

ANNEX 3
MONETARY ASSESSMENTS

1. The Review Panel shall reconvene as soon as possible after delivery of the request pursuant to Article 14(6) (Review Panel Reports and Determinations). Within 90 days after being reconvened, the Review Panel shall determine whether the terms of the action plan have been implemented or the non-compliance otherwise remedied.
2. In the event of a negative determination under paragraph 1 and at the request of the requesting Party, the Review Panel shall assess an annual monetary assessment equivalent to the degree of adverse trade effects related to the non-compliance within the meaning of Article 13(1)(b) (Establishment and Conduct of Review Panel) or the non-compliance with the action plan and the Review Panel may adjust the assessment, taking into account the particular socio-economic situation of the Parties, and to reflect:
 - (a) any mitigating factors, such as good faith efforts made by the Party to begin remedying such non-compliance after the final report of the Review Panel, bona fide reasons for the Party's failure to comply with such obligations or a real likelihood that the cost of the assessment would have a negative impact on vulnerable members of society; and
 - (b) any aggravating factors, such as the pervasiveness and duration of the Party's failure to comply with its obligations.
3. Unless the Council otherwise decides, monetary assessments shall be paid to the requesting Party. Where the circumstances warrant, including the particular socio-economic situation of the Party and the nature of the non-compliance, the Council may decide that an assessment shall be paid into an interest-bearing fund established by the requesting Party for that purpose or designated by the Council and shall be expended at the direction of the Council to implement the action plan or other appropriate measures to remedy the non-compliance.
4. Ninety (90) days from the date on which the Review Panel determines the amount of the monetary assessment under paragraph 2, or at any time thereafter, the requesting Party may provide notice in writing to the other Party demanding payment of the monetary assessment. The monetary assessment shall be paid in equal, quarterly instalments beginning 120 days after the requesting Party provides such notice and ending upon decision of the Parties or upon the date of a Review Panel determination under paragraph 5.
5. If the Party that was the object of the review considers that it has ended the non-compliance, it may refer the matter to the Review Panel by providing written notice to the other Party. The Review Panel shall be reconvened within 60 days of that notice and issue its report within 90 days thereafter.