

ARTICLE II

1. Equipment, material, nuclear material and facilities referred to in Annex A to the present Agreement shall be transferred beyond the jurisdiction of a Party only with the prior written consent of the other Party. Information shall be transferred beyond the jurisdiction of the receiving Party only with the prior written consent of the supplying Party. Nuclear material referred to in Annex A to the present Agreement shall be enriched or reprocessed only with the prior written agreement of both Parties.

2. If a Party considers that it is unable to grant consent with respect to a matter referred to in paragraph 1 of this Article, that Party shall provide the other Party with an immediate opportunity for full consultations regarding that issue. A Party shall not withhold its consent with respect to a matter referred to in paragraph 1 of this Article for the purpose of securing commercial advantages.

ARTICLE III

1. Nuclear material referred to in Annex A shall not be used for or diverted to nuclear weapons or other nuclear explosive devices.

2. If for any reason or at any time the International Atomic Energy Agency is not administering safeguards in a Party in accordance with the Agreement between that Party and the International Atomic Energy Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons, the Parties undertake to accept safeguard as set forth in an agreement to be concluded with the International Atomic Energy Agency in accordance with the Statute of the Agency⁽¹⁾ and the Agency's Safeguards System thence in force, for the exclusive purpose of verifying of the fulfilment of their obligations assumed under paragraph 1 above.

3. For the fulfilment of the obligations under paragraph 2 of this Article the following procedure shall apply:

(A) The Party referred to in paragraph 2 of this Article shall enter into an agreement, satisfactory to the other Party, with the International Atomic Energy Agency for the application of the Agency's Safeguards System with respect

(a) to all nuclear material within the jurisdiction of such a Party, or

(b) to all items included in a list to be jointly prepared by the Parties;
or

(B) The Parties shall jointly request the Agency to enter into an agreement for the application of the Agency's Safeguards System with respect to the items included in a list to be jointly prepared by the Parties.

4. The Parties shall jointly prepare the list referred to above on the basis of the latest inventory to be made under the provisions of the administrative arrangement stipulated under Article V of the present Agreement.

5. However, during any period when the International Atomic Energy Agency is not administering safeguards in a Party in connection with the Treaty on the Non-Proliferation of Nuclear Weapons or pursuant to any safeguards agreement referred to above or which is satisfactory to both Parties, the other Party shall have the right to administer in the Party in

⁽¹⁾ Treaty Series 1957 No. 20.