

Security Exceptions for Investment (Annex 4)

1. The Parties confirm the following understanding with respect to the interpretation and/or implementation of Chapter 6 on Investment of the India-Singapore Comprehensive Economic Cooperation Agreement (the “Agreement”):

- (a) the measures referred to in paragraph 2 of Article 6.12 of the Agreement are measures where the intention and objective of the Party imposing the measure is for the protection of its essential security interests. These measures shall be imposed on a non-discriminatory basis and may be found in any legislation or regulation:
 - (i) In the case of Singapore – Singapore does not presently adopt or maintain any unilateral measures against a non-Party or investor of a non-Party in its legislation or regulation; and
 - (ii) In the case of India – The applicable measures referred to in paragraph 2 of Article 6.12 of the Agreement are essentially set out in the regulations framed under the Foreign Exchange Management Act (FEMA). India shall upon request by Singapore, provide information on the measures concerned; and
- (b) the measures which a Party adopts or maintains with respect to a non-Party or investors of a non-Party shall not impinge upon the other Party’s sovereign rights to conduct its foreign policy nor shall it prohibit companies of foreign companies that are subject to such measures from establishing themselves in the other Party.