

4. The most-favoured-nation treatment provisions of this Agreement shall not apply to advantages now accorded, or which may hereafter be accorded, by either Party resulting from:
- (a) membership in a customs union or free trade area;
  - (b) preferences granted to other countries and authorized under the GATT or under other international agreements consistent with the GATT;
  - (c) advantages accorded by Canada to countries and their overseas dependencies that are entitled to benefits of the British Preferential Tariff (BPT); or
  - (d) advantages that are accorded to third countries on a reciprocal basis in accordance with instruments negotiated within the Uruguay Round and subsequent arrangements concluded under the GATT.

#### ARTICLE IV

##### TRANSIT

1. In accordance with applicable laws and regulations, each Party shall facilitate the freedom of transit, via the routes most convenient for international transit, of products of the other Party across its territory. Products in transit across the territory of a Party that are not released from customs control and have not entered into the commerce of such Party shall not be subject to any unnecessary delays or restrictions and shall be exempt from all duties, taxes and other charges, except charges for transportation, administrative expenses or services rendered in relation to transit.
2. With respect to all charges, regulations and formalities applicable to products in transit, each Party shall accord to products of the other Party in transit across its territory treatment no less favourable than the treatment accorded to products of any third country in transit across its territory.