

AGREEMENT
BETWEEN
UKRAINE
AND THE REPUBLIC OF LATVIA
ON FREE TRADE

Ukraine and the Republic of Latvia (hereinafter referred to as “the Parties”),

Recalling their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to cooperate in seeking ways and means to strengthen this process,

Recalling the firm commitment to the Final Act of the Conference on Security and Cooperation in Europe, the Charter of Paris for a new Europe, and in particular the principles contained in the final document of the CSCE Bonn Conference on Economic Cooperation in Europe,

Reaffirming their commitment to the idea of law state based on the rule of law, human rights and fundamental freedoms,

Desiring to create favorable conditions for the development and diversification of trade between them and for the promotion of commercial and economic cooperation in areas of common interest on the basis of equality, mutual benefit and international law,

Resolved to contribute to the strengthening of the multilateral trading system and to develop their relations in the fields of trade in accordance with the basic principles of the General Agreement on Tariffs and Trade and Agreement Establishing the World Trade Organization, the Parties having the objective to become Members of WTO,

Declaring their readiness to examine the possibility of developing and deepening their relations in order to extend them to fields not covered by this Agreement,

Have agreed as follows:

Article 1
Objectives

1. The parties shall gradually establish a free trade area in accordance with the provisions of this Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies, are:

- a) to promote, through expansion of mutual trade, the harmonious development of the economic relations between Ukraine and Latvia and thus to foster the advance of the economic activity, the improvement of living and employment conditions, increased productivity, financial stability and sustained growth of both Parties;
- b) to provide fair conditions of competition for trade between the Parties;
- c) to develop and intensify, as far as possible, cooperation in the areas which are not covered by this Agreement, especially in the promotion of investments, economic aid and the environment protection.

Article 2

The Joint Committee

1. The Joint Committee is hereby established, which shall be responsible for the administration of this Agreement and shall review its implementation. For this purpose it shall follow closely the development of the trade and economic cooperation between the Parties and take any corresponding measure which is necessary to improve and further develop those relations. The decisions of the Joint Committee shall be put into effect by the Parties in accordance with their own laws.
2. For the purpose of the proper implementation of this Agreement the Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee.
3. The Joint Committee shall consist of equally authorized representatives of Ukraine on the one side and representatives of Latvia on the other.
4. The Joint Committee shall act by mutual agreement.
5. Each Party shall preside alternately over the Joint Committee.
6. The meetings of the Joint Committee should be held at least once a year in order to review the general functioning of the Agreement. The Joint Committee shall, in addition, meet whenever special circumstances so require at the request of either Party.
7. The Joint Committee may decide to set up any working group that can assist in it carrying out its duties.
8. The Joint Committee may take independent decisions concerning the application of this Agreement. The Joint Committee shall make recommendations on the amendments and changes of this Agreement.

Article 3

Scope

This Agreement shall apply to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, originating in Ukraine and Latvia.

Article 4

The in Agricultural Products

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.
2. The Parties shall conclude a separate Agreement on Trade in Agricultural Products.
3. Protocol B lays down the principles of the Agreement on Trade in Agricultural Products.
4. The Parties shall apply their regulations in veterinary, plant health and health matters in a non-discriminatory fashion and shall not introduce any new measures that have the effect of unduly obstructing trade.

Article 5

Rules of Origin and Cooperation in Customs Administration

1. Protocol A lays down the rules of origin and methods of administrative cooperation and cooperation and it shall form an integral part of this Agreement.
2. The Parties shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative cooperation, to ensure that the provision of Article 7 (Prohibition and abolition of customs duties on imports and charges having equivalent effect), Article 8 (Prohibition and abolition of customs duties on exports and charges having equivalent effect), Article 9 (Prohibition and abolition of quantitative restrictions on imports or exports and measures having equivalent effect), Article 12 (Internal taxation) and Article 21 (Reexports and serious shortage) of the Agreement and Protocol A are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed in trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

Article 6

Technical Regulation

1. The Parties shall co-operate and exchange information in the field of standardization, metrology and certification with the aim to eliminate technical barriers to trade.
2. The standardizing bodies of the Parties shall elaborate the rules of mutual recognition of the accreditation of testing and calibration laboratories and certification bodies and product and quality systems certificates of conformity issued in the Parties.
3. Such rules shall include the rules of mutual recognition of the type approval of measuring equipment which are issued in the Parties and procedures for recognition of the results of the measurements, calibration and verification.

Article 7
Prohibition and Abolition of Customs Duties on Imports and
Charges Having Equivalent Effect

1. No new customs duties on imports or charge having equivalent effect shall be introduced in trade between the Parties.
2. Ukraine shall abolish on the date of entry into force of this Agreement all customs duties on imports and any charges having equivalent effect on products originating in Latvia.
3. Latvia shall abolish on the date of entry into force of this Agreement all customs duties on imports and any charges having equivalent effect on products originating in Ukraine.
4. The provisions of this Article shall also apply to customs duties of a fiscal nature.

Article 8
Prohibition and Abolition of Customs Duties on Exports
and Charges Having Equivalent Effect

1. No new customs duties on exports or charges having equivalent effect shall be introduced in trade between Parties.
2. Customs duties on exports and charges having equivalent effect shall be abolished upon the entry into force of this Agreement, except products specified in Annex I.

Article 9
Prohibition and Abolition of Quantitative Restrictions on
Imports or Exports and Measures Having Equivalent Effect

1. No new quantitative restrictions on imports or exports and measures having equivalent effect shall be introduced in trade between the Parties.

2. No new quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished in trade upon the date of entry into force of this Agreement.

Article 10

General Exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; laws and regulations relating to precious stones and metals. Such prohibitions or restrictions shall not, however, constitute means of arbitrary discriminations or a disguised restriction on trade between the Parties.

Article 11

State Monopolies

1. The Parties shall ensure that any state monopoly of commercial character be adjusted, so that no discrimination regarding the condition under which goods are procured and marketed will exist between nationals of the Parties. These goods shall be produced and marketed in accordance with commercial considerations.

2. This Article shall apply to the institutions through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or export between the Parties. This Article shall likewise apply to monopolies delegate by the Party to others.

Article 12

Internal Taxation

1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in one Party and the similar products originating in the other Party.

2. Products exported to the territory of one of the Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 13

Payments

1. Payments relating to the trade and transfer of such payments to the territory of the Party where the editor resides shall be free from any restrictions. Payments between the Parties shall be effected in freely convertible currencies, unless otherwise agreed in individual cases.
2. The Parties shall refrain from any exchange and administrative restrictions on the grant, repayment or acceptance of short- or medium-term credits covering commercial transactions.

Article 14

Public Procurement

1. The Parties consider the effective liberalization of their respective public procurement markets on the basis of non-discrimination and reciprocity, in particular on the basis of the Agreement on Government Procurement at Annex 4 to the Marrakech Agreement Establishing the WTO, as an integral objective of this Agreement.
2. To this effect, the Parties shall elaborate rules within the framework of the Joint Committee a view to ensure such liberalization.
3. The Parties concerned shall endeavor to accede to the WTO Agreement on Public Procurement.

Article 15

Legal Protection of Intellectual Property

1. The Parties shall grant and ensure adequate, effective and non-discriminatory legal protection of intellectual property rights. With the establishment of this legal protection, especially against counterfeiting and piracy, they will adopt and apply adequate, effective and non-discriminatory measures of enforcement of such rights.
2. In the field of intellectual property, the Parties shall, from entry into force of this Agreement, grant to each other's nationals and companies treatment no less favorable than that accorded to nationals and companies of any other country.
3. The provisions of paragraph 2 shall not, unless appropriate agreements are concluded between the Parties of this Agreement, apply to;
 - (i) advantages granted by the Parties before the entry into force of this Agreement to any third country on an effective reciprocal basis;

(ii) intellectual property rights which are or will be granted on the basis of actual or future multilateral agreements to which one of the Parties of this Agreement is not a Party;

(iii) intellectual property rights which, after entry into force of this Agreement, will not be protected in the territory of another Party.

4. The Parties may apply in their territories legal protection of intellectual property rights which exceeds the provisions of this Article provided that this legal protection is not in contradiction to the provisions of this Agreement.

5. The Parties agree, upon request of either Party, to review the provisions of this Article with a view to further improve the level of protection and to avoid or remedy trade distortions which may be caused by the actual level of protection of intellectual property rights.

6. If one of the Parties considers that the other Party has failed to fulfill the obligations under the Article, Article 26 (Fulfillment of obligations) paragraph 2 shall apply.

7. The Parties shall agree upon appropriate modalities for technical assistance and cooperation of respective authorities of the Parties.

Article 16

Rules of Competition Concerning Undertakings

1. The following are incompatible with the proper functioning of this Agreement in so far as they may affect trade between the Parties:

a) all agreements between undertakings, decisions taken by associations of undertakings and concerted practices between undertaking which have as their object or effect the prevention, restriction or distortion of competition;

b) abuse by one or more undertakings of a dominant position in the territories of the Parties as whole or in a substantial part thereof.

2. If a Party considers that a given practice is incompatible with the provisions of paragraph 1 of this Article, it may take appropriate measures after consultations within the Joint Committee or after thirty days following referral to such consultations.

Article 17

State Aid

1. Any aid granted by a Party in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, in so far as it may affect trade between the Parties, be incompatible with the proper functioning of this Agreement.
2. The Parties shall ensure transparency of state aid measures by exchanging information on the request of either Party.
3. The Joint Committee shall keep the situation regarding the application of state aid measures under review, and shall with regard to other state aid than export aid, elaborate further rules of implementation.
4. If a Party considers that a given practice is incompatible with the paragraph 1 of this Article, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 23 (Procedure for the application of safeguard measures) of this Agreement.

Article 18

Dumping

If a Party finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade 1994 is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 with the procedure laid down in Article 23 (procedure for the application of safeguard measures) of this Agreement.

Article 19

Emergency Action on Import of a Particular Product

If an increase in imports of a given product originating in Latvia or in Ukraine occurs in quantities or under conditions which cause, or are likely to cause:

- a) serious injury to domestic producers of like or directly competitive products in the territory of the other Party, or
- b) serious disturbances in any related sector of the economy or difficulties, which could bring about serious deterioration in the economic situation of a region,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 23 (Procedure for the application of safeguard measures) of this Agreement.

Article 20

Structural Adjustment

Exceptional measures may only concern infant industries or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.

These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Joint Committee, and cannot be introduced later than five years after the entry into force of this Agreement.

Article 21

Re-exports and Serious Shortage

Where compliance with the provisions of the Article 8 (Prohibition and abolition of customs duties on exports and charges having equivalent effect) and Article 9 (Prohibition and abolition of quantitative restrictions on imports or exports and measures having equivalent effect) leads to:

- a) re-exports towards a third country against which the exporting Party maintains for the products concerned quantitative export restriction, export duties or measures or charges having equivalent effect; or
- b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 23 (procedure for the application of safeguard measures) of this Agreement. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

Article 22

Balance of Payments Difficulties

1. Where either Party is in serious balance of payments difficulties, or under imminent threat thereof, the Party concerned may, in accordance with the terms and conditions established under the general Agreement on Tariffs and Trade 1994 and the Understanding on the Balance-of Payments Provisions of the General Agreement on Tariffs and Trade 1994, adopt trade restrictive measures, which shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance of payments situation. The Parties shall give preference to price-based measures. The measures shall be eliminated when conditions no longer justify their maintenance. Parties shall inform each other, forthwith, if possible, prior introduction and shall provide a time schedule for their removal.

2. The Parties shall, nevertheless endeavor to avoid the imposition of restrictive measures for balance of payments purposes.

Article 23

Procedure for the Application of Safeguard Measures

1. Before initiating the procedure for the application of safeguard measures set out in the following paragraphs of the present Article, the parties shall endeavor to solve any differences between them through direct consultations.

2. Without prejudice to paragraph 5 of this Article, the Party which considers resorting to safeguard measures shall promptly notify the other Party thereof and supply with all relevant information. Consultations shall take place without delay in the Joint committee with a view of finding a mutually acceptable solution.

3. a) As regards Article 17 (State Aid) the Party concerned shall give to the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate this practice. If the Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee or if the Joint Committee fails to reach an agreement after consultations, or after thirty days following referral to such consultations, or after thirty days following referral to such consultations the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.

b) As regards Article 18 (Dumping), 19 (Emergency action on import of a particular product) and 21 (Re-exports and serious shortage), the Joint Committee shall examine the case or the situation and may take any decision needed to put an end to the difficulties notified by the Party concerned. In the Absence of such a decision within thirty days of the matter being referred to the Joint Committee, the Party concerned may adopt the measures necessary in order to remedy the situation.

c) As regards Article 26 (Fulfillment and obligations), the Party concerned shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking mutually acceptable solution. If the Joint Committee fails to reach such a solution or if a period of three months has elapsed from the date of notification, the Party concerned may take appropriate measures.

4. The safeguard measures taken shall be notified immediately to the other Party. They shall be restricted with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures as the least disturb the functioning of this Agreement.

5. The safeguard measures taken shall be in object of regular consultations within the Joint Committee with a view to their relaxation, substitution or abolition as soon as possible.

6. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the case of Articles 16 (Rules of competition concerning undertakings), 17 (State Aid), 18 (Dumping), 19 (Emergency Action on Import of a Particular Product) and 21 (Re-exports and serious shortage) apply forthwith the precautionary and provisional measures strictly necessary to deal with the situation. The measures shall be notified to the Joint Committee without delay and consultations between the Parties shall take place as soon as possible.

Article 24

Security Exceptions

Nothing in this Agreement shall prevent a Party from taking any measures which it considers necessary:

- a) to prevent the disclosure of information contrary to its essential security interests:
- b) for the protection of its essential security interests or for the implementation of international obligations or national policies:
 - 1) relating to the traffic in arms, ammunition and implements of war, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to such traffic to other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
 - 2) relating to the non-proliferation of biological or chemical weapons, nuclear weapons or other nuclear explosive devices, or
 - 3) taken in time of war or other serious international tension.

Article 25

Evolutionary Clause

The Parties shall recognize the growing importance of such areas as services, investments and the implementation of joint projects. Where a Party considers that it would be useful in the interests of the economies of the Parties to develop and deepen the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening up negotiations.

Article 26

Fulfillment of Obligations

1. The Parties shall take all necessary measures to ensure the achievement or the objectives of this Agreement and the fulfillment of their obligations under this Agreement.
2. If either Party considers that the other Party has failed to fulfill an obligation under this Agreement, the Party concerned may take the appropriate measures after consultation in the Joint Committee under the conditions and in accordance with the procedure laid down in Article 23 (Procedure for the application of safeguard measures).

Article 27

Annexes and Protocols

The Annexes and the protocols to this Agreement are integral parts of it. The Joint Committee may decide to amend the Annexes and Protocols.

Article 28

Custom Unions Free Trade Areas and Frontier Trade

This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade to the extent that these do not negatively affect the trade regime and in particular the provisions concerning rules of origin provided by this Agreement.

Article 29

Amendments

Amendments to the Agreement other than those referred to in Article 27 (annexes and Protocols) which are approved by the Joint Committee shall be submitted to the Parties for acceptance and shall enter into force in accordance with Article 30 (Entry into Force) of this Agreement.

Article 30

Entry into Force

This Agreement shall enter into force thirty days after the date when both Parties have notified to each other in writing that the constitutional or other legal requirements for the entry into force have been fulfilled. This Agreement shall remain in force for an indefinite period.

Article 31 Denunciation

Either Party may denounce this Agreement by means of a written notification to the other Party. This Agreement shall cease to be in force six months after the date on which the notification was received by the other Party.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorized thereto, have signed the present Agreement.

DONE at the city of Kyiv this 21-st day of November 1995 in originals, both in the Latvian, Ukrainian and English languages. In case of a dispute the English text shall prevail.

FOR UKRAINE

FOR THE REPUBLIC
OF LATVIA

PROTOCOL A
concerning the definition of originating products and methods of
administrative cooperation
to the Agreement between
Ukraine and the Republic of Latvia

TITLE I

GENERAL PROVISIONS

Article I
Definitions

For the purposes of this Protocol:

- (a) “manufacture” means any kind of working or processing including assembly or specific operations;
- (b) “material” means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) “product” means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) “goods” means both materials and products;
- (e) “customs value” means the values determined in accordance with the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade, done at Geneva on April 1979;
- (f) “ex-works price” means the price paid for the product ex-works to the manufacturer in whose undertaking the last working or processing is carried out provided the price includes the value of all the materials used, minus all internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) “value of materials” means the customs value at the time of importation of the non-originating materials used, or, if this is non known and cannot be ascertained, the first ascertainable price paid for the materials in the territories concerned;
- (h) “value of originating materials” means the customs value of such materials as defined in subparagraph (g) applied *mutatis mutandis*;

- (i) “added value” shall be taken to the ex-works price minus the customs value of each of the products incorporated which did not originate in the country in which those products were obtained;
- (j) “chapters” and “headings” means the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Protocol as “the Harmonized System” or “HS”;
- (k) “classified” refers to the classification of the product or material under a particular heading;
- (l) “consignment” means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or in the absence of such document, by a single invoice;
- (m) “customs authorities” means customs and other authorized competent organs of the Parties, which are responsible for the legalization and distribution of certificates of origin of products.

TITLE II

DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS”

Article 2 **Origin Criteria**

For the purpose of implementing this Agreement and without prejudice to the provisions of Article 3 and 4 of this Protocol, the following products shall be considered as:

1. Products originating in Latvia
 - a) products wholly obtained in Latvia within the meaning of Article 5 of this Protocol;
 - b) products obtained in Latvia which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working or processing in Latvia within the meaning of Article 6 of this Protocol.
2. Products originating in Ukraine:
 - a) products wholly obtained in Ukraine within the meaning of Article 5 of this Protocol;
 - b) products obtained in Ukraine which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working or processing in Ukraine within the meaning of Article 6 of this Protocol.

Article 3
Bilateral Cumulation

1. Notwithstanding Article 2 (1) (b), materials originating in Latvia within the meaning of this Protocol shall be considered as originating in Ukraine and it shall not be necessary that such materials have undergone sufficient working or processing there, provided however that they have undergone working or processing going beyond that referred to in Article 7 of this Protocol.

2. Notwithstanding the Article 2 (2) (b), materials originating in Ukraine within the meaning of this Protocol shall be considered as originating in Latvia and it shall not be necessary that such materials have undergone sufficient working or processing there, provided however that they have undergone working or processing going beyond that referred to in Article 7 of this Protocol.

Article 4
**Cumulation with Materials Originating in
Estonia, Lithuania and European Community**

1. (a) Notwithstanding Article 2 (1) (b) and subject to the provisions of paragraphs 2 and 3, materials originating in Estonia, Lithuania and European Community within the meaning of Protocol A or 3 annexed to the Agreement between Latvia and these countries shall be considered as originating in Latvia, and it shall not be necessary that such materials have undergone sufficient working or processing, on condition however that they have undergone working or processing beyond that referred to in Article 7 of this Protocol.

(b) Notwithstanding Article 2 (2) (b) and subject to the provisions of paragraphs 2 and 3, materials originating in Estonia or Lithuania or European Community within the meaning of Protocol A or 3 annexed to the Agreement between the Ukraine and these countries shall be considered as originating in Ukraine and it shall not be necessary that such materials have undergone sufficient working or processing, on condition however that they have undergone working or processing beyond that referred to in article 7 of this Protocol.

2. Products which have acquired originating status by virtue of paragraph 1 only continue to be considered as originating in Latvia or Ukraine, when the value added there exceeds the value of the materials used originating in Estonia or Lithuania or the European Community.

If this is not so, the products concerned shall be considered for the purposes of implementing this Agreement or of the Agreement between Latvia and Ukraine as originating in Estonia or the European Community according to which of these countries accounts for the highest value of originating materials used.

3. For the purposes of this Article, identical rules of origin to those in this Protocol shall be applied in trade between Estonia and Latvia and the European Community and Ukraine and those countries and also between each of these countries themselves.

4. Paragraph 1 (a) may be applied only in condition that the necessary Agreements between Ukraine, Estonia, Lithuania and the European Community for the implementation of these provisions will be in force in accordance with the provisions of this Protocol.

Article 5 **Wholly Obtained Products**

1. Within the meaning of Article 2 (1) (a) and (2) (a), the following shall be considered as wholly obtained either in Latvia or in Ukraine.

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals born and raised there;
- (e) products obtained by hunting or fishing there;
- (f) products of sea fishing and other products taken from the sea by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreating or use as waste;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;
- (k) goods produced exclusively from products specified in paragraphs (a) to (j).

2. The terms 'their vessels' and 'their factory ships' in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- which are registered or recorded in Latvia or in Ukraine,

- which sail under the flag of Latvia or of Ukraine,
 - which are owned to an extent of at least 50 per cent by nationals of Latvia or Ukraine, or by a company with its head office on Latvia or in Ukraine, of which the manager or managers, chairman of the board of directors of supervisory board, and the majority of the members of such boards are nationals of Latvia or Ukraine of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to Latvia, to Ukraine, to their public bodies or to their nationals,
 - of which the master and the officers are the nationals of Latvia or of Ukraine,
 - of which at least 75% of the crew are nationals of Latvia or of Ukraine.
3. The terms “Latvia” and “Ukraine” shall also cover the territorial waters which surround Latvia and Ukraine.

Sea-going vessels, including factory ships on which the fish caught is worked or processed, shall be considered as part of the territory of Latvia or of Ukraine provided that they satisfy the conditions set out in paragraph 2.

Article 6

Sufficiently Worked or Processed Products

1. For the purposes of Article 2, non-originating materials are considered to be sufficiently worked or processed when the product obtained is classified in a heading which is different from that in which all the non-originating materials used in its manufacture are classified, subject to paragraphs 2 and 3.
2. For a product mentioned in columns 1 and 2 of the list in Annex (II), the conditions set out in column 3 for the product concerned must be fulfilled instead of the rule in paragraph 1.
Where in the list in Annex (II) a percentage rule is applied in determining the originating status of a product obtained in Latvia or Ukraine the value added by the working or processing shall correspond to the ex-works price of the product obtained, less the value of fourth - country materials imported into Latvia or Ukraine.
3. These conditions indicate, for all products covered by the Agreement, the working or processing which must be carried out on the non-originating materials used in manufacture of these products, and apply only in relation to such materials. Accordingly, it follows that if a product which has acquired originating status by fulfilling the conditions set out in the list for that product, is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

Article 7

Insufficient Working or Processing Operations

For the purpose of implementing of Article 6 the following shall be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

- (a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulfur dioxide or other aqueous solutions, removal of damaged parts, and like operation);
- (b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;
- (c) (i) changes of packaging and breaking up an assembly of packages;
(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packaging operations;
- (d) affixing marks, labels and other like distinguishing signs on products or their packaging;
- (e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in Latvia or in Ukraine;
- (f) simple assembly of parts to constitute a complete product;
- (g) a combination of two or more operations specified in sub-paragraphs (a) to (f);
- (h) slaughter of animals.

Article 8

Unit of Qualification

1. The unit of qualification for the application of the provisions of this Protocol shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System.

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification;
- (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the provisions of this Protocol.

2. Where, under general rule 5 of the Harmonized System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 9
**Accessories, spare parts
and tools**

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 10
Sets

Sets, as defined in general rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex works price of the set.

Article 11
Neutral Elements

In order to determine whether a product originates in Latvia or in Ukraine it shall not be necessary to establish whether the electrical energy, fuel, plant and equipment as well as machines and tools used to obtain such product, or whether any goods, used in the course of production which do not enter and which were not intended to enter into final composition of the product, are originating or not.

TITLE III
TERRITORIAL REQUIREMENTS

Article 12

Principle of Territoriality

The conditions set out in Title II relative to the acquisition of originating status must be fulfilled without interruption in Latvia or in Ukraine without prejudice to the provisions of Article 3.

Article 13

Reimportation of Goods

If originating products exported from Latvia or Ukraine to another country are returned, except in so far as provided for in Article 3 or 4 they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the goods returned are the goods as those exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

Article 14

Direct Transportation

1. The preferential treatment provided for under the Agreement applies only to products or materials which are transported between the territories of Latvia or Ukraine or, when the provisions of the Article 4 are applied, of Estonia or Lithuania or the European Community without entering any other territory. However, goods originating in Latvia or in Ukraine and constituting one single consignment which is not split up may be transported through territory other than that of Latvia or Ukraine or, when the provisions of the Article 4 apply, of Estonia or Lithuania or the European Community with, should the occasion arise, transshipment or temporary warehousing in such territory, provided that the goods have remained under the surveillance of the customs authorities in the country of transit or of warehousing and that they have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

Products originating in Latvia or Ukraine may be transported by the pipeline across territory other than that of Latvia or Ukraine.

2. Evidence that the condition set out in paragraph 1 have been fulfilled may be supplied to the customs authorities of the importing country by the production of:

- (a) a through bill of lading issued in the exporting country covering the passage through the country of transit; or
- (b) a certificate issued by the customs authorities of the country of transit:

- (i) giving an exact description of the products;
 - (ii) stating the dates of unloading and reloading of the products and , where applicable, the names of the ships used; and
 - (iii) certifying the conditions under which the products remained in the transit country; or
- (c) failing these, any substantiating documents.

Article 15 **Exhibitions**

1. Products sent from one of the Parties for exhibition in the third country and sold after the exhibition for importation in another party shall benefit on importation from the provisions of the Agreement on condition that the products meet the requirements of this Protocol entitling them to be recognized as originating in Latvia or in Ukraine provided that it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from one of the Parties to the country in which the exhibition is held and has exhibited them there;
- (b) the products have been sold or otherwise disposed of by that exporter to a person in another Party;
- (c) the products have been consigned during the exhibition or immediately thereafter to the latter Party in the state in which they were sent for exhibition; and
- (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A proof of origin must be issued or made out in accordance with the provisions of Title IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV **PROOF OF ORIGIN**

Article 16
Movement Certificate EUR.1

Evidence of originating status of products, within the meaning of this Protocol, shall be given a movement certificate EUR.1, a specimen of which appears in Annex III to this Protocol.

Article 17
Normal Procedure for the Issue of a Movement Certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter, or, under the exporter's responsibility, by his authorized representative.

2. For this purpose, the exporter and his authorized representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III.

These forms shall be completed in one of the languages in which the Agreement is drawn up, in accordance with the provisions of the domestic law of the exporting country, if they are handwritten, they shall be completed in ink in capital letters printed characters. The description of the products must be given the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfillment of the other requirements of the Protocol.

The exporter must retain for at least three years the documents referred to the preceding paragraph.

Applications for movement certificates EUR.1 must be preserved for at least three years by the customs authorities of the exporting State.

4. The movement certificate EUR.1 shall be issued by the customs authorities of Latvia if the goods to be exported can be considered as products originating in Latvia within the meaning of Article 2 (1) of this Protocol. The movement certificate EUR.1 shall be issued by the customs authorities of Ukraine if the goods to be exported can be considered as originating in Ukraine within the meaning of Article 2 (2) of this Protocol.

5. Where the cumulation provisions of Article 2 to 4 are applied, the customs authorities of Latvia or of Ukraine may issue movement certificates EUR.1 under the conditions laid down in this Protocol if the goods to be exported can be considered as

originating products within the meaning of this Protocol and provided that the goods covered by the movement certificates EUR.1 are in Latvia or in Ukraine.

In these cases movement certificates EUR.1 shall be issued subject to the presentation of the proof of origin previously issued or made out. This proof of origin must be kept for at least three years by the customs authorities of the exporting State.

6. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfillment of the other requirements of this Protocol. For this purpose, they shall have the right to call for any evidence and carry out any inspection of the exporter's accounts or any other check which they consider appropriate.

The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

7. The date of issue of the movement certificate EUR.1 shall be indicated in the part of the certificate reserved for the customs authorities.

8. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country when the products to which it relates are exported. It shall be made available to the exporter as soon as actual exportation has been effected or ensured.

Article 18

Movement Certificates EUR.1 Issued Retrospectively

1. Notwithstanding Article 17 (8), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:

(a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or

(b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.

2. For the implementation of paragraph 1, the exporter must indicate in this application the place and the date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for this request.

3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:

“IZDOTSP PEC PRECU EKSPORTA”, “DBLFBQ PUJLJV”, “ISSUED RETROSPECTIVELY”.

5. The endorsement referred to in paragraph 4 shall be inserted in the ‘Remarks’ box of the movement certificate EUR.1.

Article 19

Issue of a Duplicate Movement Certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate issued in this way must be endorsed with one of the following words:

“DUPLIKATS”, “ÄÖÄËËÄÖ”, “DUPLICATE”.

3. The endorsement referred to in paragraph 2, and the date of issue and the serial number of the original certificate shall be inserted in the ‘Remarks’ box of the duplicate movement certificate EUR.1.

4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 20

Replacement of Certificates

1. It shall at any time be possible to replace one or more movement certificates EUR.1 by one or more other certificates provided that this is done by the customs office responsible for controlling goods.

2. The replacement certificate shall be issued on the basis of a written request from the re-exporter, after the authorities concerned have verified the information supplied in the applicants request. The date and serial of the original movement certificate EUR.1 shall be given in box 7.

Article 21

Simplified Procedure for the Issue of Certificates

1. By way of derogation from Articles 17,18 and 19 of this Protocol, a simplified procedure of EUR.1 movement certificates can be used in accordance with the following provisions.

2. The customs authorities in the exporting State may authorize any exporter, hereinafter referred to as 'approved exporter', making frequent shipments for which EUR.1 movement certificates may be issued and who offers, to the satisfaction of the competent authorities, all guarantees necessary to verify the originating status of the products, not to submit to the customs office of the application for an EUR.1 certificate relating to those goods, for the purpose of obtaining an EUR.1 certificate under the conditions laid down in Article 17 of this Protocol.

3. The authorization referred to in paragraph 2 shall stipulate, at the choice of the competent authorities, that box No 11 'Customs' endorsement' of the EUR.1 movement certificate must:

- (a) either be endorsed beforehand with the stamp of the competent customs office of the exporting State and the signature, which may be a facsimile, of an official of that office; or
- (b) be endorsed by the approved exporter with a special stamp which has been approved by the customs authorities of the exporting State and corresponds to the specimen given in Annex V of this Protocol. Such stamp may be pre-printed on the forms.

4. In the cases referred to in paragraph 3 (a), one of the following phrases shall be entered in box No 7 'Remarks' of the EUR.1 movement certificate:
"VIENKARSOTA PROCEDURA", "ÑÏËÛÀÍÀ ÏËÏÖÄÖÓÐÀ", "SIMPLIFIED PROCEDURE".

5. Box No 11 'Customs endorsement' of the EUR.1 certificate shall be completed if necessary by the approved exporter.

6. The approved exporter shall, if necessary, indicate in box No 13 'Request for verification' of the EUR.1 certificates bearing a distinctive sign by which they may be identified.

7. Where the simplified procedure is applied, the customs authorities of the exporting State may prescribe the use of EUR.1 certificates bearing a distinctive sign by which they may be identified.

8. In the authorization referred to in paragraph 2 the competent authorities shall specify in particular:

- (a) the conditions under which the applications for EUR.1 certificates are to be made;
- (b) the conditions under which these applications are to be kept for at least three years;

(c) in the cases referred to in paragraph 3 (b) the authority competent to carry out the subsequent verification referred to in Article 30 of this Protocol.

9. The customs authorities of the exporting State may declare certain categories of goods ineligible for the special treatment provided for in paragraph 2.

10. The customs authorities shall refuse the authorization referred to in paragraph 2 to exporters who do not offer all the guarantees which they consider necessary. The competent authorities may withdraw the authorization at any time. They must do so where the approved exporter no longer satisfies the conditions or no longer offers these guarantees.

11. The approved exporter may be required to inform the competent authorities, in accordance with the rules which they lay down, of the goods to be dispatched by him, so that such authorities may take any verification they think necessary before the departure of the goods.

12. The customs authorities of the exporting State may carry out any check on approved exporters which they consider necessary. Such exporters must allow this to be done.

13. The provisions of this Article shall be without prejudice to the application of the rules of Latvia and Ukraine concerning customs formalities and the use of customs documents.

Article 22 **Validity of Proof of Origin**

1. A movement certificate EUR.1 shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.

2. Movement certificates EUR.1 which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to reasons of *force majeure* or exceptional circumstances.

3. In other cases of belated presentation, the customs authorities of the importing country may accept the movement certificates EUR.1 where the products have been submitted to them before the said final date.

Article 23 **Submission of Proof of Origin**

1. Movement certificates EUR.1 shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a movement certificate EUR.1 or an invoice declaration. They may also require the import declaration. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Agreement.

Article 24
Importation by Installments

Where, at the request of the importer and the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of general rule 2 (a) of the Harmonized System falling within chapters 84 and 85 of the Harmonized System are imported by installments, a single proof of originator such products shall be submitted to the customs authorities upon importation of the first installment.

Article 25
Form EUR.2

1. Notwithstanding Article 16, the evidence of originating status, within the meaning of this Protocol, for consignments containing only originating products and whose value does not exceed ECU[3.000] per consignment, may be given by a form EUR.2, a specimen of which appears in Annex IV of this Protocol.

2. The Form EUR.2 shall be completed and signed by the exporter or, under the exporters responsibility, by his authorized representative in accordance with this Protocol.

3. A Form EUR.2 shall be completed for each consignment.

4. The exporter who applied for the form EUR.2 shall submit at the request of the customs authorities of the exporting State all supporting documents concerning the use of this form.

5. Article 22 and 23 shall apply *mutatis mutandis* to form EUR.2.

Article 26
**Exceptions from formal
proof of origin**

1. Products sent as small packages from private persons to private persons of forming part of travelers' personal luggage shall be admitted as originating products without requiring the submission of a formal proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Protocol and

where there is no doubt to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration C2/CP3 or on a sheet of paper annexed to that document.

2. Imports which are occasional and consist solely of products for the personal use of the recipients or travelers to their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.

3. Furthermore, the total value of these products must not exceed ECU 300 in case of small packages or ECU 800 in case of products forming part of travelers' personal luggage.

Article 27

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in a movement certificate EUR.1 or in Form Eur.2 and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the movement certificate EUR.1 or the Form EUR.2 null and void if it is duly established that this document does correspond to the products submitted.

2. Obvious format errors such as typing errors on a movement certificate EUR.1, or a Form EUR.2 should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Article 28

Amounts expressed in ECUs

1. Amounts in the national currency of the exporting country equivalent to the amounts expressed in ECUs shall be fixed by the exporting country and communicated to the other Party.

When the amounts exceed the corresponding amounts fixed by the importing country, the latter shall them if the products are invoiced in the currency of the exporting country or in the currency of one of the other countries referred to in Article 4 of this Protocol.

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 29

Communication of stamps and addresses

The customs authorities of Latvia and of Ukraine shall provide each other with specimen impressions of stamps used in their customs offices for the issue of EUR.1 certificates and with the address of the customs authorities responsible for issuing movement certificates EUR.1 and for verifying those certificates and Forms EUR.2

Article 30

Verification of movement certificates EUR.1 and Forms EUR.2

1. Subsequent verification of movement certificates EUR.1 and Forms EUR.2 shall be carried out randomly or whenever the customs authorities of the importing state have reasoned to doubt the authenticity of such documents, the origination status of the products concerned to the fulfillment of the other requirements of this Protocol.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR.1, the Form EUR.2 to a copy of these documents to the customs authorities of the exporting country giving, where appropriate, the reasons of substance or form for an inquiry.
3. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check which they consider appropriate.
4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, they shall offer to release the products to the importer subject to any precautionary measures judged necessary.
5. The customs authorities requesting the verification shall be informed of the results of this verification within a maximum of ten months. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as originating products and fulfill the other requirements of this Protocol.
6. In case of reasonable doubt there is no reply within ten months or the reply doesn't contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in case of *force majeure* or in exceptional circumstances, refuse entitlement to the preferences.

Article 31

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 30 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Joint Committee.

In all cases the settlement of disputes between the importer and the customs authorities of the importing State shall be under the legislation of the said State.

Article 32

Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 33

Free zones

1. Latvia and Ukraine shall take all necessary steps to ensure that products traded under cover of a movement certificate EUR.1 which in the course of course use a free zone situated in their territory, are not substituted by other goods and that they do not undergo handling other than normal operation designed to prevent their deterioration.

2. By means of an exemption to the provisions contained in paragraph 1. When products originating in Latvia or in Ukraine and imported into a free zone under cover of an EUR1 certificate and undergo treatment or processing, the authorities concerned must issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

TITLE VI

FINAL PROVISIONS

Article 34

Customs Cooperation Committee

1. A customs Cooperation Committee shall be set up, charges with carrying out administrative cooperation with a view to the correct and uniform application of this Protocol and with carrying out any other tasks in the customs field which may be entrusted to it.

2. The Committee shall be composed on the one hand, of experts of Ukraine who are responsible for customs questions and, on the other hand, of experts nominated by Latvia.

Article 35

Annexes

The Annexes of this Protocol shall form an integral part thereof.

Article 36

Implementation of the Protocol

Latvia and Ukraine shall each take the steps necessary to implement this Protocol.

Article 37

Arrangements with Estonia and Lithuania and The European Community

The Parties shall take any measures necessary for the conclusion of arrangements with Estonia and Lithuania and the European Community enabling this Protocol to be applied. The Parties shall notify each other of measures taken to this effect.

Article 38

Goods in transit or storage

The provisions of the Agreement may be applied to goods which with the provisions of this Protocol and which on the date of entry into force of the Agreement are either in transit or are in Latvia or in Ukraine or, in so far as the provisions of Article 2 are applicable, in Estonia or in Lithuania or the European Community in temporary storage in bonded warehouses or in free zones, subject to the submission to the customs authorities of the importing state, within four months of that date, of a certificate EUR.1 endorsed retrospectively by the competent authorities of the exporting state together with the document showing that the goods have been transported directly.

Article 39

Amendments to the Protocol

Amendments to the protocol should be done in accordance with Article 2 of the agreement.

Such examination shall take into account in particular the participation of the Parties in free-trade zones or customs unions with third countries.

PROTOCOL B
CONCERNING THE AGREEMENT
ON TRADE IN AGRICULTURAL PRODUCTS
BETWEEN UKRAINE AND THE REPUBLIC OF LATVIA

With regard to agriculture products (HS 1-24) the Parties agreed on three lists of products:

- List A shall include agricultural and processed agricultural products for which the zero customs duty on imports or charges having equivalent effect shall be implemented as from the date of entry into force of the Agreement on trade in agricultural products
- List B shall include agricultural and processed agricultural products for which gradual reduction of customs duty on imports or charges having equivalent effect shall be implemented as from the entry into force of this Agreement with the aim to implement the zero customs duties as from January 1, 2000, at the latest.
- List C shall include the agricultural and processed agricultural products for which the full liberalization is not foreseen.

The Parties agreed to have the first expert meeting on agreement on agricultural products on December, 1995.

ANNEX 1

REFERRED TO IN PARAGRAPH 2 OF THE ARTICLE 8 (PROHIBITION AND ABOLITION OF CUSTOMS DUTIES ON EXPORTS AND CHARGES HAVING EQUIVALENT EFFECTS)

Latvia may maintain export duties for the products specified bellow

HS heading No.	Description of products	Duty
2520.00000	Gypsum; anhydride; plasters (consisting of calcined gypsum of calcium sulfate) whether or not colored, with or without small quantities of accelerators or retarders	5%
2521.00000	Limestone flux; limestone and other calcareous stone, of kind used for the manufacture of lime or cement	5%
4403.20001	Length over 3m. diameter 14-24 cm	6 Ls per m ³
4403.20002	Length exceeding 2m, diameter over 26m	6 Ls per m ³
4403.91001	Oak, length exceeding 1m, diameter 14cm and over	50Ls per m ³
440392001	beech, length exceeding 1 m, diameter 14cm and over	60Ls per m ³
4403.99901	Length exceeding 1,6m, diameter 16-24cm plywood, matchwood and A - quality sawlogs)	16Ls per m ³
4403.99902	Length exceeding 1,6m, diameter 26cm and over (plywood, matchwood and A- quality sawlogs)	20Ls per m ³
4403.99903	Length exceeding 1,6m, diameter 16-24cm (except (plywood, matchwood and A- quality sawlong	2 Ls per m ³
4403.99904	Length exceeding 1,6m, diameter 26cm and over (except plywood, matchwood and A- quality sawlogs)	2 Ls per m ³
4403.99909	Ash, elm, maple and other length exceeding 1m, diameter 14 and over	50Ls per m ³
7204.00000	Ferrous waste and scrap; remelting scrap ingots of iron or steel	100%
7404.00000	Copper waste and scrap	20%
7503.00000	Nickel waste and scrap	20%
7602.00000	Aluminum waste and scrap	20%

**MEMORANDUM OF UNDERSTANDING RELATING
TO THE FREE TRADE AGREEMENT BETWEEN
UKRAINE AND THE REPUBLIC OF LATVIA**

The Parties agree to notify each other the time of implementation of the new HS version in force on 1 January 1996. The notification shall if necessary also contain any charges to the Annexes and Protocols of this Agreement, caused by the introduction of the HS Nomenclature.