(i) initiating an investigation referred to in subparagraph 5(a) relating to serious injury, or threat of serious injury, and the reasons for it;

(ii) making a finding of serious injury or threat of serious injury caused by increased imports; and

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

(b) The Party giving the written notice referred to in subparagraph (a) shall provide the other Party with all pertinent information, which shall include:

(i) in the written notice referred to in subparagraph (a)(i), the reason for the initiation of the investigation, a precise description of an originating good subject to the investigation and its heading or subheading of the Harmonized System, on which the Schedules in Annex 1 are based, the period subject to the investigation, and the date of initiation of the investigation; and

(ii) in the written notice referred to in subparagraphs (a)(ii) and (iii), the evidence of serious injury or threat of serious injury caused by the increased imports of the originating good, a precise description of the originating good subject to the proposed safeguard measure and its heading or subheading of the Harmonized System, on which the Schedules in Annex 1 are based, a precise description of the bilateral safeguard measure, the proposed date of its introduction, and its expected duration.

(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 arising from the investigation referred to in subparagraph 5(a), exchanging views on the bilateral safeguard measure and reaching an agreement on compensation set out in paragraph 7.

(d) No bilateral safeguard measure shall be maintained except to the extent and for such time as may be necessary to prevent or remedy serious injury and to facilitate adjustment, provided that such time shall not exceed a period of three years. A bilateral safeguard measure may be extended, provided that the conditions set out in this Article are met. The total duration of the bilateral safeguard measure, including any extensions thereof, shall not exceed four years. In order to facilitate adjustment in a situation where the expected duration of a bilateral safeguard measure is over one year, the Party maintaining the bilateral safeguard measure shall progressively liberalize the bilateral safeguard measure at regular intervals during the period of application.

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

(f) Upon the termination of a bilateral safeguard measure on a good, the rate of the customs duty for that good shall be the rate which, in accordance with the Schedule of the Party applying the bilateral safeguard measure set out in Annex 1, would have been in effect had the bilateral safeguard measure not been applied.

7. (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 substantially equivalent level of concessions or other obligations to that existing under this Agreement.

(b) In seeking compensation provided for in subparagraph (a), the Parties shall hold consultations in the Joint Committee. Any proceedings arising from such consultations shall be completed within 30 days from the date on which the bilateral safeguard measure was applied.