

- (b) A free-trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations of commerce (except, where necessary, those permitted under Section B of Chapter IV and under Article 45) are eliminated on substantially all the trade between the constituent territories in products originating in such territories.

5. The preferences referred to in paragraph 2 of Article 16 shall not be affected by the formation of a customs union or of a free-trade area but may be eliminated or adjusted by means of negotiations with Members affected. This procedure of negotiations with affected Members shall, in particular, apply to the elimination of preferences required to conform with the provisions of paragraph 4 (a) (i) and paragraph 4 (b).

6. The Organization may, by a two-thirds majority of the Members present and voting, approve proposals which do not fully comply with the requirements of the preceding paragraphs, provided that such proposals lead to the formation of a customs union or of a free-trade area in the sense of this Article.

## **Article 45**

### *General Exceptions to Chapter IV*

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

- (a) (i) Necessary to protect public morals ;  
(ii) Necessary to the enforcement of laws and regulations relating to public safety ;  
(iii) Necessary to protect human, animal, or plant life or health ;  
(iv) Relating to the importation or exportation of gold or silver ;  
(v) Necessary to secure compliance with laws or regulations which are not inconsistent with the provision of this Chapter, including those relating to customs enforcement, the enforcement of monopolies operated under Section D of this Chapter, the protection of patents, trade marks and copy-rights, and the prevention of deceptive practices ;  
(vi) Relating to the products of prison labour ;  
(vii) Imposed for the protection of national treasures of artistic, historic or archæological value ;  
(viii) Relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption ;