

## TITLE V

### CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

#### ARTICLE 168

##### Current Account

The Parties shall authorise, in freely convertible currency and in accordance with the provisions of Article VIII of the Articles of Agreement of the International Monetary Fund, any payments and transfers on the current account of balance of payments between the Parties.

## ARTICLE 169

### Capital Account

With regard to transactions on the capital and financial account of balance of payments, following the entry into force of this Agreement, the Parties shall ensure the free movement of capital relating to direct investments<sup>1</sup> made in juridical persons constituted in accordance with the laws of the host country and investments and other transactions made in accordance with the provisions of Title IV (Trade in Services, Establishment, and Electronic Commerce)<sup>2</sup>, as well as the liquidation and repatriation of these investments and of any profit stemming therefrom.

## ARTICLE 170

### Safeguard Measures

1. In the case of Colombia, where, in exceptional circumstances, payments and capital movements cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in Colombia, Colombia may adopt safeguard measures with regard to capital movements for a period not exceeding one year. These safeguard measures may be maintained beyond such period of time for justified reasons when it is necessary to overcome the exceptional circumstances that led to their application. In such event, Colombia shall present in advance to the other Parties the reasons that justify their maintenance.

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<sup>1</sup> For greater certainty, "direct investment" does not mean credits related to foreign trade, portfolio investment according to domestic legislation, public debt and related credit.

<sup>2</sup> For greater certainty, Chapter 7 (Exceptions) in Title IV (Trade in Services, Establishment, and Electronic Commerce) shall also apply to this Title.

2. In the case of Peru and the EU Party, where, in exceptional circumstances, payments and capital movements, cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in Peru or in the European Union, Peru or the EU Party may respectively adopt safeguard measures with regard to capital movements for a period not exceeding one year.
3. The application of safeguard measures pursuant to paragraph 2 may be extended through their formal reintroduction in case of extremely exceptional circumstances and after having coordinated in advance between the Parties concerned regarding the implementation of any proposed formal reintroduction.
4. Under no circumstance may the measures referred to in paragraphs 1 and 2 be used as a means for commercial protection or for the purpose of protecting a particular industry.
5. A Party adopting or maintaining safeguard measures pursuant to paragraphs 1, 2 or 3 shall promptly inform the other Parties of their relevance and scope, and present, as soon as possible, a schedule for their removal.

## ARTICLE 171

### Final Provisions

With the aim of supporting a stable and secure framework for long-term investment, the Parties shall consult with a view to facilitating the movement of capital between them, in particular the progressive liberalisation of capital and financial accounts.