

(3) This Agreement shall not preclude either Contracting Party from prescribing laws and regulations in connection with the establishment of a new business enterprise or the acquisition or sale of a business enterprise in its territory, provided that such laws and regulations are applied equally to all foreign investors. Decisions taken in conformity with such laws and regulations shall not be subject to the provisions of Articles IX or XI of this Agreement.

### ARTICLE III

#### Protection of Investment

(1) Investments or returns of investors of either Contracting Party shall at all times be accorded fair and equitable treatment in accordance with principles of international law and shall enjoy full protection and security in the territory of the other Contracting Party.

(2) Each Contracting Party shall grant to investments or returns of investors of the other Contracting Party in its own territory treatment no less favourable than that which it grants to investments or returns of investors of any third State.

(3) Each Contracting Party shall grant investors of the other Contracting Party in its territory, as regards their management, use, enjoyment or disposal of their investments or returns, treatment no less favourable than that which it grants to investors of any third State.

(4) In addition to the provisions of paragraphs (2) and (3) of this Article, each Contracting Party shall, to the extent possible and in accordance with its laws and regulations, grant to investments or returns of investors of the other Contracting Party a treatment no less favourable than that it grants to investments or returns of its own investors.

### ARTICLE IV

#### Exceptions

The provisions of this Agreement shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefits of any treatment, preference or privilege resulting from participation in:

- (a) any existing or future free trade area or customs union;