

Section B – Emergency Action

Article 5.2: Article XIX of the GATT 1994 and the Agreement on Safeguards

1. Each Party retains its rights and obligations under Article XIX of the GATT 1994 and the Agreement on Safeguards, which exclusively govern global safeguard actions including the resolution of a dispute with respect to those matters.
2. A Party shall not adopt or maintain, with respect to the same good, at the same time:
 - (a) an emergency action; and
 - (b) a measure under Article XIX of the GATT 1994 and the Agreement on Safeguards.

Article 5.3: Bilateral Emergency Actions

1. A Party may adopt an emergency action described in paragraph 2:
 - (a) only during the transition period; and
 - (b) if as a result of the reduction or elimination of a duty pursuant to this Agreement, an originating good is being imported into the Party's territory in such increased quantities, in absolute terms or relative to domestic production, and under such conditions as to constitute a substantial cause of serious injury, or threat thereof, to a domestic industry producing a like or directly competitive good.
2. If the conditions set out in paragraph 1 and Article 5.4 and 5.5 are met, a Party may, to the extent necessary to prevent or remedy serious injury, or threat of serious injury:
 - (a) suspend the further reduction of a rate of duty provided for under this Agreement on the good; or
 - (b) increase the rate of duty on the good to a level not exceeding the lesser of:
 - (i) the most-favoured-nation (MFN) applied rate of customs duty in effect at the time the emergency action is taken, and
 - (ii) the base rate of customs duty as provided in the Party's schedule to Annex 2-B (Tariff Elimination); or