



EMBASSY OF ICELAND
Icelandic Mission to the EU

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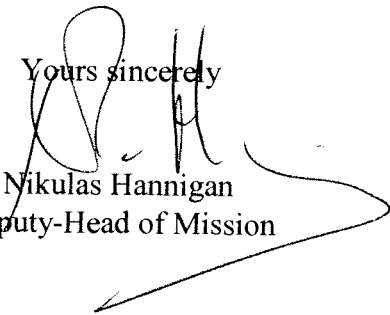
Reference is made to the notification of the Icelandic Government of protective measures under Article 43 of the EEA Agreement dated 28 November 2008 concerning measures that the Government introduced against the background of the current financial crisis, as well as to the notification of the Government dated 1 April 2009 of developments regarding these measures. As argued in the first notification the protective measures were deemed necessary to prevent cross-border capital flow to the detriment of the Icelandic krona (ISK) that could undermine the economic package introduced by the Government in cooperation with the International Monetary Fund.

The Government has decided to modify the notified measures by taking the first step towards liberalising the capital controls and in order to prevent circumvention that has been identified under the current regime.

Enclosed is the formal notification of the modification to the Standing Committee. Due to the urgency of the matter the Government refers to the procedure permitted under Article 1(2) of Protocol 2 to the Agreement on the Standing Committee, where notice shall be given to the Standing Committee at the latest by the date of entry into force of the measures. Furthermore, for the same reason, a notification is given to the Joint Committee simultaneously according to Article 45(5) of the EEA Agreement.

The Icelandic Government is available to supply any additional information requested and to have consultations on the matter. The Government will furthermore keep the Standing Committee informed of further developments as before.

Yours sincerely


Nikulas Hannigan
Deputy-Head of Mission

Copy:

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