treaty.

ARTICLE XV: Replace Article 17 with the following:

Article 24: Internal Taxes and Other Fiscal Charges

- 1. Save as otherwise provided in this Treaty, Member States shall not:
 - a. apply directly or indirectly to imported goods of Community origin any fiscal charges in excess of those applied directly or indirectly to like domestic goods, or otherwise apply such charges so as to protect like domestic goods; or
 - b. apply fiscal charges to imported goods of Community origin of a kind which they do not produce, or which they do not produce in substantial quantities, in such a way as to protect the domestic production of substitutes which enter into direct competition with them and which do not bear, directly or indirectly, in the country of importation, fiscal charges of equivalent incidence.
- 2. A Member State shall notify the COTED of all fiscal charges applied by it where, although the rates of charge, or the conditions governing the imposition or collection of the charge, are not identical in relation to the imported goods and to the like domestic goods, the Member State applying the charge considers that the charge is, or has been made, consistent with sub-paragraph (a) of paragraph 1 of this Article. Each Member State shall, at the request of any other Member State, supply information about the application of paragraph I of this Article.
- 3. For the purposes of this Article `fiscal charges' means internal taxes and other internal charges with equivalent effect on goods.

ARTICLE XVI: Replace Articles 21 and 22 with the following:

Article 25: Quantitative Restrictions

1. Save as otherwise provided in this Treaty, and in particular Articles XIX, XX and XXI,

and in Schedules II, III and IV, a Member State

shall not apply any quantitative restrictions on the importation of goods which are of Community origin.

- 2. Except where otherwise provided in this Treaty, and particularly in Articles XX and XXI, and in Schedule III, a Member State shall not apply any quantitative restrictions on exports to any other Member State.
- 3. This Article shall not prevent any Member State from taking such measures as are necessary to prevent evasion of any prohibitions or restrictions which it applies to imports from or exports to third States provided that less favourable treatment is not granted to Member States than to countries outside the Community.
- 4. "Quantitative restrictions" means prohibitions or restrictions on imports into, or exports from, any other Member State, as the case may be, whether made effective through quotas, import licences or other measures with equivalent effect, including administrative measures and requirements restricting imports or exports.

ARTICLE XVII: Replace Article 29 with the following:

Article 26: Difficulties Occasioned by Particular Imports

- 1. Wherever imports of any product including any primary agricultural product into a Member State cause serious injury or the threat of serious injury to domestic producers of like or directly competitive products in any industry or specific sector of any industry, the importing Member State shall be free to impose restrictions in respect of such product if:
 - a. the import of the product in question results in a substantial decrease in demand for the like or directly competitive product produced within its jurisdiction; and
 - b. the decrease in demand is directly linked to an increase in imports consigned from another Member State.
- 2. Where a Member State decides to exercise its rights under paragraph I, it may provisionally, until a determination by the COTED is made:
 - a. limit imports of the product of Community origin by means of quantitative restrictions at a rate not less than the rate of such imports during any period of 12 months which ended 12 months before the date on which the restrictions entered into force;
 - b. take such other measures either instead of or in addition to quantitative restrictions in accordance with sub-paragraph (a) as the COTED may authorise;
- 3. In applying the restrictions in accordance with paragraph 2, a Member State shall not discriminate among the sources of supply or the nationality of suppliers, and shall give consideration to the proportionate share of the market previously enjoyed by each Member State;

- 4. Where a Member State:
 - a. intends to act in accordance with paragraph 2, it shall, prior to taking such action, enter into consultations with affected Member States and notify the COTED of that intention and the nature of the action;
 - b. is unable to comply with sub-paragraph (a) of this paragraph, it shall, in taking the action, immediately notify the COTED of the application and the nature of the action.
- 5. The Member State at the time of taking such action in accordance with paragraph 2 shall submit to the COTED:
 - a. such information as is reasonably available, including:
 - i. the identity of the producers and the length of time during which the producers of the like or directly competitive product have been in production;
 - ii. a complete description of the product and the annual volume of production;
 - iii. an estimate of the size by volume of the domestic market, the share by volume in the domestic market of the domestic product, imports from other Member States and from third States;
 - iv. information on changes in the level of sales and employment for the periods comparable to the periods during which imports have increased; and
 - v. any other information as the COTED may from time to time prescribe;
 - b. a programme setting out the measures to be taken to assist the domestic producers to alleviate the difficulties they face and to restore their position in the domestic market.
- 6. The COTED shall give its earliest consideration to the submission made under paragraph 5, and:
 - a. make a determination of the appropriateness of the restrictions and whether they shall be continued;
 - b. where it decides that the restrictions shall be continued, determine the adequacy of the programme and the period for which the restrictions shall continue.
- 7. Restrictions applied by a Member State pursuant to paragraph 2 shall be confined to those necessary to forestall a threat of serious injury or otherwise eliminate injury.
- 8. Member States in applying restrictions pursuant to paragraph 2 shall not discriminate and:
 - a. shall progressively relax them as the relevant conditions improve;
 - b. may maintain them only to the extent that the conditions mentioned in paragraph 1 of this Article continue to justify their application.
- 9. If a Member State has demonstrated that the imposition of measures by another Member

State under paragraph 2 has caused injury or the threat of serious injury to domestic producers in its jurisdiction, then the first mentioned Member State may request consultation with the Member State maintaining the restrictions and notify the COTED accordingly.

- 10. Where the consultations do not result in a mutually agreed solution, the matter may be referred to the COTED for a determination.
- 11. If the COTED is not satisfied that Member States applying restrictions are acting in accordance with the provisions of paragraph 7, it may recommend to the Member State adversely affected thereby, alternative arrangements to the same end.

ARTICLE XVIII: Replace Article 25 with the following:

Article 27: Government Assistance to Economic Development

- 1. Except as otherwise provided in this Protocol, a Member State shall not maintain or introduce:
 - a. the forms of assistance to export of goods to any other part of the Community which are described in Schedule V to this Treaty; or
 - b. any other forms of assistance, the main purpose or effect of which is to frustrate the benefits expected from such removal or absence of duties and quantitative restrictions as is required by this Treaty.
- 2. If the application of any type of assistance by a Member State, although not contrary to paragraph 1(b) of this Article, nevertheless frustrates the benefits expected from such removal or absence of duties and quantitative restrictions as is required by this Treaty, the COTED may authorise any Member State to suspend, in relation to the Member State which is applying the assistance, the application of such obligations under this Treaty as the COTED considers appropriate: provided always that the procedure set out in paragraphs 3 to 5 of Article 11 of the Caribbean Common Market Annex to the Treaty has been followed.
- 3. The COTED may amend the provisions of Schedule V of this Protocol.

ARTICLE XIX: Replace Article 26 with the following:

Article 28: Public Undertakings

- 1. Except as otherwise provided in this Treaty, Member States shall ensure the elimination in the practices of public undertakings of :
 - a. measures the effect of which is to afford protection to domestic production and which would be inconsistent with this Treaty if achieved by means of a duty or charge with equivalent effect or quantitative restrictions or Government assistance; or
 - b. trade discrimination on grounds of territorial origin in so far as it frustrates the benefits expected from the removal or absence of such charges, duties and

quantitative restrictions as is required by this Treaty.

- 2. In so far as Article XVIII of this Protocol is relevant to the activities of public undertakings, that Article shall apply to them in the same way as it applies to other enterprises.
- 3. Where a public undertaking has introduced a measure or practice which:
 - a. is inconsistent with paragraph 1; or
 - b. in law or in effect, results in limiting access to any market, distorts competition or fair trade, or otherwise nullifies or impairs benefits expected from the establishment of the Single Market and Economy, then in such a case the aggrieved Member State may request consultations with the offending Member State and promptly notify the COTED of the request.
- 4. The Member State alleged to have introduced a measure or practice within the meaning of paragraph 3 shall give favourable consideration to a request for consultations by the aggrieved Member State with a view to resolving their differences and arriving at a mutually acceptable solution.
- 5. If no mutually acceptable solution is reached within 30 days of the date of request for consultations, the aggrieved Member State may refer the matter to the COTED, which shall cause an investigation to be carried out into the circumstance giving rise to the complaint; the investigation is to be completed within 60 days of the date of receipt of the complaint by the COTED.
- 6. The COTED shall, upon receipt of the report arising from the investigation, make available the report to the Member States concerned to facilitate consultations and to permit them to reach a mutually acceptable solution.
- 7. If no mutually acceptable solution is reached at the end of 15 days starting from the date of submission of the report by the COTED to the parties concerned and the COTED is satisfied that the rights of the aggrieved Member States under paragraph 1 have been unreasonably denied, then the COTED shall request the offending Member State to withdraw the measure or practice, as the case may be.
- 8. If the offending Member State referred to in paragraph 7 fails to comply with the request of the COTED within 60 days of the date thereof, then the COTED may authorise Member States to suspend, in relation to the Member State which is applying the measure or practice, the application of such provisions of this Treaty as the COTED may decide.
- 9. Member States shall ensure that new practices of the kind described in paragraph 3 of this Article are not introduced.
- 10. For the purposes of this Article, 'public undertakings' means central, regional, or local government authorities, public enterprises and any other organisation by means of which a Member State by law or in practice controls or appreciably influences imports from, or exports to any other part of the Community.

ARTICLE XX: Replace Article 23 with the following:

Article 29: General Exceptions Nothing in Article XVI of this Protocol shall prevent the adoption

or enforcement by any Member State of measures :

- a. necessary to protect public morals;
- b. necessary for the preservation of public order or the prevention of crime;
- c. necessary to protect human, animal or plant life or health;
- d. necessary to secure compliance with laws or regulations relating to customs enforcement, or to the classification, grading or marketing of goods, or to the operation of monopolies by means of state enterprises or enterprises given exclusive or special privileges;
- e. necessary to protect intellectual property or to prevent deceptive practices;
- f. relating to gold or silver;
- g. relating to the products of prison labour;
- h. relating to child labour;
- i. imposed for the protection of national treasures of artistic, historic or archaeological value;
- j. necessary to prevent or relieve critical food shortages in any exporting Member State; or
- k. relating to the conservation of natural resources or the preservation of the environment,

but only if such measures are not used as a means of arbitrary or unjustifiable discrimination between Member States, or as a disguised restriction on trade within the Community.

2. Measures taken by Member States pursuant to paragraph 1 shall be notified to the COTED.

ARTICLE XXI: Replace Article 24 with the following:

Article 31: Security Exceptions

- 1. Nothing in this Treaty shall prevent any Member State from taking action which it considers necessary for the protection of its essential security interests.
- 2. Nothing in this Treaty shall prevent any Member State from taking action in pursuance of any obligations to which it is subject for the purpose of maintaining international peace and security.