

#### **Article 22.5: Balance of Payments**

1. This Agreement does not prevent a Party from adopting or maintaining a measure that restricts transfers if:

- (a) the Party experiences serious balance of payments difficulties, or the threat of balance of payment difficulties; and
- (b) the restriction is consistent with:
  - (i) paragraphs 2 through 4,
  - (ii) paragraph 5 to the extent that the restriction is imposed on transfers other than transfers related to cross-border trade in financial services, and
  - (iii) paragraphs 6 and 7 to the extent the restriction is imposed on cross-border trade in financial services.

#### **General Rules**

2. As soon as practicable after a Party imposes a measure permitted by paragraph 1, the Party shall:

- (a) submit any current account exchange restrictions to the IMF for review under Article VIII of the Articles of Agreement of the IMF;
- (b) enter into good faith consultations with the IMF on economic adjustment measures to address the fundamental underlying economic problems causing the difficulties; and
- (c) adopt or maintain economic policies consistent with those consultations.

3. A measure permitted by paragraph 1 must:

- (a) avoid unnecessary damage to the commercial, economic or financial interests of the other Party;
- (b) not be more burdensome than necessary to deal with the balance of payments difficulties or threat of balance of payment difficulties;
- (c) be temporary and be phased out progressively as the balance of payments situation improves;
- (d) be consistent with sub-paragraph 2(c) and with the Articles of Agreement of the IMF; and
- (e) be applied on a national treatment or most-favoured-nation treatment basis, whichever is better.