

## CHAPTER IV

### GENERAL ARTICLES

#### *ARTICLE 36*

##### *General Definitions*

For the purposes of Chapter I, Article 32 and Article 38, the terms set forth below shall have the following meanings:

- (a) "Company" means any kind of:
  - (i) corporation,
  - (ii) company,
  - (iii) association,
  - (iv) partnership,
  - (v) sole proprietorship,
  - (vi) joint venture, or
  - (vii) other organization.

whether or not organized for pecuniary gain, or privately or governmentally owned or controlled, and legally constituted under the laws and regulations of a Party or a political subdivision thereof (i.e. all levels of government);

- (b) "national" means a natural person who is a national of a Party under its applicable law.

#### *ARTICLE 37*

##### *National Security*

The provisions of this Agreement shall not limit the right of either Party to take any action for the protection of its security interests.

## ARTICLE 38

### *General Exceptions*

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prohibit the adoption or enforcement by a Party of measures:

(a) necessary to secure compliance with laws or regulations not inconsistent with the provisions of this Agreement, including measures related to the protection of intellectual property rights and the prevention of deceptive practices, or

(b) referred to in Article XX of the GATT 1994.

2. Each Party reserves the right to deny any company the advantages of this Agreement if nationals of any third country control such a company and, in the case of a company of the other Party, that company has no substantial business activities in the territory of the other Party or is controlled by nationals of a third country with which the denying country does not maintain normal economic relations.

3. Nothing in this Agreement limits the application of any existing or future agreements between the Parties on trade in textiles and textile products.

4. Nothing in this Agreement shall preclude a Party from applying its laws relating to entities substantially owned or effectively controlled by the government of the other Party.

## ARTICLE 39

### *Consultations, Dispute Settlement, Compensation and Adjustment*

1. The Parties agree to consult periodically to review the operation of this Agreement.

2. The Parties agree to consult promptly through appropriate channels at the request of either Party to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.

3. In the event either Party believes that the other Party has failed to implement one or more obligations in this Agreement, or otherwise believes that any benefit accruing to it directly or indirectly is being denied as a result of an action by the other Party, such Party may

request compensation from the other Party in an amount that is equivalent in value to the damage to such Party's interests.

4. If the Party from whom compensation is requested fails to provide such compensation within a reasonable period of time, the Party requesting compensation may take action that affects the goods or services of the other Party in an amount that is equivalent in value to the damage to the interests of the Party requesting compensation.

#### *ARTICLE 40*

##### *Final Provisions*

1. The provisions of this Agreement shall apply to the respective customs territories of the Parties.

2. This Agreement shall enter into force on the day on which the Parties have exchanged notifications that each has completed the legal procedures necessary for this purpose, and shall remain in force for three years.

3. This Agreement shall be extended for successive terms of three years if neither Party notifies the other Party of its intent to terminate this Agreement at least 30 days before the end of a term.

4. If either Party does not have domestic legal authority to carry out its obligations under this Agreement, either Party may suspend application of this Agreement, or, with agreement of the other Party, any part of this Agreement. In that event, the Parties will seek, to the fullest extent practicable under domestic law, to minimize unfavorable effects on existing trade relations between the Parties.

IN WITNESS THEREOF, the undersigned, being duly authorized by their respective Government, have signed this Agreement.

DONE at Vientiane, in duplicate in the English language, this \_\_\_\_ day of \_\_\_\_\_, 2003. A Lao language text shall be prepared, which shall be considered equally authentic upon an exchange of diplomatic notes confirming its conformity with the English language text. In the event of a discrepancy, the English language text shall prevail.

FOR THE LAO PEOPLE'S  
DEMOCRATIC REPUBLIC:

FOR THE UNITED STATES OF  
AMERICA:

Soulivong DARAVONG

Douglas A. HARTWICK

Minister of Commerce

Ambassador