3. Nothing in this Agreement shall affect the rights and obligations of the Parties as members of the International Monetary Fund (IMF) under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 11 (Temporary Safeguard Measures) or at the request of the Fund.

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 concerned.

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 maintenance;\(^{14}\);

(b) be applied on a national treatment basis; and

(c) avoid unnecessary damage to investors and covered investments of any other Party.

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\(^{14}\) 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.

**Article 12**  
**Expropriation and Compensation**

1. A Party shall not nationalise or expropriate covered investments of an investor of any other Party, either directly or through measures equivalent to expropriation or nationalisation (referred hereto as "expropriation"), except:

(a) for public purpose

(b) in accordance with due process of law;

(c) on a non-discriminatory basis; and

(d) upon payment of prompt, adequate and effective compensation.

2. For the purpose of paragraph 1(d), compensation shall:

(a) be equivalent to the fair market value of the expropriated investment at the time when the

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15 For the avoidance of doubt, where Malaysia is the expropriating Party, any measure of expropriation relating to land shall be for the purposes as set out in the domestic laws and regulations relating to land acquisition.