

2. Accordingly, products of each Contracting Party imported into the territory of the other Contracting Party shall not be subject, in regard to matters referred to in the first paragraph of this Article, to any duties, taxes or charges other or higher, or to any rules or formalities more burdensome, than those to which like products of any third country are or may hereafter be subject.

3. Similarly, products exported from the territory of a Contracting Party and consigned to the territory of the other Contracting Party shall not be subject, in regard to matters referred to in the first paragraph of this Article, to any duties, taxes or charges other or higher or to any rules or formalities more burdensome than those to which like products when consigned to the territory of any third country are or may hereafter be subject.

ARTICLE III

The Provisions of Article II shall not apply to the following:

- (a) advantages and privileges accorded or which may be accorded by either Contracting Party to neighbouring countries in order to facilitate border trade;
- (b) advantages and privileges accorded or which may be accorded by the Republic of Iraq to Arab countries;
- (c) advantages and privileges accorded or which may be accorded by Canada to countries and their dependent overseas territories entitled to the benefits of the British Preferential Tariff or to certain British Commonwealth countries in Trade Agreements;
- (d) advantages and privileges accorded or which may be accorded by either Contracting Party to meet its commitments or exercise its rights under international agreements and arrangements; and
- (e) such measures as either Contracting Party may take to protect its national security or health.

ARTICLE IV

For the purpose of developing, diversifying and expanding trade between their two countries, the Contracting Parties shall encourage their organizations and companies concerned to conclude contracts, preferably on a long term basis.

ARTICLE V

The Government of Canada shall, to the extent possible, undertake to encourage Canadian organizations and companies to facilitate promotional activities of Iraqi organizations and companies in exporting Iraqi products to Canada.