

FREE TRADE AGREEMENT BETWEEN THE FAROE ISLANDS AND SWITZERLAND

AGREEMENT BETWEEN THE SWISS GOVERNMENT, OF THE ONE PART,
AND THE GOVERNMENT OF DENMARK AND THE HOME GOVERNMENT
OF THE FAROE ISLANDS, OF THE OTHER PART, ON FREE TRADE
BETWEEN THE FAROE ISLANDS AND SWITZERLAND

THE SWISS GOVERNMENT

of the one part, and

THE GOVERNMENT OF DENMARK AND THE HOME GOVERNMENT OF THE FAROE ISLANDS,

of the other part,

HEREINAFTER referred to as the Contracting Parties,

RECALLING the status of the Faroe Islands as a self-governing part of Denmark;

CONSIDERING the fact that the Faroe Islands earlier were part of the European Free Trade Association (EFTA) through Denmark's membership of that Organization, but are not included in Denmark's membership of the European Communities;

CONSIDERING that the trade between Denmark and Switzerland is regulated in agreements between Switzerland and the European Economic Community,

CONSIDERING that the trade between the Faroe Islands and the European Economic Community is regulated by an agreement between the Government of Denmark and the Home Government of the Faroe Islands of the one part and the European Economic Community of the other part,

CONSIDERING the vital importance for the Faroe Islands of fisheries, which constitute their essential economic activity, fish and fishery products being their main export articles,

DESIRING to consolidate and to extend the economic relations existing between the Faroe Islands and Switzerland and to ensure the harmonious development of their mutual trade in the context of European co-operation,

RESOLVED to this end to eliminate progressively the obstacles to substantially all their trade, in accordance with the provisions of the General Agreement on Tariffs and Trade concerning the establishment of free-trade areas,

DECLARING their readiness to examine, in the light of any relevant factor, and in particular of developments in European co-operation, the possibility of developing and deepening their relations in order to extend them to fields not covered by this Agreement,

HAVE DECIDED, in pursuit of these objectives and considering that no provisions of this Agreement may be interpreted as exempting the Contracting Parties from their obligations under other international agreements,

TO CONCLUDE THIS AGREEMENT:

Article 1

From the date of entry into force of this Agreement the Contracting Parties establish free trade between the Faroe Islands and Switzerland in accordance with the rules set forth in the following articles.

Article 2

This Agreement shall apply:

- to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System excluding the products listed in Protocol 1,
- to products listed in Protocol 2 with due regard to specific provisions,

originating in the Faroe Islands or Switzerland. Protocol 3 lays down the rules of origin.

Article 3

Customs duties on imports and exports, and any charges having equivalent effect, shall be prohibited between the Contracting Parties. As far as customs duties of a fiscal nature continue to be applied, they shall be submitted to the same provisions as mentioned in Article 4.

Article 4

The Contracting Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Contracting Party and like products originating in the territory of the other Contracting Party.

Products exported to the territory of one of the Contracting Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 5

Quantitative restrictions on imports and all measures having equivalent effect shall be prohibited between the Contracting Parties.

Article 6

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy, public security; the protection of health and life of humans, animals or plants and the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; or rules relating to gold or silver; or conservation of exhaustive natural resources, if such measures are made effective in conjunction with restrictions on domestic production or consumption. Such prohibitions or restrictions shall not, however, constitute a means of discrimination or a disguised restriction on trade between the Contracting Parties.

Article 7

Safeguard measures taken by Switzerland or by the Faroe Islands might be extended to their mutual trade only if they are in conformity with the provisions of the General Agreement of Tariffs and Trade.

Article 8

For the purpose of the proper implementation of this Agreement, the Contracting Parties shall, whenever necessary, exchange information and, at request of either Contracting Party, hold consultations.

Where a Contracting Party considers that it would be useful in the interest of the Contracting Parties to amend this Agreement or to extend the relations established to fields not covered thereby, it shall submit a reasoned request to the other Contracting Party.

Agreements resulting from the procedure referred to in the preceding paragraph will be subject to ratification or approval by the Contracting Parties in accordance with their own procedures.

Article 9

The 4 Protocols to this Agreement, including their Annexes, are an integral part of it. Protocol No. 3 may be amended through executive agreements between the Contracting Parties.

Article 10

The Agreement shall apply, on the one hand, to the Faroe Islands, and on the other hand, to the territory of Switzerland.

This Agreement shall also apply to the Principality of Liechtenstein for as long as that Principality remains bound to the Swiss Confederation by a customs union treaty.

Article 11

This Agreement is drawn up in the Danish, English, Faroese, French and German languages, each of these texts being equally authentic.

This Agreement will be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force on the first day of the second month following the day on which the Contracting Parties have notified each other through diplomatic channels that their respective requirements for the entry into force of this Agreement have been fulfilled. The Contracting Parties may already at the time of signature declare that, during an initial phase, they shall apply the Agreement provisionally by 1 July 1993.

Article 12

Either Contracting Party may denounce this Agreement by notification to the other Contracting Party. The Agreement shall cease to be in force twelve months after the date of which such notification was received by the other Contracting Party.