4. A Party may apply a bilateral safeguard measure only after an investigation has been carried out by its competent authorities in accordance with the same procedures as provided for in Article 3 and paragraph 2 of Article 4 of the Agreement on Safeguards in Annex 1A to the WTO Agreement (hereinafter referred to as "the Agreement on Safeguards"). Such investigation shall in all cases be completed within one year following its date of initiation.

5. The following conditions and limitations shall apply with regard to a bilateral safeguard measure:

(a) A Party shall immediately make a written notice to the other Party upon:

(i) initiating an investigation referred to in paragraph 4 relating to serious injury, or threat of serious injury, and the reasons for it; and

(ii) taking a decision to apply or extend a bilateral safeguard measure.

(b) The Party making the written notice referred to in subparagraph (a) shall provide the other Party with all pertinent information in that notice, including:

(i) in respect of subparagraph (a)(i), in addition to the reason for the initiation of the investigation, a precise description of the originating product subject to the investigation and its subheading under the Harmonized System, the period to be covered by the investigation and the date of initiation of the investigation; and

(ii) in respect of subparagraph (a)(ii), evidence of serious injury or threat of serious injury caused by the increased imports of the originating product, a precise description of the originating product subject to the proposed bilateral safeguard measure and its subheading under the Harmonized System, a precise description of the proposed bilateral safeguard measure, and the proposed date of introduction and expected duration of the bilateral safeguard measure.

(c) A Party proposing to apply or extend a bilateral safeguard measure shall provide adequate opportunity for prior consultations with the other Party with a view to reviewing the information gained from the investigation referred to in paragraph 4, exchanging views on the bilateral safeguard measure and reaching an agreement on compensation provided for in paragraph 6.

(d) No bilateral safeguard measure shall be maintained except to the extent and for such period of time as may be necessary to prevent or remedy serious injury and to facilitate adjustment, provided that such period of time does not exceed two years. However, in highly exceptional circumstances, a bilateral safeguard measure may be extended, provided that the total duration of the bilateral safeguard measure, including such extensions, does not exceed three years. In order to facilitate adjustment in a situation where the expected duration of a bilateral safeguard measure exceeds one year, the Party maintaining the bilateral safeguard measure shall progressively liberalise it at regular intervals during the period of application.

(e) No bilateral safeguard measure shall be applied again to the import of a particular originating product which has been subject to such a bilateral safeguard measure, for a period of time equal to the duration of the previous bilateral safeguard measure or one year, whichever is longer.

(f) Upon termination of a bilateral safeguard measure, the rate of customs duty on imports on the originating product concerned shall be the rate which would have been in effect but for the bilateral safeguard measure.

6. (a) A Party proposing to apply or extend a bilateral safeguard measure shall provide to the other Party mutually agreed adequate means of trade compensation in the form of concessions of customs duties on imports whose value is substantially equivalent to that of the additional customs duties on imports expected to result from the bilateral safeguard measure.