

- (b) prevent a Party from taking an action that it considers necessary to protect its essential security interests:
  - (i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment;
  - (ii) taken in time of war or other emergency in international relations; or
  - (iii) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices; or
- (c) prevent a Party from fulfilling its obligations under the *Charter of the United Nations* for the maintenance of international peace and security.

#### **Article 18.4: Taxation**

1. Except as set out in this Article, this Agreement does not apply to a taxation measure.
2. This Agreement does not affect the rights and obligations of a Party under a tax convention. In the event of any inconsistency between this Agreement and a tax convention, the tax convention prevails.
3. If a provision with respect to a taxation measure under this Agreement is similar to a provision under a tax convention, the competent authorities identified in the tax convention shall use the procedural provisions of that tax convention to resolve an issue that may arise under this Agreement.
4. Notwithstanding paragraphs 2 and 3:
  - (a) Article 2.3 (National Treatment) and the provisions of this Agreement necessary to give effect to that Article apply to a taxation measure to the same extent as Article III of the GATT; and,
  - (b) Article 2.9 (Customs Duties on Exports) applies to a taxation measure.