

**A G R E E M E N T**  
**B E T W E E N**  
**U K R A I N E**  
**A N D**  
**T H E R U S S I A N F E D E R A T I O N**  
**O N F R E E T R A D E**

The Government of Ukraine and the Government of the Russian Federation hereinafter referred to as “the Contracting Parties”,

Taking into account the multilateral Agreement on Coordination of Actions Relating to the Export Control Over Raw Materials, Manufactured Materials, Equipment, Technologies and Services Which May Be Used for Creation of Weapons of Mass Destruction and Their Missiles Carriers of May 26, 1992,

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

Proceeding from the sovereign right of each state to pursue independent foreign economic policy and ensure the fulfillment of respective international obligations and implementation of the declared intentions,

Desiring to promote the creation of the common market in goods, services, capital and labor ,

Have agreed as follows:

**Article 1**

1. The Contracting Parties shall not impose customs duties, taxes and charges having equivalent effect on export and/or import of products originating in the customs territory of either Contracting Party and designed for the customs territory of the other Contracting Party. Exemptions from this trade regime according to the agreed commodity description shall be executed by the separate instruments being the integral parts of this Agreement. The Contracting Parties will agree on the gradual reduction of exemptions, provided for by these instruments.

2. For the purpose of this Agreement and during the period of its implementation, the products originating in the territories of the Contracting Parties shall mean the products:

- a) fully produced on the territory of the Contracting Parties,  
and/or
- b) processed on the territory of the Contracting Parties by means of raw materials, manufactured materials and parts originating in third countries, and which as a result thereof change their position in classification of the Goods Nomenclature of Foreign Economic Activity based on the Harmonized Commodity Description and Coding

System and the Combined Tariff and Statistical Nomenclature of the European Economic Community considering the four first figures;  
and/or

- c) manufactured by means of raw materials, manufactured materials and parts specified in sub-paragraph "b" provided that their aggregate value does not exceed a fixed share of export price of the sold products.

The Contracting Parties shall agree, in a separate instrument being an integral part of this Agreement, on the detailed rules of origin.

## **Article 2**

The Contracting Parties shall not:

- directly or indirectly impose internal taxes and fees on products, covered by this Agreement, exceeding the relevant taxes or fees levied on similar domestically produced goods or products originating in third countries;
- introduce with respect to imports or exports of products, subject to this Agreement, any special restrictions or requirements which in a similar situation are not applied to similar domestically produced goods or products originating in third countries;
- apply to the warehousing, reshipment, storage, transportation of products originating in the other Contracting Party, and to the payments and transfer of payments, rules other than those applied in similar circumstances with respect to domestically produced goods or products originating in third countries.

## **Article 3**

1. The Contracting Parties shall refrain from applying any quantitative restrictions or measures equivalent to them on exports and/or imports of products covered by the present Agreement.

2. Quantitative restrictions mentioned in paragraph 1 of this Article may be imposed unilaterally, within reasonable limits, and for a definite period only, in cases of:

- sharp shortage of the product on the domestic market, - until the market achieves stability, or
- sharp deficit in the balance of payments, - until it achieves stability of payments, or
- when a product is imported into the territory of either Contracting Party in such increased quantities or on such conditions as to damage or cause damage to the domestic producers of similar or directly competing products, or
- for the purpose of implementing measures provided for in Article 4 of this Agreement.

3. Quantitative restrictions mentioned in paragraph 1 of this Article may also be established by mutual agreement between the Parties, and included in the annual Protocols mentioned in paragraph 1 of Article 1 of the Agreement.

4. The Contracting Party which applies quantitative restrictions in accordance with paragraph 2 of this article shall provide the other Party with the necessary information concerning the reasons of such restrictions, the methods and the expected period of their application, as well as additional information as may be requested by the other Party.

5. The Contracting Parties will strive to resolve all issues arising in connection with the application of the quantitative restrictions, mentioned in paragraph 2 of this Article, through consultations.

6. When choosing the measures to be applied in accordance with this Article, the Parties shall give priority to those which have the least negative effect on the attainment of the objectives of this Agreement.

#### **Article 4**

Each Contracting Party shall not allow the re-export of products with respect to the export of which the other Contracting Party, in the territory of which these products are originating, applies tariff and/or non-tariff regulatory measures. The Contracting Parties will agree on the list of products the re-export of which is prohibited, and will exchange the lists of products subject to tariff and non-tariff measures.

Such products may be re-exported to third countries only upon the written consent and on the conditions to be determined by the authorized agency of the country of origin of these products. In case of failure to fulfil this provision, the Contracting Party concerned shall have the right, after prior notice of the other Party on the intention to introduce such measures and preliminary mutual consultations, to introduce unilaterally the measures on regulation of re-export of such products to the territory of the Party, which has allowed the non-agreed re-export.

For the purposes of this Article, re-export means export of products originating in the customs territory of one Contracting Party, by the other Contracting Party outside its customs territory with the purpose of export to a third country.

#### **Article 5**

The Contracting Parties shall exchange, on a regular basis, information on customs issues, including available customs statistics. The authorized bodies of the Contracting Parties shall agree on the procedure for the exchange of such information.

#### **Article 6**

The Contracting Parties shall take measures of harmonizing the customs duty rates applied in the trade with third countries and hold regular consultations for this purpose.

#### **Article 7**

The Contracting Parties shall consider unfair business practices incompatible with the objectives of this Agreement, expressed, in particular, as follows:

- conclusion of agreements between enterprises or their associations having as their objective either prevention or limitation of competition or its distortion in the territories of the Contracting Parties;

- actions by which one or several enterprises use their dominant positions to restrict competition in the whole and/or substantial part of the Contracting Party's territory.

## **Article 8**

When applying tariff and non-tariff measures in bilateral economic relations, in order to exchange statistical information and implement customs procedures, the Contracting Parties agree to use a uniform nine-digit Commodity Nomenclature of the Foreign Economic Activity based on the Harmonized Commodity Description and Coding System and on the Combined Tariff and Statistical Commodity Description of the European Economic Community. In doing so the Contracting Parties, for the needs of their own states, shall develop, where necessary, the Commodity Description beyond the nine-digit system.

## **Article 9**

The Contracting Parties agree that observance of the principle of free transit is an important prerequisite for the achievement of goals of this Agreement and an essential element in the process of becoming a part of the international division of labor and cooperation system.

In this connection each Contracting Party shall ensure free transit through its territory of products originating in the customs territory of the other Contracting Party and/or third countries and designed for the customs territory of the other Contracting Party or any third country, and will provide the exporters, importers or carriers with all available and necessary facilities and services to ensure free transit upon conditions no worse than facilities and services available to domestic exporters, importers or national carriers, or exporters, importers or carriers of any third state.

Tariffs for the transit by any means of transport, including tariffs for shipment-reshipment activities, should be economically utilized and shall not exceed the normal operational expenses, including a reasonable profit rate.

## **Article 10**

Nothing in this Agreement shall preclude either Contracting Party from taking measures which it deems necessary to protect its vital interests or which are critical for the implementation of the international agreements to which it intends to become a member, if these measures concern:

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

## **Article 11**

Provisions of this Agreement shall replace the provisions of bilateral agreements, earlier concluded between the Parties, insofar as they are incompatible with or identical to the provisions of this Agreement.

## **Article 12**

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

## **Article 13**

Nothing in the present Agreement shall preclude the Contracting Parties from developing relations with third countries, their associations and international organizations, provided they do not contradict the purposes and provisions of this Agreement.

## **Article 14**

Disputes between the Parties regarding the interpretation or application of provisions of this Agreement shall be settled by way of negotiations. Until the agreement is reached, the Parties shall be guided by the provisions of the present Agreement and the instruments concluded thereunder.

## **Article 15**

To achieve the objective of this Agreement and develop recommendations with regard to improvement of trade and economic cooperation between two countries, the Parties have agreed to establish a joint Ukrainian-Russian committee.

## **Article 16**

The Protocol on exemptions from the free trade regime shall be an integral part of the present Agreement.

## **Article 17**

This Agreement shall enter into force upon the exchange of the instruments in which the Contracting Parties notify each other about the implementation of the internal procedures and shall remain in force until the expiry of a twelve-month period from the date when either Contracting Party notifies, in writing the other Contracting Party about its intention to terminate the Agreement.

Done in the city of Kyiv, this 24<sup>th</sup> day of June 1993, in two originals, each in the Ukrainian and Russian languages, all texts being equally authentic.

For the  
Government of Ukraine

For the Government of the  
Russian Federation

**PROTOCOL**  
**to the Agreement between Ukraine and**  
**the Russian Federation on Free Trade**  
**of June 24 1993**

The authorized representatives of Ukraine and the Russian Federation have concluded this Protocol as follows.

**Article 1**

Exemptions, stipulated in article 1 of the Free Trade Agreement Between Ukraine and the Russian Federation of "24" June 1993 shall be applied to:

1. Products, covered by the Russian export tariff laws and legislation on quotas and licensing of the export of goods (works, services), effective on the date of the customs clearance of goods, when they are exported from the Russian Federation into Ukraine (the list of goods, established pursuant to the Resolution of the Government of the Russian Federation of June 30, 1992 No. 461 is in force on the date of signing this Protocol; the list of goods subject to quota and licensing was established by the Resolution of the Government of the Russian Federation dated November 6, 1992 No. 854).

2. Goods, covered by the Ukrainian export tariff laws and legislation on quotas and licensing of the export of goods (works, services), effective on the date of the customs clearance of goods, when they are exported from Ukraine into the Russian Federation (the list of goods, established pursuant to the Resolution of the Cabinet of Ministers of Ukraine dated January 12, 1993 No. 6-93 is in force on the date of signing of this Protocol; the list of goods which are subject to quotas and licensing was established by the Resolution of the Cabinet of Ministers of Ukraine dated December 28, 1998 No 16-92).

The Parties agree not to impose in 1993 the export duties on the products, included in Annex No.3 to the Agreement between Ukraine and the Russian Federation on the Trade and Economic Cooperation in 1993 within the volumes, provided by the said Annex.

Additional mutual exemptions of goods from the export duties shall be executed by separate protocols.

**Article 2**

1. With regard to the goods, covered by the exemptions from the free trade regime in accordance with article 1 of this Protocol, the Parties shall provide the most favored nation treatment to each other as far as it concerns:

- customs duties, taxes and dues, levied from exports, including methods of levying such duties, taxes and dues;

- regulations regarding the customs clearance of transit, transportation, storage, re-shipment and other similar services;
- methods of payment and transfer of payments;
- issue of export licenses;
- rules relating to the sale, procurement, transportation, distribution and the use of goods on domestic market.

2. Provisions of paragraph 1 of this Article shall not apply to:

- benefits, granted by either Party to third countries with the purpose of creating a customs union or a free trade zone or as a result of creating of such union or a zone;
- benefits, granted to the developing countries in accordance with the laws of the Parties;
- benefits granted to the neighboring countries in order to facilitate the border trade;
- benefits granted by the Parties to each other pursuant to the special agreements.

### Article 3

1. This Protocol shall be an integral part of the Free Trade Agreement between Ukraine and the Russian Federation dated "24" June 1993 and shall enter into force on the same date as the said Agreement.

2. This Protocol shall remain in force until the new Protocol is concluded, pursuant to Article 1 of the Free Trade Agreement between Ukraine and the Russian Federation dated June 24, 1993.

Done in the city of Kiev this 24th day of June 1993 in two originals, each in the Ukrainian and Russian languages, both texts being equally authentic.

For the Government of  
Ukraine

For the Government of  
of the Russian Federation



**PROTOCOL  
to the Free Trade Agreement between Ukraine  
and the Russian Federation  
of June 24 1993**

The authorized representatives of Ukraine and the Russian Federation have concluded this Protocol as follows.

**Article 1**

The Parties agree to exempt white sugar (Commodity Nomenclature of Foreign Economic Activity code 170199100) from the free trade regime provided for in Article 1 of the Free Trade Agreement between Ukraine and the Russian Federation dated June 24, 1993.

The regime provided for in Article 2 of Protocol to the Free Trade Agreement between Ukraine and the Russian Federation dated June 24, 1993 shall cover the said product, originating in and delivered from the territory of Ukraine to the territory of the Russian Federation.

**Article 2**

The Parties agree that the Russian Federation shall not levy in 1998 duties on white sugar, stipulated in paragraph 1 of this Protocol, originating in and delivered from the territory of Ukraine to the territory of the Russian Federation in the quantity of 600 thousand tons.

**Article 3**

The Parties agree that the signing of this Protocol shall not cancel the Protocol to the Free Trade Agreement between Ukraine and the Russian Federation dated June 24, 1993.

This Protocol shall be an integral part of the Free Trade Agreement between Ukraine and the Russian Federation dated "24" June 1993 and shall enter into force on the date of its signing.

Done in the city of Kyiv on this 14th day of November 1997 in two originals, each in the Ukrainian and Russian languages, both texts being equally authentic.

For the Government of  
Ukraine

For the Government of  
of the Russian Federation