# **MONTEVIDEO TREATY 1980**

INSTRUMENT ESTABLISHING THE LATIN-AMERICAN INTEGRATION ASSOCIATION (ALADI)

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<sup>1</sup> The Secretariat has prepared the following English version of the Montevideo Treaty 1980, the supplementary resolutions adopted by the Council of Ministers of ALALC on August 1980, and the instrument of accession of Cuba and Panamá in order to meet information requests received from abroad. It should be emphasized, however, that the present translation has no legal authority whatsoever, only the Spanish and Portuguese texts being authentically valid.

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## **INTRODUCTORY NOTE**

The Montevideo Treaty 1980 (TM80), which institutes the Latin-American Integration Association (ALADI), marks a very important change of the integration strategy of the member countries of the Latin-American Free Trade Association (ALALC), established by the Montevideo Treaty 1960. The Montevideo Treaty 1980 was the result of new integrative impulse that undertakes to further the process of economic integration started in the Latin-American region.

The purpose of the ALADI is to establish a Latin-American common market, without predetermined chronograms, within a flexible framework in order to allow the establishment of bilateral and sub-regional relations and to develop a convergent process of integration ruling out the clause of most-favoured nation.

The Montevideo Treaty 1980 established an Area of Economic Preferences composed of three basic mechanisms: Regional Tariff Preference (PAR), Regional Scope Agreements and Partial Scope Agreements.

At the same time, this scheme is based on five guiding principles: pluralism, convergence, flexibility, multiplicity and differential treatments, which are the pillars of the 1980 Montevideo Treaty.

Moreover, the Treaty established three basic functions: trade promotion and regulation, economic complementation, and cooperative actions. It also established a Support System to Less Economically Developed Countries (PMDER), in order to promote in a more accelerated manner the economies of the latter.

The institutional organization of the Association is composed of three political organs: the Council of Ministers of Foreign Affairs, the Conference of Evaluation and Convergence, and the Committee of Representatives. And a technical organ: the General Secretariat.

The new juridical instrument goes further than the old one in its geographic purposes, opening the region to the cooperation and convergence of other countries and areas of integration of Latin America, as well as horizontal cooperation with other areas of integration and links to other developing countries.

The Montevideo Treaty 1980 was signed by eleven member countries, namely: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

On August 26th 1999, the first accession to the 1980 Montevideo Treaty was formalized, since the Republic of Cuba became a member country of the ALADI.

Subsequently, on May 10th 2012, the Republic of Panama became the thirteenth member country of the ALADI.

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## MONTEVIDEO TREATY 1980

#### **MONTEVIDEO TREATY 1980**

Montevideo, August 1980

The Governments of the Argentine Republic, the Republic of Bolivia, the Federative Republic of Brazil, the Republic of Chile, the Republic of Colombia, the Republic of Ecuador, the United Mexican States, the Republic of Paraguay, the Republic of Peru, the Eastern Republic of Uruguay, and the Republic of Venezuela<sup>1</sup>;

INSPIRED by the purpose of strengthening the friendship and solidarity links between their peoples;

PERSUADED that economic regional integration is one of the principal means for the Latin American countries to speed up their economic and social development process in order to ensure better standards of life for their peoples;

DECIDED to renew the Latin-American integration process and establish objectives and mechanisms consistent with the region's real situation;

CERTAIN that the continuation of such process requires taking advantage of the positive experience obtained in the implementation of the Montevideo Treaty dated February 18th 1960;

AWARE that it is necessary to ensure a special treatment for relatively less economic developed countries;

WILLING to encourage the development of solidarity and cooperation ties with other countries and integration areas of Latin America in order to promote a process converging towards the establishment of a regional common market;

CONVINCED of the need to contribute towards obtaining a new scheme of horizontal cooperation between developing countries and their integration areas, inspired by the principles of international law regarding development;

BEARING IN MIND the decision adopted by the Contracting Parties to the General Agreement on Tariffs and Trade whereby regional or general agreements may be drawn up between developing countries in order to mutually reduce or eliminate obstacles to their reciprocal trade;

<sup>1</sup> Subsequently, the Republic of Cuba and the Republic of Panama acceded to the ALADI on August 26th 1999 and May 10th 2012, respectively.

THEY HEREBY AGREE to sign the present Treaty which, concurrent with the provisions herein contained, shall substitute the Treaty instituting the Latin-American Free Trade Association.

## CHAPTER I

#### Objectives, duties and principles

#### Article 1

By the present Treaty the Contracting Parties pursue the integration process leading to promote the harmonious and balanced socio-economic development of the region, and to that effect they hereby institute the Latin American Integration Association (hereafter referred to as the «Association»), with headquarters in the city of Montevideo, Eastern Republic of Uruguay.

The long-term objective of such process shall be the gradual and progressive establishment of a Latin-American Common Market.

## Article 2

The rules and mechanisms of the present Treaty, as well as those which may be established within its framework by member countries, shall have as their purpose the performance of the following basic duties of the Association: promotion and regulation of reciprocal trade, economic complementation, and development of economic cooperation actions encouraging market expansion.

#### Article 3

In the implementation of the present Treaty and the evolution towards its final objective, member countries shall bear in mind the following principles:

- a) Pluralism, sustained by the will of member countries to integrate themselves, over and above the diversity which might exist in political and economic matters in the region;
- b) Convergence, meaning progressive multilateralization of partial scope agreements by means of periodical negotiations between member countries, with a view to establish the Latin-American Common Market;
- c) Flexibility, characterized by the capacity to allow the conclusion of partial scope agreements, ruled in a form consistent with the progressive attainment of their convergence and the strengthening of integration ties;

- d) Differential treatments, as determined in each case, both in regional and partial scope mechanisms, on the basis of three categories of countries, which will be set up taking into account their economic-structural characteristics. Such treatments shall be applied in a determined scale to intermediate developed countries, and in a more favourable manner to relatively less economic developed countries; and
- e) Multiple, to make possible various forms of agreements between member countries, following the objectives and duties of the integration process, using all instruments capable of activating and expanding markets at regional level.

## CHAPTER II

#### Mechanisms

#### Article 4

In order to fulfill the basic duties of the Association set forth in article 2 of the present Treaty, member countries hereby establish an area of economic preferences, comprising a regional tariff preference, regional scope agreements, and partial scope agreements.

#### First section - Regional Tariff Preference

#### Article 5

Member countries shall reciprocally grant a regional tariff preference to be applied with reference to the level in force for third countries and be subject to the corresponding regulation.

#### Second section - Regional Scope Agreements

#### Article 6

Regional scope agreements are those in which all member countries participate.

They shall be drawn up within in framework of the objectives and provisions of the present Treaty, and may refer to the same matters and include those instruments foreseen for the partial scope agreements provided for in the third section of the present chapter.

#### Third section - Partial Scope Agreements

#### Article 7

Partial scope agreements are those wherein all member countries do not participate. These agreements shall tend to create the conditions necessary to deepen the regional integration process by means of their progressive multilateralization.

Rights and obligations to be established in partial scope agreements shall exclusively bind the signatory member countries or those adhered thereto.

#### Article 8

Partial scope agreements may refer to trade, economic complementation, agriculture, trade promotion, or adopt other modalities concurring with article 14 of the present Treaty.

#### Article 9

Partial scope agreements shall be governed by the following general rules:

- a) They shall be open for accession to the other member countries, prior negotiation;
- b) They shall contain clauses promoting convergence in order that their benefits reach all member countries;
- c) They may contain clauses promoting convergence with other Latin-American countries, in concurrence with the mechanisms established in the present Treaty;
- d) They shall include differential treatments depending on the three categories of countries recognized by the present Treaty. The implementation of such treatments as well as negotiation procedures for their periodical revision at the request of any member country which may consider itself at a disadvantage shall be determined in each agreement;
- e) Tariff reductions may be applied to the same products or tariff sub-items and on the basis of a percentage rebate regarding the tariffs applied to imports originating from non-participating countries;
- f) They shall be in force for a minimum term of one year; and

g) They may include, among others, specific rules regarding origin, safeguard clauses, non-tariff restrictions, withdrawal of concessions, renegotiation of concessions, denouncement, coordination and harmonization of policies. Should these specific rules not have been adopted, the general provisions to be established by member countries on the respective matters shall be taken into account.

## Article 10

Trade agreements are exclusively aimed towards trade promotion among member countries, and shall be subject to the specific rules to be established for that purpose.

## Article 11

Economic complementation agreements are aimed, among other objectives, to promote maximum utilization of production factors, stimulate economic complementation, ensure equitable conditions for competition, facilitate entry of products into the international market, and encourage the balanced and harmonious development of member countries.

These agreements shall be subject to the specific rules to be established for that purpose.

## Article 12

Agricultural agreements are aimed to promote and regulate intraregional trade of agricultural and livestock products. They shall contemplate flexibility elements bearing in mind the participating countries' socioeconomic characteristics of production. These agreements may refer to specific products or groups of products, and may be based on temporary, seasonal, per quota or mixed concessions, or on contracts between State or para-State organizations. They shall be subject to the specific rules to be established for that purpose.

## Article 13

Trade promotion agreements shall refer to non-tariff matters and tend to promote intraregional trade flows. They shall be subject to the specific rules to be established for that purpose.

Member countries may establish, through the corresponding regulations, specific rules to conclude other modalities of partial scope agreements.

For this purpose, they shall take into consideration, among other matters, scientific and technological cooperation, tourism promotion and preservation of the environment.

## CHAPTER III

System in favour relatively less economic developed countries

## Article 15

Member countries shall establish conditions favouring participation of relatively less economic developed countries in the economic integration process, based on the principles of non-reciprocity and community cooperation.

## Article 16

For the purpose of ensuring them an effective preferential treatment, member countries shall establish market opening as well as set up programs and other specific forms of cooperation.

## Article 17

Actions favouring relatively less economic developed countries shall be concluded through regional scope and partial scope agreements.

In order to ensure the effectiveness of such agreements, member countries shall execute negotiated rules concerning preservation of preferences, elimination of non-tariff restrictions and application of safeguard clauses in justified cases.

## First section - Regional Scope Agreements

## Article 18

For each relatively less developed country, member countries shall approve

negotiated lists of preferably industrial products originating from each relatively less developed country, for which total elimination of customs duties and other restrictions shall be accorded, without reciprocity, by all other member countries of the Association.

Member countries shall set up the necessary procedures to achieve progressive extension of the respective liberalization lists. Corresponding negotiations may be carried out when deemed convenient.

At the same time, member countries shall endeavour to set up effective compensation mechanisms to take care of negative effects which might influence intraregional trade of the relatively less economic developed land-locked countries.

Second section - Partial Scope Agreements

## Article 19

Partial scope agreements negotiated by the relatively less economic developed countries with other member countries shall conform, wherever pertinent, to the provisions contained in articles 8 and 9 of the present Treaty.

## Article 20

In order to encourage effective and collective cooperation in favour of relatively less developed countries, member countries shall negotiate Special Cooperation Programs with each one of them.

## Article 21

In order to facilitate utilization of tariff cuts, member countries may set up cooperation programs and actions in the fields of preinvestment, financing and technology, mainly directed towards supporting the relatively less economic developed countries, with special regard, among them, to land-locked countries.

## Article 22

Notwithstanding the proceeding articles, treatments in favour of relatively less developed countries may include collective and partial cooperation actions calling for effective mechanisms meant to compensate the disadvantageous situation faced by Bolivia and Paraguay due to their land-locked location.

Provided that criteria referred to gradual timing are adopted within the regional tariff preference referred to in article 5 of the present Treaty, attempts shall be made to preserve the margins granted in favour of land-locked countries by means of cumulative tariff cuts.

At the same time, attempts shall be made to establish compensation formulae, both as regards the regional tariff preference when deepened and regional and partial scope agreements.

#### Article 23

Member countries shall endeavour to grant land-locked countries facilities to establish free zones, warehouses or ports and other administrative international transit facilities in their territories.

## CHAPTER IV

#### Convergence and cooperation with other Latin-American countries and areas of economic integration

#### Article 24

Member countries may establish multilateral association or relationship systems encouraging convergence with other countries and areas of economic integration of Latin America, including the possibility of agreeing with these countries or areas the establishment of a Latin-American tariff preference.

Member countries shall in due course regulate the characteristics of these systems.

#### Article 25

Likewise, member countries may draw up partial scope agreements with other Latin-American countries and areas of economic integration, in accordance with the various modalities foreseen in the third section of chapter II of the present Treaty, and under the terms of the respective regulative provisions.

Notwithstanding the above, these agreements shall be subject to the following rules:

 a) Concessions granted by participating member countries shall not be extensive to the others, excepting the relatively less economic developed countries;

- b) When a member country includes products already negotiated in partial agreements with other member countries, concessions granted may be higher than those agreed with the former; in this case, consultation with the affected member countries shall be carried out in order to find mutually satisfactory solutions, unless the respective partial agreements include clauses concerning automatic extension or waiver of preferences contained in the partial agreements referred to in the present article; and
- c) They shall be multilaterally assessed by the member countries within the Committee in order to acknowledge the scope of the agreements drawn up and facilitate participation of other member countries in same.

## CHAPTER V

Cooperation with other areas of economic integration

## Article 26

Member countries shall undertake the actions necessary to establish and develop solidarity and cooperation links with other integration areas outside Latin America, through the Association's participation in horizontal cooperation programs carried out at international level, thus implementing the basic principles and commitments adopted within the context of the Declaration and Action Program on the establishment of a New International Economic Order and of the Charter of Economic Rights and Duties of States.

The Committee shall adopt adequate measures to facilitate compliance with the objectives set forth.

#### Article 27

At the same time, member countries may draw up partial scope agreements with other developing countries or respective economic integration areas outside Latin America, following the various modalities foreseen in the third section of chapter II of the present Treaty, and under the terms of the pertinent regulative provisions.

Notwithstanding the above, these agreements shall be subject to the following rules:

- a) Concessions granted by member countries participating in them shall not be extended to other members, with the exception of the relatively less economic developed countries;
- b) When products already negotiated with other member countries in partial scope agreements are included, concessions granted may not be higher than those agreed with the former, and in such case they shall be automatically extended to those countries; and
- c) They shall be declared consistent with the commitments undertaken by member countries within the frame of the present Treaty, in accordance with captions a) and b) of the present article.

## CHAPTER VI

## Institutional organization

## Article 28

The political bodies of the Association are:

- a) The Council of Ministers of Foreign Affairs (referred to as the «Council» in this Treaty);
- b) The Conference of Evaluation and Convergence (referred to as the «Conference» in this Treaty); and
- c) The Committee of Representatives (referred to as the «Committee» in this Treaty).

## Article 29

The technical body of the Association is the General Secretariat (referred to as the «Secretariat» in this Treaty).

## Article 30

The Council is the supreme body of the Association and shall adopt whatever decisions may correspond to the higher governing policy of the economic integration process.

The Council shall have the following powers:

- a) To issue general rules aimed at a better compliance with the objectives of the Association, as well as at the harmonious development of the integration process;
- b) To examine the results of the tasks carried out by the Association;
- c) To adopt corrective measures of multilateral scope, following the recommendations adopted by the Conference as per terms of article 33, caption a) of the present Treaty;
- d) To establish the guide-lines to be followed by the other bodies of the Association in their tasks;
- e) To set the basic rules to govern the relations of the Association with other regional associations, international organizations or agencies;
- f) To review and update basic rules governing convergence and cooperation agreements with other developing countries and the respective areas of economic integration;
- g) To take cognizance of questions submitted by the other political bodies and decide upon them;
- h) To delegate upon the other political bodies the power to decide on specific matters aimed at a better compliance with the Association objectives;
- i) To accept accession of new member countries;
- j) To adopt amendments and additions to the Treaty as per precepts of article 61;
- k) To appoint the Secretary-General; and
- I) To adopt its own Rules of Procedure.

The Council shall be composed of the Ministers of Foreign Affairs of the member countries. However, when in some countries the competence of integration matters is assigned to a Minister or Secretary of State other than the Minister of Foreign Affairs, member countries may be represented at the Council, with full powers, by the respective Minister or Secretary.

The Council shall meet and take decisions with the presence of all member countries.

The Council shall meet when convened by the Committee.

#### Article 33

The Conference shall have the following powers:

- a) To examine the operation of the integration process in all its aspects and the convergence of partial scope agreements through their progressive multilateralization, as well as to recommend the Council the adoption of multilateral scope corrective measures;
- b) To promote actions of broader scope regarding economic integration;
- c) To periodically review the implementation of differential treatments, taking into account not only the evolution of the economic structure of the countries and consequently their degree of development, but also the effective use made by beneficiary countries of the applied differential treatment, as well as of the procedures aimed to improve the implementation of such treatments;
- d) To evaluate the results of the system in favour of countries at a relatively less advanced stage of economic development and adopt measures for its more effective application;
- e) To carry out multilateral negotiations to determine and deepen the regional tariff preference;
- f) To foster negotiation and conclusion of regional scope agreements, wherein all member countries participate, which refer to any matter pertaining to the present Treaty, as per precepts of article 6;
- g) To comply with all the tasks entrusted to it by the Council;
- h) To commend the Secretariat such studies as it deems convenient; and
- i) To adopt its own Rules of Procedure.

The Conference shall be composed of Plenipotentiaries of member countries.

The Conference shall hold regular sessions every three years at the request of the Committee. It shall also meet at any other time in extraordinary session, when convened by the latter to deal with questions of its specific competence.

The Conference shall meet and take decisions with the presence of all member countries.

#### Article 35

The Committee is the permanent body of the Association and shall have the following powers and duties:

- a) To promote the conclusion of regional scope agreements, under the terms of article 6 of the present Treaty and, for that purpose, to convene governmental meetings at least once a year with the following aims:
  - i) Give continuity to the activities of the new integration process;
  - ii) Evaluate and guide the operation of the process;
  - iii) Analyze and promote measures to attain more advanced mechanisms of integration; and
  - iv) Undertake sectoral and multisectoral negotiations with the participation of all member countries in order to reach regional scope agreements basically referred to tariff cuts;
- b) To adopt the measures necessary to implement the present Treaty and all its supplementary rules;
- c) To regulate the present Treaty;
- d) To perform the tasks entrusted to it by the Council and the Conference;
- e) To adopt the annual work program of the Association and its annual budget;

- f) To fix the contributions of member countries to the Association budget;
- g) To adopt, as proposed by the Secretary-General, the structure of the Secretariat;
- h) To convene the Council and the Conference;
- i) To represent the Association before third parties;
- j) To commend studies to the Secretariat;
- k) To submit recommendations to the Council and the Conference;
- I) To present reports on its activities to the Council;
- m) To propose formulae to solve issues brought forth by member countries claiming non-observance of some of the rules or principles of the present Treaty;
- n) To multilaterally assess partial agreements as may be drawn up by the countries under the terms of article 25 of the present Treaty;
- o) To declare the compatibility of partial agreements to be drawn up by member countries under the terms of article 27 of the present Treaty;
- p) To create auxiliary bodies;
- q) To adopts its own Rules of Procedure; and
- r) To take care of business of common interest not falling within the competence of the other bodies of the Association.

The Committee shall be composed of a Permanent Representative of each member country with the right to one vote.

Each Permanent Representative shall have a Deputy.

The Committee shall meet and adopt resolutions with the presence of two thirds of the member countries' Representatives.

#### Article 38

The Secretariat shall be headed by a Secretary-General and composed of technical and administrative staff.

The Secretary-General shall hold office for a period of three years and may be re-elected for an equal term.

The Secretary-General shall act in such capacity with respect to all the political bodies of the Association.

The Secretariat shall have the following powers and duties:

- a) To submit proposals to the corresponding Association bodies, through, the Committee, leading towards a better accomplishment of the objectives and duties of the Association;
- b) To carry out the necessary studies to fulfill its technical duties and those entrusted to it by the Council, the Conference and the Committee, and to perform the other activities provided for in the annual work program;
- c) To carry out studies and actions leading to proposals to member countries, through their Permanent Representatives, regarding conclusion of the agreements foreseen by the present Treaty, within the guide-lines established by the Council and the Conference;
- d) To represent the Association before international economic organization and institutions in order to deal with questions of common interest;
- e) To administer the Association assets and represent it for such purposes in public and private law acts and contracts;
- f) To request technical advice and cooperation of individuals and national and international organizations;
- g) To propose the creation of auxiliary bodies to the Committee;
- h) To process and furnish member countries, in a systematic and updated
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manner, statistical information and data on foreign trade regulation systems of member countries in order to facilitate the preparation and carrying out of negotiations within the various Association mechanisms, as well as the further utilization of the respective concessions;

- To analyze on its own initiative, for all countries, or at the request of the Committee, compliance of agreed commitments, and evaluate legal provisions of member countries which directly or indirectly alter concessions granted;
- j) To call meetings of non-governmental auxiliary bodies and coordinate their operation;
- k) To periodically evaluate the progress of the integration process and permanently follow up the activities undertaken by the Association and the commitments resulting from the agreements achieved within in framework of same;
- To organize and put into operation an Economic Promotion Unit for relatively less developed countries and carry out actions to obtain technical and financial resources, as well as studies and projects to comply with the promotion program. At the same time, to draw up an annual report on the advantages obtained from the system in favour of the relatively less economic developed countries;
- m)To prepare the Association's expenditure budget, for approval by the Committee, as well as such subsequent reforms which might be necessary;
- n) To prepare and present to the Committee the draft annual work programs;
- o) To engage, admit and dismiss technical and administrative staff, in accordance with the regulations ruling its structure;
- p) To comply with requests received from any of the political bodies of the Association; and
- q) To present an annual report to the Committee on the results of the application of the present Treaty and the legal provisions derived therefrom.

The Secretary-General shall be appointed by the Council.

#### Article 40

In the performance of their duties, the head of the technical body, as well as the technical and administrative staff, shall not seed or receive instructions from any Government or national or international organizations. They shall refrain from any attitude not consistent with their character as international officers.

#### Article 41

Member countries pledge themselves to respect the international nature of the duties of the Secretary-General and Secretariat staff or of its engaged experts and consultants, and to abstain from influencing them in the performance of their duties.

#### Article 42

Auxiliary bodies shall be established for consultation, assessment and technical support. In particular, one body shall be set up composed of officers responsible for the integration policy of member countries.

At the same time, consultative auxiliary bodies shall be set up composed of representatives of the various sectors of economic activity of each one of the member countries.

#### Article 43

The Council, the Conference and the Committee shall adopt their decisions by the affirmative vote of two thirds of the member countries.

Decisions on the following matters excepted from this general rule shall be adopted by a two-thirds affirmative vote, provided there is no negative vote:

- a) Amendments or additions to the present Treaty;
- b) Adoption of decisions corresponding to the higher governing policy of the integration process;
- c) Adoption of decisions executing the results of multilateral negotiations to determine and deepen the regional tariff preference;

- d) Adoption of decisions leading to give partial scope agreements a multilateral regional level;
- e) Acceptance of accession of new member countries;
- f) Regulation of the Treaty provisions;
- g) Establishment of the percentages of member countries' contributions to the budget of the Association;
- h) Adoption of corrective measures arising from the evaluations of the progress achieved within the integration process;
- i) Authorization of a term of less than five years regarding obligations, in case of Treaty denouncement;
- j) Adoption of guide-lines to be followed by the Association bodies in their tasks; and
- k) Establishment of basic rules governing the relations of the Association with other regional associations, international organizations or agencies.

Abstention shall not mean a negative vote. Absence at the time of voting shall be interpreted as abstention.

The Council may eliminate subjects from this list of exceptions by the affirmative vote of two thirds of the member countries, provided there is no negative vote.

## CHAPTER VII

#### General provisions

#### Article 44

Any advantages, favourable treatments, franchises, immunities and privileges which member countries apply to products originating from or bound to any other member country or non-member country, pursuant to decisions or agreements not foreseen in the present Treaty or the Cartagena Agreement, shall be immediately and unconditionally extended to the other member countries.

#### Article 45

Any advantages, favourable treatments, franchises, immunities and privileges already granted or to be granted under agreements between member countries or between these and third countries to facilitate border traffic shall be exclusively applicable to the countries which sign or may have signed them.

## Article 46

As regards taxes, charges and other internal duties, products originating from the territory of a member country shall be entitled within the territory of the other member countries to a treatment not less favourable than that applied to similar national products.

Member countries shall adopt such steps as may be required to comply with the preceding provision, in accordance with their respective National Constitutions.

## Article 47

In the case of products included in the regional tariff preference or in regional or partial scope agreements which are not produced or will not be produced in substantial quantities in its territory, each member country shall endeavour to avoid that taxes or other internal measures applied result in annulment or reduction of any concession or advantage obtained by any member country as a result of the respective negotiations.

If a member country considers itself at a disadvantage by the measures contained in the preceding paragraph, it may resort to the Committee so that the situation raised may be examined and pertinent recommendations issued.

## Article 48

Within the territory of other member countries, capitals originating from member countries shall have the right to a treatment not less favourable than that granted to capitals coming from any other non-member country, notwithstanding the provisions set out in agreements which might be concluded on this matter by member countries under the terms of the present Treaty.

## Article 49

Member countries may establish supplementary rules on trade policy regulating, among other matters, the application of non-tariff restrictions, a system of origin, the adoption of safeguard clauses, export promotion systems and border traffic.

No provision under the present Treaty shall be interpreted as precluding the adoption and observance of measures regarding:

- a) Protection of public morality;
- b) Implementation of security laws and regulations;
- c) Regulation of imports and exports of arms, munitions, and other war materials and, under exceptional circumstances, all other military equipment;
- d) Protection of human, animal and plant life and health;
- e) Imports and exports of gold and silver in bullion form;
- f) Protection of national treasures of artistic, historical or archaeological value; and
- g) Exportation, use and consumption of nuclear materials, radioactive products or any other material used for the development and exploitation of nuclear energy.

#### Article 51

Products imported and exported by any member country shall have the right to free transit throughout the territory of the other member countries, and be exclusively subject to payment of charges normally applicable for services rendered.

## CHAPTER VIII

## Legal status, immunities and privileges

## Article 52

The Association shall be endowed of complete legal status and especially of the capacity:

a) To contract;

- b) To acquire such movable and immovable property indispensable to carry out its objectives and to dispose of it;
- c) To file suits; and
- d) To keep funds in any currency and effect the necessary transfers.

Representatives and other diplomatic officers of member countries accredited before the Association, as well as international officers and advisers of the Association, shall be endowed of diplomatic immunities and privileges and such other rights necessary for exercising their duties within the territory of member countries.

Member countries hereby pledge themselves to draw up within the shortest possible term an agreement aimed at regulating the contents of the proceeding paragraph, wherein such privileges and immunities shall be defined.

The Association shall draw up an agreement with the Government of the Eastern Republic of Uruguay in order to determine the privileges and immunities to which the Association, its bodies and its international officers and advisers shall be entitled.

#### Article 54

The legal status of the Latin-American Free Trade Association established by the Montevideo Treaty signed on February 18<sup>th</sup> 1960 shall continue, in all its effects, within the Latin American Integration Association. Therefore, from the date when the present Treaty enters into force, the rights and obligations of the Latin-American Free Trade Association shall correspond to the Latin-American Integration Association.

## Chapter IX

#### Final provisions

#### Article 55

The present Treaty may not be signed with reservations; neither may these be received on the occasion of its ratification or accession.

The present Treaty shall be ratified by the signatory countries at the earliest possible term.

#### Article 57

The present Treaty shall enter into force thirty days after the deposit of the third instrument of ratification as regards the first three countries to ratify it. Concerning the other signatories, it shall enter into force on the thirtieth day following the deposit of the respective instrument of ratification and in the order in which such ratifications are deposited.

Instruments of ratification shall be deposited with the Government of the Eastern Republic of Uruguay, which shall report the date of deposit to the Governments of the signatory States of the present Treaty, as well as to those which have adhered thereto.

The Government of the Eastern Republic of Uruguay shall notify the date of enforcement of the present Treaty to the Government of each one of the signatory States.

#### Article 58

Upon its entry into force, the present Treaty shall remain open for accession to those Latin-American countries which may so request. Acceptance of such accessions shall be adopted by the Council.

The Treaty shall enter into force for the adherent country thirty days after the date of its admission.

Adherent countries shall on that date put in force the commitments resulting from the regional tariff preference as well as the regional scope agreements concluded prior to the date of their accession.

#### Article 59

The present Treaty provisions shall not affect the rights and obligations resulting from agreements signed by any of the signatory countries prior to the date of their enforcement.

The present Treaty provisions shall not affect the rights and obligations resulting from agreements signed by any of the signatory countries in the term between its signature and the date of its ratification. For countries which later become members of the Association, the provisions of this article refer to agreements signed prior to their incorporation.

However, each member country shall take the measures necessary to harmonize the provisions of the agreements in force with the objectives of the present Treaty.

#### Article 61

Member countries may introduce amendments or additions to the present Treaty. These shall be executed in protocols to enter into force upon ratification by all member countries and deposit of the respective instruments, subject to other criteria established thereof.

#### Article 62

The present Treaty shall have an indefinite duration.

#### Article 63

Any member country wishing to with draw from the present Treaty shall report such intention to the other member countries during one of the Committee sessions, formally delivering the denouncement document to the Committee one year after the date of advice referred to above. Once such denouncement has been executed, all rights and obligations corresponding to its condition as a member country shall automatically cease for the denouncing Government.

Notwithstanding the above, rights and obligations resulting from the regional tariff preference shall continue to be effective for a period of five more years, except if, at the time of denouncement, the member countries agree to the contrary. The above term shall start as from the date the denouncement is executed.

With reference to rights and obligations resulting from regional and partial scope agreements, the situation of the denouncing member country shall adjust to the specific rules which may have been established in each agreement.

Should these rules not exist, the general provision contained in the previous paragraph of the present article shall apply.

## Article 64

The present Treaty shall be known as the Montevideo Treaty 1980.

## CHAPTER X

## Transitional provisional

## Article 65

Pending ratification of the present Treaty by all signatory countries, as from the date of its enforcement by ratification of the first three countries, signatory countries which have not yet ratified shall be subject, both as regards their reciprocal relations and their relations with ratifying signatory countries, to the provisions of the legal structure of the Montevideo Treaty dated February 18<sup>th</sup> 1960, where appropriate, and specially to the resolutions adopted at the Meeting of the Council of Ministers of the Latin-American Free Trade Association, held on August 12<sup>th</sup> 1980.

These provisions shall no longer be applied to relations between signatory countries which have ratified the present Treaty and those which have not done so, as from one year following the date of its enforcement.

## Article 66

The bodies of the Latin-American Free Trade Association established by the Montevideo Treaty dated 18 February 1960 shall cease to exist as from the date of enforcement of the present Treaty.

## Article 67

Non-ratifying signatory countries may participate in the Association bodies with the right to speak and vote whenever possible or of interest to them as long as ratification is pending, or until expire of the term established in the second paragraph of article 65.

Signatory countries ratifying the present Treaty after its enforcement shall be subject to all provisions adopted prior to that moment by the Association bodies.

#### Article 69

The resolutions adopted by the Council of Ministers of the Latin-American Free Trade Association at its Meeting of August 12<sup>th</sup> 1980 shall be incorporated to the legal framework of the present Treaty upon its entry into force.

DONE at the city of Montevideo, on the twelfth day of August, one thousand nine hundred and eighty, in an original in the Spanish and Portuguese languages, both texts being equally valid. The Government of the Eastern Republic of Uruguay shall act as depositary of the present Treaty and forward duly authenticated copy of same to the Governments of the other signatory and adherent countries. For the Government of the Argentine Republic:

#### **Carlos Washington Pastor**

For the Government of the Republic of Bolivia:

#### Javier Cerruto Calderón

For the Government of the Federative Republic of Brazil:

#### Ramiro Saraiva Guerreiro

For the Government of the Republic of Chile:

## **René Rojas Galdames**

For the Government of the Republic of Colombia:

#### **Diego Uribe Vargas**

For the Government of the Republic of Ecuador:

#### Germánico Salgado

For the Government of the United Mexican States:

#### Jorge de la Vega Domínguez

For the Government of the Republic of Paraguay:

## **Alberto Nogués**

For the Government of the Republic of Peru:

#### **Javier Arias Stella**

For the Government of the Eastern Republic of Uruguay:

#### Adolfo Folle Martínez

For the Government of the Republic of Venezuela:

#### **Oswaldo Páez Pumar**

# RESOLUTIONS ADOPTED BY THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS OF ALALC

## ALALC/CM/Resolution 1 August 12<sup>th</sup> 1980

Revision of commitments arising from the Montevideo Treaty's liberalization program

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF Articles 2 and 61 of the Montevideo Treaty and Article 1 of the Caracas Protocol,

#### **RESOLVES:**

FIRST - The Contracting Parties shall incorporate into the new integration scheme established by the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, the concessions granted in national lists, non-extensive lists and complementation agreements.

To these effects, they shall renegotiate those concessions by updating, expanding or eliminating them, in order to attain greater strength and balance in trade flows.

The result of such renegotiation shall conform to the provisions and mechanisms set forth in the Montevideo Treaty 1980.

SECOND - Renegotiation of national lists shall be based on the following criteria:

- a) To strengthen and activate the Contracting Parties' trade flows channelled through concessions, in a form consistent with the various economic policies and the consolidation of the regional and subregional integration process;
- b) To correct the quantitative unbalances of trade flows of negotiated products and promote larger participation of manufactured and semi-manufactured products in such trade, preferably through the deepening or expansion of concessions. Consideration shall be given to the utilization made of national lists of countries at relatively less advanced stage of economic development by the other Contracting Parties and to the utilization which the former have made of the other Contracting Parties' national lists;

- c) To consider the effects brought about by the various economic policies of the Contracting Parties;
- d) To apply differential treatments according to the three categories of countries; and
- e) To consider, as far as possible, the special situation of some products of the Contracting Parties.

THIRD - Renegotiation shall be carried out bilaterally or plurilaterally. Upon its conclusion, the Contracting Parties shall multilaterally assess the agreements reached in order to, among other aspects, preserve their interests and endeavour to negotiate the extension of their concessions.

FOURTH - The results of such renegotiation shall be executed in the partial scope agreements foreseen under article 10 of Council Resolution 2, wherein two or several participating Contracting Parties shall be the only ones benefiting from their contents. They may also be executed in regional scope agreements wherein all Contracting Parties participate.

The Committee is hereby empowered to regulate this kind of agreements, prior to the close of the renegotiation referred to in the present Resolution.

FIFTH - When renegotiation results in concessions for products not included in national lists, these may be registered in partial scope agreements other than those originating from renegotiation of products included in national lists. At the Conference referred to in article 6, the Contracting Parties may multilateralize concessions granted on such products.

Likewise, at the triennial meetings on evaluation and convergence provided for in article 33 of the Montevideo Treaty 1980, concessions contained in partial scope agreements resulting from renegotiation of national lists which up to that date have not been multilateralized may be extended through negotiation to all Contracting Parties.

SIXTH - Renegotiation shall start as from the date of enforcement of the present Resolution, and close in the first fortnight of December 1980.

An extraordinary Conference shall be held during the second fortnight of December 1980 in order to:

- a) Analyze and assess multilaterally the result of negotiations and negotiate, as far as possible, the extension of draft partial scope agreements to the other Contracting Parties;
- b) Proceed to execute, at the latest by December 31<sup>st</sup> 1980, partial scope agreements resulting from renegotiation. Such agreements shall enter into force as from January 1<sup>st</sup> 1981; and
- c) Decide upon the treatment to be given to such special situations as might arise.

By common consent, the Contracting Parties which have not concluded such renegotiation by December 31<sup>st</sup> 1980 may sign a partial scope agreement, in order to proceed with the respective negotiation for the term they deem convenient.

SEVENTH - Renegotiation of national lists shall preferably be carried out at the Association headquarters. However, negotiations may be carried out elsewhere, according to the convenience of the respective Contracting Parties.

EIGHTH - Complementation agreements in force shall be made to conform to the new modality of trade agreements foreseen in article 6 of Council Resolution 2. Concessions contained therein may be renegotiated in accordance with the specific rules established for such agreements. Eventual modifications shall be introduced in each complementation agreement by the participating Contracting Parties. In such negotiations, consideration shall be given to the interests of the relatively lees developed countries beneficiaries of the respective agreement, as well as to the accession negotiated by any other Contracting Party.

NINTH - Non-extensive lists shall be taken as a basis to conclude partial scope agreements between the grantor and beneficiary Contracting Parties.

Concessions recorded in such lists shall be maintained in a manner concurrent with the agreements reached regarding concessions included in national lists, following the terms of article 2 of the present Resolution.

TENTH - Bilateral agreements authorized as per Resolution 354 (XV) shall be adapted to the modality of partial scope agreements.

ELEVENTH - Liberalization list referred to in article 4 of Council Resolution 3 shall enter into force simultaneously to the enforcement of the instruments containing the results of the renegotiation of national list with the relatively less developed countries.

TWELFTH - Concessions presently benefiting Uruguay, granted as an exception within the non-extensive system, shall continue to be in effect up to the date of enforcement of the legal instruments containing the results of the respective renegotiations carried out by said country with the other Contracting Parties, except as agreed upon between the Parties.

THIRTEENTH - Uruguay's special situation shall be taken into consideration while renegotiating national lists, wherein differential treatments shall be applied according to the three categories of countries. An exceptional treatment more favourable than that corresponding to the other intermediate developed countries shall be assigned to it.

FOURTEENTH - Prior to the opening of the renegotiation referred to in the present Resolution, the Permanent Executive Committee shall determine rules on safeguard clauses, withdrawal of concessions, non-tariff restrictions, origin requirements, and preservation of preferential margins applicable to concessions resulting from such renegotiation. Notwithstanding the above, the Contracting Parties may establish rules on these matters in the partial agreements they conclude. The latter shall prevail over those of a general nature.

FIFTEENTH - The present Resolution and those resulting from the application of article 14 shall likewise be incorporated to the legal framework of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, upon its entry into force.

## ALALC/CM/Resolution 2 August 12<sup>th</sup> 1980

Partial scope agreements

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, and articles 34, caption a) and 61 of the Montevideo Treaty,

WHEREAS It is necessary to establish basic and procedural rules to regulate the conclusion of partial scope agreements,

#### **RESOLVES:**

FIRST - The Contracting Parties may conclude partial scope agreements wherein all member countries do not participate, under the terms of the present Resolution.

These agreements shall tend to create conditions necessary to deepen the regional integration process by means of their progressive multilateralization.

SECOND - The rights and obligations to be established in partial scope agreements shall exclusively bind the signatory or adherent Contracting Parties.

THIRD - Partial scope agreements may refer to trade, economic complementation, agriculture, trade promotion, or adopt other modalities concurring with article 10 of the present Resolution.

FOURTH - Partial scope agreements shall be governed by the following general rules:

- a) They shall be open for accession to the other member countries prior negotiation;
- b) They shall contain clauses promoting convergence in order that their benefits reach all member countries;
- c) They may contain clauses promoting convergence with other Latin-

American countries, in concurrence with the mechanisms established in the Montevideo Treaty 1980;

- d) They shall include differential treatments depending on the three categories of countries recognized by the Montevideo Treaty 1980. The implementation of such treatments, as well as negotiation procedures for their periodical revision at the request of any member country which may consider itself at a disadvantage, shall be determined in each agreement;
- e) Tariff reductions may be applied to the same products or tariff sub-items and on the basis of a percentage rebate regarding the tariffs applied to imports originating from non-participating countries;
- f) They shall be in force for a minimum term of one year;
- g) They may include, among others, specific rules regarding origin, safeguard clauses, non-tariff restrictions, withdrawal of concessions, renegotiation of concessions, denouncement, coordination and harmonization of policies. Should these specific rules not have been adopted, the general provisions to be established by member countries on the respective matters shall be taken into account; and
- Agreements calling for commitments on utilization of inputs of the signatory members themselves shall include procedures to guarantee that their application be subject to the existence of adequate conditions of supply, quality and price.

FIFTH - The following procedural rules shall apply to the conclusion of partial scope agreements:

- a) Negotiation may start, be concluded and executed at any time of the year;
- b) Member countries wishing to start negotiation of a partial scope agreement shall notify the Committee, in order that other member countries may have the possibility to participate in it;
- c) Negotiations may start thirty days after the date of notification to the Permanent Executive Committee;
- d) In order to facilitate negotiations, member countries concerned may request the technical support of the Secretariat;

- e) Once negotiations are completed, signatory member countries of the agreement shall forward an authenticated copy to the Committee, together with a detailed report regarding compliance of the general rules established in the preceding article, which shall be immediately distributed to the other member countries;
- f) If any member country considers that the signed agreement does not comply with the general and procedural rules, it may lay claim before the Committee, which shall give a ruling within a maximum term of 60 days;
- g) Negotiations of partial scope agreements shall be preferably carried out at the Association headquarters; and
- h) Member countries participating in a partial scope agreement shall report to the Committee, at least once a year, on the progress attained pursuant to the undersigned commitments, and on any modification which may substantially change its text.

SIXTH - Trade agreements are exclusively aimed towards trade promotion among member countries.

These agreements shall be subject, among others, to the following rules:

- a) Their provisions shall seek trade objectives and therefore not contain commitments regarding production specialization;
- b) They shall comprise the nomenclature items delimiting the sector;
- c) They shall contain tariff concessions and commitments for the elimination or reduction of non-tariff restrictions, and may include temporary, per quota and mixed concessions, as well as concessions on surpluses and shortfalls, and measures regarding balanced exchanges;
- d) They shall specially take into consideration the recommendations of the industrial sector; and
- e) The concessions they include shall be automatically extensive, without compensation, to the countries at a relatively less advanced stage of economic development, regardless of negotiation or accession to the respective agreement.

SEVENTH - Economic complementation agreements are aimed, among other objectives, to promote maximum utilization of production factors, stimulate economic complementation, ensure equitable conditions for competition, facilitate entry of products into the international market, and encourage the balanced and harmonious development of member countries.

These agreements shall be subject to the following rules:

- a) They may be based both on tariff cuts and industrial programming;
- b) They may be sectoral or multisectoral;
- c) They shall contain a tariff-cutting program for the sector or sectors involved, and may consider elimination or reduction of non-tariff restrictions;
- d) They shall remain in force for a minimum of three years and a maximum to be decided upon in each agreement;
- e) They shall include measures aimed at a balanced and harmonious utilization of their benefits to the participating countries, based on the three categories of countries, and on procedures to evaluate and correct unbalances; and
- f) They may include, among others, provisions regarding:
  - i) Harmonization of treatments applied to imports from third countries regarding products contained in the agreement, as well as to raw materials and parts used in their manufacture;
  - ii) Coordination of programs and governmental incentives to facilitate economic complementation and harmonization of treatments applied to foreign capitals and services concerning the products contained in the agreement;
  - iii) Rules aimed to avoid unfair trade practices;
  - iv) Regulation of balanced exchanges; and
  - v) Definition of other measures of harmonization of instruments and policies, as well as adoption of complementary actions in the fields

of technological development, financing, physical infrastructure, and others deemed convenient.

EIGHTH - Agricultural agreements are aimed to promote and regulate intraregional trade of agricultural and livestock products. They shall contemplate flexibility elements bearing in mind the participating countries' socio-economic characteristics of production. These agreements may refer to specific products or groups of products, and may be based on temporary, seasonal, per quota or mixed concessions, or on contracts between State or para-State organizations.

They may contain, among others, provisions concerning:

- a) Volume and marketing conditions;
- b) Duration of the agreement;
- c) Sanitary and quality requirements;
- d) Price determination systems;
- e) Financing;
- f) Information mechanism; and
- g) Commitments on inputs or goods related to the agricultural and livestock sector.

NINTH - Trade promotion agreements shall refer to non-tariff matters, and tend to promote intraregional trade flows.

To this effect, they may consider, among others, the following aspects:

- a) Rules on trade conduct:
  - Subsidies and countervailing duties.
  - Unfair trade practices.
  - Licenses and import procedures.
  - Other technical aspects involved in regional trade.

- b) Other rules on non-tariff matters:
  - Payments.
  - Financial cooperation.
  - Tax cooperation.
  - Animal and plant sanitary cooperation.
  - Customs cooperation.
  - Transport facilitation.
  - State procurement.

TENTH - Member countries may establish, through the corresponding regulations, specific rules to conclude other modalities of partial scope agreements, other than those foreseen in article 3.

For this purpose, they shall take into consideration, among other matters, scientific and technological cooperation, tourism promotion and preservation of the environment.

ELEVENTH - The present Resolution shall likewise be incorporated to the legal framework of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, upon its entry into force.

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# ALALC/CM/Resolution 3 August 12<sup>th</sup> 1980

Market opening in favour of relatively less economic developed countries

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF Articles 34, caption c) and 61 of the Montevideo Treaty and chapter III of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980,

#### **RESOLVES:**

FIRST - Member countries shall establish conditions favouring participation of relatively less economic developed countries in the economic integration process, based on the principles of non-reciprocity and community cooperation.

SECOND - For the purpose of ensuring them an effective preferential treatment, member countries shall establish market opening as well as set up programs and other specific forms of cooperation.

THIRD - Actions favouring relatively less economic developed countries shall be concluded through regional scope and partial scope agreements.

In order to ensure the effectiveness of such agreements, member countries shall execute negotiated rules concerning preservation of preferences, elimination of non-tariff restrictions and applications of safeguard clauses in justified cases.

FOURTH - For each relatively less economic developed country, member countries shall approve negotiated lists of preferably industrial products, originating from each relatively less developed country, for which total elimination of customs duties and other restrictions shall be accorded, without reciprocity, by all other member countries of the Association.

Member countries shall set up the necessary procedures to achieve progressive extension of the respective liberalization lists. Corresponding negotiations may be carried out when deemed convenient.

At the same time, member countries shall endeavour to set up effective compensation mechanisms to take care of negative effects which might

influence intraregional trade of the relatively less economic developed land-locked countries.

FIFTH - Partial scope agreements negotiated by the relatively less economic developed countries with other Contracting Parties shall conform, wherever pertinent, with the provisions contained in Council Resolution 2.

In order to ensure the effective participation of relatively less economic developed countries, taking as a basis non-extensive lists, the Contracting Parties shall incorporate into their partial scope agreements, through negotiation, the concessions recorded in such lists.

SIXTH - The present Resolution shall likewise be incorporated to the legal framework of the 1980 Montevideo Treaty signed on 12 August 1980 upon its entry into force.

# ALALC/CM/Resolution 4 August 12<sup>th</sup> 1980

Special Cooperation Programs in favour of relatively less economic development countries and Economic Promotion Unit

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF Articles 34, caption c) and 61 of the Montevideo Treaty and chapter III of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980.

#### **RESOLVES:**

FIRST - In order to encourage effective and collective cooperation in favour of relatively less economic developed countries, the Contracting Parties shall negotiate Special Cooperation Programs with each one of them. Such programs may cover, among others, the following activities:

- a) Market studies, detailed profiles, project pre-feasibility and feasibility implying the possible constitution of new enterprises or the reorganization of existing ones;
- b) Promotion of multinational Latin-American enterprises for the production and marketing of products which may be included in liberalization list favouring the respective relatively less developed country;
- c) Technological and management cooperation, as well as training of technical and managerial staff; and
- d) Joint actions concerning projects of common interest in order to obtain financing for their execution, technical assistance and purchase of machinery and equipments, so as to carry out negotiations to gain access to certain third-country markets.

SECOND - In order to facilitate utilization of tariff cuts, the Contracting Parties may set up cooperation programs and actions in the fields of preinvestment, financing and technology, mainly directed towards supporting of relatively less developed countries with special regard, among them, to land-locked countries.

THIRD - In order to create better conditions to fulfil the specific objectives

mentioned in article 15 of the Montevideo Treaty 19890, signed on August 12<sup>th</sup> 1980, and to efficiently promote joint action, an Economic Promotion Unit for relatively less developed countries shall be established within the Secretariat to provide them the support required for their full participation in the integration process.

Such Unit shall have an effective system to follow up recommendations and commitments adopted as a result of its proposals. It shall annually report to member countries on the progress and outcome of its tasks.

FOURTH - A specific item, which may be increased with funds from international organization, shall be included in the Association budget for the operation of the Economic Promotion Unit.

On the other hand, the pertinent body shall attempt to expedite obtention of additional sources of funds to carry out specific studies resorting to allocations of the international organizations especially concerned with the support of integration processes.

The Unit may likewise resort to the permanent technical collaboration of other international organizations.

FIFTH - The present Resolution shall be applicable as from the enforcement of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, and shall be likewise incorporated to its legal framework.

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#### ALALC/CM/Resolution 5 August 12<sup>th</sup> 1980

Basic rules on the regional tariff preference

The COUNCIL of MINISTER of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, and of Articles 34, caption a) and 61 of the Montevideo Treaty,

WHEREAS It is necessary to establish basic rules to govern the regional tariff preference,

#### **RESOLVES:**

FIRST - Member countries shall reciprocally grant a regional tariff preference to be applied with reference to the level in force for third countries, and be subject to the following bases:

- a) It shall comprise, wherever possible, all the tariff items;
- b) It shall not imply the consolidation of tariffs;
- c) For its determination, formulae shall be established enabling to consider, in an equitable way, the situation brought about by differences in the member countries' tariff levels;
- d) It shall initially be minimal and its intensity may be deepened through multilateral negotiations;
- e) It may differ according to the economic sector involved;
- f) Upon determining its magnitude, consideration shall be given to the situation of sensitive sectors of the economy of member countries. Special particulars and conditions may be foreseen for those sectors in the application of the regional tariff preference;
- g) Differential treatments shall be applied in the magnitude of the regional tariff preference according to the three categories of countries.

Additionally, the criterion of gradual timing may be selectively applied, in accordance with the aforementioned categories;

- h) Exception lists may be drawn up, which extension shall be larger for the relatively less developed countries, not so large for the intermediate developed countries, and more reduced for the other countries; and
- i) Non-tariff restrictions of any nature shall be eliminated by means of a program in order to make the regional tariff preference effective.

SECOND - The present Resolution shall be applicable as from the moment the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, enter into force, and shall be likewise incorporated to its legal framework.

# ALALC/CM/Resolution 6 August 12<sup>th</sup> 1980

#### **Categories of countries**

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF the Montevideo Treaty 1980, signed on August 12th 1980,

WHEREAS the above-mentioned Treaty establishes differential treatments, both in the regional and partial scope mechanisms, on the basis of three categories of countries,

#### **RESOLVES:**

FIRST - Criteria shall be established to classify member countries of the Latin-American Integration Association within the different development categories foreseen in the new legal instrument. When drawing up such criteria, economic-structural characteristics of member countries shall be taken into consideration.

Such criteria shall be drawn up within a term to be determined by the Committee of Representatives.

The situation of the countries included in each one of these categories shall be periodically reviewed.

SECOND - For the purpose of applying the differential treatments foreseen in the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, members shall be considered as follows:

a) Relatively less economic developed countries: Bolivia, Ecuador and Paraguay;

- b) Intermediate developed countries: Chile, Colombia, Peru, Uruguay and Venezuela; and
- c) Other member countries: Argentina, Brazil and Mexico.

THIRD - Uruguay shall be granted an exceptional treatment more favourable than that accorded to the other intermediate developed countries, which shall not imply the full benefits corresponding to the relatively less economic developed countries. This special treatment for Uruguay shall be implemented in all the Montevideo Treaty 1980 mechanisms, and mainly in the partial actions it may negotiate with relative reciprocity with the other Contracting Parties, to agree on lists of products for which substantial reduction or total elimination of tariffs and other restrictions shall be accorded in its favour.

FOURTH - The present Resolution shall be incorporated to the legal framework of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, upon its entry into force.

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# ALALC/CM/Resolution 7 August 12<sup>th</sup> 1980

Legal-institutional situation arising from the entry into force of the new Treaty

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, and articles 34, captions a) and b), and 61 of the Montevideo Treaty;

WHEREAS It is legally advisable to adopt rules ensuring the institutional transition of the Montevideo Treaty towards the new integration scheme established by the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980; and

It is likewise convenient to foresee legal regulations for the reciprocal relations of the signatory countries of said Treaty and of these and the ratifying signatory countries until all signatory countries have ratified it,

#### **RESOLVES:**

FIRST - Pending ratification of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, by all signatory countries, as from the date of its enforcement by ratification of the first three countries, signatory countries which have not yet ratified shall be subject, both as regards their reciprocal relations and their relations with ratifying signatory countries, to the provisions of the legal structure of the Montevideo Treaty, dated February 12<sup>th</sup> 1960, where appropriate, and specially to the resolutions adopted at the Meeting of the Council of Ministers of ALADI, held on August 12<sup>th</sup> 1980.

These provisions shall no longer be applied to relations between signatory countries which have ratified the new Treaty and those which have not done so, as from one year following its enforcement.

SECOND - The bodies of the Latin-American Free Trade Association established by the Montevideo Treaty, dated February 12<sup>th</sup> 1960, shall cease to exist as from the date of enforcement of the Montevideo Treaty 1980.

THIRD - Non-ratifying signatory countries may participate in the Latin-American Integration Association bodies with the right to speak and vote, whenever possible or of interest to them, as long as ratification is pending, or until expiry of the term established in the second paragraph of article 1 of the present Resolution.

FOURTH - Signatory countries ratifying the Montevideo Treaty 1980 after its enforcement shall be subject to all provisions adopted prior to that moment by the bodies of the Latin-American Integration Association.

FIFTH - The present Resolution shall likewise be incorporated to the legal framework of the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, upon its entry into force.

# ALALC/CM/Resolution 8 August 12<sup>th</sup> 1980

Guidelines for 1980 and 1981 work programs, the organic structure of the Secretariat and the Association expenditure budget for 1981

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF Article 34, captions a) and b) of the Montevideo Treaty, the Montevideo Treaty 1980, signed on August 12<sup>th</sup> 1980, and Resolutions 1 to 8 of the Council of Ministers of Foreign Affairs;

WHEREAS It is necessary to orient the activities of the Association bodies as regards the adoption of measures leading towards compliance of said Resolutions adopted on the basis of the Montevideo Treaty 1980, and to ensure their effective application immediately upon the Treaty's enforcement; and

It is necessary to establish guidelines facilitating the transit between the legal framework in force and that resulting from the enforcement of the Montevideo Treaty 1980, to be followed by the bodies of the Association in the discharge of their duties,

#### **RESOLVES:**

FIRST - To entrust the Secretariat to prepare drafts of the work program for the balance of the year 1980 and for 1981 and of the corresponding budget for the 1981 fiscal year before September 30<sup>th</sup> 1980, as well as of its organic structure before June 30<sup>th</sup> 1981.

SECOND - To empower the Permanent Executive Committee to adopt, prior to November 15<sup>th</sup> 1980, the work program for the balance of 1980 and for 1981, and the corresponding budget for the 1981 fiscal year. Likewise, to empower it to adopt the organic structure of the Secretariat within sixty days as from the submission of the corresponding draft.

THIRD - Resolutions to be adopted by the Association bodies regarding the matters referred to in the foregoing articles shall conform to the following guidelines:

# I. Supplementary work program of the Association for 1980 and work program for 1981.

During the balance of the year 1980 and during 1981, the Association bodies shall concentrate their efforts to ensure a solid structure for the integration process, pursuant to the Montevideo Treaty 1980 and the resolutions adopted at the present Meeting of the Council of Ministers.

To that effect, they shall consider the following:

- a) Tasks related to the renegotiation of concessions granted in national lists, non-extensive lists, and complementation agreements under the terms of Council Resolution 1.
- b) Studies to identify measures and actions necessary for the operation of the system in favour of relatively less economic developed countries foreseen in the Montevideo Treaty 1980. Tasks related to market openings in favour of the relatively less economic developed countries under the terms of Council Resolution 3.
- c) Studies to identify measures and actions necessary to implement article 3 of Council Resolution 6.
- d) Revision of ALALC's present legal structure for the purpose of conforming it to the objectives of the Montevideo Treaty 1980 and the Latin-American Integration Association's duties. This revision shall cover the following matters and adjust to the following guidelines:
  - Matters related, within the present legal structure, to the application of reciprocal trade liberalization instruments, such as: origin, safeguard clauses, preferential margins, elimination of non-tariff restrictions and withdrawal of concessions. General rules shall be established on these matters to facilitate application of the various mechanisms foreseen in the Montevideo Treaty 1980;
  - ii) Matters concerning institutional aspects, such as: settlement of disputes, agreements on privileges and immunities, auxiliary bodies for consultation, technical advice or support, and relationship with the Central American Common Market. For these matter, attempts shall be made to review the rules and instruments presently in force, in order to improve them and formally adapt them to the Montevideo Treaty 1980 terms; and

- iii) Matters on which policy coordination, instrumental harmonization or economic cooperation programs are being carried out at present. Objectives, rules and work procedures shall be established on these matters, consistent with the requirements resulting from application of the various mechanisms of the Montevideo Treaty 1980.
- e) Collaboration from the Economic Commission for Latin America (ECLA), the Inter-American Economic and Social Council (IA-ECOSOC), the Inter-American Development Bank (IDB), and the Latin-American Economic System (LAES), as well as other regional and sub-regional economic integration and cooperation organizations.

Regarding this subject, once the Montevideo Treaty 1980 instituting the Latin-American Integration Association enters into force, it is commended to maintain and strengthen the technical advice received from the above mentioned organizations and other regional and subregional economic integration and cooperation organizations.

- f) Preparatory studies to facilitate the determination of the regional tariff preference and the other elements foreseen in Council Resolution 5. Within the first semester of 1981, the Committee shall adopt measures to effectively apply the regional tariff preference not later than December 31<sup>st</sup> 1981, unless the Montevideo Treaty 1980 has not yet, at that time, entered into force.
- g) Preparation of draft rules of procedure for the bodies of the Latin-American Integration Association.
- h) Studies and proposals leading towards implementation of provisions contained in articles 24 and 26 of the Montevideo Treaty 1980 regarding convergence and cooperation with other countries and integration areas of Latin America, and Cooperation with other integration areas outside Latin America.
- Adoption of measures to permit effective continuation of the legal status of the Latin American Free Trade Association within the Latin-American Integration Association, under the terms of article 54 of the Montevideo Treaty 1980.

## II) Annual expenditure budget of the Association for 1981

- a) The annual expenditure budget of the Association for the year 1981 shall be sufficiently flexible so as to allow compliance of the work program to be adopted for that year and the immediate implementation of the organic structure of the Secretariat.
- b) The budget shall contemplate the remuneration of the Secretary-General and the staff salary policy, concurrent with the level of international organizations.

Likewise, a remuneration re-adjustment system shall be established, bearing in mind the evolution of cost-of-living in the seat country.

- c) Contributions to be fixed to the Contracting Parties shall bear in mind the criteria established, as per Council Resolution 6, governing qualification of member countries of the Latin-American Integration Association.
- d) Likewise, the Contracting Parties pledge themselves to pay their corresponding contributions to the 1981 fiscal year budget in their capacity of ALALC Contracting Parties, until the enforcement of the Montevideo Treaty 1980.

As form the moment the Montevideo Treaty 1980 enters into force and during the term established in the second paragraph of its article 65, non-ratifying signatory countries pledge themselves to pay their contributions to the Latin-American Integration Association in order to ensure the pace of its activities.

#### III) Organic structure of the General Secretariat

The Deputy Executive Secretaries foreseen in the present organic structure of the Secretariat shall be appointed by the Permanent Executive Committee. They shall continue to act as Deputy Secretaries-General of the Latin-American Integration Association, as from the enforcement of the Montevideo Treaty 1980.

The Secretariat shall submit not later than June 30<sup>th</sup> 1981 a draft organic structure of the General Secretariat. In drawing up this proposal, it shall consider the requirements resulting from the exercise of the powers and duties detailed in article 38 of the Montevideo Treaty 1980.

Likewise, two Deputy Secretary-General posts shall be incorporated to the organic structure of the General Secretariat.

FOURTH - The present Resolution and those resulting from its application shall likewise be incorporated to the legal framework of the Montevideo Treaty 1980 once it enters into force. Its provisions shall be applied as from that date, and wherever pertinent, by the bodies of the Latin-American Integration Association.

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#### ALALC/CM/Resolution 9 August 12<sup>th</sup> 1980

Appointment of the Executive Secretary of ALALC's Permanent Executive Committee

The COUNCIL of MINISTERS of FOREIGN AFFAIRS of the CONTRACTING PARTIES,

IN VIEW OF the agreement recorded in the minutes of the Meeting held for the purpose of signing the Montevideo Treaty 1980.

WHEREAS It is convenient that the Secretary-General of the Latin-American Integration Association holds the post of Executive Secretary of ALALC's Permanent Executive Committee up to the enforcement of the Treaty instituting the Latin-American Integration Association,

#### **RESOLVES:**

FIRST - To appoint Mr. Julio César Schupp as Executive Secretary of the Permanent Executive Committee of the Latin-American Free Trade Association as from the date of the present Resolution.

SECOND - To entrust the Permanent Executive Committee to fix, not later than August 31<sup>st</sup> 1980, the remunerations of the Executive Secretary and the Deputy Executive Secretaries, and to empower it to make the necessary adjustments in the expenditure budget of the Association for 1980.

# ACCESSIONS

#### ACCESSION OF THE REPUBLIC OF CUBA TO THE MONTEVIDEO TREATY 1980

Article 58 of the Montevideo Treaty 1980 states that after its entry into force "it shall remain open for accession by any Latin-American country that may so request".

In view of the request of accession submitted by the Republic of Cuba on March 17th 1998, the Committee of Representatives determined, by Resolution 239, of May 20th 1998, a specific procedure for considering accession requests.

The Council of Ministers of Foreign Affairs, in its Tenth Ordinary Meeting, on November 6th 1998, approved Resolution 51 (X), which accepted the accession of the Republic of Cuba to the Montevideo Treaty 1980 and established the required conditions.

The Montevideo Treaty 1980 entered into force for the Republic of Cuba on August 26th 1999, thirty days after the deposition of the instrument of accession with the Government of the Eastern Republic of Uruguay.

The Republic of Cuba is the first Latin-American country to accede to the Montevideo Treaty 1980.

Tenth Meeting November 5-6, 1998 Montevideo - Uruguay ALADI/CM/Resolution 51 (X) November 6th 1998

#### RESOLUTION 51 (X)

#### Accession of the Republic of Cuba to the Montevideo Treaty 1980

The COUNCIL of MINISTERS of FOREIGN AFFAIRS,

HAVING SEEN Articles 3, 30, 55 and 58 of the Montevideo Treaty 1980, Resolutions 239, 240 and 245 of the Committee of Representatives, and the formal request of accession to the Montevideo Treaty 1980 of the Republic of Cuba, submitted on March 17th 1998,

CONSIDERING that it is within the powers of the Council of Ministers to accept requests of accession to the Montevideo Treaty 1980 of Latin-American applicant countries,

#### **RESOLVES:**

FIRST - To accept the accession of the Republic of Cuba to the Montevideo Treaty 1980.

SECOND - To establish the following conditions for the accession:

- a) The Republic of Cuba accepts without reservations the Treaty and promises to comply with the rights and obligations that it imposes on member countries.
- b) The accession implies to the Republic of Cuba the acceptance of the Resolutions of the Council of Ministers and of the Resolutions and Agreements of the Committee of Representatives.
- c) The Republic of Cuba shall be classified as an intermediate developed country.

d) The Republic of Cuba shall contribute to the Annual Budget of the Association by the payment of the smallest membership fees set for intermediate developed countries, having five years to reach the full payment amount, according to the following scale: firsts year US\$ 120,000, second year US\$ 140,000, third year US\$ 160,000, fourth year US\$ 180,000, and from the fifth year on, the total amount of US\$ 200,000.

These sums shall be gradually adjusted as the membership fees for intermediate developed countries increase.

e) Thirty days after the deposition of the instrument of accession, the Government of the Republic of Cuba shall put into force the Regional Agreement Nr. 4, that institutes the Regional Tariff Preference (PAR), and the Regional Market Opening Agreements Nr. 1, 2 and 3, in favour of the relatively less economic developed countries of the Association, signing the Additional Protocols of the above-mentioned Agreements.

THIRD - The Montevideo Treaty 1980 shall enter into force for the Republic of Cuba thirty days after the deposition of the instrument of accession with the Government of the Eastern Republic of Uruguay.

#### ACT OF DEPOSIT OF THE INSTRUMENT OF ACCESSION OF THE REPUBLIC OF CUBA TO THE 1980 MONTEVIDEO TREATY

ALALDI/SEC/di 1243 August 5th 1999

Nr. 161/99

Montevideo, July 19th 1999.

The Embassy of the Republic of Cuba presents its compliments to the General Secretariat of the Latin-American Integration Association (ALADI) and encloses a copy of the Act of Deposit with the Ministry of Foreign Affairs of the Eastern Republic of Uruguay, which registers the act of deposit of the Instrument of Accession of the Republic of Cuba to the 1980 Montevideo Treaty, dated July 26th 1999.

The Embassy of the Republic of Cuba avails itself of this opportunity to renew to the General Secretariat of the Latin-American Integration Association (ALADI) the assurance of its highest consideration.

To the General Secretariat of the Latin-American Integration Association Montevideo

#### **ACT OF DEPOSIT**

In Montevideo, on this twenty-sixth day of July, one thousand nine hundred and ninety-nine, at the Ministry of Foreign Affairs of the Eastern Republic of Uruguay, and before the interim Minister of Foreign Affairs, Mr. Roberto Rodríguez Pioli, the Extraordinary and Plenipotentiary Ambassador of the Republic of Cuba, Mr. Miguel Martínez Ramil, deposited on behalf of the Government of Cuba the Instrument of Accession to the Montevideo Treaty one thousand nine hundred eighty, which creates the Latin-American Integration Association, signed in Montevideo on the twelfth day of August, one thousand nine hundred eighty.

In witness whereof, the undersigned drew up two copies of this Act of Deposit, the texts of which are equally authentic, and signed it in the abovementioned date and place. (Signature: Miguel Martínez Ramil, Extraordinary and Plenipotentiary Ambassador of Cuba; Roberto Rodríguez Pioli, Interim Minster of Foreign Affairs of Uruguay)

#### INSTRUMENT OF ACCESSION OF THE REPUBLIC OF CUBA

WHEREAS the Executive Committee of the Council of Ministers, as provided by caption ch) of Article 98 of the Constitution of the Republic of Cuba, on the sixteenth day of the month of December of the year nineteen hundred and ninety-eight, agreed to approve and submit to the Council of State, for its ratification, the Accession of the Republic of Cuba to the Treaty of the Latin-American Integration Association (ALADI), done in Montevideo, Eastern Republic of Uruguay, on August 12th 1980.

WHEREAS the Council of State, using the powers granted under caption m) of Article 90 of the Constitution, on the eighth day of the month of February of the year nineteen hundred and ninety-nine agreed to ratify the Accession of Cuba to the mentioned Treaty.

THEREFORE, for the purposes of the Accession of the Republic of Cuba, as provided by Article 58 of the Treaty, this Instrument of Accession, authorized by the Great Seal of the Republic in the Palace of the Revolution in the city of Havana, is issued on the eighth day of the month of June of the year nineteen hundred and ninety-nine. (Signature: Fidel Castro. President of the Council of State).

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#### ACCESSION OF THE REPUBLIC OF PANAMA TO THE 1980 MONTEVIDEO TREATY

The Republic of Panama applied for accession to the 1980 Montevideo Treaty on April 14th 2009.

The Council of Ministers of Foreign Affairs, in its Fifteenth Meeting, held on April 24th 2009, approved Resolution 64 (XV), whereby it accepted the accession of the Republic of Panama to the 1980 Montevideo Treaty and established its conditions.

Upon the completion of the procedures established in the mentioned Resolution, the Republic of Panama became the thirteenth member country of the ALADI on May 10th 2012.

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Fifteenth Meeting April 29th 2009 Montevideo - Uruguay ALADI/CM.XV/Resolution 64 April 29th 2009

#### RESOLUTION 64 (XV)

#### ACCESSION OF THE REPUBLIC OF PANAMA TO THE 1980 MONTEVIDEO TREATY

THE COUNCIL OF MINISTERS,

IN VIEW OF Articles 3, 30, 55 and 58 of the 1980 Montevideo Treaty, Resolutions 239, 337 and 339 of the Committee of Representatives and the request of accession to the 1980 Montevideo Treaty of the Republic of Panama, made through Notes DGREI/DREM/No. 077 and DGREI/DG/ No. 078, both dated October 10th 2008.

CONSIDERING that it is within the powers of the Council of Ministers to accept the accession to the 1980 Montevideo Treaty of the Latin-American countries that so request it,

#### **RESOLVES:**

FIRST. To accept the accession of the Republic of Panama to the 1980 Montevideo Treaty.

SECOND. To establish the following conditions for the said accession:

- a) The Republic of Panama adheres without reservations to the 1980 Montevideo Treaty and commits to fulfilling all the rights and obligations of the member countries stipulated therein.
- b) Accession compels the Republic of Panama to accept the Resolutions of the Council of Ministers, the Resolutions of the Evaluation and Convergence Conference and the Resolutions and Agreements of the Committee of Representatives.

- c) The Republic of Panama is classified as a country of intermediate development.
- d) The Republic of Panama must contribute to the Annual Expenditure Budget of the Association, paying the lowest requisite amount established for countries of intermediate development, having a term of 30 days as from the entry into force of the 1980 Montevideo Treaty for the acceding country to pay the aliquot part of the contribution of the year 2009, according to the date of the mentioned entry into force.
- e) The Government of the Republic of Panama must accede to the following regional scope agreements by signing the Additional Protocols of each one of the mentioned Agreements, which must be put into force by the acceding country thirty days after the deposition of the Instrument of Accession with the Government of the Eastern Republic of Uruguay:
  - Regional Tariff Preference (PAR) (AR.PAR N° 4);
  - Market Opening Agreements in favour of the Relatively Less Economically Developed Countries of the ALADI (AR.AM Nos. 1, 2 and 3);
  - Regional Agreement on Scientific and Technological Cooperation (Framework Agreement) (AR.CYT No. 6);
  - Regional Agreement on Exchange of Goods and Cooperation in Cultural, Educational and Scientific Matters (AR.CEYC No. 7); and,
  - Framework Agreement for the Promotion of Trade Through Over coming Technical Barriers to Trade (AR.OTC No. 8).

THIRD - The 1980 Montevideo Treaty shall enter into force for the Republic of Panama thirty days after its Government deposits the instrument of accession with the Government of the Eastern Republic of Uruguay.

#### ACT OF DEPOSIT OF THE INSTRUMENT OF ACCESSION

In Montevideo, on the second day of the month of February of the year two thousand and twelve, at the headquarters of the Ministry of Foreign Affairs of the Eastern Republic of Uruguay, in the presence of the Minister of Foreign Affairs, Luis Almagro Lemes, the Vice-Chancellor of the Republic of Panama, Francisco Álvarez de Soto, deposited, representing his Government, the Instrument of Accession to the 1980 Montevideo Treaty, which institutes the Latin-American Integration Association, signed in Montevideo, on the twelfth day of the month of August of the year nineteen hundred and eighty.

In witness whereof, the undersigned draw up two copies of this Act of Deposit, the texts of which are equally authentic, and sign it in the above-mentioned date and place. (Signature: Luis Almagro Lemes, Minister of Foreign Affairs of the Eastern Republic of Uruguay; Francisco Alvarez de Soto, Vice-Chancellor of the Republic of Panama).

#### INSTRUMENT OF ACCESSION OF THE REPUBLIC OF PANAMA

#### RICARDO MARTINELLI BERROCAL PRESIDENT OF THE REPUBLIC OF PANAMA TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

WHEREAS the Republic of Panama decided to accede to the 1980 MON-TEVIDEO TREATY, (whereby the Latin-American Integration Association - ALADI is instituted), done in Montevideo, on August 12th 1980.

WHEREAS the National Assembly approved the mentioned Treaty through Law No. 76, dated October 18th 2011, enacted in the Official Gazette No. 26,896-8, dated October 19th 2011, in compliance with the constitutional requirements of the Republic of Panama.

THEREFORE, I hereby declare the ACCESSION of the Republic of Panama to the mentioned Treaty, having it as a Law of the Republic and compromising, for its observance, the national honor.

IN WITNESS WHEREOF, I hereby issue this ACCESSION, signed by my Hand, sealed with the Seal of the State and endorsed by the Minister of Foreign Affairs, in the Palace of the Presidency, in the city of Panama, on the twentieth (20) day of the month of October of the year two thousand and eleven (2011). (Signature: Ricardo Martinelli Berrocal, President of the Republic of Panama; Roberto C. Henríquez, Minister of Foreign Affairs of the Republic of Panama).