

Article 11

Temporary Safeguard Measures

1. A Party may adopt or maintain measures not conforming with its obligations under Article 3 (National Treatment) relating to cross-border capital transactions or Article 10 (Transfers) in the event of serious balance of payments and external financial difficulties or under threat thereof.

2. A Party may adopt or maintain measures not conforming with its obligations under Article 10 (Transfers) in cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious economic or financial disturbance or serious difficulties for the operation of monetary or exchange rate policies in the Party concerned¹³.

¹³ For greater certainty, any measures taken to ensure the stability of the exchange rate including to prevent speculative capital flows shall not be adopted or maintained for the purpose of protecting a particular sector.

3. The measures referred to in paragraphs 1 and 2 shall:
- (a) be consistent with the Articles of Agreement of the IMF, as may be amended;
 - (b) avoid unnecessary damage to the commercial, economic and financial interests of any other Party;
 - (c) not exceed those necessary to deal with the circumstances described in paragraph 1 or 2;
 - (d) be temporary and phased out progressively as the situation specified in paragraph 1 improves; and
 - (e) be applied such that any one of the other Parties is treated no less favourably than any other Party or non-Party.
4. Measures adopted or maintained pursuant to paragraph 2 shall, in addition to paragraphs 3(a) to (e):
- (a) be phased out within one year or when conditions would no longer justify their institution or maintenance¹⁴;
 - (b) be applied on a national treatment basis; and
 - (c) avoid unnecessary damage to investors and covered investments of any other Party.

¹⁴ For greater certainty, the measures may be extended beyond the one year period should conditions warrant.

5. Any restrictions adopted or maintained under paragraphs 1 and 2 or any changes therein, shall be promptly notified to the other Parties.