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FREE TRADE AGREEMENT BETWEEN THE KYRGYZ REPUBLIC AND ARMENIA

The following text reproduces the Agreement between the Kyrgyz Republic and Moldova.

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AGREEMENT FREE TRADE BETWEEN THE CABINET OF MINISTERS OF THE KYRGYZ REPUBLIC AND THE GOVERNEMENT OF THE REPUBLIC OF ARMENIA

The Cabinet of Ministers of the Kyrgyz Republic and the Government of the Republic of Armenia, further referred to as "Contracting Parties",

Aspiring for the development of trade economic cooperation between the Republic of Armenia and the Kyrgyz Republic on the basis of equality and mutual benefit,

Proceeding from the sovereign right of either Contracting Party to carry out an independent foreign economic policy and provide the fulfilment of the relevant international obligations and implementation of declared intentions,

Intending to assist in the creation of a single market of goods, services, capitals and manpower,

Hereby agreed as follows:

Article 1

1. The Contracting Parties shall not apply customs duties, taxes, and levies which have equivalent effect, with respect to exportation or importation of goods originated from the customs territory of one of the Contracting Parties and intended for the customs territory of the other Contracting Party. Features of using the trade regime between both countries shall be in the form of annual documents which are integral par hereof.

2. For the purposes of this Agreement and for the period it is effective, goods originated from the territory of the Contracting Parties shall be goods:

(a) fully manufactured on the territory of the Contracting Parties,

(b) which were subject to processing on the territory of the Contracting Parties with the use of raw material, materials and parts originated from third countries, and which changed (because of that) the belonging based on the classification of the Harmonized Commodity Description and Coding System proceeding from the first four digits.

(c) manufactured with the use of raw material, materials and parts mentioned in paragraph (b), provided that their total cost does not exceed a fixed share of export price for saleable goods.

Article 2

The Contracting Parties will not:

- directly or indirectly impose on goods, subject to this Agreement, domestic taxes or levies which exceed the relevant taxes or levies imposed on similar domestically produced goods or similar goods originated from third countries.

- with respect to importation or exportation of goods, subject to this Agreement, introduce any special restrictions or requirements which are not similarly applied to similar domestically produced goods or similar goods originated from third countries.

- with respect to warehousing, transhipping, storing and transporting goods originated from the Contracting Parties, and with respect to payments and transfer of payments, apply rules other than those which are similarly applied with respect to their own goods or goods originated from third countries.

Article 3

1. The Contracting Parties will refrain from applying quantitative restrictions or measures which are equivalent with them with respect to exportation and importation of goods under this Agreement.

2. The quantitative restrictions mentioned in paragraph 1 of this Article may be unilaterally established in reasonable limits and for a strictly certain period only:

- in cases of acute deficit of this product in the domestic market until the market situation is stabilized;
- in cases of acute deficit of balance of payments until the situation with balance of payments is stabilized;
- for the purposes of carrying out the measures provided by Article 4 hereof.

3. The quantitative restrictions of this Article may also be established on the basis of Parties' mutual agreement and shall be included in yearly documents mentioned in paragraph 1 of Article 1 hereof.

4. A Contracting Party that applies quantitative restrictions in compliance with paragraph 2 of the Article shall be obliged, upon inquiry of the other Contracting Party, to present necessary information concerning the reasons for the introduction, forms and possible terms of applying the mentioned restrictions.

5. The Contractions Parties will aspire to solve all the issues arising in connection with the application of the quantitative restrictions in compliance with paragraph 2 of this Article by way consultations.

Article 4

Either Contracting Party will not allow re-exportation of goods with respect to exportation of which the other Contracting Party, where these goods originate from, applies measures of tariff and/or non-tariff regulation.

Re-exportation of these goods to third countries can be carried out only by written consent and on terms determined by the authorized body of a State which is the country of origin of these goods. In the event that this provision is not implemented, a Contracting Party, whose interests have been violated, shall have the right to unilaterally introduce measures, for the regulation of exportation of goods to the territory of the State which allowed non-sanctioned re-export. And the latter pay the whole currency earning of such re-export to the country of origin of the relevant goods.

Re-exportation shall mean that goods originated from the customs territory of one of the Contracting Parties, as defined in paragraph 2 of Article 1 hereof, are exported by the other Contracting Party outside the customs territory of the latter with the aim of exporting them to a third country.

Article 5

The Contracting Parties will, on a regular basis, exchange information on customs issues, as well as customs statistics. The relevant authorized bodies of the Contracting Parties shall coordinate the order and volume of such information.

The Contracting Parties will inform each other of all exceptions to the current customs tariff which are unilaterally applied.

Article 6

The Contracting Parties shall consider unfair business practice incompatible with the objectives of this Agreement. The unfair business practice is expressed in particular in the following:

- in concluding agreements between enterprises and their associations aimed at impeding or restricting competition or violating conditions for the competition on the territories of the Contracting Parties;

- in carrying out actions with the help of which one or several enterprises use their dominant position restricting competition on the entire or considerable part of the territory of the Contracting Parties.

Article 7

In carrying out measures of tariff and non-tariff regulation of bilateral economic relations, for exchanging statistical information and carrying out customs procedures, the Contracting Parties have agreed to apply a single 9-digit Goods Nomenclature of Foreign Economic Activity (GN FEA) based on the Harmonized Commodity Description and Coding System and the Combined Tariff Statistical Nomenclature of the European Economic Community. And the Contracting Parties shall, for their own needs, if necessary, carry out the development of the Goods Nomenclature beyond 9-digits.

Article 8

The Contracting Parties have agreed not to use the national aid in the form of subsidies to enterprises or in any other form, if such national aid might cause violation of normal economic conditions on the territory of the other Contracting Party.

Article 9

The Contracting Parties have agreed that the observance of a principle of transit freedom shall be the most important condition for achieving the objectives of this Agreement and shall be an essential element of the process of their attachment to the system of international division of labor and cooperation.

In this connection, either Contracting Party shall provide a free transit, via its territory, of goods originated from the customs territory of the other Contracting Party and/or third countries and intended for the customs territory of the other Contracting Party or any third country. Either Contracting Party shall provide exporters, importers or carriers with all means and services available and necessary to provide transit on terms not worse than those on which the same means and services are provided to its own exporters, importers or carriers, or to exporters, importers or carriers of any third country.

The Contracting Parties have agreed that tariffs on transit by any kind of transport, including tariffs on loading and unloading works, will be economically substantiated.

The Contracting Parties will conclude a special agreement on transit issues.

Article 10

Nothing herein must prevent a Contracting Party from taking measures which it considers necessary to protect its vital interests or which are undoubtedly necessary for the implementation of the international agreements of which it intends to become a signatory, if these measures concern:

- information affecting interests of the national defense;
- trade in weapons, ammunition and military equipment;
- investigations or production connected with needs of defense;
- deliveries of materials and equipment used in nuclear industry;
- defense of public moral and public order;
- protection of industrial or intellectual property;
- gold, silver or other precious metals and stones;
- health protection of people, animals and plants.

Article 11

The provisions of this Agreement shall replace provisions of the agreements concluded earlier between the Contracting Parties, if the latter is either not compatible with the former or identical to it. The Contracting Parties will instruct bodies to prepare a relevant Protocol on this issue.

Article 12

This Agreement shall not affect the effectiveness of other Agreements earlier concluded by the Contracting Parties with third countries.

Article 13

Nothing herein shall prevent the Contracting Parties from carrying out relations, which do not contradict the objectives and terms hereof, with States which are not Parties to this Agreement and with their associations and international organizations.

Article 14

Disputes between the Contracting Parties regarding the interpretation or application of the provisions hereof will be settled by way of negotiations.

Article 15

To carry out the objectives hereof and work out recommendations on improving trade economic cooperation between the two countries, the Countries Parties have agreed to establish a joint Kyrgyz-Armenian Commission.

Article 16

The Contracting Parties have agreed that the Republic of Armenia may establish its trade representative office in the Kyrgyz Republic, and the Kyrgyz Republic may establish its trade representative office in the Republic of Armenia. The legal status of these trade representative offices and their functions and location shall be additionally coordinated by the Contracting Parties.

Article 17

Any state may, provided that the Contracting Parties approve this, join this Agreement on terms which will be coordinated between a joining state and the Contracting Parties.

Article 18

Protocol on Exceptions to Free Trade Regime to be signed by the Parties within one month period from the date this Agreement is signed shall be integral part hereof.[1]

Article 19

This Agreement shall come into force from the date of exchanging notifications on the fulfilment of all legal procedures necessary for this.

The Agreement shall terminate on the expiration of 12 months from the date of a written notification of one of the Contracting Parties concerning the termination of the Agreement.

This Agreement will, after its termination, be applied to contracts between enterprises and organizations of both countries which are concluded but not implemented in the period when it is effective.

Done in Erevan, on 4 July 1994, in two originals. Each is in the Kyrgyz, Armenian and Russian languages, and all the texts shall be equally valid.

[1] The Protocol is reproduced in the Annex.

ANNEX

Protocol on Exceptions to Free Trade Regime in 1994 to the Agreement on Free Trade between the Cabinet of Ministers of the Kyrgyz Republic and the Government of the Republic of Armenia, of 4 July 1994

The Cabinet of Ministers of the Kyrgyz Republic and the Government of the Republic of Armenia, further referred to as Parties, agreed as follows:

Article 1

Exceptions provided by Article 1 of the Agreement on Free Trade between the Cabinet of Ministers of the Kyrgyz Republic and the Government of the Republic of Armenia, of 4 July 1994, (further referred to as the Agreement on Free Trade), shall apply to goods subject to legislation of the Parties.

The Parties shall immediately inform each other of all changes to domestic legislation on the aforementioned issues.

Article 2

With respect to goods to which tariff and non-tariff export restrictions are applied in compliance with Article 1 of this Protocol, the Parties shall provide each other with the MFN treatment with respect to:

- customs duties and levies charged in exportation of goods, including the methods of charging such duties and levies;

- procedures and rules connected with exportation and importation of goods, including those which relate to their customs clearance, transit, warehousing and transhipment;

- taxes and other domestic levies of any kind directly or indirectly connected with exported (imported) goods,

- rules for selling, purchasing, transporting, distributing and using goods in the domestic market;

- ways and transfer of payments.

Article 3

The provisions of Article 2 hereof shall not be applied to advantages and privileges granted by each of the Parties to:

- third countries with the purpose of creating a customs union or a free trade zone, or as a result of creating such a union or a zone;

- developing countries on the basis of international agreements.

Article 4

This Protocol shall be integrated part of the Agreement on Free trade and shall come into force on the day this Protocol in signed.

Article 5

This Protocol shall come into force on the date it is signed and shall be in force until a new Protocol provided by Article 1 of the Agreement on Free Trade is signed.

Done in Erevan, on 4 July 1994, in two originals. Each is in the Kyrgyz, Armenian and Russian languages. And both of the texts are equally valid.