

ANNEX XVII

REFERRED TO IN ARTICLE 6.19

ENERGY RELATED SERVICES

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ENERGY RELATED SERVICES¹

Article 1

Scope

This Annex applies to measures affecting trade in energy related services, irrespective of the energy source.

Article 2

Definitions

For the purposes of this Annex:

- (a) **energy related services** means services incidental to exploration, development, production, transmission, distribution or utilisation of energy or energy resources to the extent such specialised services are supplied to energy companies, directly or indirectly through their contractors or sub-contractors;
- (b) **energy companies** means natural or juridical persons holding the exclusive right to undertake exploration, development, production, transmission, distribution or utilisation of energy or energy resources.

Article 3

Sovereignty over Energy Resources

1. The Parties recognise state sovereignty and sovereign rights over energy resources. They reaffirm that such rights must be exercised in a manner consistent with the provisions of the Agreement.
2. The Agreement shall in no way prejudice the rules in the respective Parties governing the system of property ownership of energy resources.
3. Each Party continues to hold, in particular, the rights to decide the geographical areas to be made available for exploration, development, production, transmission, distribution or utilisation of its energy resources, the optimisation of their recovery and the rate at which they may be depleted or otherwise exploited, to specify and enjoy any

¹ This Annex does not apply to Switzerland.

taxes, royalties or other financial payments payable by virtue of such exploration, development, production, transmission, distribution or utilisation, and to regulate the environmental and safety aspects of such exploration, development, production, transmission, distribution or utilisation, and to participate in such exploration, development, production, transmission, distribution or utilisation, *inter alia*, through direct participation by the government or through state owned enterprises.

Article 4

Right to Regulate

1. Consistent with the provisions of the Agreement, each Party retains the right to regulate and to introduce or maintain measures affecting trade in energy related services in order to meet legitimate national policy objectives. Each Party shall endeavour to ensure that such measures are clearly defined, transparent and objective.

2. Each Party shall endeavour to ensure that measures relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards affecting trade in energy related services shall be pre-established and published, based on objective and transparent criteria and relevant to the supply of the services to which they apply.

3. The Parties shall endeavour to ensure transparency of relevant processes relating to the development and application of domestic and international standards by non-governmental bodies.

4. Where technical standards are required and relevant international standards exist, each Party is encouraged to take the relevant parts of them into account in formulating their technical standards, except where such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of national policy objectives.
