

4. The Party intending to take an emergency action under this Article shall, before taking an action, notify the other Parties and the Joint Committee. The notification shall contain all pertinent information, including evidence of serious injury or threat thereof caused by increased imports, a precise description of the product involved, and the proposed action, as well as the proposed date of introduction, and expected duration of the action. A Party that may be affected by the action shall be offered compensation in the form of substantially equivalent trade liberalization in relation to the imports from such Party.

5. If the conditions in paragraph 1 are met, and following an examination by the Joint Committee as set out in paragraph 7, the importing Party may increase the rate of customs duty for the product to a level not to exceed the lesser of:

- (a) the MFN rate of duty applied at the time the action is taken; or
- (b) the MFN rate of duty applied on the day immediately preceding the date of the entry into force of this Agreement.

6. An emergency action shall be taken for a period not exceeding three years, and shall not extend beyond the end of the transition period referred to in paragraph 9. No action shall be applied to the import of a product that has previously been the subject of such an action.

7. The Joint Committee shall, within 30 days from the date of notification referred to in paragraph 4, examine the information provided under paragraph 4 in order to facilitate a mutually acceptable resolution of the matter. In the absence of such resolution, the importing Party may take an action in accordance with paragraph 5 and, in the absence of mutually agreed compensation, the Party against whose product the action is taken may take compensatory action. The emergency action and the compensatory action shall be immediately notified to the other Parties and the Joint Committee. In the selection of the emergency action and the compensatory action, priority must be given to the action which least disturbs the functioning of this Agreement. The compensatory action shall consist of suspension of tariff concessions under this Agreement having substantially equivalent trade effects or concessions substantially equivalent to the value of the additional duties expected to result from the emergency action. The Party taking compensatory action shall apply the action only for the minimum period necessary to achieve the substantially equivalent trade effects and in any event, only while the measure under paragraph 5 is being applied.