

AGREEMENT BETWEEN UKRAINE AND THE REPUBLIC OF ARMENIA ON FREE TRADE

Ukraine and the Republic of Armenia (hereinafter referred to as "the Contracting Parties"),

Desiring to develop trade and economic cooperation between the Parties on a basis of equality and mutual benefit,

Proceeding from the sovereign right of each State to pursue independent foreign economic policy,

Intending to contribute to the development of economic activity, full employment, increase of efficiency and effective utilization of resources,

Desiring to contribute to the sustainable development and growth of the world trade, and the elimination of barriers to its development,

Reaffirming their intentions to become Parties to the General Agreement on Tariffs and Trade (GATT), sharing purposes and principles of GATT and taking into consideration the results of agreements and understandings reached within the framework of the Uruguay Round of Multilateral Trade Negotiations,

Have agreed as follows:

Article 1

1. The Parties shall not apply duties, taxes and charges having equivalent effect on export and/or import of goods originating from the customs territory of one Party and intended for the customs territory of the other Party. Exceptions to this trade regime may be made according to an agreed commodity nomenclature, which forms an integral part of the present Agreement, if the Contracting Parties deem it necessary.

2. For the purposes of the present Agreement and for the period of its implementation the goods originating in one of the Contracting Parties mean the goods specified in the Rules of Determining Country of Origin of Goods of September 23, 1993, determined by the Decision of the Council of the Heads of Governments of the Commonwealth of Independent States.

Article 2

Each Party shall not:

directly or indirectly impose internal taxes and charges on goods, covered by the present Agreement exceeding the relevant taxes and fees levied on domestically produced like goods;

apply to the warehousing, shipment, storage, transportation of goods originating in the

other Contracting Party, as well as to the requirements and transfer of payments, rules other than those applied in similar cases to domestically produced goods.

Article 3

The Contracting Parties shall refrain in their mutual trade from applying discriminatory measures, imposing quantitative restrictions or equivalent measures on exports and imports of goods under the present Agreement.

The Parties may, by mutual consent, establish quantitative or other special restrictions.

These restrictions shall be of exceptional character and shall be applied only in cases provided for in agreements within the framework of the GATT.

The Contracting Party which applies quantitative restrictions in accordance with this article shall present, if possible in advance, to the other Party complete information regarding the main reasons of such imposition, the form and expected period of application of the said restrictions, which is to be followed by the consultations.

Article 4

The Contracting Parties shall regularly exchange information about:

laws and other normative acts relating to economic activity, including those regarding trade, investment, taxation, banking and insurance, and other financial services, transportation and customs, including customs statistics.

The Contracting Parties shall immediately inform each other about changes in their national legislation that may affect the implementation of the present Agreement.

The authorised bodies of the Contracting Parties co-ordinate the procedures for the exchange of such information.

Article 5

The Contracting Parties recognise unfair business practices to be incompatible with the purposes of the present Agreement and undertake in particular, but not exclusively, to prohibit the following methods thereof:

- agreements between enterprises, decisions taken by associations of enterprises, and common methods of business practice which interfere with or restrict competition or which adversely affect the conditions for it on the territory of a Contracting Party;

- actions by which one or several enterprises use their predominant position to restrict competition on the whole or significant part of the territory of a Contracting Party.

Article 6

In the course of applying tariff and non-tariff measures to regulate their bilateral economic relations, to exchange statistical information, to conduct customs procedures, the Contracting Parties shall use the uniform nine digits Commodity Nomenclature of the Foreign Economic Activity (CN FEA), based on the Harmonised Commodity Description and Coding System and Combined Tariff and Statistical Commodity Nomenclature of the European Economic Community. However, if deemed necessary, the Contracting Parties shall develop a Commodity Nomenclature beyond nine digits.

The introduction of a standard form of the Commodity Nomenclature is carried out on a mutual basis through the missions in the relevant international organisations.

Article 7

1. The Contracting Parties agree that respect for the principle of freedom of transit is a most important condition for the achievement of the objectives of the present Agreement and an essential element of the process of becoming a part of the system of international distribution of labour and co-operation.

To this effect each Contracting Party safeguards unimpeded transit of goods originating in the customs territory of the other Contracting Party and/or any other state and intended for the customs territory of the other Contracting Party or any other state. Each Contracting Party shall provide exporters, importers or carriers with all available means and services, necessary for the transit, upon conditions no worse than those available to domestic exporters or importers as well as for exporters, importers or carriers of any third state.

2. The procedure and conditions for the transit of goods in the territories of the states is regulated in accordance with the international transport rules.

Article 8

The present Agreement does not prevent the right of either Contracting Party, where deemed necessary, to take measures generally accepted in the international practice to protect its vital interests or where they are clearly necessary to carry out international agreements to which it is party or intends to become party, if such measures relate to:

- information which concerns the interests of national defence;
- trade in weapons, ammunition and military technology;
- research or production related to the defence needs;
- supply of materials and equipment used in nuclear industry;
- protection of public morals, and public order;
- protection of industrial or intellectual property;
- gold, silver or other precious metals and stones;
- protection of the health of people, animals and plants.

Article 9

With a view to the conduct of a coordinated policy of export control of policy towards third countries the Contracting Parties shall conduct regular consultations and take mutually agreed measures to create the effective system of export control.

Article 10

The provisions of the present Treaty replace the provisions of bilateral agreements concluded earlier between the Contracting Parties to the extent they are incompatible or identical.

Article 11

Disputes between the Contracting Parties regarding the interpretation or application of the provisions of the present Agreement shall be settled by way of negotiations.

The Contracting Parties shall seek to avoid conflict situations in mutual trade.

Each Contracting Party shall ensure the existence on its territory effective means for recognition and implementation of arbitration awards.

Article 12

To achieve the objectives of the present Agreement and develop recommendations with regard to the improvement of trade and economic co-operation between the two countries the Contracting Parties agree to establish a joint Turkmenian- Ukrainian Commission.

Article 13

The present Agreement shall come into force on the date of exchange of notifications that all requirements for its entry into force have been fulfilled, and it shall remain in force until the expiration of twelve months after the date upon which one of the Contracting Parties transmits to the other Party a written notification of intention of its termination.

After the termination of this Agreement its provisions shall be applied to contracts between enterprises and organizations of the Contracting Parties concluded but not performed during the period of implementation of the Agreement.

DONE at the city of Kyiv on October 7, 1994, in two authentic copies, each in the Ukrainian, Armenian and Russian languages, all texts being equally authentic.

For the purpose of interpretation of this Agreement, the Russian text shall prevail.

For Ukraine

For the Republic of Armenia