Disclaimer: *In view of the European Commission's transparency policy, the Commission is publishing the texts of the EU-India FTA further to the conclusion of negotiations on 27 January 2026. These texts are published for information purposes only and may undergo further modifications, including as a result of the process of legal revision. These texts are without prejudice to the outcome of the Agreement between the EU and India. The texts will be final upon signing. The Agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement.*

CHAPTER 19

GENERAL PROVISIONS AND EXCEPTIONS

ARTICLE 19.1

Current account

Without prejudice to other provisions of this Agreement, each Party shall allow, in freely convertible currency and in accordance with the Articles of the Agreement of the International Monetary Fund, any payments and transfers with respect to transactions on the current account of the balance of payments that fall within the scope of this Agreement[1].

ARTICLE 19.2

Capital movements

Without prejudice to other provisions of this Agreement, for the purposes of Chapter 8 [Trade in Services], and to the extent of the specific market access commitments undertaken therein, each

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[1] For greater certainty, with respect to Chapter 8 [Trade in Services], this Article [Current Account] applies only to payments and transfers with respect to transactions on the current account of the balance of payments which relate to the specific commitments a Party has made under that Chapter [Trade in Services].

Party shall allow the movement of capital with regard to transactions on the capital and financial account of the balance of payments.

ARTICLE 19.3

Measures affecting capital movements, payments or transfers

Nothing in Articles 19.1 (Current account) and 19.2 (Capital movements) shall be construed as preventing a Party from applying in an equitable and non-discriminatory manner, and not in a way that would constitute a disguised restriction on payments, transfers or capital movement, its laws and regulations relating to:

(a) bankruptcy, insolvency, bank recovery and resolution or the protection of the rights of creditors;

(b) issuing, trading or dealing in financial instruments;

(c) financial reporting or record keeping of capital movements, payments or transfers where necessary to assist law enforcement or financial regulatory authorities;

(d) criminal or penal offenses, deceptive or fraudulent practices and the recovery of the proceeds of crime;

(e) compliance with orders, judgments, decisions or awards in judicial, quasi-judicial, administrative or arbitral proceedings;

(f) social security, public retirement or compulsory savings schemes; or

(g) taxation.

ARTICLE 19.4

Temporary safeguard measures

1. In exceptional circumstances of serious difficulties for the operation of the Union's economic and monetary union or, in the case of India, for the operation of the monetary and exchange rate policy, or threat thereof, the Party concerned may adopt or maintain safeguard measures with regard to capital movements, payments or transfers until a period of normalcy is restored.

2. The measures referred to in paragraph 1 shall be limited to the extent that is strictly necessary.

ARTICLE 19.5

Restrictions in case of balance of payments and external difficulties

1. Where a Party experiences serious balance-of-payments or external financial difficulties, or threat thereof, it may adopt or maintain restrictive measures with regard to capital movements, payments or transfers.[2]

2. The measures referred to in paragraph 1 shall:

(a) be consistent with the Articles of the Agreement of the International Monetary Fund;

(b) not exceed those necessary to deal with the circumstances described in paragraph 1;

(c) be temporary and phased out progressively as the situation specified in paragraph 1 improves;

(d) avoid unnecessary damage to the commercial, economic and financial interests of the other Party; and

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[2] For greater certainty, serious balance of payments or external financial difficulties, or threat thereof, may be caused among other factors by serious difficulties related to monetary or exchange rate policies, or threat thereof.

(e) be non-discriminatory compared to third countries in like situations.

3. In the case of trade in goods, each Party may adopt or maintain restrictive measures in order to safeguard its external financial position or balance -of -payments. Those measures shall be in accordance with the General Agreement on Trade and Tariffs (GATT 1994) and the Understanding on the Balance of Payments provisions of the General Agreement on Tariffs and Trade 1994.

4. In the case of trade in services, each Party may adopt or maintain restrictive measures in order to safeguard its external financial position or balance of payments. Those measures shall be in accordance with Article XII of the General Agreement on Trade in Services (GATS).

5. A Party maintaining or having adopted measures referred to in paragraph 1 shall promptly notify them to the other Party.

6. To the extent that it does not duplicate the process under the WTO or the International Monetary Fund, the Party adopting or maintaining any restrictions under paragraph 1 shall, upon the request of the other Party, promptly commence consultations with the other Party in the Committee on Trade in Goods or Committee on Trade in Services, as appropriate, from the date of notification in order to review the measures adopted or maintained by it.

ARTICLE 19.6

Disclosure of information and treatment of confidential information

1. Nothing in this Agreement shall be construed to require a Party to make available confidential information, the disclosure of which would:

(a) impede law enforcement;

(b) otherwise be contrary to the public interest;

(c) be prohibited under its laws and regulations; or

(d) prejudice the legitimate commercial interests of particular enterprises, public or private;

except where a panel requests such confidential information in dispute settlement proceedings under Chapter 17 [Dispute Settlement]. If such information is provided, the panel shall ensure that confidentiality is fully protected.

2. When a Party submits information to the other Party, the Joint Committee or specialised committees, which is considered as confidential under its laws and regulations, and which is designated as such, the other Party shall treat that information as confidential.

3. Confidential information provided pursuant to this Agreement shall be used only for the purposes for which it was provided.[3]

4. Notwithstanding paragraphs 2 and 3, confidential information provided pursuant to this Agreement may be transmitted to a third-party subject to prior consent of the Party providing the information.

ARTICLE 19.7

General exceptions

1. For the purposes of Chapter 2 [National treatment and market access for goods], Chapter 3 [Rules of ·Ɔrigin], Chapter 4 [Customs and trade facilitation], Chapter 5 [Sanitary and Phytosanitary Measures], Chapter 6 [Technical Barriers to Trade], Chapter 9 [Digital trade] and Article 19.1 (Current Account), Article XX of GATT 1994, including its Notes and Supplementary Provisions, is incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like

[3] For greater certainty, this also includes judicial or quasi-judicial proceedings relating to the purpose for which the information was provided.

conditions prevail, or a disguised restriction on trade in services, nothing in Chapter 8 [Trade in Services], Chapter 9 [Digital Trade], Article 19.1 (Current Account) and Article 19.2 (Capital Movements) shall be construed to prevent the adoption or enforcement by either Party of measures:

(a) necessary to protect public security[4] or public morals, or to maintain public order[5];

(b) necessary to protect human, animal or plant life or health; or

(c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on services contracts;

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts; or

(iii) safety.

(d) inconsistent with Article 8.X [National Treatment-Trade in Services], provided that the difference in treatment is aimed at ensuring the equitable or effective[6] imposition or collection of direct taxes in respect of services or service suppliers of the other Party;

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[4] For greater certainty, for the purposes of Chapter 8 [Trade in Services], Chapter 9 [Digital Trade], Article 19.1 (Current Account) and Article 19.2 (Capital Movements), public security may cover measures to protect critical public infrastructure, whether publicly or privately owned, relating to communications, power and water infrastructure from deliberate attempts intended to disable or degrade such infrastructure.

[5] The public security and public order exceptions may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

[6] Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which:

(e) inconsistent with Article 8.X [Most-Favoured-Nation-Trade in Services], provided that the difference in treatment is the result of an agreement on the avoidance of double taxation or provisions on the avoidance of double taxation in any other international agreement or arrangement by which the Parties are bound.

ARTICLE 19.8

Security exceptions

Nothing in this Agreement shall be construed:

(a) apply to non-resident service suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory; or

(b) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory; or

(c) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or

(d) apply to consumers of services supplied in or from the territory of another Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory; or

(e) distinguish service suppliers subject to tax on worldwide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or

(f) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base.

Tax terms or concepts in point (d) of Article 19.7(2) and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

(a) to require a Party to furnish or allow access to any information the disclosure of which it considers contrary to its essential security interests; or

(b) to prevent a Party from taking any action which it considers necessary for the protection of its essential security interests:

(i) relating to the production of or traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods and materials, services and technology, and to economic activities, carried out directly or indirectly for the purpose of provisioning a military establishment;

(ii) relating to fissionable and fusionable materials or the materials from which they are derived; or

(iii) taken in time of war or other emergency in international relations; or

(c) to prevent a Party from taking any action in pursuance of its obligations under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 19.9

Taxation

1. Nothing in this Agreement shall affect the rights and obligations of either India or the European Union or its Member States, under any tax convention. In the event of any inconsistency between this Agreement and any such tax convention, the tax convention shall prevail to the extent of the inconsistency.

2. Article 8.X [Services (Most-favoured-nation treatment)] shall not apply to an advantage accorded by a Party pursuant to a tax convention.