AGREEMENT

BETWEEN
UKRAINE
AND
THE REPUBLIC OF KYRGYZSTAN
ON FREE TRADE

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

Reaffirming their intention to promote free development of mutual economic cooperation,

Considering the integration of the established economic links between Ukraine and the Republic of Kyrgyzstan, interdependence and mutual economic benefit to both countries,

Desiring to promote trade and economic co-operation between Ukraine and Turkmenistan on the basis of equality and mutual benefit

Recognising that free transit of goods and services requires mutually agreed measures,

Reaffirming the intention of Ukraine and Turkmenistan to become Contracting Parties to the General Agreement on Tariffs and Trade (GATT), sharing the purposes and principles of GATT, and considering the results of agreements and arrangements reached within the framework of the Uruguay Round of Multilateral Trade negotiations,

Have agreed as follows:

Article 1

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

2. For the purposes of the present Agreement and for the period of its implementation the goods originating in one of the Contracting Parties mean the goods specified in the Rules of Establishing the Place of Origin of Goods of September 24, 1993, determined by the Decision of the Council of the Heads of Governments of the Commonwealth of Independent States.

Article 2

Each Contracting Party shall not:
- directly or indirectly impose internal taxes and charges on the products, subject to this Agreement, in excess of the amount of corresponding taxes and charges to be imposed on similar domestically produced goods and products originating in the third countries;

- apply in respect of warehousing, reshipment, storage, transportation of goods originating in the other Contracting Party, and payments and transfer of payments, the rules other then those to be applied under the similar circumstances in respect of own products or products originating in the third countries.

Article 3

The Contracting Parties shall refrain in their mutual trade from applying the discriminatory measures, imposing quantitative restrictions or measures equivalent to them on export and/or import of goods in the framework of this Agreement.

The Contracting Parties may impose quantitative or any other special restrictions unilaterally, but only within the reasonable limits and for a definite period in cases of:

- sharp deficit of the given product on the domestic market, - till the state of the market becomes stable;
- sharp deficit of the balance of payments, - till the state of the balance of payments becomes stable;
- when some product is imported into the territory of either Contracting Party in such increased quantities or on such conditions which damage or threaten to damage domestic producers of similar or directly competing products, or
- for the purpose of taking measures as provided for in Article 4 of this Agreement.

These restrictions shall be of an exclusive nature.

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

Article 4

The Contracting Parties shall agree that issues related to the re-export of products shall be regulated in accordance with the Agreement on Re-export of Products and the Procedure of Issuing Re-export Permits of April 15, 1994.

Article 5

The Contracting Parties shall exchange, on a regular basis, information on:
- laws and other normative acts relating to economic activity, including those regarding trade, investments, taxation, banking and insurance activity, and other financial services, and those regarding transport and customs issues including customs statistics.

The Contracting Parties shall immediately notify each other about the changes in the national legislation that may influence the implementation of this Agreement.

The authorized bodies of the Contracting Parties shall agree on the procedure of exchange of such information.

Article 6

The Parties shall consider an unfair business practice incompatible with the purpose of this Agreement and shall be obliged not to use, in particular, but not limited to, the following methods thereof:

- agreements between enterprises, decisions taken by associations of enterprises and common methods of business practice aimed at preventing or restricting competition or distorting it on the territories of the Contracting Parties;
- actions by which one or several enterprises use their dominant position by restricting competition on the entire or considerable part of the territories of the Contracting Party.

Article 7

In the course ofapplying tariff and non-tariff measures to regulate their bilateral economic relations, to exchange statistical information to conduct customs procedures, the Contracting Parties shall use a uniform nine-digit Commodity Nomenclature of the Foreign Economic Activity (CN FEA) based on the Harmonized Commodity Description and Coding System and on the Combined Tariff and Statistical Commodity Nomenclature of the European Economic Community. In doing so, where necessary, the Contracting Parties shall develop, for their own needs the Commodity Description beyond the nine digits.

The introduction of a standard Commodity Nomenclature is carried out on the mutual basis through the missions to the relevant international organizations.

Article 8

1. The Contracting Parties agree that observance of the principle of freedom of transit is most important condition for the achievement of the objective of this Agreement and an essential element of the process becoming a part of the international division of labor and cooperation.

To this effect each Contracting Party safeguards impeded transit through its territory for products originating in the customs territory of the other Party and/or third countries and designed for the customs territory of other Party or any third country, and provide the exporters, importers or carriers with all available facilities and services that are necessary for the transit on conditions which are not worse then those on which similar facilities and services are provided to domestic exporters, importers or exporters, importers or carriers of any third country.

2. The Procedure and conditions for transit of cargoes in the territories of the states is regulated in accordance with the international carriage.

Article 9

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

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

Article 10

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

Article 11

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

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

Article 12

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

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

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

Article 13

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

Article 14

This Agreement shall enter into force from the date of exchange of notifications by the Parties on implementation of the required internal procedures and shall remain in force until the expiry of a twelve-month period from the date when one Party notifies the other Party in writing about its intention to terminate the Agreement.

Provisions of this Agreement after its termination shall be applied to the contracts between enterprises and organizations of both countries concluded but not fulfilled within its implementation period.

Done in the city of Minsk, this 26th day of May 1995, in two originals, each in the Ukrainian, Kyrgyz and Russian languages, all texts being equally authentic.

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

For the Government of Ukraine	For the Government of the Republic of Kyrgyzstan