

**FREE TRADE AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF SERBIA**

**AND**

**THE GOVERNMENT OF THE ARAB REPUBLIC OF**

**EGYPT**

**Free Trade Agreement**  
**Between the Government of the Republic of Serbia and the Government of the Arab**  
**Republic of Egypt**

**PREAMBLE**

The Republic of Serbia and the Arab Republic of Egypt (hereinafter referred to as “the Parties” (or “Serbia” and “Egypt” where appropriate),

DESIROUS to develop and strengthen friendly relations, especially in the fields of economic cooperation and trade, with an aim to contribute to the progress of economic cooperation and to increase the scope of mutual trade exchange,

CONFIRMING their intention to participate actively in the process of economic integration in Europe and in the Mediterranean basin expressing their preparedness to cooperate in seeking ways and means to strengthen this process,

TAKING INTO CONSIDERATION the “Stabilisation and Association Agreement between the European Communities and their Member States and the Republic of Serbia” and the “Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States and the Arab Republic of Egypt”,

CONSIDERING that Serbia and Egypt are Contracting Parties to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the PEM Convention), which lays down provisions on the origin of goods traded under the relevant Agreements concluded in the pan-Euro-Mediterranean zone.

HAVING regard to the experience gained from the cooperation developed between the Parties as well as between them and their main trading partners,

DECLARING their readiness to adopt measures with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in the fields of joint interest, including fields not covered by the Agreement, thus creating a framework and supportive environment based on equality, non-discrimination, and balance of rights and obligations,

REFERRING to the mutual interest in the continual reinforcement of the multilateral trading system and considering that the provisions and instruments of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as “GATT 1994”) and the World Trade Organization (hereinafter referred to as “WTO”) constitute a basis for their foreign trade policy,

RESOLVED to lay down for this purpose provisions aimed at the progressive abolition of the obstacles to mutual trade in accordance with the provisions of these international agreements, in particular those concerning the establishment of free trade area,

RESOLVED to contribute to the strengthening of the multilateral trading system and to develop their relations towards free trade in compliance with the WTO rules,

CONSIDERING that no provision of the Agreement may be interpreted as exempting the Parties from their obligations under other international agreements, especially the GATT 1994 and the WTO,

CONVINCED that the Free Trade Agreement (hereinafter referred to as "the Agreement") will create a new climate for economic relations between them and, above all, for the development of trade, technical fields and investment, factors crucial to economic restructuring and modernization;

HAVE DECIDED, in pursuance of these objectives, to conclude the Agreement.

## **CHAPTER I**

### **INITIAL PROVISIONS**

#### **ARTICLE 1**

##### **Objectives**

1. The Parties shall establish a free trade area in accordance with the provisions of the Agreement and in conformity with Article XXIV of the GATT 1994 with a view to spurring prosperity and economic development in their territories.
2. The objectives of the Agreement are:
  - a) to increase and enhance the economic cooperation between the Parties and to raise the living standard of the population of the two countries;
  - b) to gradually eliminate difficulties and restrictions on trade in goods;
  - c) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the Parties;
  - d) to provide fair conditions of competition in trade between the Parties;
  - e) to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade;
  - f) to create conditions for further encouragement of investments, particularly for the development of joint investments in both countries;
  - g) to promote trade and cooperation between the Parties in third-country markets.

#### **ARTICLE 2**

##### **Basic Duties**

1. In trade between the Parties covered by the Agreement, the Parties shall apply their respective Customs Tariffs on the classification of goods for imports into them.
2. For the purpose of the Agreement, customs duties or charges having equivalent effect to customs duties include any duties or charges of any kind imposed in connection with the importation or exportation of the goods, including any form of surtax or surcharge in connection with such importation or exportation, but do not include any:
  - a) charges equivalent to an internal tax imposed consistently with the provisions of paragraph 2 of Article III of the GATT 1994;

b) anti-dumping or countervailing measures;

c) fees or charges commensurate with the costs of services rendered.

3. For each product, the basic duty to which successive reductions are set out in the Agreement shall be the actually applied *erga omnes* duty that was in force in the Parties as of 1<sup>st</sup> March 2023.

4. If, after the entry into force of the Agreement, any tariff reduction is applied on an *erga omnes* basis, in particular, tariff reductions resulting:

a) from the tariff negotiations in the WTO or;

b) in the event of the accession of Serbia to the WTO or;

c) from subsequent reductions after the accession of Serbia to the WTO,

such reduced duties shall replace the basic duty referred to in paragraph 3 of this Article as from the date when such reductions are applied.

5. The reduced duties to be applied by the Parties calculated, as set out in the Agreement, shall be rounded to the one decimal number using common arithmetical principles.

6. Serbia and Egypt shall exchange with each other their respective basic duties and any changes thereof.

## **CHAPTER II**

### **INDUSTRIAL PRODUCTS**

#### **ARTICLE 3**

##### **Scope**

The provisions of this Chapter shall apply to products originating in the Parties falling within Chapters 25 to 97 of Harmonized Commodity Description and Coding System with the exception of the products listed in Annex 1, paragraph 1 (ii) of the WTO Agreement on Agriculture.

#### **ARTICLE 4**

##### **Customs Duties on Imports and Charges Having Equivalent Effect**

1. No new customs duties on imports or charges having equivalent effect shall be introduced in trade between the Parties from the date of entry into force of the Agreement.
2. Customs duties or charges having equivalent effect on imports into Egypt of goods originating in Serbia listed in Annex 1 with category A shall be abolished upon the entry into force of the Agreement.
3. Customs duties or charges having equivalent effect on imports into Egypt of goods originating in Serbia, which are listed in Annex 1 with categories B and C shall be progressively abolished in accordance with the timetable laid down thereof.
4. Customs duties or charges having equivalent effect on imports into Egypt of goods originating in Serbia, which are listed in Annex 1 with category D (Sensitive products), shall be excluded from any reductions.
5. Customs duties or charges having equivalent effect on imports into Serbia of goods originating in Egypt listed in Annex 2 with category A shall be abolished upon the entry into force of the Agreement.
6. Customs duties or charges having equivalent effect on imports into Serbia of goods originating in Egypt, which are listed in Annex 2 with categories B and C shall be progressively abolished in accordance with the timetable laid down thereof.
7. Customs duties or charges having equivalent effect on imports into Serbia of goods originating in Egypt, which are listed in Annex 2 with category D (Sensitive products), shall be excluded from any reductions.

## **ARTICLE 5**

### **Fiscal Duties**

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

## **ARTICLE 6**

### **Customs Duties on Exports and Charges Having Equivalent Effect and Re-export**

1. From the date of the entry into force of the Agreement, no new customs duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.
2. All customs duties on exports or charges having equivalent effect shall be abolished between the Parties upon entry into force of the Agreement.
3. Where compliance with the provisions of the Article leads to re-export towards a third country against which the exporting Party to the Agreement maintains for the product concerned export duties or measures or charges having equivalent effect and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, Party may take appropriate measures under the conditions and per the procedures laid down in Article 24 of the Agreement. The measures shall be non-discriminatory and shall be eliminated when conditions no longer justify their maintenance.

## **ARTICLE 7**

### **Quantitative Restrictions on Imports and Measures Having Equivalent Effects**

1. From the date of the entry into force of the Agreement, no new quantitative restrictions on imports or measures having equivalent effect shall be introduced in trade between the Parties.
2. All quantitative restrictions on imports or measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of the Agreement.
3. Notwithstanding the foregoing, if otherwise is not provided for in the Agreement the Parties may apply prohibitions, quantitative restrictions or other measures having equivalent effect on imports of goods in respect of mutual trade in consistency with Article XI of the GATT 1994 and in accordance with Article XIII of the GATT 1994.

## **ARTICLE 8**

### **Quantitative Restrictions on Exports and Measures Having Equivalent Effects**

1. From the date of the entry into force of the Agreement, no new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the Parties.

2. All quantitative restrictions on exports or measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of the Agreement.
3. Notwithstanding the foregoing, if otherwise is not provided for in the Agreement the Parties may apply prohibitions, quantitative restrictions or other measures having equivalent effect on exports of goods in respect of mutual trade in consistency with Article XI of the GATT 1994 and in accordance with Article XIII of the GATT 1994.

## **ARTICLE 9**

### **Technical Barriers to Trade**

1. The rights and obligations of the Parties relating to preparing, adopting or applying of technical regulations, standards, and procedures for assessment conformity and related measures shall be governed by the WTO Agreement on Technical Barriers to Trade.
2. Each Party, upon request from the other Party, shall provide information on particular cases of technical regulations, standards, conformity assessment procedures and applied measures.
3. The Parties shall endeavor to eliminate obstacles to international trade with respect to technical regulations. To this end, the Parties will enter where appropriate into negotiations for the conclusion of the agreements for mutual recognition in the field of conformity assessment, in the spirit of the recommendations of the WTO Agreement on Technical Barriers to Trade.



**CHAPTER III**  
**AGRICULTURAL, PROCESSED AGRICULTURAL AND FISH AND FISHERY**  
**PRODUCTS**

**ARTICLE 10**

**Scope**

1. The provisions of this Chapter shall apply to basic agricultural, processed agricultural and fish and fishery products originating in the territory of each Party.
2. The term ‘agricultural, processed agricultural and fish and fishery products’ refers to the products listed in Chapters 01 to 24 of the Harmonized Commodity Description and Coding System and the products listed in Annex 1, paragraph 1 (ii) of the WTO Agreement on Agriculture.

**ARTICLE 11**

**Exchange of Concessions**

1. The Parties to the Agreement shall mutually allocate concessions set forth in Annexes 3 and 4 in accordance with the provisions of this Chapter.
2. Customs duties or other charges having equivalent effect on agricultural, processed agricultural and fish and fishery products originating in Serbia on importation into Egypt shall be subject to the arrangements set out in Annex 3.
3. Customs duties or other charges having equivalent effect on agricultural, processed agricultural and fish and fishery products originating in Egypt on importation into Serbia shall be subject to the arrangements set out in Annex 4.

**ARTICLE 12**

**Sanitary and Phytosanitary Measures**

The Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction of trade between them. The Parties shall apply these measures within the spirit of the provisions of the GATT 1994 and the WTO Agreement on Application of Sanitary and Phytosanitary Measures.

## **CHAPTER IV**

### **RULES OF ORIGIN**

#### **ARTICLE 13**

##### **Applicable rules of origin**

1. For the purpose of implementing the Agreement, the Parties agree to apply the Regional Convention on pan-Euro-Mediterranean preferential rules of origin "the Convention", as last amended and published in the Official Journal of the European Union and in official publications of the Parties, which is incorporated into and made part of the Agreement, *mutatis mutandis*.
2. All references to the "relevant agreement" in the Convention shall be construed so as to mean the Agreement.

#### **ARTICLE 14**

##### **Withdrawal from the Convention**

1. Should either Serbia or Egypt give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to Article 9 thereof, Serbia and Egypt shall immediately enter into negotiations on rules of origin for the purpose of implementing the Agreement.
2. Until the entry into force of such newly negotiated rules of origin, the rules of origin contained in the Convention, applicable at the moment of withdrawal, shall continue to apply to the Agreement. However, from the moment of withdrawal, the rules of origin contained in the Convention shall be construed so as to allow bilateral cumulation between Serbia and Egypt only.

#### **ARTICLE 15**

##### **Electronically Issued Movement Certificates**

The Parties agree that Recommendation of the Joint Committee of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin as regards the use of movement certificates issued electronically, adopted on 7<sup>th</sup> of December 2023 in Brussels, shall apply.

## **CHAPTER V SERVICES AND INVESTMENTS**

### **ARTICLE 16 Trade in services**

The Parties of the Agreement recognize the growing importance of services. In their efforts to gradually develop and broaden their cooperation, they will cooperate with the aim of enhancing trade in services, taking into account relevant provisions of the General Agreement on Trade in Services (GATS).

### **ARTICLE 17 Investment promotion**

1. The Parties reaffirmed the importance of promoting investments that contribute to attaining sustainable development with the aim to foster public welfare, stimulating technology transfer, job creation, human resources development and poverty reduction.
2. The Parties may agree to cooperate through the following in order to encourage mutual investment flows and enhance business climate, in conformity with the national laws, regulations and policies of each Party:
  - a) exchanging investment opportunities, as well as investment related laws and regulations so as to increase awareness of their business environments;
  - b) encouraging and supporting investment promotion activities such as investment conferences, forums, fairs, exhibitions and investment promotion missions;
  - c) exchanging experiences on investment related activities including investment promotion, services provided to investors, policy advocacy, avoidance and settlement of investment disputes;
  - d) developing mechanisms for promoting joint ventures between the Parties and between their investors, supporting SMEs and investments in the regions most in need of development and encouraging green economy investments.

## **CHAPTER VI**

### **COMMON PROVISIONS**

#### **ARTICLE 18**

##### **Internal Taxation**

The rights and the obligations of the Parties in respect of internal taxation shall be governed by article III of GATT 1994, which is hereby incorporated into and made part of the Agreement.

#### **ARTICLE 19**

##### **Customs Unions, Free Trade Areas and Cross-Border Arrangements**

1. The Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for cross-border trade of the Parties with third countries to the extent that these do not negatively affect the trade regime and, in particular, the provisions concerning rules of origin provided for by the Agreement.
2. Consultations between the Parties shall take place within the Joint Committee concerning agreements establishing customs unions or free trade areas and, where appropriate, on other major issues related to their respective trade policies with third countries. Such consultations shall take place so as to ensure that account is taken of the mutual interests of the Parties stated in the Agreement.

#### **ARTICLE 20**

##### **Dumping and Subsidies**

1. If one of the Parties finds that dumping and/or subsidization is taking subsidized with the other Party, that Party may take appropriate measures against this practice in accordance with the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures and its own related internal legislation.
2. None of the provisions in the Agreement prevents either Party from taking trade defense action in accordance with paragraph 1 of this Article.

#### **ARTICLE 21**

##### **General Safeguards**

Where any product is being imported into either of the Parties in such increased quantities, each Party retains its rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguard Measures. The Agreement does not confer any additional rights or obligations on the Parties with regard to safeguard measures.

## **ARTICLE 22**

### **Bilateral Safeguard Measures**

1. Where, as a result of the reduction or elimination of a customs duty under the Agreement, any product originating in a Party is being imported into the territory of another Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions as to constitute a substantial cause of injury or threat thereof to the domestic industry of like or directly competitive products in the territory of the importing Party, the importing Party may take bilateral safeguard measures to the minimum extent necessary to remedy or prevent the injury, subject to the provisions of paragraphs 2 to 10.
2. Bilateral safeguard measures shall only be taken upon clear evidence that increased imports have caused or are threatening to cause serious injury pursuant to an investigation in accordance with the procedures laid down in the WTO Agreement on Safeguards.
3. The Party intending to take a bilateral safeguard measure under this article shall immediately, and in any case before initiating an investigation or taking a measure, make notification to the other Party and the Joint Committee. The notification shall contain all pertinent information, which shall include evidence of serious injury or threat thereof caused by increased imports, a precise description of the product involved and the proposed measure, as well as the proposed date of introduction, expected duration and timetable for the progressive removal of the measure.
4. If the conditions set out in paragraph 1 are met, the importing Party may take measures consisting in:
  - (a) suspending the further reduction of any rate of duty provided for under the Agreement for the product; or
  - (b) increasing the rate of customs duty for the product to a level not to exceed the lesser of:
    - (i) the MFN rate of duty applied at the time the action is taken; or
    - (ii) the MFN rate of duty applied on the day immediately preceding the date of the entry into force of the Agreement.
5. Bilateral safeguard measures shall be taken for a period not exceeding two years. In very exceptional circumstances, after review by the Joint Committee, measures may be taken up to a total maximum period of three years. No measure shall be applied to the import of a product which has previously been subject to such a measure for a period of time equal to that during which such measure has been previously applied.
6. The Joint Committee shall, within 30 days from the date of notification referred to in paragraph 3, examine the information provided in order to facilitate a mutually acceptable resolution of the matter. In the absence of such resolution, the importing Party may adopt a measure pursuant to paragraph 4 to remedy the problem. In the selection of the bilateral safeguard measure, priority must be given to the measure which least disturbs the functioning of the

Agreement. The bilateral safeguard measure shall be immediately notified to the other Parties and the Joint Committee and shall be the subject of periodic consultations in the Joint Committee, particularly with a view to establishing a timetable for their abolition as soon as circumstances permit.

7. Upon the termination of the measure, the rate of customs duty shall be the rate which would have been in effect but for the measure.

8. In critical circumstances, where delay would cause damage which would be difficult to repair, a Party may take a provisional bilateral safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports constitute a substantial cause of serious injury, or threat thereof, to the domestic industry. The Party intending to take such a measure shall immediately notify the other Party and the Joint Committee thereof. Consultation shall be initiated immediately after the provisional measures are taken. And within 30 days of the date of the notification, the procedures set out in paragraphs 2 to 5 shall be initiated.

9. Any provisional measure shall be terminated within 200 days at the latest. The period of application of any such provisional measure shall be counted as part of the duration of the measure set out in paragraph 5 and any extension thereof. Any tariff increases shall be promptly refunded if the investigation described in paragraph 2 does not result in a finding that the conditions of paragraph 1 are met.

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

## **ARTICLE 23**

### **State Trading Enterprises**

1. The Parties shall progressively adjust any state monopoly of a commercial character so as to ensure that by the end of the third year following the entry into force of the Agreement, no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the Parties in accordance with the provisions of Article XVII of GATT 1994.

2. The Joint Committee shall be informed about the measures adopted to implement this objective.

**ARTICLE 24**  
**Notifications and Consultations Procedures for the**  
**Application of Measures**

1. The Parties shall take any general or specific measures required to fulfill their obligations under the Agreement, and they can see to it that the objectives set out in the Agreement are attained.
2. If either Party considers that the other Party has failed to fulfill an obligation under the Agreement, the Party may request consultations with the other Party. A copy of the request for consultations shall be submitted to the Joint Committee.
3. The concerned Party shall provide the Joint Committee with all relevant information required to enable an examination of the matter. Consultations between the Parties shall take place without delay in the Joint Committee with a view to finding a commonly acceptable solution.
4. If the consultations fail to settle the dispute within 30 days after the date of receipt of the request for consultations, which may be extended by a further period of 30 days through mutual consent, the Party may request the Joint Committee to settle the dispute within 30 days through extraordinary meeting of the Joint Committee.

**ARTICLE 25**  
**Payments**

1. The Parties undertake to authorize, 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 the balance of payments between Serbia and Egypt.
2. Payments in freely convertible currencies relating to commercial transactions within the framework of the Agreement between the Parties and the transfer of such payments to the territory of the Party where the creditor resides shall be free from any restrictions.
3. The Parties shall refrain from the exchange or administrative restrictions other than existing in the current legislation of the Parties on the grant repayment or acceptance of short and medium-term credits related to commercial transactions in which a resident of a Party participates.
4. Notwithstanding the provisions of paragraph 3, any measures concerning current payments connected with the movement of goods shall be in conformity with the conditions laid down under Article VIII of the Articles of the Agreement of the International Monetary Fund.

**ARTICLE 26**  
**Rules of Competition Concerning Undertakings and State Aid**

1. The following are incompatible with the proper implementation of the Agreement, in so far as they may affect trade between the Parties:

- a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings that 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;
- c) any state aid, which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods.

2. Each Party shall ensure transparency in the area of state aid. Upon request by one Party, the other Party shall provide information on particular individual cases of state aid.

3. If any Party considers that a particular practice is incompatible with the terms of the first paragraph of this Article, and:

- a) is not adequately dealt with under the implementing rules referred to in paragraph 4 of this Article; or
- b) in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry;

it may take appropriate measures after consultation within the Joint Committee or after thirty working days following referral for such consultation.

4. In the case of practices incompatible with paragraph 1. c) of this Article, such appropriate measures may, where the WTO/GATT 1994 applies thereto, only be adopted in conformity with the procedures and under the conditions laid down by the WTO/GATT 1994 and any other relevant instrument negotiated under its auspices which are applicable between the Parties.

5. In case of a competition investigation conducted by one Party against the undertakings based in the territory of the other Party, if the investigating Party requests for cooperation in the communication of the official documents relevant to the investigation from the other Party, the requested Party will do its best to ensure the requested communication to be served in a timely manner through its competent governmental institutions.



6. Notwithstanding any provisions to the contrary adopted in conformity with this Article, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

## **ARTICLE 27**

### **Balance of Payments Difficulties**

Where either Party is in a serious balance of payments difficulties, or under threat thereof, the Party concerned may, in accordance with the Article XII and Article XVIII Section B of GATT 1994 and the Understanding on the Balance-of-payments provisions of the GATT 1994 and with Articles VIII and XIV of the Articles of Agreement of International Monetary Fund, adopt restrictive measures, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Party concerned shall inform the other Party forthwith of their introduction and present to the other Party, as soon as possible, a time schedule of their removal.

## **ARTICLE 28**

### **Intellectual and Industrial Property**

1. The Parties shall provide suitable protection of intellectual and industrial property rights in line with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs.). This shall encompass effective means of enforcing such rights.
2. The Parties shall cooperate, if difficulties, which affect trade, arise in connection with intellectual and industrial property rights. Either Party may request urgent consultations to find mutually satisfactory and regularly assessed solutions.

## **ARTICLE 29**

### **Public Procurement**

The Parties agree on the objective of a progressive liberalization of public procurement. The Joint Committee will hold consultation on the implementation of this objective.

## **ARTICLE 30**

### **Dispute Settlement**

1. A Dispute Settlement Mechanism is hereby established and shall apply to the settlement of disputes arising between the Parties.
2. The Dispute Settlement Mechanism shall be administered in accordance with the Protocol on Dispute Settlement.

**ARTICLE 31**  
**Establishment of the Joint Committee**

1. A Joint Committee is hereby established in which the Serbian side shall be represented by the Ministry in charge of Foreign Trade and the Egyptian side shall be headed by Agreements and Foreign Trade Sector, Ministry of Trade and Industry. The Joint Committee shall be responsible for the administration of the Agreement and shall ensure its proper implementation.
2. The Joint Committee may decide to amend the Agreement as well as its Protocols and Annexes in accordance with the national legislation of the Parties.
3. For the purpose of the proper implementation of the Agreement, the Parties shall exchange information and, at the request of either 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 between the Parties.
4. The Joint Committee may, in accordance with the provisions of paragraph 3 of Article 32 of the Agreement, take decisions in the cases provided for in the Agreement. On other matters, the Joint Committee may make recommendations.

**ARTICLE 32**  
**Procedures of the Joint Committee**

1. For the proper implementation of the Agreement, the Joint Committee shall meet at an appropriate level whenever necessary upon request but at least once a year. Either Party may request a meeting be held.
2. The Joint Committee shall decide by consensus.
3. If a representative in the Joint Committee of a Party to the Agreement has accepted a decision subject to reservation of the fulfillment of internal legal requirements, the decision shall enter into force, if no later date is contained therein, on the date of the receipt of the written notification stating that such requirements have been fulfilled.
4. The Joint Committee shall adopt its rules of procedure, which shall, inter alia, contain provisions for convening meetings, and for the designation of the Chairperson and his/her term of office.
5. The Joint Committee may decide to set up such sub-committees and working groups, as it considers necessary, to assist it in accomplishing its tasks.

**ARTICLE 33**  
**General Exceptions**

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

**ARTICLE 34**  
**Security Exceptions**

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

**ARTICLE 35**  
**Fulfillment of Obligations**

1. The Parties shall take all necessary measures to ensure the achievement of the objectives of the Agreement and the fulfillment of their obligations under the Agreement.
2. If either Party considers that the other Party has failed to fulfill an obligation under the Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 24 of the Agreement.

**ARTICLE 36**  
**Evolutionary Clause**

1. Where either Party considers that it would be useful and in the interest of the economies of the Parties to develop the relations established by the Agreement by extending them to fields not covered thereby, the Party shall submit a reasoned request to the other Party.
2. During the third year of implementation of the Agreement, both Parties may instruct the Joint Committee to examine the possibility of granting each other further tariff concessions.
3. Agreements resulting from the procedures referred to in paragraphs 1 and 2 of this Article will be subject to ratification or approval by the Parties to the Agreement in accordance with their national legislation.

**ARTICLE 37**  
**Amendments**

Amendments to the Agreement, as well as to its Annexes and Protocols, shall enter into force on the date of receipt of the latter written notification through diplomatic channels, by which the Parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of the Agreement, have been fulfilled.

**ARTICLE 38**  
**Protocols and Annexes**

Protocols and Annexes to the Agreement shall form an integral part thereof.

**ARTICLE 39**  
**Validity and Withdrawal**

1. The Agreement is concluded for an unlimited period.
2. Each Party to the Agreement may withdraw from the Agreement by written notification to the other Party. The termination shall take effect on the first day of the seventh month following the date on which the notification was received by the other Party.
3. The Parties agree that, in case of accession of the Republic of Serbia to the European Union, the Agreement will be terminated, on the previous day before the date of the accession to the EU.

**ARTICLE 40**  
**Entry into Force**

The Parties shall ratify the Agreement in accordance with their own procedures. The Agreement shall enter into force on the first day of the second month, following the date of the receipt of the latter written notification through diplomatic channels, by which the Parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of the Agreement have been fulfilled.

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

DONE at ....., on ..... in two originals, each in the Serbian, Arabic and English languages, all texts being equally authentic. In case of any divergence in the interpretation of the Agreement, the English text shall prevail.

**FOR THE**  
**GOVERNMENT OF THE**  
**REPUBLIC OF SERBIA**

\_\_\_\_\_  
MINISTER

**FOR THE**  
**GOVERNMENT OF THE ARAB**  
**REPUBLIC OF EGYPT**

\_\_\_\_\_  
MINISTER

# **DISPUTE SETTLEMENT PROTOCOL**

## **Article 1 Objectives**

The objective of this Protocol is to provide for an efficient, prompt and transparent process for the settlement of disputes arising under the Agreement.

## **Article 2 Definitions**

For the purposes of this Protocol and Annex I (*Rules of Procedure*) and Annex II (*Code of Conduct for panelists of the Panel*):

- a) “**Panel**” means a Dispute Settlement Panel established under Article 7 of this Protocol;
- b) “**Disputing Parties**” means the Parties to a dispute or proceeding;
- c) “**Complaining Party**” means a Party making a claim;
- d) “**Party complained against**” means a Party against which a claim is made;
- e) “**Panelist**” means a member of a Panel;
- f) “**Days**” means calendar days, including weekends and holidays;
- g) “**Proceeding**” means dispute settlement proceeding.

## **Article 3 Scope and coverage**

Unless the Agreement provides otherwise, this Protocol shall apply to any disputes arising from interpretation and/or, application of the provisions of the Agreement whenever a Party considers that a measure of the other Party is inconsistent with an obligation under the provisions of the Agreement.

## **Article 4 Choice of Forum**

1. If a dispute regarding a matter arises under the Agreement and under another international trade agreement to which the disputing Parties are party, the complaining Party may select the forum in which to settle the dispute.
2. Once a complaining Party has requested the establishment of, or referred a matter to, the Panel under this Protocol or a panel or tribunal under an agreement referred to in paragraph 1, the forum selected shall be used to the exclusion of other forum.

## **Article 5**

### **Consultations**

1. The Parties shall make every attempt to settle any dispute with respect to any matter referred to in Article 3 (Scope and coverage) of the Agreement through consultations in order to reach a mutually acceptable solution.
2. A request for consultations shall be submitted in writing to the Party complained against and shall give the reasons for the request, including identification of any measure or other matter at issue and an indication of the factual and legal basis for the complaint.
3. If a request for consultations has been submitted in accordance with paragraph 2 of this Article, the responding Party shall reply to the request in writing within 10 days from the date of its receipt and shall enter in good faith into consultations with the complaining Party within 30 days from the date of receipt of the request. The consultations shall be deemed to be concluded within 30 days of the date of receipt of the request, unless the Parties agree otherwise.
4. Consultations on matters of urgency, including those regarding perishable goods, shall be held within 15 days from the date of receipt of the request. The consultations shall be deemed to be concluded within 15 days of the date of receipt of the request, unless the Parties agree otherwise.
5. Periods of time specified in paragraphs 3 and 4 of the Article may be changed by agreement of the disputing Parties.
6. The consultations shall be confidential, and without prejudice to the rights of either disputing Party in any further proceeding.
7. A disputing Party may request the other disputing Party to make available for the consultations experts from its governmental agencies or other regulatory bodies who have expertise in the matter under consultations.
8. Consultations may be held in person or by any other means of communication agreed by the Parties. Unless the Parties agree otherwise, consultations, if held in person, shall take place in the territory of the Party complained against.
9. If the Party complained against does not respond to the request for consultations within ten (10) days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 respectively, or if consultations have been concluded and no agreement has been reached on a mutually agreed solution, the complaining Party may request the establishment of a Panel in accordance with Article 7.

## **Article 6**

### **Good offices, conciliation or mediation**

1. The Parties may at any stage of any dispute settlement procedure under this Protocol have recourse to good offices, conciliation or mediation. Procedures for good offices, conciliation or mediation may begin at any time and be suspended or terminated upon the request by either Party at any time.

2. If the Parties so agree, good offices, conciliation or mediation may continue while the proceedings of the Panel provided for in this Protocol are in progress.

3. Proceedings involving good offices, conciliation and mediation, and in particular positions taken by the disputing Parties during those proceedings, shall be confidential and without prejudice to the rights of either disputing Party in any further proceeding.

## **Article 7**

### **Establishment of the Panel**

1. Where the disputing Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 5, the complaining Party may request in writing the establishment of a Panel.

2. The request referred to in paragraph 1 shall indicate, whether consultations were held, identify the specific measures at issue and provide a summary of the legal basis of the complaint sufficient to present the problem clearly.

3. In case the complaining Party request the establishment of a Panel with terms of reference other than the standard terms, the written request shall include the proposed text of special terms of reference.

## **Article 8**

### **Terms of Reference of the Panel**

1. Panel shall have the following terms of reference unless the Parties to a dispute agree otherwise, within ten (10) days from the establishment of the Panel:

(a) to examine, in the light of the relevant provisions in the Agreement, cited by the Parties to the dispute, the matter referred to the Panel by the complaining Party; and

(b) to make such findings on the conformity of the measure at issue with the relevant covered provisions of the Agreement as well as recommendations on the means to resolve the dispute.

2. Panel shall address the relevant provisions in the Agreement cited by the Parties to the dispute.

## **Article 9**

### **Composition of the Panel**

1. The Panel shall consist of three members, including the Chairperson.

2. Each disputing Party shall appoint a panelist within 20 days or 10 days in cases of urgency including these concerning perishable goods from the receipt of the request to establish the Panel by the Party complained against. Within 10 days of the appointment

of the second panelist, the appointed panelists shall choose by mutual agreement the Chairperson, who shall not fall under any of the following disqualifying criteria:

- a) being a national of Egypt or Serbia;
- b) having usual place of residence in the territory of Egypt or Serbia; or
- c) be national of state not having diplomatic relations both with Egypt and Serbia.

3. If either Party fails to appoint a panelist, or the Chairperson is not appointed within the time periods established in paragraph 2, the Complaining Party will select the unappointed panelist or the Chairperson by lot from the list established under paragraph 4. The Complaining Party shall draw the unappointed panelist or the Chairperson within 10 working days after the time periods established in paragraph 2. The Complaining Party shall invite and give a reasonable opportunity to representatives of Party complained against to be present, by any means, when the lots are drawn. Panelists or the Chairperson shall be drawn from the respective parts of the list established under paragraph 4.

4. The Joint Committee shall, no later than 6 months after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve as panelists or the Chairperson. Each of the Parties shall propose at least five individuals to serve as panelists. The two Parties shall also select at least five individuals, fulfilling criteria in paragraph 2 and who shall act as Chairperson, indicating their area (s) of expertise related to the Agreement. The Joint Committee will ensure that the list is always maintained at this level.

5. Individuals listed on the list shall:

- a) have expertise and/or experience in law, international trade, other matters covered by the Agreement, or the resolution of disputes arising under international trade agreements;
- b) be chosen strictly on the basis of objectivity, impartiality, reliability and sound judgment;
- c) be independent of, and not be affiliated with or take instructions from a Party; and
- d) disclose to the disputing Parties any direct or indirect conflicts of interest in respect of the matter at hand.

6. Panelists before beginning to carry out their duties shall sign a statement of obligation to comply with the Code of Conduct annexed to the Agreement.

7. Individuals may not serve as panelists for a dispute if they have dealt with the dispute previously in any capacity, including in accordance with Article 6 (Good offices, conciliation or mediation) of this Protocol.

8. If a panelist appointed under this Article resigns or becomes unable to act, a successor panelist shall be appointed within 15 days in accordance with the procedure as prescribed for the appointment of the original panelist and the successor shall have all the powers and duties of the original panelist. Any period of time applicable to the proceeding



shall be suspended beginning on the date when the panelist resigns or becomes unable to act and ending on the date when a replacement is selected.

9. The date of establishment of the Panel shall be the date on which the Chairperson is appointed.

## **Article 10**

### **Functions of the Panel**

1. The function of a Panel shall be to make an objective assessment of the matter before it, including an examination of the facts of the case and their applicability and conformity with the Agreement. The Panel shall make such findings, rulings and recommendations necessary for the resolution of the dispute referred to it as it deems appropriate.

2. The Panel established under this Protocol shall interpret the provisions of the Agreement in accordance with customary rules of interpretation of public international law.

## **Article 11**

### **Proceedings of the Panel**

1. The Panel proceedings shall be conducted in accordance with the provisions of this Article.

2. The Panel shall apply the Rules of Procedure, which include the rights to hearings and the exchange of written submissions as well as deadlines and timetables for ensuring expediency, as set out in Annex I (Rules of Procedure). The Rules of Procedure may be modified or amended by the mutual consent of the Parties in accordance with the provision of the Agreement.

3. The Panel shall within 10 days after its establishment fix the timetable for the Panel proceedings. The timetable shall include precise and equal deadlines for written submissions by the disputing Parties. Modifications to such timetable may be made by the Panel consultation with the disputing Parties.

4. Upon request of a disputing Party or on its own initiative, the Panel may, at its discretion, seek information and/or advice on any scientific or technical matter from any person or body which it deems appropriate. Before the Panel seeks such information and/or advice, it shall inform the disputing Parties. Any information and/or advice so obtained shall be submitted to the disputing Parties for comment. Where the Panel takes the information and/or advice into account in the preparation of its report, it shall also take into account any comment by the disputing Parties on the information and/or advice. The information and/or advice shall be non-binding.

5. The Panel shall make its procedural decisions, findings, recommendations and rulings by consensus provided that where the Panel is unable to reach consensus such procedural decisions, findings, recommendations and rulings may be made by majority vote. The Panel shall not disclose which panelists are associated with majority or minority opinions.

6. The hearings of the Panel shall be closed to the public, unless the disputing Parties agree otherwise.
7. The disputing Parties shall be given the opportunity to attend any of the presentations, statements or rebuttals in the proceedings. Any information provided or written submission made by a disputing Party to the Panel, including any comment on the descriptive part of the initial report and response to the questions put by the Panel, shall be made available to the other disputing Party.
8. The deliberations of the Panel and the documents submitted to it shall be kept confidential.
9. Nothing in this Protocol shall preclude a disputing Party from disclosing statements of its own positions to the public. A disputing Party shall treat as confidential information submitted by the other disputing Party to the Panel which that other disputing Party has designated as confidential. A disputing Party shall also, upon request of a Party, provide a non-confidential summary of the information contained in its written submissions that could be disclosed to the public.
10. The Panel proceedings including hearings shall be held using means of electronic communication.

## **Article 12**

### **Suspension and termination of proceedings**

1. The Panel shall, upon the joint request of the disputing Parties, suspend its work at any time for a period not exceeding 12 consecutive months from the date of receipt of such joint request. In such event, the disputing Parties shall jointly notify the Chairperson. Within this period, either disputing Party may authorize the Panel to resume its work by notifying the Chairperson and the other disputing Party. In that event, all relevant periods of time set out in this Protocol shall be extended by the amount of time that the work was suspended for. If the work of the Panel has been suspended for more than 12 consecutive months, the Panel shall be terminated. The authority for establishment of a new panel by the original disputing Parties on the same matter referred to in the request for the establishment of the original Panel shall lapse unless the disputing Parties agree otherwise. The termination of the Panel's work according to this paragraph is without prejudice to the rights of the complaining Party in another proceeding on the same matter.
2. The Panel shall be terminated upon the joint request of the disputing Parties before 12 months. In such event, the disputing Parties shall jointly notify the Chairperson.

## **Article 13**

### **Reports of the Panel**

1. The reports of the Panel shall be drafted without the presence of the disputing Parties and shall be based on the relevant provisions of the Agreement, the submissions and arguments of the disputing Parties and any information and/or advice provided to it in accordance with paragraph 4 of Article 11 (Proceedings of the Panel) of this Protocol.

2. The Panel shall issue its initial report within 90 days, or 60 days in cases of urgency, including those concerning perishable goods, from the date of establishment of the Panel. The initial report shall contain, inter alia, both the descriptive sections and the Panel's findings, recommendations and conclusions.

3. In exceptional circumstances, if the Panel considers it cannot issue its initial report within the periods of time specified in paragraph 2 of this Article, it shall inform the disputing Parties in writing of the reasons for the delay together with an estimate of the period within which it will issue its initial report. Any delay shall not exceed a further period of 30 days unless the disputing Parties agree otherwise.

4. A disputing Party may submit written comments on the initial report to the Panel within 15 days of receiving the initial report unless the disputing Parties agree otherwise. If no comments are received from any disputing Party within this period the initial report shall be considered as the final report.

5. After considering any written comment by the disputing Parties and making any further examination it considers necessary, the Panel shall present to the disputing Parties its final report containing a ruling on the dispute and an original award within 30 days of issuance of the initial report, unless the disputing Parties agree otherwise.

6. If in its final report, the Panel finds that a disputing Party's measure does not conform with the Agreement, it shall include in its findings and ruling a recommendation to remove the non-conformity.

7. When the Panel considers that this deadline cannot be met, the Chairperson shall notify the disputing Parties in writing, stating the reasons for the delay and the date on which the Panel plans to deliver its final report. Any delay shall not exceed a further period of 30 days unless the disputing Parties agree otherwise.

8. The disputing Parties shall publicly release the final report of the Panel within 15 days from the date of its issuance, subject to the protection of confidential information, unless any disputing Party objects.

9. The ruling of the Panel is without appeal. Prompt compliance with recommendations or rulings of the Panel is essential in order to ensure effective resolution of disputes to the benefit of the Parties.

## **Article 14**

### **Implementation of the ruling**

1. The disputing Parties shall take all necessary measures to comply with the ruling of the Panel without undue delay.

2. Within 15 days from the issuance of the award, the disputing Party which is to comply with the ruling of the Panel shall notify the other disputing Party of the following:

- a) the measures it intends to implement in order to comply with the award; and
- b) the period of time required to comply with the award.

3. In case of disagreements between the Parties on the proposed period of time for compliance pursuant to paragraph 2(b), the complaining Party may request the original Panel to establish the reasonable time period to comply with the ruling. The Panel shall establish this period within 20 days from the submission of the request.

4. When the Panel considers that it cannot determine the reasonable period of time within the timeframe set in paragraph 3 of this Article, it shall inform the disputing Parties in writing of the reasons for the delay together with an estimate of the period within which it will issue its determination. Any delay shall not exceed a further period of 20 days unless the disputing Parties agree otherwise.

5. The disputing Parties may at all times continue to seek mutually satisfactory resolution on the implementation of the final report of the Panel.

6. Where there is a disagreement as to the existence or consistency with the Agreement of measures taken to comply with the recommendations of the Panel such dispute shall be decided through recourse to these dispute settlement procedures, including wherever possible resort to the original Panel.

7. The Panel shall circulate its report within 30 days after the date of referral of the matter to it.

8. When the Panel considers that it cannot provide its report within this time frame, it shall inform the Parties in writing of the reasons for the delay together with an estimate of the period within which it will submit its report. Any delay shall not exceed a further period of 30 days unless the disputing Parties agree otherwise.

## **Article 15**

### **Compensation and Suspension of benefits**

1. If the Party concerned does not comply with the ruling and recommendation of the Panel within the reasonable period of time determined in accordance with Article 14 (Implementation of the Ruling) of this Protocol, or notifies the other Party that it does not intend to do so, and/or if the original Panel determines that the Party concerned did not comply with the ruling and recommendation of the Panel in accordance with Article 14 (Implementation of the Ruling) of this Protocol, such Party concerned shall, if so requested by the other Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within 20 days from the receipt of the request, the other Party shall be entitled to suspend the application of benefits granted under the Agreement in respect of the Party concerned but only equivalent to those affected by the measure that the Panel has found not to be in conformity with the Agreement.

2. In considering which benefits to suspend, the Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure that the Panel has found not to be in conformity with the Agreement. If such Party considers that it is not practicable or effective to suspend benefits in the same sector or sectors it may suspend benefits in other sectors.

3. The Party shall notify the Party concerned of the benefits which it intends to suspend, the grounds for such suspension and the starting date for such suspension at least

30 days before the date on which the suspension is due to take effect. Within 15 days from the receipt of such notification, the Party concerned may request the original Panel to rule on whether the benefits which the other Party intends to suspend are equivalent to those affected by the measure found not to be in conformity with the Agreement, and whether the proposed suspension is in accordance with paragraphs 1 and 2 of this Article.

4. The ruling and recommendation of the Panel shall be given within 30 days from the receipt of such request and shall be final and binding on the Parties. Benefits shall not be suspended until the Panel has issued its ruling.

5. The suspension of benefits shall be temporary and be applied by the complaining Party, only:

- a) until the measure found not to be in conformity with the Agreement has been withdrawn or modified so as to bring it into conformity with the Agreement;
- b) until the Panel decides that the compliance measure is compatible with the award and with the provisions of the Agreement; or
- c) until the Parties have otherwise settled the dispute.

6. Upon request of a Party, the original Panel shall rule on the conformity with the final report of any implementing measure adopted after the suspension of benefits and, in light of such rulings, whether the suspension of benefits should be terminated or modified. The rulings of the Panel shall be made within 30 days from the date of the receipt of such request.

## **Article 16**

### **Request for clarifications**

1. Within 10 days after the issuance of the final report, a disputing Party may submit a written request to the Panel for clarification of any determinations or recommendations in the award that the Party considers ambiguous. The Panel shall respond to the request within 10 days after the presentation of such request.

2. The submission of a request pursuant to paragraph 1 shall not affect the time periods referred to in Article 14 (Implementation of the ruling) and Article 15 (Compensation and suspension of benefits) of this Protocol, unless the Panel decides otherwise.

## **Article 17**

### **Compliance Review**

1. If the Party concerned considers that it has eliminated the non-conformity with the Agreement as originally determined by the final report of the Panel, it may request in writing that the original Panel make a determination on the matter. Such request shall be notified simultaneously to the other Party. The original Panel shall issue to the Parties its determination no later than forty-five (45) days after the date of the submission of the request. If the Panel determines that the Party concerned has eliminated the non-conformity with the provisions of the Agreement, the other Party shall cease to apply any suspension of concessions or other obligations that it has implemented.

2. In the event that any member of the original Panel is no longer available, the procedures set out in Article 9 shall apply. The time limit for issuing the determination on the length of the reasonable period of time shall be no later than 10 (ten) days after the date of submission of the request provided for in paragraph 1.

### **Article 18**

#### **Remuneration and Expenses**

1. Unless the Parties agree otherwise:
  - a) each Party shall bear the costs of its appointed panelist, its own expenses and legal costs; and
  - b) the costs of the Chairperson and other expenses associated with the conduct of its proceedings shall be borne in equal parts by the Parties.
2. Upon request of a Party, the Panel may decide on the expenses referred to in subparagraph b) of paragraph 1 of this Article taking into account the particular circumstances of the case.

### **Article 19**

#### **Amendment**

This Protocol shall be amended in accordance with the provisions of Article 31 of the Agreement.

### **Article 20**

#### **Language**

1. All proceedings pursuant to this Protocol shall be conducted in the English language.
2. Any document submitted for use in the proceedings pursuant to this Protocol shall be in the English language. If any original document is not in the English language, the Party submitting it shall provide an English language translation of such document.

## **ANNEX I RULES OF PROCEDURE**

### **General Provisions**

1. The definitions in the Dispute Settlement Protocol shall apply to this Annex. In addition, for the purposes of this Annex and Annex II (Code of Conduct for panelists of the Panel):

a)“**Adviser**” means a person retained by a Party to advise or assist that Party in connection with the Panel proceeding;

b)“**Representative of a Party**” means an employee or any person appointed by a government department or agency or any other public entity of a Party who represents the Party for the purposes of a dispute under the Agreement.

2. This Annex shall apply to dispute settlement proceedings under Dispute Settlement Protocol, unless the Parties agree otherwise.

3. The complaining Party shall be in charge of the logistical administration of dispute settlement proceedings, in particular the organization of hearings, unless otherwise agreed. The Parties shall share equally the expenses incurred in organizational matters, including the expenses of the panelists.

### **Notifications**

4. All notifications shall be addressed to the Joint Committee.

5. The disputing Parties and the Panel shall be simultaneously included in transmit of any request, notice, written submission or other document by e-mail. A copy of the documents shall also be provided in electronic format. Unless proven otherwise, an e-mail message shall be deemed to be received on the same date of its sending.

6. Minor errors of a clerical nature in any request, notice, written submission or other document related to the Panel proceeding may, unless the other Party objects, be corrected by delivery, in accordance with Rules 4 and 5, of a new document clearly indicating the changes.

7. If the last day for delivery of a document falls on an official public holiday of either Party, the document shall be delivered on the next business day.

### **Record of the Meetings of the Panel**

8. The Panel shall record minutes of the meetings held during each proceeding, which shall be kept in the files of the dispute.

### **Commencing the Panel proceeding**

9. Unless the Parties agree otherwise, the Panel within seven (7) days of its establishment shall contact the Parties in order to determine such matters that the Parties or the Panel deem appropriate, including the remuneration and expenses to be paid to the panelists. Panelists and representatives of the Parties may take part in this meeting *via* telephone or video conference.

### **Initial Written Submissions**

10. The complaining Party shall deliver its initial written submission to the other Party and to each of the panelists, no later than twenty-one (21) days after the date of establishment of the Panel.

11. The Party complained against shall deliver its written counter-submission to the other Party and to each of the panelists, no later than twenty-one (21) days after the date of delivery of the initial written submission.

### **Work of the Panel**

12. The Chairperson shall preside at all Panel's meetings. The Panel may delegate to the Chairperson authority to make administrative and procedural decisions.

13. Unless provided otherwise in Dispute Settlement Protocol, the Panel shall conduct its activities by any mean of electronic communication, including telephone, facsimile transmissions, computer links or video-conference.

14. Only panelists may take part in the deliberations of the Panel.

15. It shall be the exclusive responsibility of the Panel to consider all issues raised during the proceedings and draft any decision, and this responsibility shall not be delegated.

16. If a procedural question arises that is not covered in the Protocol (Dispute Settlement) the Panel, after consulting the Parties, may adopt the appropriate procedure that is compatible with those provisions.

17. When the Panel considers, after consulting the Parties, that there is a need for modifying any time-limit or any other procedure, it shall propose a new procedure or timeframe to the Parties by means of a written notification. Any modification of procedure or of time-limits shall be mutually agreed between the Parties.

### **Hearings**

18. The Chairperson shall fix the date and time of the hearing in consultation with the Parties and the other panelists, and confirms this in writing to the Parties, no later than fifteen (15) days prior to the hearing, which shall be held by means of electronic communication.



19. The Panel may convene additional hearings if the Parties so agree.
20. All panelists shall be present during the entirety of any hearings.
21. The following persons may attend the hearing:
  - a) representatives of the Parties;
  - b) advisers to the Parties.

Only the representatives of and advisors to the Parties may address the Panel.

22. No later than five (5) days before the date of a hearing, each Party shall deliver to the Panel, and simultaneously to the other Party, a list of the names of persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.
23. The Panel shall conduct the hearing in the following manner, ensuring that the complaining Party and the Party complained against are afforded equal time:

#### *Submissions*

- (a) submission of the complaining Party;
- (b) submission of the Party complained against;

#### *Rebuttals*

- (a) rebuttal of the complaining Party;
- (b) counter-rebuttal of the Party complained against.

24. The Panel may direct questions to either Party at any time during the hearing.
25. The Party will provide the Panel and the other Party all its statements and replies in writing no later than 5 days after the hearing.
26. With the agreement of the Panel each Party may submit a supplementary written submission concerning any matter that arose during the hearing. The other disputing Party shall also be given the opportunity to provide written comments on any such supplementary written submission.

### **Evidence**

27. Parties shall submit all evidence to the Panel no later than during the course of the first hearing provided for in paragraph 17 other than evidence necessary for purposes of rebuttals and answers to questions. Exceptions to this procedure will be granted upon a showing of good cause. In such cases, the other Party shall be accorded a period of time for comment on the newly submitted evidence, as the Panel deems appropriate.
28. All the evidence submitted by the Parties shall be kept in the files of the dispute.

29. In case the Parties so request, the Panel shall hear witnesses or experts, in the presence of the Parties, during the hearings.

### **Questions in Writing**

30. The Panel may at any time during the proceedings address questions in writing to the disputing Parties and set a time-limit for submission of the responses. The Parties shall receive a copy of any question put by the Panel.

31. Each Party shall also provide a copy of its written response to the Panel's questions to the other Party. Each Party shall be given the opportunity to provide written comments on the other Party's reply within seven (7) days of the date of receipt.

### **Breaches to the Procedures**

32. Whenever a Party fails to submit in due time its initial written submission, is absent from a scheduled hearing or in any other way breaches the procedures without good and sufficient cause, the Panel shall, upon assessment of the aforesaid circumstances decide on its effect on the future course of the proceedings.

### **Confidentiality**

33. The Parties and their advisers and representatives, all panelists, former panelists, and all attendees and experts at the Panel hearings shall maintain the confidentiality of the hearings, the deliberations and initial Panel report, and all written submissions to, and communications with, the Panel. This includes any information submitted by a Party to the Panel which that Party has designated as confidential. Nothing in this Annex shall preclude a Party from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential.

### **Ex parte contacts**

34. The Panel shall not meet, hear or otherwise contact a Party in the absence of the other Party.

35. No panelists may discuss any aspect of the subject matter of the proceedings with a Party or the Parties in the absence of the other panelists.

### **Calculation of time-limits**

36. Where, by reason of the application of Rule 9 (*Commencing the Panel proceeding*) of this Annex, a Party receives a document on a date other than the date on which this document is received by the other Party, any period of time that is calculated on the basis of the date of receipt of that document shall be calculated from the last date of receipt of that document.

## **ANNEX II**

### **CODE OF CONDUCT FOR PANELISTS OF THE PANEL**

#### **Definitions**

1. The definitions in the Dispute Settlement Protocol and Annex I (Rules of Procedure) shall apply to this Annex.

#### **Responsibilities to the process**

2. The panelists shall abide all the terms and rules set out in the Dispute Settlement Protocol, this Code of Conduct and the Rules of Procedure.
3. Throughout the proceedings, every candidate and panelist shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests, and shall observe high standards of conduct, so that the integrity and impartiality of the dispute settlement mechanism is preserved. Panelists shall not take instructions from any organization, individual or government with regard to matters before a Panel.

#### **Disclosure Obligations**

4. Prior to confirmation of his or her selection as a panelist under the Protocol (Dispute Settlement), shall disclose the existence of any interest, relationship or matter that he/she could reasonably be expected to know and that is likely to affect or could raise justifiable doubt as to the panelist's independence or impartiality, including public statements of personal opinion on issues relevant to the dispute and any professional relationship with any person or organization with interest in the case or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.
5. Once selected, a panelist shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in paragraph 4 of this Code of Conduct and shall disclose them. The disclosure obligation is a continuing duty which requires a panelist to disclose any such interests, relationships or matters that may arise during any stage of the proceeding. The panelist shall disclose such interests, relationships or matters by informing the disputing Parties, in writing, for consideration by the Parties.
6. Disclosure of an interest, relationship or matter is without prejudice as to whether that interest, relationship or matter is indeed covered by paragraphs 3 or 4, or whether it warrants recusal or disqualification. In the event of uncertainty regarding whether an interest, relationship or matter must be disclosed, a candidate or panelist should err in favour of disclosure.

7. A candidate or panelist shall only communicate matters concerning actual or potential violations of this Code of Conduct to the Parties for consideration by the disputing Parties.

### **Duties of panelists**

8. Upon selection, a panelist shall perform his/her duties thoroughly and expeditiously throughout the course of the proceeding, and with fairness and diligence.

9. A panelist shall consider only those issues raised in the proceeding and necessary for an award and shall not delegate this duty to any other person. A panelist shall not deny other panelists the opportunity to participate in all aspects of the proceeding.

10. A panelist shall not engage in “ex parte” contacts.

### **Independence and impartiality of panelists**

12. A panelist shall be independent and impartial, and avoid creating an appearance of impropriety or bias, and shall not be influenced by self-interest, outside pressure, political considerations or public opinion, loyalty to a Party, or fear of criticism.

13. A panelist shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere with, or which could give rise to justifiable doubts as to, the proper performance of his/her duties.

14. A panelist may not use his/her position on the Panel to advance any personal or private interests and shall avoid actions that may create the impression that others are in a special position to influence him or her.

15. A panelist may not allow financial, business, professional, family or social relationships or responsibilities to influence his or her conduct or judgment.

16. A panelist must avoid entering into any relationship or acquiring any financial interest that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

### **Obligations of former panelists**

17. All former panelists shall avoid actions that may create the appearance that he or she was biased in carrying out his or her duties or derived advantage from the decision or award of the Panel.

18. A panelist or former panelist shall not at any time disclose or use any non-public information concerning the proceeding or acquired during the proceeding except for the purposes of the proceeding and shall not, in any case, disclose or use

any such information to gain personal advantage, or advantage for others, or to affect adversely the interest of others.

19. A panelist shall not disclose a report of the Panel, or parts thereof, prior to its publication.

20. A panelist or former panelist shall not at any time disclose the deliberations of a Panel, or any panelist's view.