FREE TRADE AGREEMENT BETWEEN AZERBAIJAN, ARMENIA, BELARUS, GEORGIA, MOLDOVA, KAZAKHSTAN, THE RUSSIAN FEDERATION, UKRAINE, UZBEKISTAN, TAJIKISTAN AND THE KYRGYZ REPUBLIC

AGREEMENT ON THE CREATION OF A FREE-TRADE AREA

The Member States of this Agreement, hereinafter referred to as the Contracting Parties,
Confirming their adherence to free development of a mutual economic cooperation,
Introducing in practice the principles of market economy,
Acting towards the successive implementation of provisions of the Agreement on the Creation of Economic Union, as of 24 September 1993, the city of Moscow,
Forming the conditions for a free transference of goods and services,
Providing mutual trade balance and stabilization of domestic economic condition of the participating states,
Promoting the growth of economic potential of the Member States on the basis of the development of mutually beneficial cooperation relations and cooperation,
Being guided by aspiration to the regular increase of living standard of the population of their states,
Proceeding from a stage-by-stage creation of the Economic Union,
Entering into the Agreement on the Creation of a Free-trade area, further referred to as the Agreement,
Hereby agreed as follows:

Article 1
General

1. For the achievement of the objectives of this Agreement, the Contracting Parties shall provide cooperation in solving concrete tasks of the first stage of the creation of the Economic Union, directed at:
- a gradual cancellation of customs duties, taxes and levies which have equivalent effect and quantitative restrictions in mutual trade;
- elimination of other barriers to a free transfer of goods and services;
- creation and development of an effective system of mutual settlements and payments on trade and other transactions;
- coordination of trade policy with respect to the countries which are not signatories to this Agreement;
- coordination of economic policy to that extent to which this is necessary to achieve the objectives of the Agreement (in the area of industry, agriculture, transport, finance, investment, social sphere, development of fair competition, and etc.);
- promotion of cooperation of different branches, intra-branch and scientific technical cooperation:
- harmonization and/or unification of legislation of the Contracting Parties to that extent to which this is necessary for the proper and efficient functioning of a free-trade area.

2. Territory of the Agreement shall cover customs territories of the Contracting Parties.
3. If the meaning of terms is not specifically defined in the Agreement or by any other arrangement of the Contracting Parties, then in their interpretation the Contracting Parties will follow the provisions of the Vienna Convention on the Right of International Agreements of 1969.

Disagreements in connection with the interpretation of the Agreement or of its individual terms will be settled by the procedure accepted for the regulation of disputes in connection with this Agreement.
4. The Contracting Parties will refrain from actions that contradict the provisions of this Agreement and prevent from achieving its objectives. This provision concerns, in particular, terms and conditions of participation of the Contracting Parties in other regional economic groups, as well as other issues connected with the regulation of relations within the framework of the Agreement.

Article 2
Regime with respect to non-member states

The Contracting Parties shall reserve the right to a self-dependent and independent determination of a regime of foreign economic relations with the States which are not signatories to this Agreement.

Article 3
Customs duties, taxes and levies which have equivalent effect and quantitative restrictions

1. The Contracting Parties shall not apply customs duties, taxes and levies which have equivalent effect and quantitative restrictions to importation and/or exportation of goods originating in customs territory of one of the Contracting Parties and intended for customs territory of other Contracting Parties. Exceptions to this trade regime shall be formulated in the form of documents which are integral part of this Agreement.
2. In compliance with paragraph 1 of this Article the Contracting Parties will develop and coordinate within six months from the date of entry into force of this Agreement a general Schedule of exceptions to free trade regime and methods of application and of a stage-by-stage cancellation of such exceptions for a transitional period before the creation of a free-trade area.
3. Before the general Schedule of exceptions is agreed, current bilateral agreements on free trade and protocols on exceptions to this regime will be applied in relations between the Contracting Parties, unless otherwise provided by bilateral agreements.
4. The country of origin of a commodity shall be determined in compliance with the Rules of Determining a Country of Origin of Goods which are integral part of this Agreement (Annex I).

Article 4
Technical and other special requirements (restrictions)

1. For purposes of eliminating technical barriers and other restrictions of similar nature in mutual trade, the Contracting Parties will seek the harmonization of technical and other special requirements and the agreement of their policy in this area.
2. The Contracting Parties will instruct their competent bodies to develop relevant proposals for the implementation of the provisions of the first paragraph hereof on a multilateral or bilateral basis.

Article 5
Goods importation and exportation related levies and formalities

1. All levies and payments (except customs duties, taxes, and levies equivalent to them) established in mutual trade by the Contracting Parties in connection with importation or exportation of goods should not exceed within reasonable limits immediate actual costs.
2. The Contracting Parties will inform of the kinds of levies and payments and will seek an agreed reduction of their number and rates.
3. The Contracting Parties shall seek simplification and unification of administrative formalities.
4. The provisions of this Article shall apply in particular to levies and formalities relating to: quantitative restrictions; licensing; currency control; statistical accounting; documents, documentation, and certification of documents; analyses and inspection; quarantine, sanitary service, fumigation, and other.

Article 6
Unification and/or harmonization of customs procedures

1. The Contracting Parties will take measures for a maximum simplification and unification of customs formalities, in particular, by introducing single forms of customs and goods accompanying documentation, being guided by current international agreements and arrangements.
2. The Contracting Parties will instruct their competent bodies to develop proposals concerning the harmonization of customs procedures and a mutual admission of customs documents and customs sealing or fixing identification marks.

Article 7
Goods nomenclature

1. In implementing measures of tariff and non-tariff regulation, maintaining statistical accounting and exchanging statistical information, as well as for customs control and clearance, the Contracting Parties will apply Goods Nomenclatures of foreign economic activity based on the Harmonized Commodity Description and Coding System. And for their own needs the Contracting Parties shall, if necessary, carry out further development of national goods nomenclatures.
2. The Russian Federation shall carry out the maintenance of a standard copy of the Harmonized Commodity Description and Coding System through the existing representative offices in relevant international organizations, until other Contracting Parties declare their independent maintenance of the standard copy.

Article 8
Domestic taxes and other fiscal levies

1. The Contracting Parties will not directly or indirectly impose taxes and fiscal levies on goods originating in customs territory of other Contracting Parties in the amount exceeding their level for national goods.
2. The Contracting Parties will present full information on all current taxes and other fiscal levies.

Article 9
Subsidies

The Contracting Parties have agreed not to provide export and other subsidies to the enterprises located on their territories if as a result of providing such subsidies terms and conditions of fair competition are violated.

Article 10
Transit

1. The Contracting Parties agree that the observance of the principle of free transit is the most important condition for achieving the objectives of this Agreement and an essential element of the process of attaching them to the system of international division of labour and cooperation.
2. Transit transportation should not be subject to groundless delays or restrictions.
3. Conditions for transit including tariffs on transportation by any kind of transport and rendering services should not be worse than the conditions provided by the Contracting Parties for their own consignors and consignees and for their goods, as well as for carriers and vehicles for this Contracting Party, or provided to consignors, consignees, their goods, carriers and vehicles of any other foreign State, unless otherwise provided by bilateral agreements.

Article 11
Re-exportation

1. No Contracting Party will permit a non-sanctioned re-exportation of goods for export of which other Contracting Parties, on the territory of which these goods originate, shall apply measures of tariff and/or non-tariff regulation.
2. The Contracting Parties will not prevent business entities from including into contracts provisions affecting re-exportation of goods.
3. The issues concerning re-exportation of goods shall be regulated in compliance with the Agreement on Re-exportation of Goods and Procedure of Granting a Permit for Re-exportation (Annex II) which is integral part of this Agreement.

Article 12
Production cooperation and scientific technical cooperation

The Contracting Parties will further the development of production cooperation and scientific technical cooperation on the interstate (inter-branch, regional) level and on the level of business entities, as well as by providing different forms of state support.

Article 13
Exceptions

General Exceptions
1. This Agreement shall not hamper the right of any of the Contracting Parties to accept measures of state regulation in the area of foreign economic relations generally accepted in international practice, that it considers necessary for the protection of its vital interests or which are undoubtedly necessary for the implementation of international agreements of which it is a signatory or is intended to become a signatory, if these measures concern:
- protection of public moral and order;
- protection of life and health of people;
- protection of animals and plants;

- protection of environment;
- protection of artistic, archeological and historical values which are national treasure/property;
- protection of industrial and intellectual property;
- trade in gold, silver or other precious metals and stones;
- preservation of exhaustible natural resources;
- limitations of products export if domestic prices for them are lower than the world prices as a result of implementation of State support programmes;
- violation of balance-of-payments.

Exceptions for the reasons of safety

2. Nothing in this Agreement shall hamper the right of any of the Contracting Parties to accept any measures of state regulation that it considers necessary, if these measures concern:
- ensuring national security, including the prevention of leakage of confidential information that relates to a State's secret;
- trade in weapons, military equipment and ammunitions and rendering military services, transfer of technologies and rendering services for the production of arms and military equipment, and for other military purposes;
- delivery of fissionable materials and sources of radio-active substances, utilisation of radio-active wastes;
- measures applied in military time or under other extraordinary circumstances in international relations;
- actions for the fulfilment of obligations on the basis of the UN's Charter to preserve the international peace and safety.

Article 14

The procedure of introducing measures of state regulation

1. The Contracting Party shall in advance notify other Contracting Parties about the reasons, nature and expected terms of introduction and validity of measures of state regulation.
2. The Contracting Parties shall conduct preliminary consultations and shall work out recommendations. In the event that it is impossible to make an agreed decision within a 6-monthly period, the Contracting Party mentioned in paragraph 1 hereof shall have the right to introduce measures of state regulation as it thinks best.
3. In specific cases which brook no delay, the Contracting Party shall have the right to introduce measures of state regulation in the area of foreign economic activity, notifying at the same time and subsequently and immediately conducting consultations with other Contracting Parties.

Article 15

Cooperation in the area of export control

The Contracting Parties shall cooperate and carry out agreed actions in the issues of export control.

Article 16

Coverage of the agreement with respect to goods

Free-Trade Area regime shall apply to goods originating in customs territory of the Contracting Parties and intended for customs territory of the Contracting Parties.

Article 17
Services

1. The Contracting Parties will, on the basis of mutuality, seek a gradual cancellation of restrictions with a view to create conditions for free rendering services within the territory of the Agreement.
2. The Contracting Parties will determine types of services which are subject to this Article and will single out priority types of services in the area of immediate service of trade turnover with respect to which the issues of liberalization of importation and exportation are to be immediately solved.
3. The Contracting Parties shall reserve the right to coordinate issues connected with rendering services both on a multilateral and bilateral basis.

Article 18
Exchange of information on legal regulation of foreign economic relations

The Contracting Parties shall, in accordance with agreed procedure, provide each other with information on domestic legal regulation of foreign economic relations.

Article 19
Procedure of dispute settlement

1. Any disputes and disagreements between the Contracting Parties concerning the interpretation and/or application of provisions of this Agreement, as well as other disputes affecting rights and obligations of the Contracting Parties under this Agreement or in connection with it, shall be settled in the following way:
- the interested Contracting Parties conduct immediate consultations between each other or by mutual consent with the participation of representatives of other Contracting Parties;
- within the framework of a special conciliatory procedure (by creating working parties to study materials of dispute and work out recommendations);
- in the Economic Court of the CIS;
- within the framework of other procedures provided by international law.
2. Transition to the subsequent procedure is possible by mutual consent of the Contracting Parties between which disputable questions or disagreements arose, or by the order of one of them if agreement is not reached within six months from the day of the beginning of the procedure.

Article 20
Correlation of this agreement with other obligations and rights of the contracting parties

1. Nothing in this Agreement can be considered as something that prevents any of the Contracting Parties from fulfilling the taken obligations in compliance with any other international agreement of which this Contracting Party is a signatory or may be a signatory, provided these obligations do not contradict the provisions and objectives of this Agreement.
2. The provisions of this Agreement shall not affect the rights and advantages provided within the framework of a regional cooperation, frontier and coastal trade, preferences, free economic

and customs areas regulated by domestic legislation or on the basis of international agreements.
3. The Contracting Party that intends to conclude preferential trade and integration agreements with Non-Member States of this Agreement shall in advance notify other Contracting Parties about this and shall inform them of expected conditions of its participation in the mentioned agreements.
4. For the purpose of this paragraph, the Contracting Parties shall be the Contracting Parties who signed this Agreement and the States that joined it.

Article 21
Transition to a customs union

A free-trade area shall be considered a transitional stage to the formation of a customs union. A customs union can be created by the States which will express their desire to continue cooperation within its framework and will fulfill the terms and conditions of this Agreement.

Article 22
Amendments and supplements

1. This Agreement may be supplemented and amended by mutual consent of the Contracting Parties.
2. Reservations to this Agreement shall not be permitted.

Article 23
Entry into force

1. This Agreement is temporarily applied on the day it is signed and shall come into force on the date of giving a depositary a third notification on the fulfilment by the signatory Contracting Parties of all necessary interstate procedures.
2. The Republic of Belarus is the depositary of this Agreement.
3. Upon the expiration of one year from the date of signing of this Agreement, the Contracting Parties for which the Agreement has come into force may take a decision regarding the participation in the Agreement of the Contracting parties for which the Agreement is temporarily applied.

Article 24
Joining

1. This Agreement shall be open for any Member State of the Community of Independent States for joining that recognizes the provisions of the Agreement effective on the moment of joining and expresses its readiness to fulfill them in full volume.
2. The joining shall be carried out on terms and according to procedure established in a separate agreement with a joining state that is preliminarily agreed and is to be approved by all the Contracting Parties in compliance with their interstate procedures.

Article 25
Termination of participation in the agreement

1. Any Contracting Party may terminate its participation in the Agreement by sending, six months before leaving, an official written notification to other Contracting Parties concerning its intention to leave the Agreement.
2. In the event that any of the Contracting Parties violates the provisions of this Agreement that causes a serious damage for the achievement of its objectives, other Contracting Parties shall have the right to make a decision on the suspension of validity of the Agreement or of its individual provisions with respect to this Contracting Party or to make a decision on its individual provisions with respect to this Contracting Party or to make a decision on its exclusion from the number of the Agreement Members.
3. For purposes of settling possible disputes and claims, as well as those of material nature, the provisions of this Agreement continue to be effective with respect to the Contracting Party that terminated its participation up to the full regulation of all the requirements.
Done in the city of Moscow on 15 April 1994, in one original copy, in the Russian language. The original copy is with the Archive of the Government of the Republic of Belarus that will send the Contracting Parties, signatories of this Agreement, its certified copy.

ANNEX I

Decision on Rules of Determining a Country of Origin of Goods
(in the wording of the Decision as of 15 April 1994 and the Decision as of 18 October 1996)

The Council of the Heads of the Governments of the Community of Independent States (CIS) with a view to develop foreign economic activity of Member States of the ClS decided:

- to approve the Rules of Determining a Country of Origin of Goods (attached).

Done in the city of Moscow on 24 September 1993, in one original in the Russian language. The original is kept with the Archive of the Government of the Republic of Belarus that will send its certified copy to the Sates which signed this Decision.

(Signatures)

ATTACHMENT

Approved by the Decision of the Council of the Heads of the Governments of the Community of Independent States on Rules of Determining a Country of Origin of Goods, as of 24 September 1993

Rules of determining a country of origin of goods

1. These Rules are effective with respect to goods originating in the CIS States and circulating in the trade between these States.

For the purposes of these Rules:

(a) the term "CIS States" shall mean States of the Community of Independent States that signed the Agreement on Cooperation in the Area of Foreign Economic Activity (15 May 1992, Tashkent);
(b) the term "country of origin of goods" shall mean a CIS State where a product was fully produced or subject to sufficient processing. For using the criterion of sufficient processing, a cumulative principle of origin can be used, i.e. in sufficient processing of a product in the CIS States, these States shall, for purposes of determining origin, be considered as one whole;
(c) the term "criterion of sufficient processing" shall mean a criterion according to which a product, in the production of which two or more countries participate, is considered originating in the country in which it was subject to the last considerable processing that is enough to give the product its characteristics;
(d) the term "customs control" shall mean the whole complex of measures carried out by national customs bodies with a view to provide the observance of the national customs business legislation, as well as national legislation and international agreements the implementation of which is controlled by the customs bodies;
(e) the term "goods" shall mean any movable property, as well as thermal, electric and other kinds of power transferred through customs border;
(f) the term "goods nomenclature" shall mean Goods Nomenclature of Foreign Economic Activity (GN FEA) applied in the CIS Member States on the basis of the Harmonized Commodity Description and Coding System and the Combined Tariff Statistical Nomenclature of the EC.

The procedure of determining a country of origin of goods imported to customs territory of the CIS Member States from third countries and exported from these States shall be regulated by national legislation of the CIS Member States.

2. A country of origin of a product is considered a State where the product was fully produced or subject to sufficient processing.

The following goods shall be considered fully produced in this country:

(a) natural resources mined on its territory or in its territorial waters, on its continental shelf and in sea insides if the country has exclusive rights to the development of these insides;
(b) vegetable products grown and gathered on its territory;
(c) alive animals born and raised in it;
(d) products got in this country, of animals raised in it;

(e) products of hunting, fishery and sea business produced in it;
(f) products of sea business mined and/or produced in the World Ocean by vessels of this country or vessels that it rents (freights);
(g) secondary raw material and wastes which are the result of performed and other operations being carried out in this country;
(h) products of high technologies got in open space on space vessels which belong to this country or this country rents them;
(i) goods produced in this country using exclusively the products mentioned in sub-paragraphs "a"-"h" of paragraph 2.

4. Where two or more countries participate in the production of a product, its origin shall be determined in compliance with the criterion of "sufficient processing".

5. The criterion of "sufficient processing" may be manifested by:

(a) Rule that requires changes of tariff lines of the relevant goods nomenclature with a list of exceptions;1
(b) Schedule of production or technological processes sufficient or insufficient for the product to be considered originating in that country where these processes took place;
(c) Rule of "ad valorem portion" when an interest part of value of the materials used or added value reaches a fixed limit of ex-mill price of the delivered product;
The conditions mentioned in sub-paragraphs "a" and "b" may relate to both operations performed with a product and to the rule of "ad valorem portion".

6. In the event that for specific goods or a specific country (countries) the criteria of origin of goods are not specially specified, a general rule shall be applied, in compliance with which a product is considered to be subject to sufficient processing if its heading (the classification code of the product) according to the Goods Nomenclature on the level of any of the first four digits changed.

The following is not considered to meet the criterion of "sufficient processing":

(a) operations on providing safety of goods during storage or transportation;
(b) operations on preparing goods for sale and transportation (dividing a shipment, forming shipments, sorting, re-packing);
(c) simple assembling operations;
(d) mixing goods (components) without giving to the obtained product characteristics essentially different from its initial constituents;
(e) combination of two or the greater number of the afore-mentioned operations;
(f) slaughter of cattle.

7. Where the criterion of "sufficient processing" is manifested through the ad valorem portion, cost indexes are calculated:

(a) for imported materials - on the basis of customs value, i.e. a value subject to customs taxation during importation (on the basis of CIF) or, in the event that origin is unknown - on the basis of fixed price of the first sale on the territory of the country where production is carried out;

(b) for final products - on the basis of ex-mill price or the seller's export price.

8. Articles disassembled or unassembled and delivered in several lots, when due to production or transport conditions their shipment in one lot is impossible,2 must be considered in accordance with importer's desire as a single article for determining origin.3

9. For purposes of determining origin of goods, origin of thermal and electric power, machinery, equipment and tools used for their production shall not be taken into account.

10. A product is considered originating in customs territory of a Member State of the Agreement on the Creation of a Free Trade Zone, as of 15 April 1994, if it corresponds to the criteria of origin established by these Rules and is exported by a resident of a Member State of this Agreement and imported by a resident of one of the Member States of this Agreement from customs territory of another Member State of this Agreement. A resident shall mean an organization created on the territory of this State, or a natural person who permanently lives on the territory of this State.

11. To prove origin of a product in customs territory of a Member State of the Agreement on the Creation of a Free Trade Zone, it is necessary to submit to the customs bodies of the State of Importation a declaration-certificate of origin of the product (the form ST-1 is attached) granted by the authorized body of the country of origin - a Member of the Agreement on the Creation of a Free-Trade Zone.

12. In the exportation of goods from member States of the CIS a certificate of origin shall be granted by the body of the country of origin of the product which is authorized in compliance with national legislation.

The CIS Member States shall exchange specimens of seals/stamps of the bodies and signatures of persons authorized to certify certificates. If the mentioned specimens are not provided, certificates shall be considered invalid, and the preferences provided by agreements on trade regime shall not apply to goods.

13. The certificate should contain the following necessary information concerning the product for which it is granted:

(a) name and address of the exporter;
(b) name and address of the importer;
(c) vehicles and route (as far as it is known);
(d) number of places and type of packing, description of the product that contains all information necessary for the identification of the product;
(e) gross weight and net.4

14. Certificate of origin should simply testify that this product originates in the relevant country, i.e. it should contain:

(a) a written declaration of the exporter that shows that the product meets the relevant criterion of origin;

(b) a written certificate of the competent body that has granted a certificate that says information in the certificate provided by the exporter corresponds to reality.

15. Certificate of origin shall be submitted to the customs bodies in the typed form, with no corrections and in Russian.

16. Certificate of origin shall be submitted together with cargo customs declaration and other documents necessary during customs clearance.

17. In the event of losing the certificate of origin, its officially certified duplicate (copy) shall be accepted.

18. To prove the origin of small shipments of goods (cost of which is up to US$5,000), the exporter may declare the country of origin of the goods on invoice or other accompanying documents attached to the goods.

19. In the event of doubts concerning the irreproachability of the certificate of origin or information in it, the customs bodies may refer to the authorized organizations that certified the certificate or to other competent bodies of the country, specified as the country of origin of goods, with a motivated request to inform them of further or specifying information.

20. A product shall not be considered originating in this country until due confirmation of origin or the requested information are provided.

21. As a general rule, non-submission of a duly prepared certificate of origin shall not be the ground for not passing through the shipment.

Customs may refuse to pass through only if there are sufficient grounds to suppose that the cargo originates in the country whose goods are not to be passed through to the country of importation in compliance with international agreements effective for this State and/or its national legislation.

Taking into account the provisions of the second paragraph of this item, goods whose origin is not determined for sure shall be passed through to the country of importation, paying customs duties at maximum customs tariff rates of the country of importation.

22. The most-favoured-nation treatment or the preferential regime may be applied (restored) to the goods mentioned in the third paragraph of item 20, provided that a proper certificate on their origin is received no later than in a year after delivery (release) of the product.

ANNEX II

Agreement on Re-export of Goods and Procedure of Granting Permissions for Re-export

The Governments of signatory States to this Agreement, hereinafter referred to as the Parties,

Proceeding from the provisions of the Agreement on Cooperation in the Area of Foreign Economic Activity, of 15 May 1992, and of the Agreement on the Creation of Economic Union, of 24 September 1993.

Aspiring to assist each other in providing and protecting their mutual interests in the area of foreign economic activity,

Hereby agreed as follows:

Article 1

The subject of this Agreement is re-export of goods. With respect to export of these goods planned for re-export, the Parties of the customs territory from which these goods originate shall apply measures of tariff and/or non-tariff regulation or shall grant foreign economic privileges during their export from customs territory.

Re-export of the goods specified in Part I of this Article may be carried out only if there is a properly prepared written permission issued by an authorized agency of the country of origin of the goods.

The Parties shall exchange schedules of goods, whose re-export may be carried out only if there is such a properly prepared written permission.

This Agreement shall not apply to re-export of specific goods (arms, drugs, medicine, precious metals and stones, and etc.), re-export of which is carried out in accordance with a specific procedure.

Re-export of other goods shall be carried out in accordance with rules generally accepted in international trade.

Article 2

For the purposes of this Agreement, re-export shall mean the export of goods which originate from within the customs territory of one of the Parties, into the customs territory of a second Party with the view to further export the goods to a customs territory of a country not a Party to this Agreement.

A sanctioned re-export shall mean the re-export of goods carried out having a properly prepared written permission available, issued by the authorized agency of the country of origin of the goods.

A non-sanctioned re-export shall mean the re-export of goods declared by the Parties in the schedules, that is carried out without having a properly prepared permission issued by the authorized agency of the country of origin of the goods.

Country of Origin of Goods shall be defined in accordance with the Rules of Country of Origin of Goods approved by the Decision/Resolution of the Government Heads' Council of the Community of Independent States, of 24 September 1993,

Article 3

The Parties shall not permit a non-sanctioned re-export.

Article 4

The Parties have agreed:

When granting permissions for re-exporting goods, the authorized agency of the country of origin of goods shall be guided by national legislation, agreements on trade economic cooperation and trade regime with a re-exporting Sate, and norms of international law;

To obtain a permission for re-exporting goods, interested business entities shall refer to the authorized agency of the country of origin of goods with a motivated application for re-export, to which a copy of the Contract on Acquiring Goods and substantial terms and conditions of the re-export transaction (a country of destination, quantity, prices and quality of goods to be re-exported, basis of delivery, time of delivery, a code of the Harmonized Commodity Description and Coding System) are attached;

The authorized agency of the country of origin of goods shall, within ten days from the date on which the application has been received, consider the request and inform the interested entities and the authorized agency of the re-exporting State of the decision made, and if the decision is positive - of terms and conditions of re-export.

As one of the terms and conditions, the country of origin of goods can require from a re-exporting business entity to take a commitment on reimbursing a part, but not more than a half, of difference between the transaction value of the re-export of goods and the transaction value of the export of goods from the country of origin, by transferring this difference in currency of the Goods Re-export Transaction to the account specified by the authorized agency of the country of origin of the goods.

In the event that the interested business entity agrees with the terms and conditions of re-export, the authorized agency of the country of origin of goods shall, within a two-week period, grant a properly prepared written permission for the re-export of the goods.

The authorized agency of the country of origin of goods shall have the right, if a positive decision is made, to refer to the authorized agency of the re-exporting State requesting to

control the fulfilment of the re-export contract, officially notifying about the actual compliance of the substantial terms and conditions of the re-export transaction that are declared [specified] in the motivated application of the business entity.

Article 5

The Parties have agreed that refusal of permissions may be, if:

- inadequate data on the transaction are deliberately provided;

- dumping prices or other elements of unfair trade practice are used, causing damage to the economic interests of the country of origin of goods;
- there are restrictions on the part of third countries with respect to the importation of relevant goods to their customs territory.

Article 6

In case of a non-sanctioned re-export, the country of origin of goods may require indemnity and apply sanctions.

The Parties shall favour the adoption of national normative acts that provide responsibility of business entities for a non-sanctioned re-export.

Article 7

The Parties have agreed that in cases where the volume of a non-sanctioned re-export of goods inflicts economic damage to the country of origin of goods, the Party suffered may suspend deliveries of these goods to the State whose business entities have carried out a non-sanctioned re-export, or it may apply other sanctions provided by norms of international law.

The authorized agency of the country of origin of goods shall prove the fact of a non-sanctioned re-export. It should provide the authorized agency of the re-exporting State with necessary and sufficient exhibits of violation of this Agreement by specific business entities.

Article 8

The Parties have agreed that the authorized agency of the re-exporting State shall render assistance to the authorized agency of the country of origin of goods in establishing facts of a non-sanctioned re-export and punishing business entities, that have carried out that, in accordance with its national legislation.

Article 9

The Parties have agreed that any disputes and disagreements, while the Parties fulfill mutual commitments of this Agreement, shall be settled by way of consultations between the authorized representatives of the Parties.

Article 10

This Agreement shall be open to any member State of the Community of Independent States to join.

Article 11

This Agreement shall come into force from the date on which the third notification on the fulfilment by the Parties of necessary inner-State procedures is given to a depositary for keeping.

The Agreement is concluded for the period of five years and shall be automatically extended for the following five-year period. Any Party may leave this Agreement by sending the depositary, six months before leaving, an official notification on its intention to leave the Agreement.

Done in the city of Moscow on 15 April 1994, in one original, in Russian. The original of the Agreement shall be kept in the Archive of the Government of the Republic of Belarus, the depositary of this Agreement, that will send its certified copy to the signatories to this Agreement.

PROTOCOL

On Amendment and Supplements to the Agreement on the Creation of a Free-Trade Area of 15 April 1994

States-Signatories of the Agreement on the Creation of a free-trade area, of 15 April 1994 (hereinafter referred to as the Agreement),

With the view to develop and deepen [expand] the provisions of this Agreement, and to speed up the processes of forming a free-trade area,

Hereby agreed to make the following amendments and supplements to the Agreement:

1. In Article 1, item 1, after the words "in solving concrete tasks", replace the words "of the first stage of the creation of the Economic Union" by the words "of the creation of a free-trade area".

2. In Article 1, item 1, the second bullet should have the following content: "abolishment of customs duties, and also taxes and levies, that have effect equivalent to them, and quantitative restrictions."

3. In Article 1, item 1, the fifth and sixth bullets should be united and should have the following content: "cooperation in carrying out trade and economic policy for achieving the objectives of this Agreement in the area of industry, agriculture, transport, finance, investments and social sphere, and in the development of fair competition, and etc.".

4. In Article 1, item 2, should have the following content: "2. This Agreement shall be applied on customs territories of the Contracting Parties, as they are defined by their national legislation."

5. In Article 1, item 3, the first paragraph, after the words "the Vienna Convention on the Right of International Agreements of 1969" add "and agreements of GATT/WTO."

6. Add new Article 1(a) of the following content to the Agreement:

"Article 1(a)

Body that coordinates actions of the contracting parties for the fulfilment of the Agreement's provisions

To achieve the objectives of this Agreement, the Inter-State Economic Committee of the Economic Union (further referred to as the Committee) shall perform the supervision of the course of the fulfilment of this Agreement by the Contracting Parties, working out proposals on the development of their trade and economic cooperation, agreement and coordination of the economic policy."

7. Exclude Article 2.

8. The name of Article 3 should be changed to the following:

"Customs Duties, and also Taxes and Levies which have Effect Equivalent to them, and Quantitative Restrictions".

9. In Article 3, item 1 should have the following content:

"1. The Contracting Parties shall not apply customs duties, and also taxes and levies, which have effect equivalent to them, and quantitative restrictions to the importation and (or) exportation of goods originating from the customs territory of one of the Contracting Parties and intended for customs territories of other Contracting Parties."

10. In Article 3, item 2 should have the following content:

"2. In trade between the Contracting Parties, from the date on which this Protocol comes into force for them, new quantitative and tariff import and (or) export restrictions, as well as measures that have equivalent effect, shall not be introduced in addition to those previously fixed in bilateral agreements.

Exceptions to the trade regime provided for in item 1 of this Article shall be applied on the basis of bilateral documents in which the Contracting Parties shall, within a 12-month period from the

date of entry into force of this Protocol, coordinate their stage-by-stage abolishment and shall notify the Committee and the Agreement's depository about this."

11. In Article 3, item 3 should have the following content:

"3. For the objectives of this Agreement, quantitative restrictions and other administrative measures shall mean any measures which create while being applied a material barrier or restriction with respect to the importation of a commodity, originating from the territory of one Contracting Party, into the territory of the other Contracting Party, or with respect to the exportation of a commodity, originating from the territory of one Contracting Party, to the territory of the other Contracting Party, including quoting, licensing, control of prices or other terms of delivery, other specific export or import requirements that directly or indirectly restrict the rights of the exporter or importer in comparison to the rights of the seller or the buyer of a similar good who is located on the territory of the country of origin of the commodity and who carry out a purchase or sale on this territory. The provisions of this Article shall be applied without prejudice to and by no means affect the right of the application by any of the Contracting Parties of measures provided for in Articles 13 and 13(a) hereof, as well as measures applied by any of the Contracting Parties for purposes of fulfilling its commitments under other international agreements."

12. Article 4 should have the following content:

"1. Each of the Contracting Parties shall grant to the goods, that originate from the customs territory of any other Contracting Party and are imported to its territory, a treatment not worse than that applied to national goods or goods of any third country with respect to technical and quality requirements.

2. The provisions of item 1 of this Article shall be applied without prejudice to measures which can be applied by any of the Contracting Parties for the purposes of implementing agreements on mutual recognition of tests' results, quality certificates and other similar agreements, as well as in cases of threat or likelihood of threat to life and health of people, flora and fauna.

3. The Contracting Parties shall cooperate and exchange information in the area of standardization, metrology and certification with the view to eliminate technical barriers and other special requirements (restrictions) in trade."

13. In Article 5, item 2, after the word "inform" add the word "Committee".

14. In Article 5, item 4, after the word "fumigation" add the words "and other import- and export-related procedures".

15. In Article 7, item 1, the second sentence, after the words "Contracting Parties" exclude the words "if necessary".

16. In Article 8, item 1 should be added with the following:

"These goods shall be granted a treatment no less favourable than that granted to similar domestic goods in respect of all laws, rules and requirements that affect their sale in the domestic market, offer for sale, purchase, transportation, distribution or use."

17. Add new Article 8(a) of the following content to the Agreement:

"Article 8(a)

Procedure of applying indirect taxes

1. In mutual trade, the Contracting Parties shall not impose indirect taxes (VAT, excise) on goods (works, services) exported from customs territory of one of the Contracting Parties to customs territory of the other Contracting Party.

2. The provision provided for in item 1 of this Article shall mean the imposition of VAT at a zero rate, as well as exemption of exported goods from excises. In the States-Signatories of this Agreement in which national legislation does not provide for the imposition of VAT at a zero rate, the exemption of goods (works, services) from VAT shall be applied.

3. The procedure of applying indirect taxes provided for in this Article shall come into force in accordance with national legislation of the Contracting Parties from 1 January 2000."

18. Add the following items to Article 9:

"2. The Contracting Parties shall provide transparency of measures on providing subsidies by exchanging information at the request of any of the Contracting Parties.

3. The Committee shall carry out the supervision of the situation of using subsidies different from the State's assistance to exportation, and shall develop rules that regulate their use being guided by international practice.

4. If any of the Contracting Parties considers that the practice of using subsidies is not compatible with item 1 of this Article, it may apply relevant measures according to the conditions and procedures stated in Article 13(a) of this Agreement."

19. In Article 10, item 3 should be considered item 4 of the following content:

"4. The conditions of transit, including tariffs on transportation by any kinds of transport and rendering of services, shall be determined by a separate agreement."

20. Article 10 should be added with item 3 of the following content:

"3. Transit via the territory of each Contracting Party shall be carried out on the basis of the transit freedom principle by ways [tracks, routes, roads] more appropriate for international transit transportation and transit transportation to or from the territories of other Contracting Parties without any distinction or discrimination based on the flag of ships and place of origin, shipment, putting in, leaving or destination, or based on some circumstances relating to title to goods, ships or other transport facilities."

21. Article 11 should have the following content:

"The re-export of goods being delivered within the framework of this Agreement shall be regulated by the Agreement on the Re-export of Goods and Procedure of Granting Permissions for Re-export, of 15 April 1994, between the member States of the Community of Independent States."

22. In Article 13, item 1, after the words "of which it is a signatory or is intended to become a signatory", replace the words "if these measures concern" by "if these measures are not applied on an arbitrary or discriminatory basis and concern:" and further according to the text.

23. Add new Article 13(a) of the following content to the Agreement:

"Article 13(a)

Special trade measures

1. Nothing in this Agreement shall prevent any Contracting Party, after an appropriate investigation has been performed, from applying special trade measures with respect to the importation of goods originating from the territories of other Contracting Parties in case where this importation is carried out in such quantities and under such terms and conditions that cause damage to the Contracting Party or create inevitable threat of damage, as well as in connection with a dumping and subsidized importation that causes damage to the Contracting Party or creates inevitable threat of damage.

2. Special trade measures can be introduced in the form of quantitative import restrictions or in the form of special import duties, anti-dumping and countervailing duties for a period necessary for removing damage or threat of damage in accordance with the provisions of this Article and (or) national legislation of the Contracting Party.

2.1 A special trade measure may be introduced only after holding consultations between the interested Contracting Parties. A Contracting Party that intends to introduce an emergency measure shall, in good time but no later than 30 days before the planned introduction of the measure, inform the interested Contracting Parties of this and shall propose to conduct consultations. The proposal on conducting consultations shall be submitted in writing with the materials attached that confirm the fact of damage because of importation or inevitable threat of such damage.

For the objectives of this Agreement, damage shall mean a significant damage to a branch of economy, threat of a significant damage to the branch or a serious barrier to the creation or development of such a branch.

2.2 Confirmation of the fact of damage should be based on available actual data and should include an objective analysis both of imports volume and its influence on the market prices for a similar or directly competing commodity, and consequences of such imports for the producers of the branch of the affected Contracting Party.

2.3 The volume of imports shall be considered from the point of view of its substantial increase in absolute and relative values with respect to the level of production and consumption of a competing commodity on the territory of the affected Contracting Party.

2.4 Influence of imports on the market prices shall be determined by establishing the fact of a considerable difference between the import prices and the prices for similar competing domestically produced goods, or the fact of other substantial influence of imports on these prices that leads or can lead to their decrease or prevents or will prevent from increasing such prices that would take place in case of absence of importation.

2.5 The evidence of influence of importation on a branch of economy should be based on the evaluation of all significant economic factors that affect the condition of the branch, including, in particular, the decrease in sales, profit and volume of production, share in the market, productivity, recoupment of capital investments, and exploitation of production capacities that has taken place or is possible in the near future, and of the factors that affect domestic prices, actual and potential influence on income, stocks in warehouses, occupation, salary, rates of growth, and possibility of increasing an overall authorized capital of enterprises of the branch or increasing their capital investments.

2.6 The evidence of damage or threat of damage to a branch of economy should be also based on the study of factors (other than import), which negatively affect the condition of the branch, as well as the volume of and level of prices for importation carried out on normal conditions, the change in demand, change in consumption, consequences of a restrictive trade practice and competition between foreign and domestic producers, technological inventions, and export and production indicators of the branch of economy. Damage caused by such factors should not be considered as one that occurs because of importation to which the application of emergency measures is possible.

2.7 The establishment of threat of damage to the branch of economy shall be based exclusively on facts. In this respect, the following facts should be considered:
- the dynamics of increase in imports that testifies to the real possibility of continuing a substantial increase in imports;