

ARTICLE 2

1. Canada shall grant tariff concessions to agricultural products originating in Iceland as specified in Annex 1 to this Agreement. Iceland shall grant tariff concessions to agricultural products originating in Canada as specified in Annex 2 to this Agreement.

2. Paragraph 1 shall not prevent either Party from introducing, reintroducing or increasing a customs duty vis-à-vis the other Party that is authorized by or pursuant to the *Marrakesh Agreement Establishing the World Trade Organization*, done on 15 April 1994, in particular pursuant to the rules and procedures on dispute settlement, but excluding any modification of schedules and tariff modifications in accordance with Article XXVIII of the *General Agreement on Tariffs and Trade 1994*.

ARTICLE 3

The Parties undertake to continue their efforts with a view to achieving further liberalisation of their agricultural trade taking account of the pattern of trade in agricultural products between the Parties, the particular sensitivities of such products, and the development of agricultural policy on both sides. The Parties shall, at the request of either Party, consult for the purpose of achieving further liberalisation of their agricultural trade, including improvements in market access by reduction or elimination of customs duties on goods and extending the scope of products covered by Annex 1 and Annex 2, after the entry into force of this Agreement.

ARTICLE 4

The following provisions and chapter of the Free Trade Agreement shall apply, *mutatis mutandis*, between the Parties to this Agreement and are hereby incorporated into and made part of this Agreement: Articles 2, 4 through 8, 19, 22, 24, 25, and Chapter VIII (Dispute Settlement).