



EUROPEAN COMMISSION
Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE
Free movement of capital and financial integration

Provisions on Capital Movements in multilateral & bilateral agreements of the European Union with third parties

Brussels, May 2007.

I.	BILATERAL AGREEMENTS	4
A.	Agreements with Candidate Countries.....	4
1.	Croatia	4
2.	Former Yugoslav Republic of Macedonia.....	6
3.	Turkey	8
B.	Partnership and Cooperation Agreements in force with NIS	9
1.	Armenia	9
2.	Azerbaijan	10
3.	Georgia	12
4.	Kazakhstan	13
5.	Kyrgyz Republic	14
6.	Moldova	15
7.	Russia	17
8.	Ukraine	18
9.	Uzbekistan	19
C.	Euro-Mediterranean Association Agreements	21
1.	Algeria.....	21
2.	Egypt.....	22
3.	Israel	22
4.	Jordan	23
5.	Lebanon.....	25
6.	Morocco.....	26
7.	Palestinian Authority.....	27
8.	Syria	28
9.	Tunisia	28
D.	Wider Europe – European Neighbourhood Policy (ENP).....	29
E.	Other third countries	29
1.	Chile	29
2.	Mexico	32
3.	South-Africa	34
4.	Mercosur	36
II.	MULTILATERAL AGREEMENTS	37
A.	European Economic Area (EEA).....	37
B.	General Agreement on Trade in Services (GATS).....	39

C.	Energy Charter Treaty.....	41
D.	International Monetary Fund (IMF)	46
E.	Organisation for Economic Co-operation and Development (OECD).....	51

I. BILATERAL AGREEMENTS

A. Agreements with Candidate Countries

1. Croatia

Stabilisation and Association agreement between the European Communities and their Member States and the Republic of Croatia

Signed on 29 October 2001. Entered into force on 1 February 2005.

[Full text](#)

...

TITLE V MOVEMENT OF WORKERS, ESTABLISHMENT, SUPPLY OF SERVICES, CAPITAL

CHAPTER IV CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

Article 59

The Parties undertake to authorise, in freely convertible currency, in accordance with the provisions of Article VIII of the Articles of the Agreement of the International Monetary Fund, any payments and transfers on the current account of balance of payments between the Community and Croatia.

Article 60

1. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of the Agreement, the Parties shall ensure the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title V, and the liquidation or repatriation of these investments and of any profit stemming therefrom.

2. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of this Agreement, the Parties shall ensure the free movement of capital relating to credits related to commercial transactions or to the provision of services in which a resident of one of the Parties is participating, and to financial loans and credits, with maturity longer than a year.

As from the entry into force of this Agreement, Croatia shall authorise, by making full and expedient use of its existing procedures, the acquisition of real estate in Croatia by nationals of Member States of the European Union, except for areas and matters listed in Annex VII. Within four years from the entry into force of this Agreement, Croatia shall progressively adjust its legislation concerning the

acquisition of real estate in Croatia by nationals of the Member States of the European Union to ensure the same treatment as compared to Croatian nationals. At the end of the fourth year after the entry into force of this Agreement, the Stabilisation and Association Council shall examine the modalities for extending these rights to the areas and matters listed in Annex VII.

The Parties shall also ensure, from the fourth year after the entry into force of this Agreement, free movement of capital relating to portfolio investment and financial loans and credits with maturity shorter than a year.

3. Without prejudice to paragraph 1, the Parties shall not introduce any new restrictions on the movement of capital and current payments between residents of the Community and Croatia and shall not make the existing arrangements more restrictive.

4. Without prejudice to the provisions of Article 59 and of this Article, where, in exceptional circumstances, movements of capital between the Community and Croatia cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or Croatia, the Community and Croatia, respectively, may take safeguard measures with regard to movements of capital between the Community and Croatia for a period not exceeding six months if such measures are strictly necessary.

5. Nothing in the above provisions shall be taken to limit the rights of economic operators of the Parties from benefiting from any more favourable treatment that may be provided for in any existing bilateral or multilateral agreement involving Parties to this Agreement. 6. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and Croatia in order to promote the objectives of this Agreement.

Article 61

1. During the first four years following the date of entry into force of this Agreement, the Parties shall take measures permitting the creation of the necessary conditions for the further gradual application of Community rules on the free movement of capital. 2. By the end of the fourth year following the date of entry into force of this Agreement, the Stabilisation and Association Council shall determine the modalities for full application of Community rules on the movement of capital.

2. By the end of the fourth year following the date of entry into force of this Agreement, the Stabilisation and Association Council shall determine the modalities for full application of Community rules on the movement of capital.

CHAPTER V GENERAL PROVISIONS

Article 66

1. The Parties shall endeavour wherever possible to avoid the imposition of restrictive measures, including measures relating to imports, for balance of payments purposes. A Party adopting such measures shall present as soon as possible to the other Party a timetable for their removal.

2. Where one or more Member States or Croatia is in serious balance of payments difficulties, or under imminent threat thereof, the Community or Croatia, as the case may be, may, in accordance with the conditions established under the WTO Agreement, adopt restrictive measures, including measures relating to imports, which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or Croatia, as the case may be, shall inform the other Party forthwith.

3. Any restrictive measures shall not apply to transfers related to investment and in particular to the repatriation of amounts invested or reinvested or any kind of revenues stemming there from.

JOINT DECLARATION CONCERNING ARTICLE 60

The Parties agree that the provisions laid down in Article 60 shall not be construed to prevent proportionate, non-discriminatory restrictions to the acquisition of real estate based on general interest, nor otherwise affect the Parties' rules governing the system of property ownership, except as specifically laid down therein.

It is understood that the acquisition of real estate by Croatian nationals is allowed in the

Member States of the European Union in accordance with the applicable Community law, subject to specific exceptions permitted thereby and applied in conformity with the applicable national legislations of the Member States of the European Union.

ANNEX VII ACQUISITION OF REAL PROPERTIES BY EU NATIONALS

List of exceptions referred to in article 60.2

Excluded sector

- Agricultural land as defined by the Agricultural Land Act (Narodne novine no.54/94, consolidated text, 48/95, 19/98 and 105/99)
- Areas protected under the Environmental Protection Act (Narodne novine no. 30/94)

2. Former Yugoslav Republic of Macedonia

Stabilization and Association Agreement between the European Communities and their Member States, of the one part, and the former Yugoslav Republic of Macedonia, of the other part

Signed on 9 April 2001. Entered into force on 1 April 2004.

[Full text](#)

...

TITLE V
MOVEMENT OF WORKERS, ESTABLISHMENT,
SUPPLY OF SERVICES, CAPITAL

CHAPTER IV
CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

Article 58

The Parties undertake to authorise, in freely convertible currency, in accordance with the provisions of Article VIII of the Articles of Agreement of the International Monetary Fund, any payments and transfers on the current account of balance of payments between the Community and the former Yugoslav Republic of Macedonia.

Article 59

1. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of the Agreement, the Parties shall ensure the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title V, and the liquidation or repatriation of these investments and of any profit stemming therefrom.

2. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of this Agreement, the Parties shall ensure the free movement of capital relating to credits related to commercial transactions or to the provision of services in which a resident of one of the Parties is participating, and to financial loans and credits, with a maturity longer than a year.

They shall also ensure, from the beginning of the second stage, free movement of capital relating to portfolio investment and financial loans and credits with a maturity shorter than a year.

3. Without prejudice to paragraph 1, the Parties shall not introduce any new restrictions on the movement of capital and current payments between residents of the Community and the former Yugoslav Republic of Macedonia and shall not make the existing arrangements more restrictive.

4. Without prejudice to the provisions of Article 58 and of this Article, where, in exceptional circumstances, movements of capital between the Community and the former Yugoslav Republic of Macedonia cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the former Yugoslav Republic of Macedonia, the Community and the former Yugoslav Republic of Macedonia, respectively, may take safeguard measures with regard to movements of capital between the Community and the former Yugoslav Republic of Macedonia for a period not exceeding six months if such measures are strictly necessary.

5. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and the former Yugoslav Republic of Macedonia in order to promote the objectives of this Agreement.

Article 60

1. During the first stage, the Parties shall take measures permitting the creation of the necessary conditions for the further gradual application of Community rules on the free movement of capital.
2. By the end of the first stage, the Stabilisation and Association Council shall examine ways of enabling Community rules on the movement of capital to be applied in full.

CHAPTER V GENERAL PROVISIONS

Article 65

1. The Parties shall endeavour wherever possible to avoid the imposition of restrictive measures, including measures relating to imports, for balance of payments purposes. A Party adopting such measures shall present as soon as possible to the other Party a timetable for their removal.
2. Where one or more Member States or the former Yugoslav Republic of Macedonia is in serious balance of payments difficulties, or under imminent threat thereof, the Community or the former Yugoslav Republic of Macedonia, as the case may be, may, in accordance with the conditions established under the WTO Agreement, adopt restrictive measures, including measures relating to imports, which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or the former Yugoslav Republic of Macedonia, as the case may be, shall inform the other Party forthwith.
3. Any restrictive measures shall not apply to transfers related to investment and in particular to the repatriation of amounts invested or reinvested or any kind of revenues stemming therefrom.

3. Turkey

Agreement establishing an Association between the European Economic Community and Turkey

Signed on 12 September 1963. Entered into force in December 1964.

O.J. L 217, 29/12/1964

[Full text](#)

...

(no English text available)

Article 19

Les Etats membres de la Communauté et la Turquie autorisent, dans la monnaie du pays dans lequel résident le créancier ou les bénéficiaires, les paiements ou transferts afférents aux échanges de marchandises, de services et de capitaux, ainsi que les transferts de capitaux et de salaires, dans la mesure où la circulation des marchandises, des services, des capitaux et des personnes est libérée entre eux en application de l'accord.

Article 20

Les Parties contractantes se consultent en vue de faciliter entre les Etats membres de la Communauté et la Turquie les mouvements de capitaux favorisant la réalisation des buts de l'accord.

Elles s'efforcent de rechercher tous moyens favorisant les investissements en Turquie de capitaux provenant des pays de la Communauté susceptibles de contribuer au développement de l'économie turque.

Les résidents de chaque Etat membre bénéficient de tous les avantages, notamment en matière de change et en matière fiscale, concernant le traitement des capitaux étrangers, que la Turquie accorde à un autre Etat membre ou à un pays tiers.

B. Partnership and Cooperation Agreements in force with NIS

1. Armenia

Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Armenia, of the other part - Protocol on mutual assistance between authorities in customs matters - Final Act - Joint Declarations - Exchange of Letters in relation to the establishment of companies - Declaration of the French Government

Signed on 22 April 1996. Entered into force on 1 July 1999.

O.J. L 239, 09/09/1999

[Full text](#)

...

TITLE IV

PROVISIONS AFFECTING BUSINESS AND INVESTMENT

Chapter V

Current Payments and Capital

Article 41

1. The Parties undertake to authorise, in freely convertible currency, any current payments between residents of the Community and of the Republic of Armenia connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from the entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Republic of Armenia shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 above between the Community and the Republic of Armenia in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of the Armenian currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Republic of Armenia may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Republic of Armenia for the granting of such credits and are permitted according to the Republic of Armenia's status under the IMF. The Republic of Armenia shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Republic of Armenia shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movements of capital between the Community and the Republic of Armenia cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Republic of Armenia, the Community and the Republic of Armenia, respectively, may take safeguard measures with regard to movements of capital between the Community and the Republic of Armenia for a period not exceeding six months if such measures are strictly necessary.

2. Azerbaijan

Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Azerbaijan, of the other part - Protocol on mutual assistance between authorities in customs matters - Final Act - Joint Declarations - Exchange of Letters in relation to the establishment of companies - Declaration of the French Government

Signed on 22 April 1996. Entered into force on 1 July 1999.

O.J. L 246, 17/09/1999.

[Full text](#)

...

TITLE IV

PROVISIONS AFFECTING BUSINESS AND INVESTMENT

Chapter V Current Payments and Capital

Article 41

1. The Parties undertake to authorise in freely convertible currency, any current payments between residents of the Community and of the Republic of Azerbaijan connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. The provisions of paragraph 2 shall not prevent the Republic of Azerbaijan from applying restrictions on outward direct investment by Azerbaijani residents. Such restrictions shall not apply to subsidiaries and branches of Community companies. Five years after the entry into force of this Agreement, the Parties agree to consult over the maintenance of these restrictions, taking into account all the relevant monetary, fiscal and financial considerations.

4. Without prejudice to paragraph 2 or to paragraph 6, as from the entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Republic of Azerbaijan shall be introduced and the existing arrangements shall not become more restrictive.

5. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 above between the Community and the Republic of Azerbaijan in order to promote the objectives of this Agreement.

6. With reference to the provisions of this Article, until a full convertibility of the Azerbaijani currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Republic of Azerbaijan may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Republic of Azerbaijan for the granting of such credits and are permitted according to the Republic of Azerbaijan's status under the IMF. The Republic of Azerbaijan shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Republic of Azerbaijan shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

7. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movement of capital between the Community and the Republic of Azerbaijan cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Republic of Azerbaijan, the Community and the Republic of Azerbaijan, respectively, may take safeguard measures with regard to movements of capital between the Community and the Republic of Azerbaijan for a period not exceeding six months if such measures are strictly necessary.

3. Georgia

Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Georgia, of the other part - Protocol on mutual assistance between authorities in customs matters - Final Act - Joint Declarations - Exchange of Letters in relation to the establishment of companies - Declaration of the French Government

Signed on 22 April 1996. Entered into force on 1 July 1999.

O.J. L 205, 04/08/1999.

[Full text](#)

...

TITLE IV
PROVISIONS AFFECTING BUSINESS AND INVESTMENT
Chapter V
Current Payments and Capital

Article 41

1. The Parties undertake to authorise in freely convertible currency, any current payments between residents of the Community and of Georgia connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from the entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and Georgia shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 between the Community and Georgia in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of the Georgian currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, Georgia may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on Georgia for the granting of such credits and are permitted according to Georgia's status under the IMF. Georgia shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a

manner as to cause the least possible disruption to this Agreement. Georgia shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movement of capital between the Community and Georgia cause, or threaten to cause, serious difficulties for the operation of exchange-rate policy or monetary policy in the Community or Georgia, the Community and Georgia, respectively, may take safeguard measures with regard to movements of capital between the Community and Georgia for a period not exceeding six months if such measures are strictly necessary.

4. Kazakhstan

Partnership and Cooperation Agreement between the European Communities and their Member States and the Republic of Kazakhstan - Protocol on mutual assistance between authorities in customs matters - Final Act - Joint Declarations - Exchange of Letters in relation to the establishment of companies - Declaration of the French Government

Signed on 23 January 1995. Entered into force on 1 July 1999.

O.J. L 196, 28/07/1999.

[Full text](#)

...

TITLE IV
PROVISIONS AFFECTING BUSINESS AND INVESTMENT
Chapter V
Current Payments and Capital

Article 41

1. The Parties undertake to authorise in freely convertible currency, any payments on the current account of balance of payments between residents of the Community and of the Republic of Kazakhstan connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Republic of Kazakhstan shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 between the Community and the Republic of Kazakhstan in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of the Kazakh currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Republic of Kazakhstan may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Republic of Kazakhstan for the granting of such credits and are permitted according to the Republic of Kazakhstan's status under the IMF. The Republic of Kazakhstan shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Republic of Kazakhstan shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movements of capital between the Community and the Republic of Kazakhstan cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Republic of Kazakhstan, the Community and the Republic of Kazakhstan, respectively, may take safeguard measures with regard to movements of capital between the Community and the Republic of Kazakhstan for a period not exceeding six months if such measures are strictly necessary.

5. Kyrgyz Republic

Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Kyrgyz Republic, of the other part - Protocol on mutual assistance between authorities in customs matters - Final Act - Joint Declarations - Exchange of Letters in relation to the establishment of companies - Declaration of the French Government

Signed on 9 February 1995. Entered into force on 1 July 1999.

O.J. L 196, 28/07/1999.

[Full text](#)

...

TITLE IV PROVISIONS AFFECTING BUSINESS AND INVESTMENT Chapter V Current Payments and Capital

Article 42

1. The Parties undertake to authorise in freely convertible currency, any payments on the current account of balance of payments between residents of

the Community and of the Kyrgyz Republic connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of the Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Kyrgyz Republic shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 above between the Community and the Kyrgyz Republic in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of the Kyrgyz currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Kyrgyz Republic may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Kyrgyz Republic for the granting of such credits and are permitted according to the Kyrgyz Republic's status under the IMF. The Kyrgyz Republic shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Kyrgyz Republic shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movement of capital between the Community and the Kyrgyz Republic causes, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Kyrgyz Republic, the Community and the Kyrgyz Republic, respectively, may take safeguard measures with regard to movements of capital between the Community and the Kyrgyz Republic for a period not exceeding six months if such measures are strictly necessary.

6. Moldova

Partnership and Cooperation Agreement between the European Communities and their Member States and the Republic of Moldova

Signed on 28 November 1994. Entered into force on 1 July 1998.

J.O. L 181, 24/06/1998.

[Full text](#)

...

Title V

Current Payments and Capital

Article 47

1. The Parties undertake to authorise in freely convertible currency, any payments on the current account of balance of payments between residents of the Community and of the Republic of Moldova connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of the Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title IV, and the liquidation or repatriation of these investments and of any profit stemming therefrom, shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Republic of Moldova shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 between the Community and the Republic of Moldova, in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of the Moldovan currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Republic of Moldova may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Republic of Moldova for the granting of such credits and are permitted according to the Republic of Moldova's status under the IMF. The Republic of Moldova shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Republic of Moldova shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movements of capital between the Community and the Moldova cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Republic of Moldova, the Community and the Republic of Moldova, respectively, may take safeguard measures with regard to movements of capital between the Community and the Republic of Moldova for a period not exceeding six months if such measures are strictly necessary.

7. Russia

Agreement on partnership and cooperation establishing a partnership between the European Communities and their Member States, of one part, and the Russian Federation, of the other part

Signed on 24 June 1994. Entered into force on 1 December 1997.

O.J. L 327, 28/11/1997.

[Full text](#)

...

Title V Payments and Capital

Article 52

1. The Parties undertake to authorize, in freely convertible currency, any current payments between residents of the Community and of Russia connected with the movement of goods, services or persons made in accordance with the provisions of the present Agreement.

2. The free movement of capital between residents of the Community and of Russia in the form of direct investment made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title IV, and the transfer abroad of this investment, including any compensation payments arising from measures such as expropriation, nationalization or measures of equivalent effect, and of any profit stemming therefrom shall be ensured.

3. The provisions of Part 2 shall not prevent Russia from applying restrictions on outward direct investment by Russian residents. Five years after the entry into force of this Agreement the Parties agree to consult over the maintenance of these restrictions, taking into account all the relevant monetary, fiscal and financial considerations.

4. Transfers in respect of capital movements covered under paragraph 2 shall be made on the same exchange rate conditions as those relating to current transactions.

5. Without prejudice to paragraphs 6 and 7, after a transitional period of five years as from entry into force of this Agreement, the Parties shall not introduce any new restrictions on the movement of capital and current payments connected therewith between resident of the Community and Russia and shall not make the existing arrangements more restrictive. However, the introduction of restrictions during the transitional period referred to in the first sentence of this paragraph shall not affect the rights and obligations of the Parties under paragraphs 2, 3, 4 and 9 of this Article.

6. After the prohibition in paragraph 5 has come into effect and without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movements of capital between the Community and Russia cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or Russia, the Community and Russia, respectively, may take safeguard measures with regard to movements of capital between the

Community and Russia for a period not exceeding six months if such measures are strictly necessary.

7. With reference to the provisions of this Article, until a full convertibility of the Russian currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, Russia may apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on Russia for the granting of such credits and are permitted according to Russia's status under the IMF.

Russia shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. Russia shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

8. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and Russia in order to promote the objectives of the present Agreement. The Parties shall particularly endeavour to further liberalize movements of capital related to portfolio investment and commercial credits, and movements of capital related to financial loans and credits granted by Community residents to Russian residents. The Cooperation Council shall make appropriate recommendations within the first five years after entry into force of this Agreement.

9. The Parties shall accord to one another most-favoured-nation treatment in respect of freedom of current payments and capital movements and in respect of methods of payment.

8. Ukraine

Partnership and Cooperation Agreement between the European Communities and their Member States, and Ukraine

Signed on 14 June 1994. Entered into force on 1 March 1998

O.J. L 049, 19/02/1998.

[Full text](#)

...

Title V: Current Payments and Capital

Article 48

1. The Parties undertake to authorize in freely convertible currency, any payments on the current account of balance of payments between residents of the Community and of Ukraine connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter

II of Title IV, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and Ukraine shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movement of forms of capital other than those referred to in paragraph 2 between the Community and Ukraine in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of Ukrainian currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, Ukraine may, in exceptional circumstances, apply exchange restrictions connected with the granting or taking-up of short- and medium-term financial credits to the extent that such restrictions are imposed on Ukraine for the granting of such credits and are permitted according to Ukraine's status under the IMF. Ukraine shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement.

Ukraine shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movements of capital between the Community and Ukraine cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or Ukraine, the Community and Ukraine, respectively, may take safeguard measures with regard to movements of capital between the Community and Ukraine for a period not exceeding six months if such measures are strictly necessary.

9. Uzbekistan

Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Uzbekistan, of the other part - Protocol on mutual assistance between authorities in customs matters - Final Act - Joint Declarations - Exchange of Letters in relation to the establishment of companies - Declaration of the French Government

Signed on 21 June 1996. Entered into force on 1 July 1999.

O.J. L 229, 31/08/1999.

[Full text](#)

...

TITLE IV

PROVISIONS AFFECTING BUSINESS AND INVESTMENT

Chapter V Current Payments and Capital

Article 40

1. The Parties undertake to authorise in freely convertible currency, any current payments between residents of the Community and of the Republic of Uzbekistan connected with the movement of goods, services or persons made in accordance with the provisions of this Agreement.
2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.
3. Without prejudice to paragraph 2 or to paragraph 5, as from the entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Republic of Uzbekistan shall be introduced and the existing arrangements shall not become more restrictive.
4. The Parties shall consult each other with a view to facilitating the movements of forms of capital other than those referred to in paragraph 2 above between the Community and the Republic of Uzbekistan in order to promote the objectives of this Agreement.
5. With reference to the provisions of this Article, until a full convertibility of the Uzbek currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Republic of Uzbekistan may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Republic of Uzbekistan for the granting of such credits and are permitted according to the Republic of Uzbekistan's status under the IMF. The Republic of Uzbekistan shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Republic of Uzbekistan shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.
6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movement of capital between the Community and the Republic of Uzbekistan cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Republic of Uzbekistan, the Community and the Republic of Uzbekistan, respectively, may take safeguard measures with regard to movements of capital between the Community and the Republic of Uzbekistan for a period not exceeding six months if such measures are strictly necessary.

C. Euro-Mediterranean Association Agreements

The Euro-Mediterranean Association Agreements are part of the Euro-Mediterranean Partnership (Barcelona Process) which started in November 1995.

See also [The Euro-Mediterranean Partnership](#) (Europa Website)

1. **Algeria**

***Euro-Mediterranean Agreement** establishing an Association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria, of the other part*

Signed on 22 April 2002. In process of ratification.

O.J. C 262 E/09, 29/10/2002.

[Full text](#)

...

Title IV

Payments, capital, competition and other economic provisions

Chapter 1

Current payments and movement of capital

Article 38

Subject to the provisions of Article 40, the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency.

Article 39

1. The Community and Algeria shall ensure, from the entry into force of the Agreement, that capital relating to direct investments in Algeria in companies formed in accordance with current laws can move freely and that the yield from such investments and any profit stemming therefrom can be liquidated and repatriated.

2. The Parties shall consult each other and cooperate with a view to establishing the necessary conditions for facilitating and fully liberalising the movement of capital between the Community and Algeria.

Article 40

Where one or more Member States of the Community, or Algeria, is in serious balance of payments difficulties, or under threat thereof, the Community or Algeria, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or Algeria, as the case may be, shall inform the other Party forthwith and shall submit to it as soon as possible a timetable for the abolition of the measures concerned.

2. Egypt

Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part

Signed on 25 June 2001. Entered into force on 1 June 2004.
O.J. L 304, 30/9/2004.

[Full text](#)

...

TITLE IV CAPITAL MOVEMENTS AND OTHER ECONOMIC MATTERS CHAPTER 1 Payments and capital movements

Article 31

Subject to the provisions of Article 33, the Parties undertake to authorise, in fully convertible currency, any payments to the current account.

Article 32

1. The Community and Egypt will ensure, from the entry into force of the Agreement, the free circulation of capital for direct investments made in companies formed in accordance with the laws of the host country, and the liquidation or repatriation of these investments and of any profit stemming therefrom.

2. The Parties will hold consultations with a view to facilitating the movement of capital between the Community and Egypt and achieve its complete liberalisation as soon as conditions are met.

Article 33

Where one or several Member States of the Community or Egypt face, or risk facing, serious difficulties concerning balance of payments, the Community or Egypt respectively may, in conformity with the conditions laid down within the framework of the GATT and Articles VIII and XIV of the Statutes of the International Monetary Fund, take restrictive measures with regard to current payments if such measures are strictly necessary. The Community or Egypt, as appropriate, shall inform the other Party immediately thereof and shall provide as soon as possible a timetable for the removal of such measures.

3. Israel

Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part

Signed on 20 November 1995. Entered into force on 1 June 2000.
O.J. L 147, 21/06/2000.

[Full text](#)

...

Title IV
Capital Movements, Payments, Public Procurement, Competition and Intellectual
Property

Chapter 1
Capital Movements and Payments

Article 31

Within the framework of the provisions of this Agreement, and subject to the provisions of Articles 33 and 34, there shall be no restrictions between the Community of the one part, and Israel of the other part, on the movement of capital and no discrimination based on the nationality or on the place of residence of their nationals or on the place where such capital is invested.

Article 32

Current payments connected with the movement of goods, persons, services or capital within the framework of this Agreement shall be free of all restrictions.

Article 33

Subject to other provisions in this Agreement and other international obligations of the Community and Israel, the provisions of Articles 31 and 32 shall be without prejudice to the application of any restriction which exists between them on the date of entry into force of this Agreement, in respect of the movement of capital between them involving direct investment, including in real estate, establishment, the provision of financial services or the admission of securities to capital markets.

However, the transfer abroad of investments made in Israel by Community residents or in the Community by Israeli residents and of any profit stemming therefrom shall not be affected.

Article 34

Where, in exceptional circumstances, movements of capital between the Community and Israel cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or Israel, the Community or Israel respectively may, in conformity within the conditions laid down within the framework of the GATS and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, take safeguard measures with regard to movements of capital between the Community and Israel for a period not exceeding six months if such measures are strictly necessary.

4. Jordan

Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part

Signed on 24 November 1997. Entered into force on 1 May 2002.

O.J. L 129, 15/5/2002.

[Full Text](#)

...

TITLE IV
PAYMENTS, CAPITAL MOVEMENTS
AND OTHER ECONOMIC MATTERS
CHAPTER 1
PAYMENTS AND CAPITAL MOVEMENTS

Article 48

Subject to the provisions of Articles 51 and 52, current payments connected with the movement of goods, persons, services and capital within the framework of this Agreement shall be free of restrictions.

Article 49

1. Within the framework of the provisions of this Agreement, subject to the provisions of Articles 50 and 51, and without prejudice to Annex VI referred to in Article 30(2)(a), there shall be no restrictions on the movement of capital from the Community to Jordan, and on the movement of capital involving direct investment from Jordan to the Community.
2. The outflow of Jordanian capital to the Community, other than direct investment, shall be subject to the prevailing laws in Jordan.
3. The Parties will hold consultations with a view to achieving complete liberalisation of capital movements as soon as conditions are met.

Article 50

Subject to other provisions in this Agreement and other international obligations of the Community and Jordan, the provisions of Article 49 shall be without prejudice to the application of any restrictions which exist between them on the date of entry into force of this Agreement, in respect of the movement of capital between them involving direct investment, including real estate, and establishment.

However, the transfer abroad of investments made in Jordan by Community residents or in the Community by Jordanian residents and of any profits stemming therefrom shall not be affected.

Article 51

Where, in exceptional circumstances, movements of capital between the Community and Jordan cause, or threaten to cause, serious difficulties for the operation of exchange-rate policy or monetary policy in the Community or Jordan, the Community or Jordan respectively may, in conformity with the conditions laid down within the framework of the GATS and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, take safeguard measures with regard to movements of capital between the Community and Jordan for a period not exceeding six months if such measures are strictly necessary.

Article 52

Where one or more Member States of the Community or Jordan face or risk facing serious difficulties concerning balance of payments, the Community and Jordan respectively may, in conformity with the conditions laid down within the

framework of the GATT and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, take restrictive measures with regard to current payments if such measures are strictly necessary. The Community or Jordan, as appropriate, shall inform the other Party immediately thereof and shall provide as soon as possible a timetable for the removal of such measures.

5. Lebanon

Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States, of the one part, and the Republic of Lebanon, of the other part

Signed on 17 June 2002. Interim Agreement entered into force on 1 March 2003.

[Full text](#)

...

TITLE IV PAYMENTS, CAPITAL, COMPETITION AND OTHER ECONOMIC PROVISIONS

CHAPTER 1 CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

Article 31

Within the framework of the provisions of this Agreement, and subject to the provisions of Articles 33 and 34, there shall be no restrictions between the Community of the one part, and Lebanon of the other part, on the movement of capital and no discrimination based on the nationality or on the place of residence of their nationals or on the place where such capital is invested.

Article 32

Current payments connected with the movement of goods, persons, services or capital within the framework of this agreement shall be free of all restrictions.

Article 33

Subject to other provisions in this Agreement and other international obligations of the Community and Lebanon, the provisions of Articles 31 and 32 shall be without prejudice to the application of any restriction which exists between them on the date of entry into force of the present Agreement, in respect of the movement of capital between them involving direct investment, including in real estate, establishment, the provision of financial services or the admission of securities to capital markets.

However, the transfer abroad of investments made in Lebanon by Community residents or in the Community by Lebanese residents and of any profit stemming therefrom shall not be affected.

Article 34

Where one or several Member States of the Community or Lebanon face or risk facing serious difficulties concerning balance of payments, the Community or Lebanon respectively may, in conformity with the conditions laid down within the framework of the GATT and Articles VIII and XIV of the Statutes of the International Monetary Fund, take restrictive measures with regard to current payments if such measures are strictly necessary. The Community or Lebanon, as appropriate, shall inform the other Party immediately thereof and shall provide as soon as possible a timetable for the removal of such measures.

6. Morocco

Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part

Signed on 26 February 1996. Entered into force on 1 March 2000.

O.J. L 070, 18/03/2000.

[Full text](#)

...

Title IV
Payments, Capital, Competition and Other Economic Provisions
Chapter I
Current Payments and Movement Of Capital

Article 33

Subject to the provisions of Article 35, the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency.

Article 34

1. With regard to transactions on the capital account of balance of payments, the Community and Morocco shall ensure, from the entry into force of this Agreement, that capital relating to direct investments in Morocco in companies formed in accordance with current laws can move freely and that the yield from such investments and any profit stemming therefrom can be liquidated and repatriated.

2. The Parties shall consult each other with a view to facilitating, and fully liberalising when the time is right, the movement of capital between the Community and Morocco.

Article 35

Where one or more Member States of the Community, or Morocco, is in serious balance of payments difficulties, or under threat thereof, the Community or Morocco, as the case may be, may, in accordance with the conditions established under the GATT and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or Morocco, as the case may be, shall inform the other Party forthwith and shall

submit to it as soon as possible a timetable for the elimination of the measures concerned.

7. *Palestinian Authority*

Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part

Signed on 24 February 1997. Entered into force on 1 July 1997.

J.O. L 187 , 16/07/1997

[Full text](#)

...

Title II

Payments, Capital, Competition, Intellectual Property and Public Procurement

Chapter 1

Current Payments and Movement of Capital

Article 27

Subject to the provisions of Article 29, the Parties undertake to impose no restrictions on any current payments for current transactions.

Article 28

1. With regard to transactions on the capital account of balance of payments, the Parties undertake to impose no restrictions on the movement of capital relating to direct investments in the West Bank and Gaza Strip in companies formed in accordance with current laws, nor on the liquidation and repatriation of the yield from such investments, or any profit stemming therefrom.

2. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and the West Bank and Gaza Strip.

Article 29

Where one or more Member States of the Community, or the Palestinian Authority, is in serious balance of payments difficulties, or under threat thereof, the Community or the Palestinian Authority, as the case may be, may, in accordance with the conditions established under the GATT and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Community or the Palestinian Authority, as the case may be, shall inform the other Party forthwith and shall submit to it as soon as possible a timetable for the elimination of the measures concerned.

8. Syria

(Negotiations concluded. Final text not yet published)

9. Tunisia

Euro-Mediterranean Agreement *establishing an association between the European Communities and their Member States, of the one part, and the Republic of Tunisia, of the other part*

Signed on 17 July 1995. Entered into force on 1 March 1998.

O.J. L 097, 30/03/1998.

[Full text](#)

...

Title IV

Payments, Capital, Competition and Other Economic Provisions

Chapter I

Current Payments and Movement of Capital

Article 33

Subject to the provisions of Article 35, the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency.

Article 34

1. With regard to transactions on the capital account of balance of payments, the Community and Tunisia shall ensure, from the entry into force of this Agreement, that capital relating to direct investments in Tunisia in companies formed in accordance with current laws can move freely and that the yield from such investments and any profit stemming therefrom can be liquidated and repatriated.

2. The Parties shall consult each other with a view to facilitating, and fully liberalising when the time is right, the movement of capital between the Community and Tunisia.

Article 35

Where one or more Member States of the Community, or Tunisia, is in serious balance of payments difficulties, or under threat thereof, the Community or Tunisia, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or Tunisia, as the case may be, shall inform the other Party forthwith and shall submit to it as soon as possible a timetable for the elimination of the measures concerned.

D. Wider Europe – European Neighbourhood Policy (ENP)

The action plans under the ENP could in the future lead to European Neighbourhood Agreements. Parties included in the ENP are: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority, Syria, Tunisia, Ukraine.

For more information : [ENP](#)

E. Other third countries

1. **Chile**

Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part - Final act

Signed on 18 November 2002. Provisionally applied on 1 February 2003.

O.J. L 352, 30/12/2002.

[Full text](#)

PART IV
TRADE AND TRADE-RELATED MATTERS
TITLE I
GENERAL PROVISIONS

Article 55

Objectives

The objectives of this Part shall be as follows:

- (a) the progressive and reciprocal liberalisation of trade in goods, in conformity with Article XXIV of General Agreement on Tariffs and Trade 1994 ("the GATT 1994");
- (b) the facilitation of trade in goods through, inter alia, the agreed provisions regarding customs and related matters, standards, technical regulations and conformity assessment procedures, sanitary and phytosanitary measures and trade in wines and spirit drinks and aromatised drinks;
- (c) the reciprocal liberalisation of trade in services, in conformity with Article V of General Agreement on Trade in Services ("the GATS");
- (d) the improvement of the investment environment and, in particular, the conditions of establishment between the Parties, on the basis of the principle of non-discrimination;
- (e) the liberalisation of current payments and capital movements, in conformity with the commitments undertaken in the framework of the

international financial institutions and with due consideration for each Party's currency stability;

(f) the effective and reciprocal opening of the government procurement markets of the Parties;

(g) the adequate and effective protection of intellectual property rights, in accordance with the highest international standards;

(h) the establishment of an effective cooperation mechanism in the field of competition; and

(i) the establishment of an effective dispute settlement mechanism.

TITLE V

CURRENT PAYMENTS AND CAPITAL MOVEMENTS

Article 163

Objective and scope

1. The Parties shall aim at the liberalisation of current payments and capital movements between them, in conformity with the commitments undertaken in the framework of the international financial institutions and with due consideration to each Party's currency stability.

2. This Title applies to all current payments and capital movements between the Parties.

Article 164

Current Account

The Parties shall allow, in freely convertible currency and in accordance with the Articles of Agreement of the International Monetary Fund, any payments and transfers of the Current Account between the Parties.

Article 165

Capital Account

With regard to movement of capital of the Balance of Payments, from the entry into force of this Agreement, the Parties shall allow the free movements of capital relating to direct investments made in accordance with the laws of the host country and investments established in accordance with the provisions of Title III of this Part, and the liquidation or repatriation of these capitals and of any profit stemming therefrom.

Article 166

Exceptions and safeguard measures

1. Where, in exceptional circumstances, payments and capital movements between the Parties cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy in either Party, the Party concerned may take safeguard measures with regard to capital movements that are strictly necessary for a period not exceeding one year. The application of safeguard measures may be extended through their formal reintroduction.

2. The Party adopting the safeguard measures shall inform the other Party forthwith and present, as soon as possible, a time schedule for their removal.

Article 167

Final provisions

1. With respect to this Title, the Parties confirm the rights and obligations existing under any bilateral or multilateral agreements to which they are parties.

2. The Parties shall consult each other with a view to facilitating the movement of capital between them in order to promote the objectives of this Agreement.

TITLE XI

EXCEPTIONS IN THE AREA OF TRADE

Article 195

Balance of payments difficulties

1. Where a Party is in serious balance of payments and external financial difficulties, or under threat thereof, it may adopt or maintain restrictive measures with regard to trade in goods and in services and with regard to payments and capital movements, including those related to direct investment.

2. The Parties shall endeavour to avoid the application of the restrictive measures referred to in paragraph 1.

3. Any restrictive measure adopted or maintained under this Article shall be non-discriminatory and of limited duration and shall not go beyond what is necessary to remedy the balance of payments and external financial situation. They shall be in accordance with the conditions established in the WTO Agreements and consistent with the Articles of Agreement of the International Monetary Fund, as applicable.

4. The Party maintaining or having adopted restrictive measures, or any changes thereto, shall promptly notify them to the other Party and present, as soon as possible, a time schedule for their removal.

5. The Party applying restrictive measures shall consult promptly within the Association Committee. Such consultations shall assess the balance of payments situation of the Party concerned and the restrictions adopted or maintained under this Article, taking into account, inter alia, such factors as:

(a) the nature and extent of the balance of payments and the external financial difficulties;

(b) the external economic and trading environment of the consulting Party;

(c) alternative corrective measures which may be available.

The consultations shall address the compliance of any restrictive measures with paragraphs 3 and 4. All findings of statistical and other facts presented by the International Monetary Fund relating to foreign exchange, monetary reserves and balance of payments shall be accepted and conclusions shall

be based on the assessment by the Fund of the balance of payments and the external financial situation of the consulting Party.

2. Mexico

Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part - Final Act - Declarations

Signed on 18 December 1997. Entered into force on 1 October 2000.

O.J. L 276, 28/10/2000.

[Full text](#)

...

TITLE IV

CAPITAL MOVEMENTS AND PAYMENTS

Article 8

Capital movements and payments

The objective of this Title is to establish a framework to encourage the progressive and reciprocal liberalisation of capital movements and payments between Mexico and the Community, without prejudice to other provisions in this Agreement and further obligations under other international agreements that are applicable between the Parties.

Article 9

In order to achieve the objective laid down in Article 8, the Joint Council shall adopt the measures and timetable for a progressive and reciprocal elimination of restrictions on capital movements and payments between the Parties, without prejudice to other provisions in this Agreement and further obligations under other international agreements that are applicable between the Parties.

This decision shall include, in particular, the following matters:

- (a) the definition, content, extension and substance of the concepts included explicitly or implicitly in this Title;
- (b) capital transactions and payments, including national treatment, to be covered by the liberalisation;
- (c) scope of the liberalisation and transitional periods;
- (d) the inclusion of a clause allowing the Parties to maintain restrictions in this area justified on grounds of public policy, public security, public health and defence;
- (e) the inclusion of clauses allowing the Parties to introduce restrictions in this area in case of difficulties in the operation of exchange-rate or monetary policy of one of the Parties, balance of payments difficulties or, in conformity with international law, the imposition of financial restrictions on third countries.

2001/153/EC: Decision No 2/2001 of the EU-Mexico Joint Council of 27 February 2001 implementing Articles 6, 9, 12(2)(b) and 50 of the Economic

TITLE III
INVESTMENT AND RELATED PAYMENTS

Article 28

Definitions

1. For the purpose of this Title, investment made in accordance with the laws of the Parties means direct investment, investment in real estate and purchase and sale of any kind of securities, as defined in the OECD Codes of Liberalisation.
2. Payments covered by this Title are those related to an investment.

Article 29

Payments related to investment

1. Without prejudice to Articles 30 and 31, restrictions on payments related to investment between the Parties shall be progressively eliminated. The Parties undertake not to introduce any new restrictions on payments related to direct investment from the entry into force of this Decision.
2. Restrictions on payments related to investments in the services sector which have been liberalised in accordance with Title II of this Decision shall be eliminated according to the same timetable.

Article 30

Exchange rate policy and monetary policy difficulties

1. Where, in exceptional circumstances, payments related to investment between the Parties cause, or threaten to cause, serious difficulties for the operation of the exchange rate policy or monetary policy of a Party, that Party may take safeguard measures that are strictly necessary for a period not exceeding six months. The application of safeguard measures may be extended through their formal reintroduction.
2. The Party adopting the safeguard measure shall inform the other Party forthwith and present, as soon as possible, a time schedule for their removal.

Article 31

Balance of payments difficulties

1. Where one or more Member States or Mexico is in serious balance of payments difficulties, or under imminent threat thereof, the Community or the Member State concerned, or Mexico, as the case may be, may adopt restrictive measures with regard to payments, including transfers of proceeds from the total or partial liquidation of direct investment. Such measures shall be equitable, non-discriminatory, in good faith, of limited duration and may not go beyond what is necessary to remedy the balance of payments situation.
2. The Community or the Member State concerned, or Mexico, as the case may be, shall inform the other Party forthwith and present, as soon as possible, a time schedule for their removal. Such measures shall be taken in accordance

with other international obligations of the Party concerned, including those under the WTO Agreement and the Articles of Agreement of the International Monetary Fund.

Article 32

Transfers

The liquidation and transfer abroad of any direct investment made in Mexico by Community residents or in the Community by Mexican residents, and of any profits stemming therefrom, shall not be affected by the provisions of Article 30.

Article 33

Investment promotion between the Parties

The Community and its Member States, within the scope of their respective competences, and Mexico shall aim to promote an attractive and stable environment for reciprocal investment. Such promotion should take the form, in particular, of:

- (a) mechanisms for information about and identification and dissemination of investment legislation and opportunities;
- (b) development of a legal framework favourable to investment on both sides, particularly through the conclusion, where appropriate, by the Member States of the Community and Mexico of bilateral agreements promoting and protecting investment and preventing double taxation;
- (c) development of uniform and simplified administrative procedures; and
- (d) development of mechanisms for joint investments, in particular with the small and medium enterprises of both Parties.

Article 34

International commitments on investment

The Community and its Member States, within the scope of their respective competences, and Mexico recall their international commitments with regard to investment, and especially the OECD Codes of Liberalisation and OECD National Treatment Instrument.

Article 35

Review clause

With the view of the objective of progressive liberalisation of investment, the Community and its Member States, and Mexico affirm their commitment to review the investment legal framework, the investment climate and the flow of investment between their territories consistent with their commitments in international investment agreements not later than three years after the entry into force of this Decision.

3. South-Africa

Agreement on trade, development and cooperation between the European Community and its member states, of the one part, and the Republic of South Africa, of the other part

Signed on 11 October 1999.

O.J. L 311, 04/12/1999.

[Full text](#)

...

Title II
Trade

Section A
General

Article 5

Free Trade Area

...

3. The FTA covers the free movement of goods in all sectors. This Agreement will also cover the liberalisation of trade in services and the free movement of capital.

Section C
Current Payments and Movement of Capital

Article 32

Current Payments

1. Subject to the provisions of Article 34, the Parties undertake to allow all payments for current transactions between residents of the Community and of South Africa to be made in freely convertible currency.
2. South Africa may take the necessary measures to ensure that the provisions of paragraph 1, which liberalise current payments, are not used by its residents to make unauthorised capital outflows.

Article 33

Capital Movements

1. With regard to transactions on the capital account of balance of payments, the Community and South Africa shall ensure, from the entry into force of this Agreement, that capital relating to direct investments in South Africa in companies formed in accordance with current laws can move freely, and that such investment and any profit stemming therefrom can be liquidated and repatriated.
2. The Parties shall consult each other with a view to facilitating and eventually achieving full liberalisation of the movement of capital between the Community and South Africa.

Article 34

Balance Of Payment Difficulties

Where one or more Member States of the Community, or South Africa, is in serious balance of payments difficulties, or under threat thereof, the Community or South Africa, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not

go beyond what is necessary to remedy the balance of payments situation. The Community or South Africa, as the case may be, shall inform the other Party forthwith and shall submit to it as soon as possible a timetable for the elimination of the measures concerned.

4. Mercosur

Interregional Framework Cooperation Agreement between the European Community and its Member States, of the one part, and the Southern Common Market and its Party States, of the other part

Signed 15 December 1995. Entered into force on 1 July 1999.

O.J. L 069, 19/03/1996; L 112, 29/04/1999.

[Full text](#)

...

TITLE III ECONOMIC COOPERATION

Article 12

Promotion of investment

1. Within the bounds of their spheres of competence, the Parties shall promote an attractive and stable climate for greater mutually beneficial investment.
2. Such cooperation shall encompass measures including the following:
 - (a) promoting regular exchanges of information, the identification and dissemination of information on legislation and investment opportunities;
 - (b) promoting the development of a legal environment which is conducive to investment between the Parties, particularly, where applicable, through the conclusion between interested Community Member States and Mercosur Party States of bilateral agreements for the promotion and protection of investment and bilateral agreements to prevent double taxation;
 - (c) promoting joint ventures, particularly between small and medium-sized enterprises.

II. MULTILATERAL AGREEMENTS

A. European Economic Area (EEA)

Agreement on the European Economic Area - Final Act - Joint Declarations - Declarations by the Governments of the Member States of the Community and the EFTA States

Signed on 2 May 1992. O.J. L 001, 03/01/1994.

[Full text](#)

...

Part III
Free Movement of Persons, Services and Capital
Chapter 4
Capital

Article 40

Within the framework of the provisions of this Agreement, there shall be no restrictions between the Contracting Parties on the movement of capital belonging to persons resident in EC Member States or EFTA States and no discrimination based on the nationality or on the place of residence of the parties or on the place where such capital is invested. Annex XII contains the provisions necessary to implement this Article.

Article 41

Current payments connected with the movement of goods, persons, services or capital between Contracting Parties within the framework of the provisions of this Agreement shall be free of all restrictions.

Article 42

1. Where domestic rules governing the capital market and the credit system are applied to the movements of capital liberalized in accordance with the provisions of this Agreement, this shall be done in a non-discriminatory manner.
2. Loans for the direct or indirect financing of an EC Member State or an EFTA State or its regional or local authorities shall not be issued or placed in other EC Member States or EFTA States unless the States concerned have reached agreement thereon.

Article 43

1. Where differences between the exchange rules of EC Member States and EFTA States could lead persons resident in one of these States to use the freer transfer facilities within the territory of the Contracting Parties which are provided for in Article 40 in order to evade the rules of one of these States concerning the movement of capital to or from third countries, the Contracting Party concerned may take appropriate measures to overcome these difficulties.

2. If movements of capital lead to disturbances in the functioning of the capital market in any EC Member State or EFTA State, the Contracting Party concerned may take protective measures in the field of capital movements.

3. If the competent authorities of a Contracting Party make an alteration in the rate of exchange which seriously distorts conditions of competition, the other Contracting Parties may take, for a strictly limited period, the necessary measures in order to counter the consequences of such alteration.

4. Where an EC Member State or an EFTA State is in difficulties, or is seriously threatened with difficulties, as regards its balance of payments either as a result of an overall disequilibrium in its balance of payments, or as a result of the type of currency at its disposal, and where such difficulties are liable in particular to jeopardize the functioning of this Agreement, the Contracting Party concerned may take protective measures.

Article 44

The Community, on the one hand, and the EFTA States, on the other, shall apply their internal procedures, as provided for in Protocol 18, to implement the provisions of Article 43.

Article 45

1. Decisions, opinions and recommendations related to the measures laid down in Article 43 shall be notified to the EEA Joint Committee.

2. All measures shall be the subject of prior consultations and exchange of information within the EEA Joint Committee.

3. In the situation referred to in Article 43(2), the Contracting Party concerned may, however, on the grounds of secrecy and urgency take the measures, where this proves necessary, without prior consultations and exchange of information.

4. In the situation referred to in Article 43(4), where a sudden crisis in the balance of payments occurs and the procedures set out in paragraph 2 cannot be followed, the Contracting Party concerned may, as a precaution, take the necessary protective measures. Such measures must cause the least possible disturbance in the functioning of this Agreement and must not be wider in scope than is strictly necessary to remedy the sudden difficulties which have arisen.

5. When measures are taken in accordance with paragraphs 3 and 4, notice thereof shall be given at the latest by the date of their entry into force, and the exchange of information and consultations as well as the notifications referred to in paragraph 1 shall take place as soon as possible thereafter.

PART IX GENERAL AND FINAL PROVISIONS

Article 124

The Contracting Parties shall accord nationals of EC Member States and EFTA States the same treatment as their own nationals as regards participation in the

capital of companies or firms within the meaning of Article 34¹, without prejudice to the application of the other provisions of this Agreement.

B. General Agreement on Trade in Services (GATS)

Uruguay Round of Multilateral Trade Negotiations (1986- 1994) - Annex 1 - Annex 1B - General Agreement on Trade in Services (WTO)

Final Act signed on 15 April 1994. Date of effect: 1 January 1995.

O.J. L 336, 23/12/1994.

[Full text](#)

Article XI

Payments and Transfers

1. Except under the circumstances envisaged in Article XII, a Member shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.

2. Nothing in this Agreement shall affect the rights and obligations of the members of the International Monetary Fund under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Member shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article XII or at the request of the Fund.

Article XII

Restrictions to Safeguard the Balance of Payments

1. In the event of serious balance-of-payments and external financial difficulties or threat thereof, a Member may adopt or maintain restrictions on trade in services on which it has undertaken specific commitments, including on payments or transfers for transactions related to such commitments. It is recognized that particular pressures on the balance of payments of a Member in the process of economic development or economic transition may necessitate the use of restrictions to ensure, inter alia, the maintenance of a level of financial reserves adequate for the implementation of its programme of economic development or economic transition.

2. The restrictions referred to in paragraph 1:

(a) shall not discriminate among Members;

(b) shall be consistent with the Articles of Agreement of the International Monetary Fund;

¹ Article 34: Companies or firms formed in accordance with the law of an EC Member State or an EFTA State and having their registered office, central administration or principal place of business within the territory of the Contracting Parties shall, for the purposes of this Chapter, be treated in the same way as natural persons who are nationals of EC Member States or EFTA States. 'Companies or firms' means companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.

(c) shall avoid unnecessary damage to the commercial, economic and financial interests of any other Member;

(d) shall not exceed those necessary to deal with the circumstances described in paragraph 1;

(e) shall be temporary and be phased out progressively as the situation specified in paragraph 1 improves.

3. In determining the incidence of such restrictions, Members may give priority to the supply of services which are more essential to their economic or development programmes. However, such restrictions shall not be adopted or maintained for the purpose of protecting a particular service sector.

4. Any restrictions adopted or maintained under paragraph 1, or any changes therein, shall be promptly notified to the General Council.

5. (a) Members applying the provisions of this Article shall consult promptly with the Committee on Balance-of-Payments Restrictions on restrictions adopted under this Article.

(b) The Ministerial Conference shall establish procedures for periodic consultations with the objective of enabling such recommendations to be made to the Member concerned as it may deem appropriate.

(c) Such consultations shall assess the balance-of-payment situation of the Member concerned and the restrictions adopted or maintained under this Article, taking into account, inter alia, such factors as:

(i) the nature and extent of the balance-of-payments and the external financial difficulties;

(ii) the external economic and trading environment of the consulting Member;

(iii) alternative corrective measures which may be available.

(d) The consultations shall address the compliance of any restrictions with paragraph 2, in particular the progressive phaseout of restrictions in accordance with paragraph 2(e) .

(e) In such consultations, all findings of statistical and other facts presented by the International Monetary Fund relating to foreign exchange, monetary reserves and balance of payments, shall be accepted and conclusions shall be based on the assessment by the Fund of the balance-of-payments and the external financial situation of the consulting Member.

6. If a Member which is not a member of the International Monetary Fund wishes to apply the provisions of this Article, the Ministerial Conference shall establish a review procedure and any other procedures necessary.

Article XVI

Market Access

1. With respect to market access through the modes of supply identified in Article I, each Member shall accord services and service suppliers of any other Member treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule.

Footnote 8

If a Member undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in subparagraph 2(a) of Article I and if the cross-border movement of capital is an essential part of the service itself, that Member is thereby committed to allow such movement of capital. If a Member undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in subparagraph 2(c) of Article I, it is thereby committed to allow related transfers of capital into its territory.

C. Energy Charter Treaty

The final Plenary Session of the European Energy Charter Conference was held in Lisbon on 16 to 17 December 1994.

Date of effect: 16 April 1998. O.J. L 380, 31/12/1994.

[Full text](#)

...

PART II COMMERCE

Article 9

Access to capital

1. The Contracting Parties acknowledge the importance of open capital markets in encouraging the flow of capital to finance trade in energy materials and products and for the making of and assisting with regard to investments in economic activity in the energy sector in the areas of other Contracting Parties, particularly those with economies in transition. Each Contracting Party shall accordingly endeavour to promote conditions for access to its capital market by companies and nationals of other Contracting Parties, for the purpose of financing trade in energy materials and products and for the purpose of investment in economic activity in the energy sector in the areas of those other Contracting Parties, on a basis no less favourable than that which it accords in like circumstances to its own companies and nationals or companies and nationals of any other Contracting Party or any third State, whichever is the most favourable.

2. A Contracting Party may adopt and maintain programmes providing for access to public loans, grants, guarantees or insurance for facilitating trade or investment abroad. It shall make such facilities available, consistent with the objectives, constraints and criteria of such programmes (including any objectives, constraints or criteria relating to the place of business of an applicant for any such facility or the place of delivery of goods or services supplied with the support of any such facility) for investments in the economic activity in the energy sector of other Contracting Parties or for financing trade in energy materials and products with other Contracting Parties.

3. Contracting Parties shall, in implementing programmes in economic activity in the energy sector to improve the economic stability and investment climates of the Contracting Parties, seek as appropriate to encourage the operations and take advantage of the expertise of relevant international financial institutions.

4. Nothing in this Article shall prevent:

(a) financial institutions from applying their own lending or underwriting practices based on market principles and prudential considerations; or

(b) a Contracting Party from taking measures:

(i) for prudential reasons, including the protection of investors, consumers, depositors, policy- holders or persons to whom a fiduciary duty is owed by a financial service supplier; or

(ii) to ensure the integrity and stability of its financial system and capital markets.

PART III INVESTMENT PROMOTION AND PROTECTION

Article 10

Promotion, protection and treatment of investments

1. Each Contracting Party shall, in accordance with the provisions of this Treaty, encourage and create stable, equitable, favourable and transparent conditions for investors of other Contracting Parties to make investments in its area. Such conditions shall include a commitment to accord at all times to investments of investors of other Contracting Parties fair and equitable treatment. Such investments shall also enjoy the most constant protection and security and no Contracting Party shall in any way impair by unreasonable or discriminatory measures their management, maintenance, use, enjoyment or disposal. In no case shall such investments be accorded treatment less favourable than that required by international law, including treaty obligations. Each Contracting Party shall observe any obligations it has entered into with an investor or an investment of an investor of any other Contracting Party.

2. Each Contracting Party shall endeavour to accord to investors of other Contracting Parties, as regards the making of investments in its area, the treatment described in paragraph 3.

3. For the purposes of this Article, 'treatment` means treatment accorded by a Contracting Party which is no less favourable than that which it accords to its own investors or to investors of any other Contracting Party or any third State, whichever is the most favourable.

4. A supplementary treaty shall, subject to conditions to be laid down therein, oblige each party thereto to accord to investors of other parties, as regards the making of investments in its area, the treatment described in paragraph 3. That treaty shall be open for signature by the States and Regional Economic Integration Organizations which have signed or acceded to this Treaty. Negotiations towards the supplementary treaty shall commence not later than 1 January 1995, with a view to concluding it by 1 January 1998.

5. Each Contracting Party shall, as regards the making of investments in its area, endeavour to:

(a) limit to the minimum the exceptions to the Treatment described in paragraph 3;

(b) progressively remove existing restrictions affecting investors of other Contracting Parties.

6. (a) A Contracting Party may, as regards the making of investments in its area, at any time declare voluntarily to the Charter Conference, through the Secretariat, its intention not to introduce new exceptions to the treatment described in paragraph 3.

(b) A Contracting Party may, furthermore, at any time make a voluntary commitment to accord to investors of other Contracting Parties, as regards the making of investments in some or all economic activities in the energy sector in its area, the treatment described in paragraph 3. Such commitments shall be notified to the Secretariat and listed in Annex VC and shall be binding under this Treaty.

7. Each Contracting Party shall accord to investments in its area of investors of other Contracting Parties, and their related activities including management, maintenance, use, enjoyment or disposal, treatment no less favourable than that which it accords to investments of its own investors or of the investors of any other Contracting Party or any third State and their related activities including management, maintenance, use, enjoyment or disposal, whichever is the most favourable.

8. The modalities of application of paragraph 7 in relation to programmes under which a Contracting Party provides grants or other financial assistance, or enters into contracts, for energy technology research and development, shall be reserved for the supplementary treaty described in paragraph 4. Each Contracting Party shall through the Secretariat keep the Charter Conference informed of the modalities it applies to the programmes described in this paragraph.

9. Each State or Regional Economic Integration Organization which signs or accedes to this Treaty shall, on the date it signs the Treaty or deposits its instrument of accession, submit to the Secretariat a report summarizing all laws, regulations or other measures relevant to:

(a) exceptions to paragraph 2; or

(b) the programmes referred to in paragraph 8.

A Contracting Party shall keep its report up to date by promptly submitting amendments to the Secretariat. The Charter Conference shall review these reports periodically.

In respect of subparagraph (a) the report may designate parts of the energy sector in which a Contracting Party accords to investors of other Contracting Parties the treatment described in paragraph 3.

In respect of subparagraph (b) the review by the Charter Conference may consider the effects of such programmes on competition and investments.

10. Notwithstanding any other provision of this Article, the treatment described in paragraphs 3 and 7 shall not apply to the protection of intellectual property; instead, the treatment shall be as specified in the corresponding provisions of the applicable international agreements for the protection of intellectual property rights to which the respective Contracting Parties are parties.

11. For the purposes of Article 26, the application by a Contracting Party of a trade-related investment measure as described in Article 5 (1) and (2) to an investment of an investor of another Contracting Party existing at the time of

such application shall, subject to Article 5 (3) and (4), be considered a breach of an obligation of the former Contracting Party under this part.

12. Each Contracting Party shall ensure that its domestic law provides effective means for the assertion of claims and the enforcement of rights with respect to investments, investment agreements, and investment authorizations.

Article 12

Compensation for losses

1. Except where Article 13 applies, an investor of any Contracting Party which suffers a loss with respect to any investment in the area of another Contracting Party owing to war or other armed conflict, state of national emergency, civil disturbance, or other similar event in that area, shall be accorded by the latter Contracting Party, as regards restitution, indemnification, compensation or other settlement, treatment which is the most favourable of that which that Contracting Party accords to any other investor, whether its own investor, the investor of any other Contracting Party, or the investor of any third State.

2. Without prejudice to paragraph 1, an investor of a Contracting Party which, in any of the situations referred to in that paragraph, suffers a loss in the area of another Contracting Party resulting from:

(a) requisitioning of its investment or part thereof by the latter's forces or authorities; or

(b) destruction of its investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation;

shall be accorded restitution or compensation which in either case shall be prompt, adequate and effective.

Article 13

Expropriation

1. Investments of investors of a Contracting Party in the area of any other Contracting Party shall not be nationalized, expropriated or subjected to a measure or measures having effect equivalent to nationalization or expropriation (hereinafter referred to as 'expropriation') except where such expropriation is:

(a) for a purpose which is in the public interest;

(b) not discriminatory;

(c) carried out under due process of law; and

(d) accompanied by the payment of prompt, adequate and effective compensation.

Such compensation shall amount to the fair market value of the investment expropriated at the time immediately before the expropriation or impending expropriation became known in such a way as to affect the value of the investment (hereinafter referred to as the 'valuation date').

Such fair market value shall at the request of the investor be expressed in a freely convertible currency on the basis of the market rate of exchange existing for that currency on the valuation date. Compensation shall also include interest

at a commercial rate established on a market basis from the date of expropriation until the date of payment.

2. The investor affected shall have a right to prompt review, under the law of the Contracting Party making the expropriation, by a judicial or other competent and independent authority of that Contracting Party, of its case, of the valuation of its investment, and of the payment of compensation, in accordance with the principles set out in paragraph 1.

3. For the avoidance of doubt, expropriation shall include situations where a Contracting Party expropriates the assets of a company or enterprise in its area in which an investor of any other Contracting Party has an investment, including through the ownership of shares.

Article 14

Transfers related to investments

1. Each Contracting Party shall with respect to investments in its area of investors of any other Contracting Party guarantee the freedom of transfer into and out of its area, including the transfer of:

(a) the initial capital plus any additional capital for the maintenance and development of an investment;

(b) returns;

(c) payments under a contract, including amortization of principal and accrued interest payments pursuant to a loan agreement;

(d) unspent earnings and other remuneration of personnel engaged from abroad in connection with that investment;

(e) proceeds from the sale or liquidation of all or any part of an investment;

(f) payments arising out of the settlement of a dispute;

(g) payments of compensation pursuant to Articles 12 and 13.

2. Transfers pursuant to paragraph 1 shall be effected without delay and (except in case of a return in kind) in a freely convertible currency.

3. Transfers shall be made at the market rate of exchange existing on the date of transfer with respect to spot transactions in the currency to be transferred. In the absence of a market for foreign exchange, the rate to be used will be the most recent rate applied to inward investments or the most recent exchange rate for conversion of currencies into special drawing rights, whichever is more favourable to the investor.

4. Notwithstanding paragraphs 1 to 3, a Contracting Party may protect the rights of creditors, or ensure compliance with laws on the issuing, trading and dealing in securities and the satisfaction of judgements in civil, administrative and criminal adjudicatory proceedings, through the equitable, non-discriminatory, and good faith application of its laws and regulations.

5. Notwithstanding paragraph 2, Contracting Parties which are States that were constituent parts of the former Union of Soviet

Socialist Republics may provide in agreements concluded between them that transfers of payments shall be made in the currencies of such Contracting

Parties, provided that such agreements do not treat investments in their areas of investors of other Contracting Parties less favourably than either investments of investors of the Contracting Parties which have entered into such agreements or investments of investors of any third State.

6. Notwithstanding subparagraph 1 (b), a Contracting Party may restrict the transfer of a return in kind in circumstances where the Contracting Party is permitted pursuant to Article 29 (2) (a) or the GATT and Related Instruments to restrict or prohibit the exportation or the sale for export of the product constituting the return in kind; provided that a Contracting Party shall permit transfers of returns in kind to be effected as authorized or specified in an investment agreement, investment authorization, or other written agreement between the Contracting Party and either an investor of another Contracting Party or its investment.

D. International Monetary Fund (IMF)

Articles of Agreement of the International Monetary Fund

Adopted at the United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, 22 July 1944. Entered into force on 27 December 1945. Last amendment effective on 11 November 1992.

[Full text](#)

...

Article VI Capital Transfers

Section 1. Use of the Fund's general resources for capital transfers

(a) A member may not use the Fund's general resources to meet a large or sustained outflow of capital except as provided in Section 2 of this Article, and the Fund may request a member to exercise controls to prevent such use of the general resources of the Fund. If, after receiving such a request, a member fails to exercise appropriate controls, the Fund may declare the member ineligible to use the general resources of the Fund.

(b) Nothing in this Section shall be deemed:

(i) to prevent the use of the general resources of the Fund for capital transactions of reasonable amount required for the expansion of exports or in the ordinary course of trade, banking, or other business; or

(ii) to affect capital movements which are met out of a member's own resources, but members undertake that such capital movements will be in accordance with the purposes of the Fund.

Section 2. Special provisions for capital transfers

A member shall be entitled to make reserve tranche purchases to meet capital transfers.

Section 3. Controls of capital transfers

Members may exercise such controls as are necessary to regulate international capital movements, but no member may exercise these controls in a manner which will restrict payments for current transactions or which will unduly delay transfers of funds in settlement of commitments, except as provided in Article VII, Section 3(b) and in Article XIV, Section 2.

Article VIII

General Obligations of Members

Section 1. Introduction

In addition to the obligations assumed under other articles of this Agreement, each member undertakes the obligations set out in this Article.

Section 2. Avoidance of restrictions on current payments

(a) Subject to the provisions of Article VII, Section 3(b) and Article XIV, Section 2, no member shall, without the approval of the Fund, impose restrictions on the making of payments and transfers for current international transactions.

(b) Exchange contracts which involve the currency of any member and which are contrary to the exchange control regulations of that member maintained or imposed consistently with this Agreement shall be unenforceable in the territories of any member. In addition, members may, by mutual accord, cooperate in measures for the purpose of making the exchange control regulations of either member more effective, provided that such measures and regulations are consistent with this Agreement.

Section 3. Avoidance of discriminatory currency practices

No member shall engage in, or permit any of its fiscal agencies referred to in Article V, Section 1 to engage in, any discriminatory currency arrangements or multiple currency practices, whether within or outside margins under Article IV or prescribed by or under Schedule C, except as authorized under this Agreement or approved by the Fund. If such arrangements and practices are engaged in at the date when this Agreement enters into force, the member concerned shall consult with the Fund as to their progressive removal unless they are maintained or imposed under Article XIV, Section 2, in which case the provisions of Section 3 of that Article shall apply.

Section 4. Convertibility of foreign-held balances

(a) Each member shall buy balances of its currency held by another member if the latter, in requesting the purchase, represents:

(i) that the balances to be bought have been recently acquired as a result of current transactions; or

(ii) that their conversion is needed for making payments for current transactions.

The buying member shall have the option to pay either in special drawing rights, subject to Article XIX, Section 4, or in the currency of the member making the request.

(b) The obligation in (a) above shall not apply when:

(i) the convertibility of the balances has been restricted consistently with Section 2 of this Article or Article VI, Section 3;

(ii) the balances have accumulated as a result of transactions effected before the removal by a member of restrictions maintained or imposed under Article XIV, Section 2;

(iii) the balances have been acquired contrary to the exchange regulations of the member which is asked to buy them;

(iv) the currency of the member requesting the purchase has been declared scarce under Article VII, Section 3(a); or

(v) the member requested to make the purchase is for any reason not entitled to buy currencies of other members from the Fund for its own currency.

Section 5. Furnishing of information

(a) The Fund may require members to furnish it with such information as it deems necessary for its activities, including, as the minimum necessary for the effective discharge of the Fund's duties, national data on the following matters:

(i) official holdings at home and abroad of (1) gold, (2) foreign exchange;

(ii) holdings at home and abroad by banking and financial agencies, other than official agencies, of (1) gold, (2) foreign exchange;

(iii) production of gold;

(iv) gold exports and imports according to countries of destination and origin;

(v) total exports and imports of merchandise, in terms of local currency values, according to countries of destination and origin;

(vi) international balance of payments, including (1) trade in goods and services, (2) gold transactions, (3) known capital transactions, and (4) other items;

(vii) international investment position, i.e., investments within the territories of the member owned abroad and investments abroad owned by persons in its territories so far as it is possible to furnish this information;

(viii) national income;

(ix) price indices, i.e., indices of commodity prices in wholesale and retail markets and of export and import prices;

(x) buying and selling rates for foreign currencies;

(xi) exchange controls, i.e., a comprehensive statement of exchange controls in effect at the time of assuming membership in the Fund and details of subsequent changes as they occur; and

(xii) where official clearing arrangements exist, details of amounts awaiting clearance in respect of commercial and financial transactions, and of the length of time during which such arrears have been outstanding.

(b) In requesting information the Fund shall take into consideration the varying ability of members to furnish the data requested. Members shall be under no obligation to furnish information in such detail that the affairs of individuals or corporations are disclosed.

Members undertake, however, to furnish the desired information in as detailed and accurate a manner as is practicable and, so far as possible, to avoid mere estimates.

(c) The Fund may arrange to obtain further information by agreement with members. It shall act as a centre for the collection and exchange of information on monetary and financial problems, thus facilitating the preparation of studies designed to assist members in developing policies which further the purposes of the Fund.

Section 6. Consultation between members regarding existing international agreements

Where under this Agreement a member is authorized in the special or temporary circumstances specified in the Agreement to maintain or establish restrictions on exchange transactions, and there are other engagements between members entered into prior to this Agreement which conflict with the application of such restrictions, the parties to such engagements shall consult with one another with a view to making such mutually acceptable adjustments as may be necessary. The provisions of this Article shall be without prejudice to the operation of Article VII, Section 5.

Section 7. Obligation to collaborate regarding policies on reserve assets

Each member undertakes to collaborate with the Fund and with other members in order to ensure that the policies of the member with respect to reserve assets shall be consistent with the objectives of promoting better international surveillance of international liquidity and making the special drawing right the principal reserve asset in the international monetary system.

Article XIV

Transitional Arrangements

Section 1. Notification to the Fund

Each member shall notify the Fund whether it intends to avail itself of the transitional arrangements in Section 2 of this Article, or whether it is prepared to accept the obligations of Article VIII, Sections 2, 3, and 4. A member availing itself of the transitional arrangements shall notify the Fund as soon thereafter as it is prepared to accept these obligations.

Section 2. Exchange restrictions

A member that has notified the Fund that it intends to avail itself of transitional arrangements under this provision may, notwithstanding the provisions of any other articles of this Agreement, maintain and adapt to changing circumstances the restrictions on payments and transfers for current international transactions that were in effect on the date on which it became a member. Members shall, however, have continuous regard in their foreign exchange policies to the purposes of the Fund, and, as soon as conditions permit, they shall take all possible measures to develop such commercial and financial arrangements with other members as will facilitate international payments and the promotion of a stable system of exchange rates. In particular, members shall withdraw restrictions maintained under this Section as soon as they are satisfied that they will be able, in the absence of such restrictions, to settle their balance of payments in a manner which will not unduly encumber their access to the general resources of the Fund.

Section 3. Action of the Fund relating to restrictions

The Fund shall make annual reports on the restrictions in force under Section 2 of this Article. Any member retaining any restrictions inconsistent with Article VIII, Sections 2, 3, or 4 shall consult the Fund annually as to their further retention. The Fund may, if it deems such action necessary in exceptional circumstances, make representations to any member that conditions are favourable for the withdrawal of any particular restriction, or for the general abandonment of restrictions, inconsistent with the provisions of any other articles of this Agreement. The member shall be given a suitable time to reply to such representations. If the Fund finds that the member persists in maintaining restrictions which are inconsistent with the purposes of the Fund, the member shall be subject to Article XXVI, Section 2(a).

E. Organisation for Economic Co-operation and Development (OECD)

Code of liberalisation of capital movements

The OECD Codes of Liberalisation are not a treaty or international agreement in the sense of international law. However they are legally binding instruments which establish rules of behaviour for the governments of OECD Member countries.

[Full text](#)

...

PART I UNDERTAKINGS WITH REGARD TO CAPITAL MOVEMENTS

Article 1

GENERAL UNDERTAKINGS

- a. Members shall progressively abolish between one another, in accordance with the provisions of Article 2, restrictions on movements of capital to the extent necessary for effective economic co-operation. Measures designed to eliminate such restrictions are hereinafter called "measures of liberalisation".
- b. Members shall, in particular, endeavour:
 - i)* to treat all non-resident-owned assets in the same way irrespective of the date of their formation, and
 - ii)* to permit the liquidation of all non-resident-owned assets and the transfer of such assets or of their liquidation proceeds.
- c. Members should use their best offices to ensure that the measures of liberalisation are applied within their overseas territories.
- d. Members shall endeavour to extend the measures of liberalisation to all members of the International Monetary Fund.
- e. Members shall endeavour to avoid introducing any new exchange restrictions on the movements of capital or the use of non-resident-owned funds and shall endeavour to avoid making existing regulations more restrictive.

Article 2

MEASURES OF LIBERALISATION

- a. Subject to the provisions of paragraph (b)(iv), Members shall grant any authorisation required for the conclusion or execution of transactions and for transfers specified in an item set out in List A or List B of Annex A to this Code.
- b. A Member may lodge reservations relating to the obligations resulting from paragraph (a) when:
 - i)* an item is added to List A of Annex A to this Code;
 - ii)* obligations relating to an item in that List are extended;
 - iii)* obligations relating to any such item begin to apply to that Member; or

iv) at any time, in respect of an item in List B.

Reservations shall be set out in Annex B to the Code.

c. Whenever the liquidation proceeds of non-resident-owned assets may be transferred, the right of transfer shall include any appreciation of the original assets.

d. Whenever existing regulations or international agreements permit loans between residents of different Members otherwise than by issuing marketable domestic securities or by using, in the country in which the borrower resides, funds the transfer of which is restricted, the repayment obligation may be expressed or guaranteed in the currency of either of the two Members concerned.

Article 3

PUBLIC ORDER AND SECURITY

The provisions of this Code shall not prevent a Member from taking action which it considers necessary for:

- i)* the maintenance of public order or the protection of public health, morals and safety;
- ii)* the protection of its essential security interests;
- iii)* the fulfilment of its obligations relating to international peace and security.

Article 4

OBLIGATIONS IN EXISTING MULTILATERAL INTERNATIONAL AGREEMENTS

Nothing in this Code shall be regarded as altering the obligations undertaken by a Member as a Signatory of the Articles of Agreement of the International Monetary Fund or other existing multilateral international agreements.

Article 5

CONTROLS AND FORMALITIES

a. The measures of liberalisation provided for in this Code shall not limit the powers of Members to verify the authenticity of transactions or transfers nor to take any measures required to prevent evasion of their laws or regulations.

b. Members shall simplify as much as possible all formalities connected with the authorisation or verification of transactions or transfers and shall co-operate, if necessary, to attain such simplification.

Article 6

EXECUTION OF TRANSFERS

A Member shall be deemed to have complied with its obligations as regards transfers whenever a transfer may be made:

- i)* between persons entitled, by the exchange regulations of the State from which and of the State to which the transfer is to be made, respectively, to make and/or to receive the said transfer;

ii) in accordance with international agreements in force at the time the transfer is to be made; and

iii) in accordance with the monetary arrangements in force between the State from which and the State to which the transfer is to be made.

Article 7

CLAUSES OF DEROGATION

a. If its economic and financial situation justifies such a course, a Member need not take the whole of the measures of liberalisation provided for in Article 2(a).

b. If any measures of liberalisation taken or maintained in accordance with the provisions of Article 2(a) result in serious economic and financial disturbance in the Member State concerned, that Member may withdraw those measures.

c. If the overall balance of payments of a Member develops adversely at a rate and in circumstances, including the state of its monetary reserves, which it considers serious, that member may temporarily suspend the application of measures of liberalisation taken or maintained in accordance with the provisions of Article 2(a).

d. However, a Member invoking paragraph (c) shall endeavour to ensure that its measures of liberalisation:

i) cover, twelve months after it has invoked that paragraph, to a reasonable extent, having regard to the need for advancing towards the objective defined in sub-paragraph *ii)*, transactions and transfers which the Member must authorise in accordance with Article 2(a) and the authorisation of which it has suspended, since it invoked paragraph (c); and

ii) comply, eighteen months after it has invoked that paragraph, with its obligations under Article 2(a).

e. Any Member invoking the provisions of this Article shall do so in such a way as to avoid unnecessary damage which bears especially on the financial or economic interests of another Member and, in particular, shall avoid any discrimination between other Members.

Article 8

RIGHT TO BENEFIT FROM MEASURES OF LIBERALISATION

Any Member lodging a reservation under Article 2(b) or invoking the provisions of Article 7 shall, nevertheless, benefit from the measures of liberalisation taken by other Members, provided it has complied with the procedure laid down in Article 12 or Article 13 as the case may be.

Article 9

NON-DISCRIMINATION

A Member shall not discriminate as between other Members in authorising the conclusion and execution of transactions and transfers which are listed in Annex A and which are subject to any degree of liberalisation.

Article 10

EXCEPTIONS TO THE PRINCIPLE OF NON-DISCRIMINATION SPECIAL CUSTOMS OR MONETARY SYSTEMS

Members forming part of a special customs or monetary system may apply to one another, in addition to measures of liberalisation taken in accordance with the provisions of Article 2(a), other measures of liberalisation without extending them to other Members. Members forming part of such a system shall inform the Organisation of its membership and those of its provisions which have a bearing on this Code.

- _____ -