

ANNEX 3

MONETARY ASSESSMENTS

1. The panel shall reconvene as soon as possible after delivery of the request pursuant to paragraph 6 of Article 14. Within 90 days after being reconvened, the 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 above, the panel shall assess a monetary assessment which reflects a determination of the estimated costs of implementing the action plan, or in the absence of an action plan, other appropriate measures to remedy the non-compliance provided that:
 - (a) the panel may adjust the assessment to reflect:
 - (i) any mitigating factors, such as good faith efforts made by the Party to begin remedying such non-compliance after the final report of the 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;
 - (ii) any aggravating factors, such as the pervasiveness and duration of the Party's failure to comply with its obligations; or
 - (iii) the Party's national conditions, circumstances and needs; and
 - (b) in no circumstances shall the assessment exceed \$15 million U.S. dollars annually, or its equivalent in the currency of the Party complained against, adjusted to the rate of inflation of that Party.
3. Monetary assessments shall be paid into an interest-bearing fund designated by the Council and shall be expended at the direction of the Council to implement the action plan or other appropriate measures.