

No. 22309

MULTILATERAL

**Treaty of Montevideo, 1980. Concluded at Montevideo on
12 August 1980**

Authentic texts: Spanish and Portuguese.

Registered by Uruguay on 18 August 1983.

MULTILATÉRAL

**Traité de Montevideo de 1980. Conclu à Montevideo le
12 août 1980**

Textes authentiques : espagnol et portugais.

Enregistré par l'Uruguay le 18 août 1983.

Por el Gobierno de la República Argentina:
Pelo Governo da República Argentina:

[*Signed — Signé*]
CARLOS WASHINGTON PASTOR

Por el Gobierno de la República de Bolivia:
Pelo Governo da República da Bolívia:

[*Signed — Signé*]
JAVIER CERRUTO CALDERÓN

Por el Gobierno de la República Federativa del Brasil:
Pelo Governo da República Federativa do Brasil:

[*Signed — Signé*]
RAMIRO SARAIVA GUERREIRO

Por el Gobierno de la República de Colombia:
Pelo Governo da República da Colômbia:

[*Signed — Signé*]
DIEGO URIBE VARGAS

Por el Gobierno de la República de Chile:
Pelo Governo da República do Chile:

[*Signed — Signé*]
RENÉ ROJAS GALDAMES

Por el Gobierno de la República del Ecuador:
Pelo Governo da República do Equador:

[*Signed — Signé*]
GERMÁNICO SALGADO

Por el Gobierno de los Estados Unidos Mexicanos:
Pelo Governo dos Estados Unidos Mexicanos:

[*Signed — Signé*]
JORGE DE LA VEGA DOMÍNGUEZ

Por el Gobierno de la República del Paraguay:
Pelo Governo da República do Paraguai:

[*Signed — Signé*]
ALBERTO NOGUÉS

Por el Gobierno de la República del Perú:
Pelo Governo da República do Perú:

[*Signed — Signé*]

JAVIER ARIAS STELLA

Por el Gobierno de la República Oriental del Uruguay:
Pelo Governo da República Oriental do Uruguai:

[*Signed — Signé*]

ADOLFO FOLLE MARTÍNEZ

Por el Gobierno de la República de Venezuela:
Pelo Governo da República da Venezuela:

[*Signed — Signé*]

OSWALDO PAEZ PUMAR

[TRANSLATION — TRADUCTION]

TREATY¹ OF MONTEVIDEO, 1980

Montevideo, August 1980

The Governments of the Argentine Republic, the Republic of Bolivia, the Federative Republic of Brazil, the Republic of Colombia, the Republic of Chile, 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,

Desiring to strengthen the links of friendship and solidarity between their peoples,

Persuaded that regional economic integration is one of the principal means for the Latin American countries to accelerate their economic and social development in order to ensure higher levels of living for their peoples,

Determined to renew the Latin American integration process and to establish objectives and mechanisms compatible with the actual situation in the region,

Certain that the continuation of this process makes it necessary to take advantage of the positive experience acquired in the implementation of the Treaty of Montevideo of 18 February 1960,²

Aware that special treatment must be given to countries at a relatively less advanced stage of economic development,

Prepared to foster the development of ties of solidarity and co-operation with other countries and areas of integration in Latin America, in order to encourage a process of convergence leading to the establishment of a regional common market,

Convinced of the need to help bring about a new system of horizontal co-operation between developing countries and their areas of integration, based on the principles of international law regarding development,

¹ Came into force on 18 March 1981, i.e., 30 days after the deposit with the Government of Uruguay of the third instrument of ratification, in accordance with article 57:

| <i>State</i> | <i>Date of deposit of the instrument of ratification</i> |
|-----------------|--|
| Argentina | 10 February 1981 |
| Paraguay | 16 February 1981 |
| Uruguay | 22 October 1980 |

Subsequently, the Treaty came into force for the following States 30 days after the deposit with the Government of Uruguay of their instrument of ratification, in accordance with article 57:

| <i>State</i> | <i>Date of deposit</i> | <i>State</i> | <i>Date of deposit</i> |
|-------------------------------------|------------------------|--------------------------------------|------------------------|
| Mexico | 20 February 1981 | Brazil | 15 January 1982 |
| (With effect from 22 March 1981.) | | (With effect from 14 February 1982.) | |
| Chile | 18 June 1981 | Bolivia | 17 March 1982 |
| (With effect from 18 July 1981.) | | (With effect from 16 April 1982.) | |
| Colombia | 20 July 1981 | Ecuador | 17 March 1982 |
| (With effect from 19 August 1981.) | | (With effect from 16 April 1982.) | |
| Peru | 8 January 1982 | Venezuela | 17 March 1982 |
| (With effect from 7 February 1982.) | | (With effect from 16 April 1982.) | |

² United Nations, *Official Records of the Economic and Social Council, Thirtieth Session, Supplement No. 4*, p. 32.

Bearing in mind the decision adopted by the Contracting Parties to the General Agreement on Tariffs and Trade¹ allowing regional or general agreements between developing countries with a view to the mutual reduction or elimination of obstacles to their reciprocal trade,

Agree to sign this Treaty which, in accordance with the provisions contained herein, shall replace the Treaty instituting the Latin American Free Trade Association.²

CHAPTER I. OBJECTIVES, FUNCTIONS AND PRINCIPLES

Article 1. By this Treaty the Contracting Parties are continuing the integration process designed to promote the harmonious and balanced economic and social development of the region and, for this purpose, hereby institute the Latin American Integration Association (hereinafter called "Association") the headquarters of which shall be in the city of Montevideo, Eastern Republic of Uruguay.

This process shall have as its long-term objective the gradual and progressive establishment of a Latin American common market.

Article 2. The norms and mechanisms of this Treaty and those established pursuant to it by the member countries shall have as their objective the development of the following basic functions of the Association: the promotion and regulation of reciprocal trade, economic complementarity and the development of economic co-operation activities which encourage market expansion.

Article 3. In the implementation of this Treaty and in the advance towards its final objective, the member countries shall bear in mind the following principles:

- (a) Pluralism, sustained by the will of the member countries to achieve integration over and above the political and economic diversity which may exist in the region;
- (b) Convergence, reflected in progressive multilateralization of partial agreements, through periodic negotiations between member countries with a view to the establishment of the Latin American common market;
- (c) Flexibility, characterized by the capacity to allow the conclusion of partial agreements, regulated in a manner compatible with the gradual achievement of their convergence and with the strengthening of ties of integration;
- (d) Differential treatment, as determined in each case, both in regional and partial mechanisms, on the basis of three categories of countries, which shall be integrated in accordance with their economic and structural characteristics. This treatment shall be applied on a determined scale to the countries of intermediate development and in a more favourable manner to countries at a relatively less advanced stage of development; and
- (e) Multiplicity, to make possible various types of agreement between member countries in harmony with the objectives and functions of the integration process, using all instruments capable of activating and expanding regional markets.

¹ United Nations, *Treaty Series*, vol. 55, p. 187.

² United Nations, *Official Records of the Economic and Social Council, Thirtieth Session, Supplement No. 4*, p. 32.

CHAPTER II. MECHANISMS

Article 4. In order to fulfil the basic functions of the Association established in article 2 of this Treaty, the member countries hereby establish an area of economic preferences made up of a regional tariff preference, regional agreements and partial agreements.

First section. REGIONAL TARIFF PREFERENCE

Article 5. The member countries shall reciprocally grant each other a regional tariff preference which shall be applied with reference to the level existing for third countries and which shall be subject to the corresponding regulations.

Second section. REGIONAL AGREEMENTS

Article 6. Regional agreements shall be those in which all member countries participate.

They shall be drawn up pursuant to the objectives and provisions of this Treaty and they may refer to the subject-matter and include the instruments provided for in the partial agreements established in the third section of this chapter.

Third section. PARTIAL AGREEMENTS

Article 7. Partial agreements are those in which not all the member countries participate; their object is to create the necessary conditions to expand the regional integration process through their gradual multilateralization.

The rights and obligations established in partial agreements shall apply exclusively to the member countries which sign and accede to them.

Article 8. Partial agreements may be concerned with trade, economic complementarity, agriculture or commercial promotion, or they may take the other forms specified in article 14 of this Treaty.

Article 9. Partial agreements shall be subject to the following general rules:

- (a) They shall be open for accession, after prior negotiations, to the other member countries;
- (b) They shall contain clauses advocating convergence so that their benefits extend to all member countries;
- (c) They may contain clauses advocating convergence with other Latin American countries, in conformity with the mechanisms established in this Treaty;
- (d) They shall recommend different treatment for the three categories of countries recognized by this Treaty; each agreement shall specify the kind of treatment to be applied and negotiation procedures for its periodic revision at the request of any member country which considers itself at a disadvantage;
- (e) Tariff reductions may be applied to the same products or tariff sub-items and on the basis of a percentage reduction in the tariffs on imports originating from non-participating countries;
- (f) They shall be applied for a minimum period 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, denunciation, co-ordination and harmonization of policies. In the event that such specific rules have not been adopted, account will be taken of the provisions adopted by member countries on the matters in question.

Article 10. The trade agreements shall have as their exclusive aim the promotion of trade between the member countries and shall be subject to the specific rules established for this purpose.

Article 11. The economic complementarity agreements shall be designed *inter alia* to promote the maximum utilization of the factors of production, to stimulate economic complementarity, to ensure equitable conditions of competition, to facilitate the competitiveness of products on the international market and to encourage the balanced and harmonious development of member countries.

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

Article 12. Agricultural agreements are aimed at promoting and regulating intra-regional agricultural trade. They shall envisage a flexible approach which takes into account the socio-economic characteristics of the production of the participating countries. These agreements may relate to specific products or groups of products and may be based on temporary, seasonal concessions, with quotas or mixed concessions, or they may be based on contracts between State or parastatal organizations. They shall be subject to the specific rules established for this purpose.

Article 13. Trade promotion agreements shall relate to non-tariff questions and shall be designed to promote intra-regional trade flows. They shall be subject to the specific rules to be established for this purpose.

Article 14. The member countries may establish, through the corresponding regulations, specific rules for the drawing up of other types of partial agreement.

For this purpose, they shall take into consideration *inter alia* scientific and technical co-operation, the promotion of tourism and the preservation of the environment.

CHAPTER III. SUPPORT SYSTEM IN FAVOUR OF COUNTRIES AT A RELATIVELY LESS ADVANCED STAGE OF ECONOMIC DEVELOPMENT

Article 15. The member countries shall establish conditions favourable to the participation of countries at a relatively less advanced stage of development in the economic integration process, on the basis of the principles of non-reciprocity and community co-operation.

Article 16. For the purpose of ensuring effective preferential treatment, member countries shall open up markets, harmonize programmes and devise other specific means of co-operation.

Article 17. Actions favouring relatively less developed countries shall be concluded through regional agreements and partial agreements.

In order to ensure the effectiveness of such agreements, the member countries shall draw up negotiated rules designed to maintain preferences, eliminate non-tariff restrictions and apply safeguard clauses in justified cases.

First section. REGIONAL AGREEMENTS

Article 18. The member countries shall approve negotiated lists of preferably industrial products, originating in each relatively less developed country, for which they shall agree without reciprocity to eliminate completely customs duties and other restrictions by all the other countries of the Association.

The member countries shall determine the procedures necessary for the gradual extension of the lists and may carry out the necessary negotiations when they consider it desirable.

Similarly, they shall strive to establish effective compensation mechanisms to counter the negative effects on the intra-regional trade of the relatively less developed land-locked countries.

Second section. PARTIAL AGREEMENTS

Article 19. Partial agreements negotiated by the relatively less developed countries with other member countries shall conform, wherever pertinent, to the provisions of articles 8 and 9 of this Treaty.

Article 20. In order to encourage effective joint co-operation in favour of the relatively less developed countries, the member countries shall negotiate special co-operation programmes with each one of them.

Article 21. The member countries may initiate co-operation programmes and joint action in the fields of pre-investment, financing and technology, designed basically to support the relatively less developed countries, including particularly the land-locked countries, so that they may take advantage of tariff reductions.

Article 22. Without prejudice to the preceding articles, the treatment favouring the relatively less developed countries may include collective and partial co-operation activities, which envisage effective mechanisms to compensate for the disadvantages faced by Bolivia and Paraguay because of their land-locked situation.

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

Similarly, efforts shall be made to determine compensation formulae both in the regional tariff preference, when it is expanded, and in regional and partial agreements.

Article 23. The member countries shall endeavour to grant land-locked countries facilities to establish free zones, warehouses, free ports and other administrative international transit facilities.

CHAPTER IV. CONVERGENCE AND CO-OPERATION WITH OTHER COUNTRIES AND AREAS OF ECONOMIC INTEGRATION IN LATIN AMERICA

Article 24. The member countries may establish systems of association or multilateral linkage which encourage convergence with other countries and areas of economic integration in Latin America, including the possibility of agreeing with such countries or areas on the establishment of a Latin American tariff preference.

The member countries shall in due course draw up regulations governing the details of these systems.

Article 25. Similarly, the member countries may draw up partial agreements with other countries and areas of economic integration of Latin America in accordance with the provisions of Chapter II, third section, of this Treaty and in accordance with the relevant regulations.

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

- (a) Concessions granted by the participating member countries shall not be extended to the others but only to the relatively less developed countries;
- (b) When a member country includes products already negotiated in partial agreements with other member countries, the concessions which it grants may be greater than those agreed with those other countries; in this case, consultations shall be held with the affected member countries in order to achieve mutually satisfactory solutions, unless the partial agreements in question contain clauses concerning automatic extension or waiver of preferences included in the partial agreements referred to in this article; and
- (c) They shall be assessed on a multilateral basis by the member countries within the Committee in order to ascertain the scope of the agreements and to facilitate the participation of other member countries in them.

CHAPTER V. CO-OPERATION WITH OTHER AREAS OF ECONOMIC INTEGRATION

Article 26. The member countries shall take the necessary measures to establish and develop links of solidarity and co-operation with other areas of integration outside Latin America, through participation of the Association in horizontal co-operation programmes at the international level, in pursuance of the basic principles and commitments accepted in the context of the Declaration and Programme of Action on the Establishment of a New International Economic Order¹ and of the Charter of Economic Rights and Duties of States.²

The Committee shall adopt the measures necessary to facilitate compliance with the above objectives.

Article 27. Similarly, the member countries may draw up partial agreements with other developing countries or with areas of economic integration outside Latin America, in accordance with the modalities provided for in Chapter II, third section of this Treaty and under the terms of the relevant regulations.

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

- (a) The concessions granted by countries participating in them shall not be extended to other members, but only to the relatively less developed countries;

¹ See General Assembly resolutions Nos. 3201 and 3202 (S-VI) in *Official Records of the General Assembly of the United Nations, Sixth Special Session, Supplement No. 1* (A/9559), pp. 3 and 5.

² See General Assembly resolution No. 3281 (XXIX) in *Official Records of the General Assembly of the United Nations, Twenty-ninth Session, Supplement No. 31* (A/9631), p. 50.

- (b) When products already negotiated with other member countries in partial agreements are included, the concessions granted may not be greater than those agreed upon with those other countries, and, in such a case, they shall be automatically extended to those countries; and
- (c) They shall be declared to be compatible with the commitments undertaken by member countries under this Treaty and in accordance with subparagraphs (a) and (b) of this article.

CHAPTER VI. INSTITUTIONAL ORGANIZATION

Article 28. The political organs of the Association are:

- (a) The Council of Ministers for Foreign Affairs (referred to as the “Council” in this Treaty);
- (b) The Evaluation and Convergence Conference (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 organ of the Association is the General Secretariat (referred to as the “Secretariat” in this Treaty).

Article 30. The Council is the supreme organ of the Association and shall adopt the higher policy decisions necessary for the economic integration process.

The Council shall have the following functions:

- (a) To issue general rules aimed at better compliance with the objectives of the Association and 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 at the multilateral level, in accordance with the recommendations adopted by the Conference under the terms of article 33 (a) of this Treaty;
- (d) To establish the guidelines to be followed by the other organs of the Association;
- (e) To establish the basic rules governing relations with other regional associations and with international organizations;
- (f) To review and update the basic rules governing the convergence and co-operation agreements with other developing countries and areas of economic integration;
- (g) To take cognizance of the questions submitted to it by the other political organs and to decide upon them;
- (h) To delegate to the other political organs the power to decide on specific questions aimed at better compliance with the objectives of the Association;
- (i) To accept the accession of new member countries;
- (j) To adopt amendments and additions to the Treaty, in accordance with article 61;
- (k) To designate the Secretary-General; and
- (l) To adopt its own rules of procedure.

Article 31. The Council shall be composed of the Ministers for Foreign Affairs of the member countries. However, when in some countries the responsibility for integration matters is assigned to a Minister or Secretary of State other than the Minister for Foreign Affairs, the member countries may be represented in the Council, with full powers, by the respective Minister or Secretary.

Article 32. 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 functions:

- (a) To study the integration process in all its aspects and the convergence of partial agreements through their progressive multilateralization, and to recommend to the Council the adoption of corrective measures at the multilateral level;
- (b) To promote actions of broader scope in the field of economic integration;
- (c) To review from time to time the application of the different systems of treatment, taking into account not only the development of the economic structure of the countries concerned and consequently their degree of development, but also the effective use made by the beneficiary countries of the differential treatment applied and the procedures designed to improve the application of such treatment;
- (d) To evaluate the results of the system favouring the countries at a relatively less advanced stage of economic development and to adopt measures for their more effective implementation;
- (e) To carry out multilateral negotiations to determine and extend the regional tariff preference;
- (f) To encourage the negotiation and conclusion of regional agreements in which all member countries participate and which relate to any matter dealt with in this Treaty, in conformity with the provisions of article 6;
- (g) To fulfil the tasks entrusted to it by the Council;
- (h) To entrust the Secretariat with such studies as it deems convenient; and
- (i) To adopt its own rules of procedure.

Article 34. The Conference shall be composed of Plenipotentiaries from the member countries.

The Conference shall meet every three years in regular session at the request of the Committee and at other times in special session when convened by the Committee to deal with specific matters within its competence.

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

Article 35. The Committee is the permanent organ of the Association and shall have the following functions and duties:

- (a) To promote the conclusion of regional agreements in accordance with article 6 of this Treaty and, for this purpose, to convene governmental meetings at least once a year, with the following aims:
 - (i) To give continuity to the activities of the new integration process;
 - (ii) To evaluate and guide the integration process;

- (iii) To analyse and promote measures to achieve more advanced integration mechanisms; and
- (iv) To undertake sectoral and multisectoral negotiations with the participation of all the member countries, in order to draw up regional agreements concerned basically with tariff reductions;
- (b) To adopt the measures necessary for the implementation of this Treaty and all its supplementary rules;
- (c) To draw up regulations for the implementation of this Treaty;
- (d) To perform the tasks entrusted to it by the Council and the Conference;
- (e) To approve the annual work programme of the Association and its annual budget;
- (f) To fix the contributions of member countries to the budget of the Association;
- (g) To approve, on the proposal of the Secretary-General, the structure of the Secretariat;
- (h) To convene the Council and the Conference;
- (i) To represent the Association before third countries;
- (j) To entrust studies to the Secretariat;
- (k) To formulate recommendations to the Council and the Conference;
- (l) To submit reports on its activities to the Council;
- (m) To propose formulae for the solution of questions brought by member countries concerning non-observance of any of the rules or principles of this Treaty;
- (n) To assess multilaterally the partial agreements drawn up by countries, in accordance with article 25 of this Treaty;
- (ñ) To declare the compatibility of partial agreements to be drawn up by member countries, in accordance with article 27 of this Treaty;
- (o) To establish auxiliary bodies;
- (p) To adopt its own rules of procedure; and
- (q) To deal with matters of common interest not falling within the competence of the other bodies of the Association.

Article 36. The Committee shall be composed of a permanent representative of each member country with the right to one vote.

Each permanent representative shall have an alternate.

Article 37. The Committee shall meet and adopt resolutions in the presence of representatives of two thirds of the member countries.

Article 38. The Secretariat shall be headed by a Secretary-General and shall be composed of technical and administrative staff.

The Secretary-General shall hold office for a period of three years and may be re-elected for the same period.

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

The Secretariat shall have the following functions and powers:

- (a) To submit proposals to the appropriate organs of the Association, through the Committee, designed to achieve the objectives and to fulfil the functions of the Association;

- (b) To carry out the studies necessary for the fulfilment of its technical functions and the functions entrusted to it by the Council, the Conference and the Committee, and to perform the other activities provided for in the annual work programme;
- (c) To carry out studies and activities as a basis for proposals to member countries, through their permanent representatives, for the elaboration of agreements provided for in this Treaty, within the guidelines laid down by the Council and the Conference;
- (d) To represent the Association before international economic organizations with a view to discussing questions of common interest;
- (e) To administer the assets of the Association and to represent it, for this purpose, in deeds and contracts of public and private law;
- (f) To request technical advice and the co-operation of individuals and national and international bodies;
- (g) To propose to the Committee the establishment of auxiliary bodies;
- (h) To process and submit to member States, in a systematic and up-to-date manner, statistical information on foreign trade regulation systems of member countries, which will facilitate the preparation and holding of negotiations in the different bodies of the Association and the subsequent utilization of the respective concessions;
- (i) To analyse on its own initiative, for all countries, or at the request of the Committee, the fulfilment of the undertakings agreed upon and to evaluate the legal provisions of member countries which directly or indirectly affect the concessions granted;
- (j) To convene meetings of non-governmental auxiliary bodies and co-ordinate their operations;
- (k) To carry out periodic evaluations of the integration process and to monitor continuously the activities undertaken by the Association and the commitments resulting from the agreements achieved within the framework of the Association;
- (l) To organize and bring into operation an Economic Promotion Unit for the relatively less developed countries and to take action to obtain technical and financial resources as well as to carry out studies and projects for the fulfilment of the promotion programme; at the same time, to elaborate an annual report on the benefits obtained from the support system for the relatively less developed countries;
- (m) To prepare the budget of the Association for approval by the Committee and to propose any changes which may be necessary;
- (n) To prepare and submit to the Committee the draft annual work programmes;
- (ñ) To recruit, admit and dismiss technical and administrative staff, in accordance with the staff regulations;
- (o) To comply with requests received from any of the political organs of the Association; and
- (p) To submit annually to the Committee a report on the results of the application of this Treaty and of the legal provisions derived therefrom.

Article 39. The Secretary-General shall be designated by the Council.

Article 40. In the performance of their functions, the head of the technical organ, as well as the technical and administrative staff, shall not seek or receive instructions from any Government or from national or international organizations. They shall refrain from any behaviour inconsistent with their character as international officials.

Article 41. The member countries undertake to respect the international character of the duties of the Secretary-General and Secretariat staff and of its experts and consultants and to refrain from influencing them in the performance of their duties.

Article 42. Auxiliary bodies shall be established for consultation, advice and technical support. In particular, an organ shall be set up composed of officials responsible for the integration policy of member countries.

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

Article 43. The Council, Conference and Committee shall adopt their decisions by an affirmative vote of two thirds of the member countries.

As an exception to this general rule, decisions on the following matters shall be adopted by a two-thirds affirmative vote provided there is no negative vote:

- (a) Amendments or additions to this Treaty;
- (b) Adoption of decisions affecting the general policy underlying the integration process;
- (c) Adoption of decisions embodying the results of multilateral negotiations for the establishment and expansion of the regional preference tariff;
- (d) Adoption of decisions designed to elevate partial agreements to the multilateral level;
- (e) Acceptance of accession by new member countries;
- (f) Determination of the Treaty regulations;
- (g) Determination of the percentage contributions of member countries to the budget of the Association;
- (h) Adoption of corrective measures arising from the evaluation of the integration process;
- (i) Authorization of a period of less than five years, regarding obligations, in case of denunciation of the Treaty;
- (j) Adoption of guidelines for the work of the organs of the Association; and
- (k) Establishment of the basic rules governing the relations of the Association with other regional associations and with international organizations.

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

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

CHAPTER VII. GENERAL PROVISIONS

Article 44. Any advantages, benefits, franchises, immunities and privileges which member countries accord to projects originating in or destined for any other

member country or non-member country, pursuant to decisions or agreements which are not provided for in this Treaty or in the Cartagena Agreement, shall be immediately and unconditionally extended to the other member countries.

Article 45. The advantages, benefits, franchises, immunities and privileges already granted or to be granted under agreements between member countries or between them and third countries to facilitate frontier traffic shall apply exclusively to the countries which sign them or have signed them.

Article 46. With regard to duties, taxes and other domestic charges, products originating from the territory of a member country shall enjoy in the territory of the other member countries treatment not less favourable than that accorded to similar national products.

The member countries shall adopt the measures which, in conformity with their respective national constitutions, are necessary to comply with the above provision.

Article 47. Each member country shall strive to ensure that the charges or other domestic measures applied to products included in the regional tariff preference or in regional or partial agreements, which are not produced, or are produced only in small quantities, in its territory, do not nullify or reduce any concession or advantage obtained by any member country as a result of the respective negotiations.

If a member country considers that it has been harmed by the measures mentioned in the previous paragraph, it may appeal to the Committee with a view to having the matter examined and appropriate recommendations made.

Article 48. Capital originating in the countries members of the Association shall enjoy in the territory of the other member countries treatment not less favourable than that accorded to capital originating in any other non-member country, without prejudice to the provisions of agreements which may be reached on this question by member countries, in accordance with this Treaty.

Article 49. Member countries may draw up supplementary rules of trade policy regulating, *inter alia*, the application of non-tariff restrictions, system of origin, adoption of safeguard clauses, export promotion schemes and frontier traffic.

Article 50. No provision of this Treaty shall be construed as an impediment to the adoption and execution of measures relating to:

- (a) Protection of public morality;
- (b) Application of security laws and regulations;
- (c) Control of imports or exports of arms, ammunition and other war material and, in exceptional circumstances, of all other military items;
- (d) Protection of human, animal and plant life and health;
- (e) Imports and exports of gold and silver bullion;
- (f) Protection of national resources of artistic, historical and archaeological value; and
- (g) Exportation, utilization and consumption of nuclear materials, radioactive products and any other material which may be used in the development or exploitation of nuclear energy.

Article 51. Products imported or exported by a member country shall enjoy freedom of transit within the territory of the other member countries and shall be subject only to the payment of the normal rates for services rendered.

CHAPTER VIII. JURIDICAL PERSONALITY, IMMUNITIES AND PRIVILEGES

Article 52. The Association shall possess complete juridical personality and shall in particular have the power:

- (a) To contract;
- (b) To acquire and dispose of the movable and immovable property it needs for the achievement of its objectives;
- (c) To institute legal proceedings; and
- (d) To hold funds in any currency and to transfer them as necessary.

Article 53. The representatives and other diplomatic officials of the member countries accredited to the Association and the international officials and advisers of the Association shall enjoy in the territory of the member countries such diplomatic and other immunities and privileges as are necessary for the exercise of their functions.

The member countries undertake to conclude as soon as possible an agreement regulating the provisions of the previous paragraph, in which the aforesaid privileges and immunities shall be defined.

The Association shall conclude with the Government of the Eastern Republic of Uruguay an agreement for the purpose of specifying the privileges and immunities which the Association, its organs and its international officials and advisers shall enjoy.

Article 54. The juridical personality of the Latin American Free Trade Association established by the Montevideo Treaty signed on 18 February 1960 shall continue, in all its effects, within the Latin American Integration Association. Accordingly, from the date when this Treaty enters into force, the rights and obligations of the Latin American Free Trade Association shall be vested in the Latin American Integration Association.

CHAPTER IX. FINAL PROVISIONS

Article 55. This Treaty may not be signed with reservations nor may reservations be received on the occasion of its ratification or accession.

Article 56. This Treaty shall be ratified by the signatory countries as soon as possible.

Article 57. This Treaty shall enter into force, for the first three ratifying countries, thirty days after the third instrument of ratification has been deposited. For the other signatories, it shall enter into force thirty days after the respective instrument of ratification has been deposited and in the order in which the ratifications are deposited.

The instruments of ratification shall be deposited with the Government of the Eastern Republic of Uruguay, which shall communicate the date of deposit to the Governments of the States which have signed the Treaty and to those which have acceded to it, as the case may be.

The Government of the Eastern Republic of Uruguay shall notify the Government of each one of the signatory States of the date of the entry into force of this Treaty.

Article 58. Following its entry into force, this Treaty shall remain open to accession by those Latin American countries which so request. The acceptance of the accession shall be adopted by the Council.

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

The acceding States shall implement on that date the undertakings derived from the regional customs preference and from the regional agreements reached before the date of accession.

Article 59. The provisions of this Treaty shall not affect the rights and obligations arising from agreements signed by any of the signatory countries before its entry into force.

Article 60. The provisions of this Treaty shall not affect the rights and obligations arising from agreements signed by any of the signatory countries between the date of their signing the Treaty and the date of ratification. For the countries which accede subsequently as members of the Association, the provisions of this article shall apply to the agreements signed before they joined the Association.

However, each member country shall take the necessary steps to reconcile the provisions of existing agreements with the purposes of this Treaty.

Article 61. The member countries may submit amendments or additions to this Treaty, which shall be set out in protocols that shall enter into force upon their ratification by all member countries and after the respective instruments have been deposited, except where another method is prescribed in those protocols.

Article 62. This Treaty shall be of unlimited duration.

Article 63. A member country wishing to withdraw from this Treaty shall inform the other countries of its intention to do so at one of the sessions of the Committee. It shall formally submit the instrument of denunciation to that organ one year following the said notification. Once the formalities of denunciation have been completed, the rights and obligations of the denouncing Government which derive from its status as a member country shall cease automatically.

Notwithstanding the above, the rights and obligations arising from the regional tariff preference shall remain in force for a further period of five years, except where at the time of the denunciation the member countries agree to the contrary. This period shall begin on the date on which the denunciation becomes formally effective.

With regard to the rights and obligations arising from regional and partial agreements, the situation of the denouncing member country shall accord with the specific rules laid down in each agreement. If such provisions do not exist, the general provision of the foregoing paragraph of this article shall be applied.

Article 64. This Treaty shall be called the Treaty of Montevideo 1980.

CHAPTER X. TRANSITIONAL PROVISIONS

Article 65. From the date of its entry into force as a result of ratification by the first three countries and pending ratification of the Treaty by all the signatories, the signatories which have not yet ratified it shall be subject, both in their reciprocal relations and in their relations with the ratifying signatory countries, to the structural provisions of the Montevideo Treaty of 18 February 1960, where appropriate, and in particular to the resolutions adopted at the Meeting of the Council of Ministers of the Latin American Free Trade Association held on 12 August 1980.

When the Treaty has been in force for one year, these provisions shall no longer apply to the relations between the signatory countries which have ratified this Treaty and those which have not yet done so.

Article 66. From the date of the entry into force of this Treaty, the organs of the Latin American Free Trade Association established by the Montevideo Treaty of 18 February 1960 shall cease to exist.

Article 67. The non-ratifying signatory countries may participate in the organs of the Association with the right to speak and vote, whenever possible or in their interest, so long as the ratification is pending and so long as the period established in article 65, second paragraph, has not expired.

Article 68. Signatory countries ratifying this Treaty after it has entered into force shall be subject to all the provisions adopted until that time by the organs of the Association.

Article 69. The resolutions adopted by the Council of Ministers of the Latin American Free Trade Association at its meeting on 12 August 1980 shall be incorporated in the legal framework of this Treaty once it has entered into force.

DONE in the city of Montevideo on 12 August 1980, in an original in the Spanish and Portuguese languages, both texts being equally authentic. The Government of the Eastern Republic of Uruguay shall be the depositary of this Treaty and shall send duly authenticated copies of it to the Governments of the other countries which have signed it and acceded to it.

For the Government of the Argentine Republic:

[Signed]

CARLOS WASHINGTON PASTOR

For the Government of the Republic of Bolivia:

[Signed]

JAVIER CERRUTO CALDERÓN

For the Government of the Federative Republic of Brazil:

[*Signed*]

RAMIRO SARAIVA GUERREIRO

For the Government of the Republic of Colombia:

[*Signed*]

DIEGO URIBE VARGAS

For the Government of the Republic of Chile:

[*Signed*]

RENÉ ROJAS GALDAMES

For the Government of the Republic of Ecuador:

[*Signed*]

GERMÁNICO SALGADO

For the Government of the United Mexican States:

[*Signed*]

JORGE DE LA VEGA DOMÍNGUEZ

For the Government of the Republic of Paraguay:

[*Signed*]

ALBERTO NOGUÉS

For the Government of the Republic of Peru:

[*Signed*]

JAVIER ARIAS STELLA

For the Government of the Eastern Republic of Uruguay:

[*Signed*]

ADOLFO FOLLE MARTÍNEZ

For the Government of the Republic of Venezuela:

[*Signed*]

OSWALDO PAEZ PUMAR
