

**FREE TRADE AREA BETWEEN THE EFTA STATES AND JORDAN**

The following text reproduces the Agreement between the EFTA States (Iceland, Liechtenstein, Norway and Switzerland) and the Kingdom of Jordan.<sup>1</sup>

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**FREE TRADE AGREEMENT BETWEEN THE EFTA STATES AND  
THE KINGDOM OF JORDAN**

**PREAMBLE**

*The Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Swiss Confederation* (hereinafter called the EFTA States), on the one part,

*and the Hashemite Kingdom of Jordan* (hereinafter called Jordan), on the other, hereinafter referred to collectively as the Parties:

*Considering* the importance of the links existing between the EFTA States and Jordan, in particular the Declaration on Co-operation signed in Geneva in June 1997, and recognising the common wish to strengthen these links, thus establishing close and lasting relations,

*Reaffirming* their commitment to the principles of the United Nations Charter, in particular pluralistic democracy based on the rule of law and political and economic freedoms and observance of human rights, including rights of persons belonging to minorities,

*Recalling* their intention to participate actively in the process of economic integration in the Euro-Mediterranean region,

*Conscious* of the need to associate their efforts to strengthen political stability and economic development in the region through the encouragement of bilateral and regional co-operation,

*Firmly* convinced that this Agreement will contribute to the creation and strengthening of an enlarged and harmonious free trade area between European and Mediterranean countries, thus constituting an important contribution to Euro-Mediterranean integration,

*Considering* the political and economic developments, which have taken place in Europe and in the Middle East in the past years, in particular the Middle East peace process,

*Considering* disparities in economic development between Jordan and the EFTA States,

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<sup>1</sup> The Annexes and Protocols thereto have been submitted to the Secretariat for consultation by interested Members (Office 3066). The text of the Agreement together with its Annexes and Protocols is also available on the EFTA website (<http://secretariat.efta.int/library/legal/fta/jordan/>).

*Desiring* to create favourable conditions for the development and diversification of trade between them and for the promotion of commercial and economic co-operation in areas of common interest on the basis of equality, mutual benefit, non-discrimination and international law,

*Considering* the commitment of the EFTA States and Jordan to free trade, building on their respective rights and obligations under the Marrakesh Agreement Establishing the World Trade Organization, (hereinafter referred to as "the WTO"), and under other multilateral, regional and bilateral instruments of co-operation,

*Determined* to implement this Agreement with the objective to preserve and protect the environment and to ensure an optimal use of natural resources in accordance with the principle of sustainable development,

*Also* convinced that this Agreement will by establishing the conditions for the progressive liberalisation of trade in goods and eventual liberalisation of trade in services, encourage economic, trade and investment relations between them,

HAVE DECIDED, in pursuit of the above, to conclude the following Agreement (hereinafter called "this Agreement"):

#### *Article 1*

##### Objectives

1. The EFTA States and Jordan shall establish a free trade area in accordance with the provisions of the present Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies and on the respect of democratic principles and human rights, are:
  - (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the EFTA States and Jordan and thus to foster in the EFTA States and in Jordan the advance of economic activity, the improvement of living and employment conditions, and increased productivity and financial stability;
  - (b) to provide fair conditions of competition for trade between the Parties;
  - (c) to contribute in this way, by the removal of barriers to trade, to Euro-Mediterranean economic integration and to the harmonious development and expansion of world trade;
  - (d) to foster the development of balanced economic relations between the parties through co-operation.

#### *Article 2*

##### Scope

This Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System (HS), excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;

(c) to fish and other marine products as provided for in Annex II;  
originating in an EFTA State or Jordan.

### *Article 3*

#### Economic co-operation and technical and financial assistance

1. The Parties declare their readiness to foster economic co-operation, in accordance with national policy objectives, noting that particular attention should be given to sectors facing difficulties in Jordan's process of structural adjustment to the liberalisation of its economy.
2. In order to facilitate the implementation of this Agreement the Parties shall agree upon appropriate modalities for technical and financial assistance and co-operation of their respective authorities in particular in the field of intellectual property, customs matters, technical regulations and other fields, where the necessity arises. To this end, they shall co-ordinate efforts with relevant international organisations.

### *Article 4*

#### Rules of origin and co-operation in customs administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.
2. The Parties shall take appropriate measures, including reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Articles 5, 7, 8, 9, 14 and 23 of this Agreement and Protocol B are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed in trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.
3. On the basis of the reviews referred to in paragraph 2, the Parties shall decide on the appropriate measures to be taken.

### *Article 5*

#### Customs duties on imports and charges having equivalent effect

1. No new customs duty on imports or charges having equivalent effect shall be introduced in trade between the EFTA States and Jordan.
2. The Parties shall abolish on the date of entry into force of this Agreement all customs duties on imports and any charges having equivalent effect on products originating in an EFTA State or Jordan, except as provided for in Annex III.

### *Article 6*

#### Basic duties

1. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied, shall be the most-favoured-nation rate of duty applied on 2 April 2000.
2. If, before, by or after entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions in accordance with the commitments resulting from the Uruguay Round and from the accession of Jordan to the WTO, such reduced duties shall replace the

basic duties referred to in paragraph 1 as from the date when such reductions are applied, or from the date of entry into force of this Agreement if this is later.

3. The reduced duties calculated in accordance with Annex III shall be applied rounded to the first decimal place or, in case of specific duties, to the second decimal place.

#### *Article 7*

##### Customs duties of a fiscal nature

The provisions of Article 5 shall also apply to customs duties of a fiscal nature.

#### *Article 8*

##### Customs duties on exports and charges having equivalent effect

1. No new customs duty on exports or charges having equivalent effect shall be introduced in trade between the EFTA States and Jordan.
2. The EFTA States and Jordan shall abolish on the date of entry into force of this Agreement all customs duties on exports and any charges having equivalent effect, except as provided for in Annex IV.

#### *Article 9*

##### Quantitative restrictions on imports or exports and measures having equivalent effect

1. No new quantitative restriction on imports or exports and measures having equivalent effect shall be introduced in trade between the EFTA States and Jordan.
2. The EFTA States and Jordan shall abolish on the date of entry into force of this Agreement quantitative restrictions on imports or exports and measures having equivalent effect, except as provided for in Annex V.

#### *Article 10*

##### General exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants and the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; rules relating to gold or silver; or the conservation of exhaustible natural resources, if such measures are made effective in conjunction with restrictions on domestic production or consumption. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

*Article 11*

State monopolies

The EFTA States and Jordan shall progressively adjust, with the exceptions laid down in Protocol C, without prejudice to their commitments respectively taken or to be taken under the General Agreement on Tariffs and Trade 1994 (hereinafter "the GATT 1994"), any state monopolies of a commercial character, so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the EFTA States and Jordan. The Joint Committee will be informed about the measures adopted to implement this objective.

*Article 12*

Technical regulations

1. The Parties shall co-operate in the field of technical regulations, standards and conformity assessment; and through appropriate measures promote international solutions. The Joint Committee shall establish guidelines for the implementation of this paragraph.
2. The Parties agree to hold immediate consultations in the framework of the Joint Committee in case a Party considers that another Party has taken measures which are likely to create, or have created, a technical obstacle to trade as defined in the WTO Agreement on Technical Barriers to Trade, in order to find an appropriate solution.
3. The Parties' obligations to notify technical regulations shall be governed by the provisions of the WTO Agreement on Technical Barriers to Trade.

*Article 13*

Trade in agricultural products

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.
2. In pursuance of this objective each individual EFTA State and Jordan concluded a bilateral arrangement providing for measures to facilitate trade in agricultural products.
3. The Parties shall apply their regulations in sanitary and phytosanitary matters in a non-discriminatory fashion and shall not introduce any new measures that have the effect of unduly obstructing trade.

*Article 14*

Internal taxation and regulations

1. The Parties commit themselves to apply any internal taxes and other charges and regulations in accordance with Article III of the GATT 1994 and other relevant WTO Agreements.
2. Exporters may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on products exported to the territory of one of the Parties.

*Article 15*

Payments and Transfers

1. Payments relating to trade between an EFTA State and Jordan and the transfer of such payments to the territory of the Party where the creditor resides, shall be free from any restrictions.
2. The Parties shall refrain from any currency exchange or administrative restrictions on the grant, repayment or acceptance of short and medium-term credits covering commercial transactions in which a resident participates.
3. No restrictive measures shall apply to transfers related to investments and in particular to the repatriation of amounts invested or reinvested and of any kind of revenues stemming therefrom.

*Article 16*

Public procurement

1. The Parties consider the effective liberalisation of their respective public procurement markets on the basis of non-discrimination and reciprocity, as an integral objective of this Agreement.
2. To this effect, the Parties shall elaborate rules within the framework of the Joint Committee with a view to ensuring such liberalisation. Due account shall be given to developments under the auspices of the WTO.
3. The Parties concerned shall endeavour to accede to the WTO Agreement on Government Procurement.

*Article 17*

Protection of intellectual property

1. The Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights, and provide for measures for the enforcement of such rights against infringement thereof, counterfeiting and piracy, in accordance with the provisions of this Article, Annex VI to this Agreement and the international agreements referred to therein.
2. The Parties shall accord to each others' nationals treatment no less favourable than that they accord to their own nationals. Exemptions from this obligation must be in accordance with the substantive provisions of Article 3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter "the TRIPS Agreement").
3. The Parties shall grant to each others' nationals treatment no less favourable than that accorded to nationals of any other State. In accordance with Article 4, paragraph (d) of the TRIPS Agreement, any advantage, favour, privilege or immunity deriving from international agreements in force before this Agreement and notified to the other Parties at the latest six months after the entry into force of this Agreement, shall be exempted from this obligation, provided that it does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Parties. The Parties shall be exempted from the notification if they have already made such notification to the TRIPS Council. Exemptions from this obligation must be in accordance with the substantive provisions of the TRIPS Agreement, in particular Articles 4 and 5 thereof.
4. The Parties agree, upon request of any Party, to review the provisions on the protection of intellectual property rights contained in the present Article and in Annex VI, with a view to further

improve levels of protection and to avoid or remedy trade distortions caused by actual levels of protection of intellectual property rights.

### *Article 18*

#### Rules of competition concerning undertakings

1. The following are incompatible with the proper functioning of this Agreement in so far as they may affect trade between an EFTA State and Jordan:

- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
- (b) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.

2. The provisions of paragraph 1 shall also apply to the activities of public undertakings, and undertakings for which the Parties grant special or exclusive rights, in so far as the application of these provisions does not obstruct the performance, in law or in fact, of the particular tasks assigned to them.

3. If a Party, within five years after the date of entry into force of this Agreement, considers that a given practice referred to in paragraphs 1 and 2 causes, or threatens to cause, serious prejudice to its interest or material injury to its domestic industry, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 25.

4. The Joint Committee shall, taking into account the economic situation of Jordan, decide whether the period referred to in paragraph 3 should be extended for further periods of five years.

5. Without prejudice to paragraph 4, following the expiry of the period set out in paragraph 3, a Party that considers that a given practice is incompatible with the provisions of paragraphs 1 and 2 may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 25.

### *Article 19*

#### Subsidies

1. The rights and obligations of the Parties' relating to subsidies and countervailing measures shall be governed by Article XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures, except as otherwise provided in this Article.

2. The Parties shall ensure transparency of subsidy measures by exchanging their annual notifications to the WTO pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the WTO Agreement on Subsidies and Countervailing Measures.

3. Before an EFTA State or Jordan, as the case may be, initiates an investigation to determine the existence, degree and effect of any alleged subsidy in Jordan, or in an EFTA State, as provided for in Article 11 of the Agreement on subsidies and countervailing measures, the Party considering initiating an investigation shall notify in writing the Party whose goods are subject to investigation and allow for a 45 day period of consultations from the receipt of notification with a view to finding a mutually acceptable solution. The consultations shall take place in the Joint Committee, if any Party so requests, within 20 days from the receipt of the notification.

## *Article 20*

### Dumping

If an EFTA State finds that dumping within the meaning of Article VI of the GATT 1994 is taking place in trade with Jordan, or if Jordan finds that dumping within this meaning is taking place in trade with an EFTA State, the Party concerned may take appropriate measures against this practice in accordance with the Agreement on Implementation of Article VI of the GATT 1994 and with the procedure laid down in Article 25.

## *Article 21*

### Emergency action on imports of particular products

Where any product is being imported in such increased quantities and under such conditions as to cause, or threaten to cause:

- (a) serious injury to domestic producers of like or directly competitive products in all or part of the territory of one of the Parties; or
- (b) serious disturbances in any sector of the economy,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 25.

## *Article 22*

### Structural adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 4 may be taken by Jordan in the form of an increase or reintroduction of customs duties.

2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce major social problems.

3. After the introduction of these measures, the total ad valorem customs duties applicable in Jordan to products originating in the EFTA States may not exceed 25 per cent and shall maintain an element of preference for products originating in the EFTA States. The total yearly average value of imports of the products which are subject to these measures may not exceed 20 per cent of the total yearly average value of imports of industrial products originating in the EFTA States during the last three years for which statistics are available.

4. These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Joint Committee. They shall cease to apply at the latest on the expiry of the maximum transitional period of twelve years.

5. No such measures may be introduced in respect of a product if more than four years have elapsed since the elimination of all duties and quantitative restrictions or charges or measures having equivalent effect concerning that product.

6. Jordan shall inform the Joint Committee of any exceptional measures it intends to take and, at the request of the EFTA States, consultations shall be held on such measures and the sectors to which



they apply before they are implemented. When taking such measures Jordan shall provide the Joint Committee with a timetable for the elimination of the customs duties introduced under this Article. This timetable shall provide for a phasing out of these duties in equal annual instalments starting at the latest two years after their introduction. The Joint Committee may decide on a different timetable.

7. By way of derogation from paragraph 5 of this Article, the Joint Committee may exceptionally, in order to take account of the difficulties involved in setting up a new industry and when certain sectors are undergoing restructuring or facing serious difficulties, authorize Jordan to maintain the measures already taken pursuant to paragraph 1 for a maximum period of three years beyond the twelve-year transitional period.

### *Article 23*

#### Re-export and serious shortage

Where compliance with the provisions of Articles 8 and 9 leads to:

- (a) re-export to a third country against which the exporting Party maintains, for the product concerned, quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 25. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

### *Article 24*

#### Balance of payments difficulties

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance of payments purposes.

2. A Party in serious balance of payments difficulties, or under imminent threat thereof, may, in accordance with the conditions established under the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994, adopt trade restrictive measures, which shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance of payments situation. Preference shall be given to price-based measures which shall be progressively relaxed as balance of payments conditions improve and eliminated when conditions no longer justify their maintenance. The EFTA State or Jordan, as the case may be, shall inform the other Parties and the Joint Committee forthwith, if possible, prior to their introduction and shall provide a time schedule for their removal. The Joint Committee shall, upon the request of any other Party, examine the need for maintaining the measures taken.

### *Article 25*

#### Procedure for the application of safeguard measures

1. Before initiating the procedure for the application of safeguard measures set out in the following paragraphs, the Parties shall endeavour to solve any differences between them through direct consultations, and inform the other Parties thereof.

2. Without prejudice to paragraph 6, a Party which considers resorting to safeguard measures shall promptly notify the other Parties and the Joint Committee thereof and supply all relevant information. Consultations between the Parties shall take place without delay in the Joint Committee with a view to finding a commonly acceptable solution.

3. (a) As regards Articles 18 the Parties concerned shall give to the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. If the Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee or if the Joint Committee fails to reach an agreement after consultations, or after thirty days following referral for such consultations, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.
- (b) As regards Article 20, the exporting Party shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. Where no end has been put to the dumping within the meaning of Article VI of the GATT 1994 or no other satisfactory solution has been reached within 30 days of the notification being made, the importing Party may adopt appropriate measures.
- (c) As regards Article 21 and 23, the Joint Committee shall examine the case or the situation and may take any decision needed to put an end to the difficulties notified by the Party concerned. In the absence of such a decision within thirty days of the matter being referred to the Joint Committee, the Party concerned may adopt the measures necessary in order to remedy the situation.
- (d) As regards Article 32, the Party concerned shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a commonly acceptable solution. If the Joint Committee fails to reach such a solution or if a period of ninety days has elapsed from the date of notification, the Party concerned may take appropriate measures.

4. The safeguard measures taken shall be notified immediately to the Parties and to the Joint Committee. They shall be restricted with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures that will least disturb the functioning of this Agreement. The measures taken by Jordan against an action or an omission of an EFTA State may only affect the trade with that State. The measures taken against an action or omission of Jordan may only be taken by that or those EFTA States the trade of which is affected by the said action or omission.

5. The safeguard measures taken shall be the object of regular consultations within the Joint Committee with a view to their relaxation, substitution or abolition, when conditions no longer justify their maintenance.

6. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 20, 21 and 23 apply forthwith the precautionary and provisional measures strictly necessary to remedy the situation. The measures shall be notified without delay and consultations between the Parties shall take place as soon as possible within the Joint Committee.

*Article 26*

Security exceptions

Nothing in this Agreement shall prevent a Party from taking any measures which it considers necessary:

- (a) to prevent the disclosure of information contrary to its essential security interests;
- (b) for the protection of its essential security interests or for the implementation of international obligations or national policies
  - (i) relating to the traffic in arms, ammunition and implements of war, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
  - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
  - (iii) taken in time of war or other serious international tension.

*Article 27*

Evolutionary clause

1. The Parties undertake to review the present Agreement in light of further developments in international economic relations, i.e. in the framework of the WTO and to examine in this context, and in the light of any relevant factor, the possibility of further developing and deepening the co-operation under this Agreement and to extend it to areas not covered therein. The Parties may instruct the Joint Committee to examine this possibility and, where appropriate, to make recommendations to them, particularly with a view to opening up negotiations.

2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties in accordance with their own procedures.

*Article 28*

Services and investments

1. The Parties recognise the growing importance of certain areas, such as services and investments. In their efforts to gradually develop and broaden their co-operation, in particular in the context of Euro-Mediterranean integration, they will co-operate with the aim of further promoting investments and achieving a gradual liberalization and mutual opening of markets for trade in services, taking into account on-going work under the auspices of the WTO.

2. The EFTA States and Jordan shall review developments in the services sectors with a view to considering liberalisation measures between the parties.

3. The EFTA States and Jordan will discuss this co-operation in the Joint Committee with the aim of developing and deepening their relations under this Agreement.

*Article 29*

The Joint Committee

1. The implementation of this Agreement shall be supervised and administered by a Joint Committee, consisting of the representatives of the Parties, which shall simultaneously act under the Declaration signed in Geneva in June 1997.
2. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of any Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade and further cooperation under this Agreement.
3. The Joint Committee may take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

*Article 30*

Procedures of the Joint Committee

1. For the proper implementation of this Agreement the Joint Committee shall meet whenever necessary but normally once a year. Each Party may request that a meeting be held.
2. The Joint Committee shall act by common agreement.
3. If a representative in the Joint Committee of a Party has accepted a decision subject to the fulfilment of constitutional requirements, the decision shall enter into force, if no later date is contained therein, on the date the lifting of the reservation is notified.
4. For the purpose of this Agreement the Joint Committee shall adopt its rules of procedure which shall, inter alia, contain provisions for convening meetings and for the designation of the Chairman and his/her term of office.
5. The Joint Committee may decide to set up such sub-committees and working parties as it considers necessary to assist it in accomplishing its tasks.

*Article 31*

Dispute Settlement Procedure

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through co-operation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.
2. Any Party may request in writing consultations with any other Party regarding any actual or proposed measure or any other matter that it considers might affect the operation of this Agreement. The Party requesting consultations shall at the same time notify the other Parties in writing thereof and supply all relevant information.
3. The consultations shall take place in the Joint Committee if any of the Parties so request within 20 days from the receipt of the notification referred to in paragraph 2, with a view to find a commonly acceptable solution.

4. Disputes between the Parties, relating to the interpretation of rights and obligations of the Parties, which have not been settled through direct consultations or in the Joint Committee within 90 days, from the date of the receipt of the request for consultations, may be referred to arbitration by one or more Parties to the dispute by means of a written notification addressed to the Party complained against. A copy of this notification shall be communicated to all Parties.

5. The constitution and functioning of the arbitral tribunal is governed by Annex VII.

6. The arbitral tribunal shall settle the dispute in accordance with the provisions of this Agreement, interpreted and applied in accordance with the customary rules of interpretation of public international law.

7. The award of the arbitral tribunal shall be final and binding upon the Parties to the dispute.

#### *Article 32*

#### Fulfilment of obligations

1. The Parties shall take all necessary measures to ensure the achievement of the objectives of this Agreement and the fulfilment of their obligations under this Agreement.

2. If an EFTA State considers that Jordan has, or if Jordan considers that an EFTA State has failed to fulfil an obligation under this Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 25.

#### *Article 33*

#### Annexes and Protocols

The Annexes and the Protocols to this Agreement are an integral part of it. The Joint Committee may decide to amend the Annexes and Protocols.

#### *Article 34*

#### Trade and economic relations governed by this Agreement

This Agreement applies to trade and economic relations between, on the one side, the individual EFTA States and, on the other side, Jordan, but not to the trade relations between individual EFTA States, except if otherwise provided for in this Agreement.

#### *Article 35*

#### Territorial application

This Agreement shall apply to the territories of the Parties except as provided for in Protocol D.

#### *Article 36*

#### Customs unions, free-trade areas, frontier trade and other preferential agreements

This Agreement shall not prevent the maintenance or establishment of customs unions, free-trade areas, arrangements for frontier trade and other preferential agreements to the extent that these do not negatively affect the trade regime provided for by this Agreement.

*Article 37*

Amendments

1. Amendments to this Agreement other than those referred to in Article 33 shall, after approval by the Joint Committee, be submitted to the Parties for acceptance, ratification or approval.
2. Unless otherwise agreed by the Parties, amendments shall enter into force on the first day of the third month following the deposit of the last instrument of ratification, acceptance or approval.
3. The text of the amendments as well as the instruments of acceptance shall be deposited with the Depositary.

*Article 38*

Accession

1. Any State, Member of the European Free Trade Association, may accede to this Agreement, provided that the Joint Committee decides to approve its accession, to be negotiated between the acceding State and the Parties concerned, on such terms and conditions as may be set out in that decision. The instrument of accession shall be deposited with the Depositary.
2. In relation to an acceding State, this Agreement shall enter into force on the first day of the third month following the deposit of its instrument of accession.

*Article 39*

Withdrawal and expiration

1. Each Party may withdraw therefrom by means of a written notification to the Depositary. The withdrawal shall take effect six months after the date on which the notification is received by the Depositary.
2. If Jordan withdraws, this Agreement shall expire at the end of the notice period, and if all EFTA States withdraw it shall expire at the end of the latest notice period.
3. Any EFTA Member State which withdraws from the Convention establishing the European Free Trade Association shall ipso facto on the same day as the withdrawal takes effect cease to be a Party to this Agreement.

*Article 40*

Entry into force

1. This Agreement shall enter into force on 1 January 2002 in relation to those Signatories which by then have deposited their instruments of ratification or acceptance with the Depositary, provided that Jordan has deposited its instrument of ratification or acceptance.
2. In relation to a Signatory depositing its instrument of ratification or acceptance after 1 January 2002, this Agreement shall enter into force on the first day of the third month following the deposit of its instrument, provided that in relation to Jordan this Agreement enters into force at the latest on the same date.

3. Any Signatory may already at the time of signature declare that, during an initial phase, it shall apply this Agreement provisionally, if this Agreement cannot enter into force in relation to that Signatory by 1 January 2002. For an EFTA State provisional application is only possible provided that in relation to Jordan this Agreement has entered into force, or that Jordan is applying this Agreement provisionally.

*Article 41*

Depositary

The Government of Norway shall act as Depositary.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorized thereto, have signed the present Agreement.

Done at Vaduz, this 21<sup>st</sup> of June 2001, in a single authentic copy in the English language which shall be deposited with the Government of Norway. The Depositary shall transmit certified copies to all Signatory States, and States acceding to this Agreement.

**Record of Understanding relating to the  
Agreement between the EFTA States and the Hashemite Kingdom of Jordan**

*Related to Article 3*

Economic co-operation and technical assistance

1. It is the understanding of the Parties that the cooperation referred to in Article 3 will be carried out by Norway and Switzerland mainly in the framework of their bilateral development policy, while Iceland and Liechtenstein will contribute to such cooperation within the framework of the EFTA technical assistance programme.

*Related to Article 17*

Protection of intellectual property

2. Under the EEA Agreement the EFTA States shall comply in their legislation with the substantive provisions of the European Patent Convention of 5 October 1973. It is the understanding of Iceland and Norway that the obligations under Article 17 (Protection of intellectual property) do not differ in substance from the obligations under the EEA.

*Related to Protocol B*

3. EFTA States and the Kingdom of Jordan acknowledge the importance of regional cooperation in the Mediterranean area. The aim of such cooperation is to provide opportunities for further development of free trade relations between the Parties, as well as within the region, as a contribution to the establishment of a Euro-Mediterranean free trade zone.

4. Furthermore, the EFTA States and the Kingdom of Jordan agree to explore the possibilities on a reciprocal basis between all Parties to include the European Community into the provisions of the Agreement governing cumulation of origin.

5. The EFTA States and the Kingdom of Jordan agree to consider further extension and improvement of cumulation possibilities, in particular with countries of the Arab League.

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