

**EURO-MEDITERRANEAN AGREEMENT ESTABLISHING AN ASSOCIATION BETWEEN THE EUROPEAN COMMUNITY AND ITS MEMBER STATES, OF THE ONE PART, AND THE REPUBLIC OF LEBANON, OF THE OTHER PART<sup>133</sup>**

---

**CHAPTER 2  
COMPETITION AND OTHER ECONOMIC MATTERS**

**Article 35**

1. The following are incompatible with the proper functioning of the Agreement, in so far as they may affect trade between the Community and Lebanon:

- (i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition, as defined by their respective legislation;
- (ii) abuse by one or more undertakings of a dominant position in the territories of the Community or Lebanon as a whole or in a substantial part thereof, as defined by their respective legislation.

2. The Parties will enforce their respective competition legislation and shall exchange information taking into account the limitations imposed by the requirements of confidentiality. The necessary rules for co-operation in order to implement paragraph 1 shall be adopted by the Association Committee within five years of entry into force of the Agreement.

3. If the Community or Lebanon considers that a particular practice is incompatible with the terms of the first paragraph of this Article, and if such practice causes or threatens to cause serious prejudice to the other Party, it may take appropriate measures after consultation within the Association Committee or after thirty working days following referral for such consultation.

**Article 36**

The Member States and Lebanon shall progressively adjust, without prejudice to their commitments respectively taken or to be taken under the GATT, any State monopolies of a commercial character, so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under

---

133 OJ L 143, 30.5.2006, p. 2. Approved by Council Decision of 14 February 2006 concerning the conclusion of the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States of the one part, and the Republic of Lebanon, of the other part. (2006/356/EC)

which goods are procured and marketed exists between nationals of the Member States and of Lebanon. The Association Committee will be informed about the measures adopted to implement this objective.

**Article 37**

With regard to public enterprises and enterprises to which special or exclusive rights have been granted, the Association Council shall ensure that as from the fifth year following the date of entry into force of this Agreement there is neither enacted nor maintained any measure distorting trade between the Community and Lebanon to an extent contrary to the Parties' interests. This provision should not obstruct the performance in law or in fact of the particular tasks assigned to these enterprises.

**JOINT DECLARATION RELATING TO ARTICLE 35**

The implementation of co-operation mentioned in Article 35 paragraph 2 is conditional upon the entry into force of a Lebanese competition law and of the taking up of the duties of the authority responsible for its application.

**DECLARATION BY THE EUROPEAN COMMUNITY RELATING TO ARTICLE 35**

The European Community declares that, in the context of the interpretation of Article 35(1), it will assess any practice contrary to that Article on the basis of the criteria resulting from the rules contained in Articles 81 and 82 of the Treaty establishing the European Community, including secondary legislation.