

AGREEMENT  
BETWEEN  
THE EFTA STATES  
AND  
THE REPUBLIC OF CROATIA

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 Republic of Croatia (hereinafter called Croatia), on the other,

hereinafter collectively referred to as the Parties:

Recalling their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

Considering the importance of the links existing between the EFTA States and Croatia, in particular the Declaration on Co-operation signed in Zurich 19 June 2000, and recognising the common wish to strengthen these links, thus establishing close and lasting relations;

Reaffirming the EFTA States' and Croatia's commitment and readiness to support the Stability Pact for South Eastern Europe;

Reaffirming their commitment to pluralistic democracy based on the rule of law, human rights, including rights of persons belonging to minorities, and fundamental freedoms, and recalling the principles of the United Nations Charter;

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;

Building on their respective rights and obligations under the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "the WTO") and other multilateral and bilateral instruments of co-operation;

Determined to implement this Agreement with the objectives to preserve and protect the environment and to ensure an optimal use of natural resources in accordance with the principles of sustainable development;

Declaring their readiness to examine, in the light of any relevant factor, the possibility of developing and deepening their economic relations in order to extend them to fields not covered by this Agreement;

Convinced that this Agreement will create conditions encouraging 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 Croatia shall establish a free trade area in accordance with the provisions of this 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 Croatia and thus to foster in the EFTA States and in Croatia 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 European economic integration and to the harmonious development and expansion of world trade.

## ARTICLE 2

### *Scope*

1. 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 fish and other marine products as provided for in Annex II,originating in an EFTA State or Croatia.

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

## ARTICLE 3

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

1. Annex III lays down the rules of origin and methods of administrative co-operation.
2. Annex IV lays down the rules for mutual administrative assistance in customs matters.

## 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 EFTA States and Croatia.
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 Croatia, except as provided for in Annex V.

## ARTICLE 5

### ***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 (MFN rate) applied on 1 January 2001.
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 commitments resulting from multilateral negotiations under 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 entry into force of this Agreement if this is later.
3. The reduced duties calculated in accordance with Annex V shall be applied rounded to the first decimal place or, in case of specific duties, to the second decimal place.

## ARTICLE 6

### *Customs duties of a fiscal nature*

The provisions of Article 4 shall also apply to customs duties of a fiscal nature.

## ARTICLE 7

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

1. No new customs duties on exports or charges having equivalent effect shall be introduced in trade between the EFTA States and Croatia.
2. The Parties shall abolish on the date of entry into force of this Agreement all customs duties on exports and any charges having equivalent effect on products originating in an EFTA State or Croatia.

## ARTICLE 8

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

1. No new quantitative restrictions on imports or exports or measures having equivalent effect shall be introduced in trade between the EFTA States and Croatia.
2. The Parties shall abolish on the date of entry into force of this Agreement quantitative restrictions on imports and exports and measures having equivalent effect on products originating in an EFTA State or Croatia.

## ARTICLE 9

### *State monopolies*

1. The EFTA States and Croatia shall ensure that any state monopoly of a commercial character be adjusted, with the exceptions laid down in Annex VI, so that with the entry into force of this Agreement no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the EFTA States and of Croatia. These goods shall be procured and marketed in accordance with commercial considerations.

2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties. These provisions shall likewise apply to monopolies delegated by the State to other bodies.

#### ARTICLE 10

##### *Technical regulations*

1. The Parties shall co-operate in the field of technical regulations, standards and conformity assessment; and through appropriate measures promote in particular Europe-wide 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, in order to find an appropriate solution.

3. The Parties' obligations to notify draft technical regulations shall be governed by the provisions of the WTO Agreement on Technical Barriers to Trade.

#### ARTICLE 11

##### *Sanitary and phytosanitary measures*

1. 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.

2. The principles set out in paragraph 1 shall be applied in accordance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

#### ARTICLE 12

##### *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 General Agreement on Tariffs and Trade 1994 (hereinafter referred to as "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 13

### *Payments and Transfers*

1. Payments relating to trade between an EFTA State and Croatia 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 14

### *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 VII 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 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as "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 VII, with a view to further improving the levels of protection and to avoid or remedy trade distortions caused by actual levels of protection of intellectual property rights.

## ARTICLE 15

### *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. The rights and obligations of the Parties in respect of public procurement shall be governed by the WTO Agreement on Government Procurement upon all the Parties' accession. The Parties shall co-operate in the Joint Committee, with the aim of achieving liberalisation of public procurement markets beyond the level of the WTO Agreement on Public Procurement.

3. If Croatia has not acceded to the WTO Agreement on Government Procurement by 1 January 2004, the Parties shall elaborate rules on public procurement within the framework of the Joint Committee. These rules shall be based on the WTO Agreement on Government Procurement. Croatia shall endeavour to accede to the WTO Agreement on Government Procurement as soon as possible.

## ARTICLE 16

### *Services and investments*

1. The Parties recognise the increasing importance of trade in services and investment in their economies. In their efforts to gradually develop and broaden their co-operation, they will co-operate with the aim of creating the most favourable conditions for expanding investment between them and achieving further liberalisation and additional mutual opening of markets for trade in services, taking into account on-going work under the auspices of the WTO.

2. If, after the entry into force of this Agreement, a Party concludes a free trade agreement with any third country or group of countries that contains

provisions providing for a better treatment with respect to any measure affecting trade in services or investors and their investments than the treatment granted to another Party, that Party shall, upon request by another Party, provide adequate opportunity for that Party to enter into negotiation with a view to obtaining equivalent treatment.

3. Upon request of a Party, the requested Party shall endeavour to provide information on measures that may have an impact on trade in services or investment.

4. The Parties shall encourage the relevant bodies in their respective territories to co-operate with a view to achieving mutual recognition for licensing and certification of professional service providers.

5. The EFTA States and Croatia will, in the Joint Committee, review developments related to investments and trade in services with a view to developing and deepening their relations under this Agreement in these fields.

#### ARTICLE 17

##### *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 18

##### *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 19

### *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 Croatia:

- (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 public tasks assigned to them.

3. The provisions of paragraphs 1 and 2 shall not be construed such as to create any direct obligations for undertakings.

4. If a Party considers that a given practice is incompatible with the provisions of paragraphs 1 and 2, 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. The application and removal of such measures shall be governed by Article 28.

## ARTICLE 20

### *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 for in this Article.
2. The Parties shall ensure transparency of subsidies by exchanging their most recent notifications to the WTO pursuant to Article XVI:1 of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.
3. Before an EFTA State or Croatia, as the case may be, initiates an investigation to determine the existence, degree and effect of any alleged subsidy in Croatia, 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 30 day period with a view to finding a mutually acceptable solution. The consultations shall take place in the Joint Committee if any Party so requests within 10 days from the receipt of the notification.

## ARTICLE 21

### *Anti-dumping*

1. The rights and obligations of the Parties in respect of the application of anti-dumping measures shall be governed by Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994.
2. After an EFTA State or Croatia, as the case may be, receives a properly documented application and before initiation of an investigation under the provisions of the Agreement referred to in paragraph 1, that Party shall notify in writing the Party whose goods are allegedly being dumped and allow for consultations with a view to finding a mutually acceptable solution. The outcome of the consultations shall be communicated to the other Parties.
3. The Parties shall, upon request of any Party, meet in the Joint Committee to review the contents of this Article.



## ARTICLE 22

### *Sectoral and regional difficulties*

1. Where any product of a Party, as a result of this Agreement, is being imported into the territory of the other Party in such increased quantities and under such conditions as to cause or threaten to cause:

- (a) serious injury to the domestic industry of like or directly competitive products in the territory of the importing Party; or
- (b) serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region of the importing Party,

the importing Party may take appropriate measures under the conditions and in accordance with the procedures laid down in this Article.

2. Such measures shall not exceed what is necessary to remedy the difficulties which have arisen and shall consist of the suspension of the further reduction of any applicable rate of duty provided for under this Agreement for the product concerned or the increase of the rate of duty for that product to a level not to exceed the lesser of the most-favoured nation (MFN) rate of duty in effect at the time the action is taken, or the MFN applied rate of duty in effect on the day immediately preceding the day of the entry into force of this Agreement.

3. Such measures shall contain clear elements progressively leading to their elimination during a period not exceeding one year. In very exceptional circumstances, measures may be taken up to a total maximum period of three years. No such measures shall be applied to the import of a product, which has previously been subject to such a measure for a period of, at least, three years since the expiry of the measure.

4. The Party intending to take measures under this Article shall promptly notify the other Parties and the Joint Committee thereof and simultaneously offer the other Parties compensation in the form of substantially equivalent trade liberalisation in relation to the imports from the other Parties.

5. The Joint Committee shall examine the difficulties and may take any decisions needed to put an end to such difficulties. In the absence of such a decision within 30 days of the matter being referred to the Joint Committee, the importing Party may adopt the appropriate measures to remedy the problem, and, in absence of mutually agreed compensation, the Party against whose product the measure is taken may take compensatory action. The measures and the

compensatory action shall be immediately notified to the Joint Committee. The compensatory action shall consist of concessions having substantially equivalent trade effects or concessions substantially equivalent to the value of the additional duties expected to result from the emergency action. In the selection of measures and compensatory action, priority must be given to the action which least disturb the functioning of the arrangements in this Agreement.

6. Where exceptional and critical circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Party concerned may forthwith apply temporary measures necessary to deal with the situation and shall immediately inform the other Parties and the Joint Committee thereof.

7. The measures and the compensatory action taken shall be the subject of periodic consultations within the Joint Committee with a view to establishing a timetable for their elimination as soon as circumstances permit.

## ARTICLE 23

### *Re-export and serious shortage*

1. Where compliance with the provisions of Articles 7 and 8 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.

2. The Party intending to take measures under this Article shall promptly notify the other Parties and the Joint Committee thereof. The Joint Committee shall examine the situation and may take any decisions needed to put an end to it. In the absence of such a decision within 30 days of the matter being referred to the Joint Committee, the Party concerned adopt the appropriate measures to remedy the problem. The measures shall be immediately notified to the Joint Committee. In the selection of measures priority must be given to the action which least disturbs the functioning of this Agreement.

3. Where exceptional and critical circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Party concerned may forthwith apply temporary measures necessary to deal with the situation and shall immediately inform the other Parties and the Joint Committee thereof.

4. The measures taken shall be the subject of periodic consultations within the Joint Committee with a view to their elimination as soon as circumstances permit.

## 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 thereof, 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. The application of such measures shall be governed by the respective provisions of Article XV of the General Agreement on Tariffs and Trade 1994.

## ARTICLE 25

### *The Joint Committee*

1. The implementation of this Agreement shall be supervised and administered by a Joint Committee which shall simultaneously act under the Declaration signed in Zurich in June 2000. Each Party shall be represented in the Joint Committee.
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 between the EFTA States and Croatia.
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 26

### *Procedures of the Joint Committee*

1. For the proper implementation of this Agreement the Joint Committee shall, upon request of any Party, meet whenever necessary but normally every two years.

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 27

##### *Fulfilment of obligations and consultations*

1. The Parties shall take all necessary measures to ensure the fulfilment of their obligations under this Agreement. Should any divergency with respect to the interpretation and application of this Agreement arise, the Parties shall make every attempt through co-operation and consultations to arrive at a mutually satisfactory resolution.
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 10 days from the receipt of the notification referred to in paragraph 2, with a view to find a commonly acceptable solution.

#### ARTICLE 28

##### *Provisional measures*

If an EFTA State considers that Croatia has, or if Croatia considers that an EFTA State has failed to fulfil an obligation under this Agreement and the Joint

Committee has failed to arrive at a commonly acceptable solution within 3 months, the Party concerned may take such provisional rebalancing measures as are appropriate and strictly necessary to remedy the imbalance. Priority shall be given to such measures as will least disturb the functioning of the Agreement. The measures taken shall be notified immediately to the Parties and to the Joint Committee, which shall hold regular consultations with a view to their abolition. The measures shall be abolished when conditions no longer justify their maintenance, or if the dispute is submitted to arbitration when an arbitral award has been rendered and complied with.

## ARTICLE 29

### *Arbitration*

1. Disputes between the Parties to this Agreement, relating to the interpretation of rights and obligations under this Agreement, 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 any Party to the dispute by means of a written notification addressed to the other Party to the dispute. A copy of this notification shall be communicated to all Parties to this Agreement. Where more than one Party requests the submission to an arbitral tribunal of a dispute with the same Party relating to the same question a single arbitral tribunal should be established to consider such disputes whenever feasible.
2. The constitution and functioning of the arbitral tribunal shall be governed by Annex VIII. The award of the arbitral tribunal shall be final and binding upon the Parties to the dispute.

## ARTICLE 30

### *Evolutionary clause*

1. The Parties undertake to review the present Agreement in light of further developments in international economic relations, i.a. 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 31

### *Technical assistance*

In order to facilitate the implementation of this Agreement the Parties shall agree upon appropriate modalities for technical assistance and co-operation of their respective authorities, in particular in the fields of intellectual property, customs matters and technical regulations. To this end, they shall co-ordinate efforts with relevant international organisations.

#### ARTICLE 32

##### *Annexes*

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

#### ARTICLE 33

##### *Amendments*

1. Amendments to this Agreement other than those referred to in Article 32 shall, after approval by the Joint Committee, be submitted to the Parties for ratification, acceptance 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 34

##### *Trade relations governed by this Agreement*

This Agreement applies to trade relations between, on the one side, the individual EFTA States and, on the other side, Croatia, 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 Annex IX.

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

*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 38

*Withdrawal and expiration*

1. Each Party may withdraw from this Agreement by means of a written notification through diplomatic channels to the Depositary. The withdrawal shall take effect six months after the date on which the notification is received by the Depositary.

2. If Croatia withdraws, this Agreement shall expire at the end of the notice period.

3. Any EFTA 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 39

*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 Croatia 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 Croatia this Agreement enters into force at the latest on the same date.

3. Any Party may, if its constitutional requirements permit, apply this Agreement provisionally during an initial period starting on 1 January 2002, provided that in relation to Croatia this Agreement has entered into force or is provisionally applied at the latest as of the same date. Provisional application of this Agreement shall be notified to the Depositary.

#### ARTICLE 40

#### *Depositary*

The Government of Norway shall act as Depositary.

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

Done at Vaduz, this 21<sup>st</sup> day of June 2001, in a single original in the English language, which shall be deposited with the Government of Norway.

For the Republic of Iceland

For the Republic of Croatia

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For the Principality of Liechtenstein

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For the Kingdom of Norway

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For the Swiss Confederation

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