

Japan, as appropriate, for termination pursuant to paragraph 27; upon such termination, the nuclear material affected shall be removed from the Inventory.

SECTION 13. In applying safeguards, the Agency shall observe the principles set forth in paragraphs 9-14 of the Safeguards Document.

SECTION 14. The procedures for the application of safeguards by the Agency under this Agreement shall be those specified in Part III of the Safeguards Document. The Agency shall make arrangements with each Government concerning the detailed implementation of those procedures.

SECTION 15. In connection with principal nuclear facilities to which its safeguards procedures extend, the Agency shall have the right to make an initial inspection or inspections, in accordance with paragraphs 51 and 52 of the Safeguards Document, and may request information as contemplated in paragraph 41 of the Document.

SECTION 16. Nuclear material or reactors listed in parts (a)-(d) of either Inventory shall only be transferred beyond the jurisdiction of Canada and Japan in accordance with the provisions, *mutatis mutandis*, of paragraphs 28(c)-(d) of the Safeguards Document. Any such material or reactor that is transferred in accordance with this Section shall thereupon be removed from the Inventory.

SECTION 17. If the Board determines, in accordance with Article XII.C of the Agency's Statute, that there has been any non-compliance with this Agreement, the Board shall call upon the Government concerned to remedy such non-compliance forthwith, and shall make such reports as it deems appropriate. In the event of failure by the Government to take fully corrective action within a reasonable time:

(a) The Agency shall be relieved of its responsibility to apply safeguards under Section 3 for such time as the Board determines that the Agency cannot effectively apply the safeguards provided for in this Agreement; and

(b) The Board may take any other measures provided for in Article XII.C of the Statute.

The Agency shall promptly notify both Governments in the event of any determination by the Board pursuant to this Section.

ARTICLE III

Agency Inspectors

SECTION 18. The provisions of paragraphs 1-10 and 12-14 of the Inspectors Document shall apply to Agency inspectors performing functions pursuant to this Agreement. However, whenever the Agency has the right of access to a principal nuclear facility or to nuclear material at all times, it may perform inspections of which notice as required by paragraph 4 of the Inspectors Document need not be given, in so far as this is necessary for the effective application of safeguards; actual procedures for implementing paragraph 50 of the Safeguards Document shall be agreed with the Government concerned in an agreement supplementing this Agreement, before such facility or material is listed in the Inventory.

SECTION 19. The relevant provisions of the Agreement on the Privileges and Immunities of the Agency shall apply to the Agency, its inspectors and its property used by them in performing their functions pursuant to this Agreement.