

GENERAL AGREEMENT ON

TARIFFS AND TRADE

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FREE-TRADE AGREEMENTS BETWEEN SWITZERLAND AND ESTONIA, LATVIA AND LITHUANIA

Communication from Switzerland

Addendum

Texts of the Agreements

The following texts reproduce the Agreements* between the Swiss Confederation and Estonia, Latvia and Lithuania.

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*The Annexes and Protocols thereto have been submitted to the secretariat for consultation by interested contracting parties (office 3006).

I. FREE-TRADE AGREEMENT BETWEEN THE SWISS CONFEDERATION
AND THE REPUBLIC OF ESTONIA

PREAMBLE

The Swiss Confederation (hereinafter called Switzerland)

and

The Republic of Estonia (hereinafter called Estonia),

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

Having regard to the Declaration signed by the EFTA States and Estonia in Geneva on 10 December 1991,

Recalling the Trade Agreement between Switzerland and Estonia signed on 14 October 1925,

Recalling their firm commitment to the Final Act of the Conference on Security and Co-operation 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 Co-operation in Europe,

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

Desiring to create favourable conditions for the development and diversification of trade between them and for the promotion of commercial and economic co-operation in areas of common interest on the basis of equality, mutual benefit, most favoured nation treatment and international law,

Resolved to contribute to the strengthening of the multilateral trading system and to develop their relations in the field of trade in accordance with the basic principles of the General Agreement on Tariffs and Trade (GATT) having in mind the objective of Estonia to become a Contracting Party of the GATT,

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

Have decided, in pursuit of the above, to conclude this Agreement:

ARTICLE 1

Objective

1. Switzerland and Estonia shall, taking into account the need to ensure the accelerated transition to market economy in Estonia, give effect to free trade in accordance with the provisions of the present Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies, are:
 - (a) to promote, through the expansion of mutual trade, the harmonious development of the economic relations between Switzerland and Estonia and thus to foster in Switzerland and in Estonia the advance of economic activity, the improvement of living and employment conditions, increased productivity, financial stability and sustainable growth;
 - (b) to provide fair conditions of competition for trade between Switzerland and Estonia;
 - (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

ARTICLE 2

Scope

The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Annex I;
 - (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;
 - (c) to fish and other marine products as provided for in Annex II;
- originating in Switzerland or Estonia.

ARTICLE 3

Rules of Origin and Co-operation in Customs Administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.
2. The Parties to this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Article 4

(Prohibition and Abolition of Customs Duties on Imports) to 6 (Prohibition and Abolition of Quantitative Restrictions on Imports or Exports), 8 (Internal Taxation) and 20 (Re-export and Serious Shortage) of the Agreement and Protocol B are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

ARTICLE 4

Prohibition and Abolition of Customs Duties on Imports and Charges having Equivalent Effect

1. No new customs duty on imports or charge having equivalent effect shall be introduced in trade between Switzerland and Estonia.
2. Customs duties on imports and charges having equivalent effect shall be abolished upon the date of entry into force of this Agreement.
3. The provisions of this Article shall also apply to customs duties of a fiscal nature except as provided for in Protocol C. The Parties to this Agreement may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.

ARTICLE 5

Prohibition and Abolition of Customs Duties on Exports and Charges having Equivalent Effect

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between Switzerland and Estonia.
2. Customs duties on exports and charges having equivalent effect shall be abolished upon the entry into force of this Agreement.

ARTICLE 6

Prohibition and Abolition of Quantitative Restrictions on Imports or Exports and Measures having Equivalent Effect

1. No new quantitative restriction on imports or exports and measures having equivalent effect shall be introduced in trade between Switzerland and Estonia.
2. Quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement, except as provided for in Annex III.

ARTICLE 7

National Treatment

The goods of the territory of one Contracting Party imported into the territory of the other Contracting Party shall be accorded treatment no less favourable than that accorded to like goods of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

ARTICLE 8

Internal Taxation

1. The Parties to this Agreement 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 like 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 9

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 of humans, animals or plants; the protection of the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; rules relating to gold or silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties to this Agreement.

ARTICLE 10

State Monopolies

1. The Parties shall ensure that any state monopoly of a commercial character be adjusted, subject to the provisions laid down in Protocol D, so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of Switzerland and of Estonia. These goods shall be procured and marketed in accordance with commercial considerations.
2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties to this Agreement, in law or in

fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties to this Agreement. These provisions shall likewise apply to monopolies delegated by the State to others.

ARTICLE 11

Co-operation in the Field of Agriculture

1. The Parties to this Agreement declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.

2. In pursuance of this objective, measures to facilitate trade and co-operation in the field of agriculture will be decided upon by the Parties to this Agreement based on recommendations of the Joint Committee.

3. The Parties to this Agreement 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 12

Payments

1. Payments relating to trade and the transfer of such payments to the territory of the Party to this Agreement where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any currency exchange or administrative restrictions on the grant, repayment or acceptance of short and medium term credits covering commercial transactions in which a resident participates.

ARTICLE 13

Public Procurement

1. The Parties to this Agreement consider the effective liberalization of their respective public procurement markets as an integral objective of this Agreement.

2. To this effect, the Parties shall elaborate rules within the Joint Committee with a view to ensure such a liberalization not later than 31 December 1995.

3. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 14

Protection of Intellectual Property

1. In order to achieve the objectives of this Agreement, the Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights. They shall adopt and take adequate, effective and non-discriminatory measures for the enforcement of such rights against infringement thereof, and in particular against counterfeiting and piracy. Particular obligations of the Parties shall be listed in Annex IV.

2. The Parties to this Agreement shall take, as soon as possible after the entry into force of the Agreement, all necessary measures to comply with the substantive provisions of the multilateral conventions which are specified in Article 2 of Annex IV and make best endeavours to re-establish membership, or adhere to them respectively, as well as to multilateral agreements facilitating co-operation in the field of protection of intellectual property rights.

3. In the field of intellectual property, the Parties to this Agreement shall not grant treatment less favourable to each other's nationals than that accorded to nationals of any other State. Any advantage, favour, privilege or immunity deriving from:

- (a) existing bilateral agreements concluded by a Party to this Agreement before the entry into force of this Agreement, as notified to the other Party within one year from the date of entry into force of this Agreement,

- (b) existing and future regional agreements on economic integration to which not all of the Parties are parties,

may be exempted from this obligation, provided that such agreement does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Party.

4. The Parties to this Agreement may conclude further agreements exceeding the requirements of this Agreement.

5. The Parties to this Agreement shall agree upon appropriate modalities for technical assistance and co-operation of respective authorities of the Parties. To this end, they shall co-ordinate efforts with relevant international organizations.

ARTICLE 15

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 Switzerland and Estonia:

- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings 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 to this Agreement as a whole or in a substantial part thereof.

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

ARTICLE 16

State Aid

1. Any aid granted by a Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between Switzerland and Estonia, be incompatible with the proper functioning of this Agreement. In particular, the Parties shall not maintain or introduce export aid as listed in Annex V.

2. The Parties to this Agreement shall ensure transparency of state aid measures by exchanging information on the request of either Party to this Agreement.

3. The Joint Committee shall keep the situation regarding the application of state aid measures under review, and shall elaborate further rules of implementation which shall be applicable not later than 31 December 1995.

4. If a Party to this Agreement considers that a given practice is incompatible with paragraph 1 of this Article, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard Procedure).

5. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 17

Dumping

1. If a Party finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with that Article and agreements related thereto, under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard Procedure).

2. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 18

Emergency Action on Imports of a Particular Product

If an increase in imports of a given product originating in Switzerland or in Estonia 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 22 (Safeguard Procedure).

ARTICLE 19

Structural Adjustment

The Parties agree that exceptional measures of limited duration which derogate from the provisions of the Article 4 (Prohibition and Abolition of Customs Duties on Imports) may be taken by Estonia in the form of increased customs duties under the conditions and in accordance with Annex VI.

ARTICLE 20

Re-export and Serious Shortage

Where compliance with the provisions of Article 5 (Prohibition and Abolition of Customs Duties on Exports) and 6 (Prohibition and Abolition of Quantitative Restrictions on Imports and Exports) leads to:

- (a) re-export towards a third country against which the exporting Party to this Agreement maintains for the product concerned quantitative export restrictions, 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 to this Agreement;

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 22 (Safeguard Procedure).

ARTICLE 21

Balance of Payments Difficulties

1. Where Switzerland or Estonia is in serious balance of payments difficulties, or under imminent threat thereof, Switzerland or Estonia, as the case may be, may, in accordance with the terms and conditions established under the General Agreement on Tariffs and Trade and associated legal instruments, 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 progressively relaxed as balance of payments conditions improve and they shall be eliminated when conditions no longer justify their maintenance. Switzerland or Estonia, as the case may be, shall inform the Joint Committee forthwith of their introduction and of a time schedule for their removal.

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

ARTICLE 22

Procedure for the Application of Safeguard Measures

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

2. (a) As regards Article 16 (State Aid) the Parties concerned shall give to the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. 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 for such consultations, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.

- (b) As regards Articles 17 (Dumping), 18 (Emergency Action on Imports) and 20 (Re-export 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 27 (Fulfilment of 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 a 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.

3. 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 will least disturb the functioning of the Agreement.

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

5. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Article 16 (State Aid), 17 (Dumping), 18 (Emergency Action on Imports) and 20 (Re-export 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 to this Agreement shall take place as soon as possible.

ARTICLE 23

Security Exceptions

Nothing in this Agreement shall prevent a Party to this Agreement 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;
 - (i) 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 in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
 - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
 - (iii) taken in time of war or other serious international tension.

ARTICLE 24

Joint Committee

1. The implementation and functioning of this Agreement shall be supervised and administered by a Joint Committee.
2. The Joint Committee shall consist of representatives of Switzerland and of Estonia. It shall act by mutual agreement and shall meet whenever necessary, normally once a year. Each Party may request that a meeting be held.
3. For the purpose of the proper implementation of the Agreement, the Parties shall exchange information and, at the request of any Party to this Agreement, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade. The Joint Committee shall take decisions in the cases provided for in this Agreement. On other matters the Joint Committee shall make recommendations.
4. The Joint Committee may decide to amend the Annexes and Protocols to this Agreement. These decisions shall be put into effect according to each Party's internal procedures.
5. The Joint Committee may decide to set up such sub-committees and working parties as it considers necessary to assist it in accomplishing its tasks.

ARTICLE 25

Evolutionary Clause

1. The Parties undertake to examine, in the light of any relevant factor, the possibility of further developing and deepening the co-operation under this Agreement and to extend it to areas not covered therein. The Parties to this Agreement may instruct the Joint Committee to examine this possibility and, where appropriate, to make recommendations to them, particularly with a view to opening up negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their own procedures.

ARTICLE 26

Services and Investment

1. The Parties to this Agreement recognize the growing importance of certain areas, such as services and investments. In their efforts to gradually broaden and deepen their economic relations, they will co-operate with the aim of achieving a gradual liberalization and mutual opening of markets for investments and trade in services, taking into account relevant GATT work. They will endeavour to accord treatment no less favourable than that accorded to domestic and foreign operators in their territories on condition that balance of rights and obligations exists between the Parties to this Agreement.
2. Switzerland and Estonia will discuss the modalities of this co-operation in the Joint Committee.

ARTICLE 27

Fulfilment of Obligations

1. The Parties to this Agreement shall take all necessary measures to ensure the achievement of the objectives of the Agreement and the fulfilment of their obligations under the Agreement.
2. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard Procedure).

ARTICLE 28

Annexes and Protocols

The Annexes I to VI and the Protocols A to F to this Agreement are an integral part of it.

ARTICLE 29

Customs 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 for by this Agreement.

ARTICLE 30

Territorial Application

This Agreement is extended to the Principality of Liechtenstein as long as this country is bound to the Swiss Confederation by a customs union treaty.

ARTICLE 31

Amendments

Amendments to this Agreement other than those referred to in paragraph 3 of Article 24 (Joint Committee) which are approved by the Joint Committee shall be submitted to the Parties to this Agreement for acceptance and shall enter into force if accepted by these Parties.

ARTICLE 32

Entry into Force

1. This Agreement shall enter into force on 1 April 1993 provided that both Parties have notified to each other through diplomatic channels that their constitutional or other legal requirements for the entry into force of this Agreement have been fulfilled.

2. In case one or both of the Parties have not notified the fulfilment of their ratification requirements by 1 April 1993, the Agreement shall be provisionally applied from this date until the ratification procedures have been completed.

ARTICLE 33

Denunciation

Either Party to this Agreement may denounce this Agreement by means of a written notification to the other Party. The 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 Tallinn, on 21 December 1992, in two originals in the English language.

For the Government of the
Swiss Confederation
(signature)

For the Government
of the Republic of Estonia
(signature)

II. FREE-TRADE AGREEMENT BETWEEN THE SWISS CONFEDERATION
AND THE REPUBLIC OF LATVIA

PREAMBLE

The Government of the Swiss Confederation (hereinafter called Switzerland),

and

The Government of the Republic of Latvia (hereinafter called Latvia),

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

Having regard to the Declaration signed by the EFTA States and Latvia in Geneva on 10 December 1991,

Recalling the Trade Agreement between Switzerland and Latvia signed on 4 December 1924,

Recalling their 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 pluralistic democracy based on the rule of law, human rights and fundamental freedoms,

Desiring to create favourable conditions for the development and diversification of trade between them and for the promotion of commercial and economic co-operation in areas of common interest on the basis of equality, mutual benefit, most-favoured-nation treatment and international law,

Resolved to contribute to the strengthening of the multilateral trading system and to develop their relations in the field of trade in accordance with the basic principles of the General Agreement on Tariffs and Trade (GATT) having in mind the objective of Latvia to become a Contracting Party of the GATT,

Considering that no provision of this Agreement may be interpreted as exempting the Parties to this Agreement from their obligations under other international agreements,

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

Have decided, in pursuit of the above, to conclude this Agreement;

ARTICLE 1

Objective

1. Switzerland and Latvia shall, taking into account the need to ensure the accelerated transition to market economy in Latvia, gradually establish a free trade area in accordance with the provisions of the present Agreement.

2. The objective of this Agreement, which is based on trade relations between market economies, are:

- (a) to promote, through the expansion of mutual trade, the harmonious development of the economic relations between Switzerland and Latvia and thus to foster in Switzerland and in Latvia the advance of economic activity, the improvement of living and employment conditions, increased productivity, financial stability and sustainable growth;
- (b) to provide fair conditions of competition for trade between Switzerland and Latvia;
- (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

ARTICLE 2

Scope

The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;
- (c) to fish and other marine products as provided for in Annex II;

originating in Switzerland or Latvia.

ARTICLE 3

Rules of Origin and Cooperation in Customs Administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.

2. The Parties to this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Articles 4 (Prohibition and Abolition of Customs Duties on Imports) to 6 (Prohibition and Abolition of Quantitative Restrictions on Imports or Exports), 8 (Internal Taxation) and 20 (Re-export and Serious Shortage) of the Agreement and Protocol B are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

ARTICLE 4

Prohibition and Abolition of Customs Duties on Imports and Charges having Equivalent Effect

1. No new customs duty on imports or charge having equivalent effect shall be introduced in trade between Switzerland and Latvia.
2. Customs duties on imports and charges having equivalent effect shall be abolished upon the date of entry into force of this Agreement.
3. The provisions of this Article shall also apply to customs duties of a fiscal nature except as provided for in Protocol C. The Parties to this Agreement may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.

ARTICLE 5

Prohibition and Abolition of Customs Duties on Exports and Charges having Equivalent Effect

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between Switzerland and Latvia.
2. Customs duties on exports and charges having equivalent effect shall be abolished upon the entry into force of this Agreement, except as provided for in Annex III.

ARTICLE 6

Prohibition and Abolition of Quantitative Restrictions on Imports or Exports and Measures having Equivalent Effect

1. No new quantitative restriction on imports or exports and measures having equivalent effect shall be introduced in trade between Switzerland and Latvia.
2. Quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement, except as provided for in Annex IV.

ARTICLE 7

National Treatment

The goods of the territory of one Contracting Party imported into the territory of the other Contracting Party shall be accorded treatment no less favourable than that accorded to like goods of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

ARTICLE 8

Internal Taxation

1. The Parties to this Agreement 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 like 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 9

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 of humans, animals or plants; the protection of the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; rules relating to gold or silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties to this Agreement.

ARTICLE 10

State Monopolies

1. The Parties shall ensure that any state monopoly of a commercial character be adjusted, subject to the provisions laid down in Protocol D, so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of Switzerland and of Latvia. These goods shall be procured and marketed in accordance with commercial considerations.

2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties to this Agreement, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties to this Agreement. These provisions shall likewise apply to monopolies delegated by the State to others.

ARTICLE 11

Cooperation in the Field of Agriculture

1. The Parties to this Agreement declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.

2. In pursuance of this objective, measures to facilitate trade and co-operation in the field of agriculture will be decided upon by the Parties to this Agreement based on recommendations of the Joint Committee.

3. The Parties to this Agreement 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 12

Payments

1. Payments relating to trade and the transfer of such payments to the territory of the Party to this Agreement where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any currency exchange or administrative restrictions on the grant, repayment or acceptance of short-term and medium-term credits covering commercial transactions in which a resident participates.

ARTICLE 13

Public Procurement

1. The Parties to this Agreement consider the effective liberalization of their respective public procurement markets as an integral objective of this Agreement.

2. To this effect, the Parties shall elaborate rules within the Joint Committee with a view to ensure such a liberalization not later than 31 December 1995.

3. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 14

Protection of Intellectual Property

1. In order to achieve the objectives of this Agreement, the Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights. They shall adopt and take adequate, effective and non-discriminatory measures for the enforcement of such rights against infringement thereof, and in particular against counterfeiting and piracy. Particular obligations of the Parties shall be listed in Annex V.

2. The Parties to this Agreement shall take, as soon as possible after the entry into force of the Agreement, all necessary measures to comply with the substantive provisions of the multilateral conventions which are specified in Article 2 of Annex V and make best endeavours to adhere to them as well as to multilateral agreements facilitating co-operation in the field of protection of intellectual property rights.

3. In the field of intellectual property, the Parties to this Agreement shall not grant treatment less favourable to each other's nationals than that accorded to nationals of any other State. Any advantage, favour, privilege or immunity deriving from:

- (a) existing bilateral agreements concluded by a Party to this Agreement before the entry into force of this Agreement, as notified to the other Party within one year from the date of entry into force of this Agreement,
- (b) existing and future regional agreements on economic integration to which not all of the Parties are parties,

may be exempted from this obligation, provided that such agreement does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Party.

4. The Parties to this Agreement may conclude further agreements exceeding the requirements of this Agreement.

5. If any Party to this Agreement considers that the other Party has failed to fulfil its obligations under this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 27, paragraph 2 of this Agreement.

6. The Parties to this Agreement shall agree upon appropriate modalities for technical assistance and co-operation of respective authorities of the Parties. To this end, they shall co-ordinate efforts with relevant international organizations.

ARTICLE 15

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 Switzerland and Latvia:

- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings 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 to this Agreement as a whole or in a substantial part thereof.

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

ARTICLE 16

State Aid

1. Any aid granted by a Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between Switzerland and Latvia, be incompatible with the proper functioning of this Agreement. In particular, the Parties shall not maintain or introduce export aid as listed in Annex VI.

2. The Parties to this Agreement shall ensure transparency of state aid measures by exchanging information on the request of either Party to this Agreement.

3. The Joint Committee shall keep the situation regarding the application of state aid measures under review, and shall elaborate further rules of implementation which shall be applicable not later than 31 December 1995.

4. If a Party to this Agreement considers that a given practice is incompatible with paragraph 1 of this Article, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard Procedure).

5. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 17

Dumping

1. If a Party finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with that Article and agreements related thereto, under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard procedure).

2. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 18

Emergency Action on Imports of a particular Product

If an increase in imports of a given product originating in Switzerland or in Latvia 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 22 (Safeguard procedure).

ARTICLE 19

Structural Adjustment

The Parties agree that exceptional measures of limited duration which derogate from the provisions of the Article 4 (Prohibition and abolition of customs duties on imports) may be taken by Latvia in the form of increased customs duties under the conditions and in accordance with Annex VII.

ARTICLE 20

Re-export and Serious Shortage

Where compliance with the provisions of Articles 5 (Prohibition and abolition of customs duties on exports) and 6 (Prohibition and abolition of quantitative restrictions on imports and exports) leads to:

- (a) re-export towards a third country against which the exporting Party to this Agreement maintains for the product concerned quantitative export restrictions, 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 to this Agreement;

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 22 (Safeguard procedure).

ARTICLE 21

Balance of Payments Difficulties

1. Where Switzerland or Latvia is in serious balance of payments difficulties, or under imminent threat thereof, Switzerland or Latvia, as the case may be, may, in accordance with the terms and conditions established under the General Agreement on Tariffs and Trade and associated legal instruments, 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 progressively relaxed as balance of payments conditions improve and they shall be eliminated when conditions no longer justify their maintenance. Switzerland or Latvia, as the case may be, shall inform the Joint Committee forthwith of their introduction and of a time schedule for their removal.
2. The Parties to this Agreement shall, nevertheless, endeavour to avoid the imposition of restrictive measures for balance of payments purposes.

ARTICLE 22

Procedure for the Application of Safeguard Measures

1. Without prejudice to paragraph 5 of this Article, the Party to this Agreement which considers resorting to safeguard measures shall promptly notify the other Party thereof and supply all relevant information. Consultations shall take place without delay in the Joint Committee with a view to finding a mutually acceptable solution.
2. (a) As regards Article 16 (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 the practice objected to. 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 for

such consultations, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.

- (b) As regards Articles 17 (Dumping), 18 (Emergency Action on Imports) and 20 (Re-export 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 27 (Fulfilment of 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 a 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.

3. 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 will least disturb the functioning of the Agreement.

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

5. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 16 (State Aid), 17 (Dumping), 18 (Emergency Action on Imports) and 20 (Re-export 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 to this Agreement shall take place as soon as possible.

ARTICLE 23

Security Exceptions

Nothing in this Agreement shall prevent a Party to this Agreement 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;
 - (i) 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 in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
 - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
 - (iii) taken in time of war or other serious international tension.

ARTICLE 24

Joint Committee

1. The implementation and functioning of this Agreement shall be supervised and administered by a Joint Committee.
2. The Joint Committee shall consist of representatives of Switzerland and of Latvia. It shall act by mutual agreement and shall meet whenever necessary and normally once a year. Each Party may request that a meeting be held.
3. For the purpose of the proper implementation of the Agreement, the Parties shall exchange information and, at the request of any Party to this Agreement, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade. The Joint Committee shall take decisions in the cases provided for in this Agreement. On other matters the Joint Committee shall make recommendations.
4. The Joint Committee may decide to amend the Annexes and Protocols to this Agreement. These decisions shall be put into effect according to each Party's internal procedures.
5. The Joint Committee may decide to set up such sub-committees and working parties as it considers necessary to assist it in accomplishing its tasks.

ARTICLE 25

Evolutionary Clause

1. The Parties undertake to examine, in the light of any relevant factor, the possibility of further developing and deepening the co-operation under this Agreement and to extend it to areas not covered therein. The Parties to this Agreement may instruct the Joint Committee to examine this possibility and, where appropriate, to make recommendations to them, particularly with a view to opening up negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their own procedures.

ARTICLE 26

Services and Investment

1. The Parties to this Agreement recognize the growing importance of certain areas, such as services and investments. In their efforts to gradually broaden and deepen their economic relations, they will co-operate with the aim of achieving a gradual liberalization and mutual opening of markets for investments and trade in services, taking into account relevant GATT work. They will endeavour to accord treatment no less favourable than that accorded to domestic and foreign operators in their territories on condition that balances of rights and obligations exists between the Parties to this Agreement.
2. Switzerland and Latvia will discuss the modalities of this co-operation in the Joint Committee.

ARTICLE 27

Fulfilment of Obligations

1. The Parties to this Agreement shall take all necessary measures to ensure the achievement of the objectives of the Agreement and the fulfilment of their obligations under the Agreement.
2. If either Party considers that the other Party has failed to fulfil 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 22 (Safeguard Procedure).

ARTICLE 28

Annexes and Protocols

The Annexes I to VII and the Protocols A to F to this Agreement are an integral part of it.

ARTICLE 29

Customs 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 for by this Agreement.

ARTICLE 30

Territorial Application

This Agreement is extended to the Principality of Liechtenstein as long as this country is bound to the Swiss Confederation by a customs union treaty.

ARTICLE 31

Amendments

Amendments to this Agreement other than those referred to in paragraph 3 of Article 24 (Joint Committee) which are approved by the Joint Committee shall be submitted to the Parties to this Agreement for acceptance and shall enter into force according to each Party's internal procedures.

ARTICLE 32

Entry into Force

1. This Agreement shall enter into force on 1 April 1993, provided that both signatory states have notified to each other through diplomatic channels that their constitutional or other legal requirements for the entry into force of this Agreement have been fulfilled.

2. If this Agreement has not entered into force in accordance with the provisions of paragraph 1, it shall enter into force on the first day of the month following the day on which both Parties have fulfilled the notification procedure established under paragraph 1.

3. In case Latvia has fulfilled the ratification requirements in accordance with this Article before Switzerland, Switzerland may notify Latvia that, during an initial phase, it shall apply the Agreement provisionally, until its ratification procedure has been completed.

ARTICLE 33

Denunciation

Either Party to this Agreement may denounce this Agreement by means of a written notification to the other Party. The 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 Riga on 22 December 1992, in English, German and Latvian languages. In case of divergencies between the texts, the English version shall prevail.

For the Government
of the Swiss Confederation:
(signature)

For the Government
of the Republic of Latvia:
(signature)

III. FREE TRADE AGREEMENT BETWEEN THE SWISS CONFEDERATION
AND THE REPUBLIC OF LITHUANIA

PREAMBLE

The Government of the Swiss Confederation (hereinafter called Switzerland)

and

The Government of the Republic of Lithuania (hereinafter called Lithuania),

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

Having regard to the Declaration signed by the EFTA States and Lithuania in Geneva on 10 December 1991,

Recalling their firm commitment to the Final Act of the Conference on Security and Co-operation 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 Co-operation in Europe,

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

Desiring to create favourable conditions for the development and diversification of trade between them and for the promotion of commercial and economic co-operation in areas of common interest on the basis of equality, mutual benefit, most favoured nation treatment and international law,

Resolved to contribute to the strengthening of the multilateral trading system and to develop their relations in the field of trade in accordance with the basic principles of the General Agreement on Tariffs and Trade (GATT) having in mind the objective of Lithuania to become a Contracting Party of the GATT,

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

Have decided, in pursuit of the above, to conclude this Free Trade Agreement (hereinafter called Agreement):

ARTICLE 1

Objective

1. Switzerland and Lithuania shall, taking into account the need to ensure the accelerated transition to market economy in Lithuania, gradually establish a free trade in accordance with the provisions of the present Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies, are:
 - (a) to promote, through the expansion of mutual trade, the harmonious development of the economic relations between Switzerland and Lithuania and thus to foster in Switzerland and in Lithuania the advance of economic activity, the improvement of living and employment conditions, increased productivity, financial stability and sustainable growth;
 - (b) to provide fair conditions of competition for trade between Switzerland and Lithuania;
 - (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

ARTICLE 2

Scope

The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Annex I;
- (b) to processed agricultural products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;
- (c) to fish and other marine products as provided for in Annex II;

originating in Switzerland or Lithuania.

ARTICLE 3

Rules of Origin and Co-operation in Customs Administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.
2. The Parties to this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Article 4

(Prohibition and abolition of customs duties on imports) to 6 (Prohibition and abolition of quantitative restrictions on imports or exports), 8 (Internal taxation) and 20 (Re-export and serious shortage) of the Agreement and Protocol B are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

ARTICLE 4

Prohibition and Abolition of Customs Duties on Imports and Charges having Equivalent Effect

1. No new customs duty on imports or charges having equivalent effect shall be introduced in trade between Switzerland and Lithuania.
2. Existing customs duties on imports and charges having equivalent effect shall be abolished upon the date of entry into force of this Agreement.
3. The provisions of this Article shall also apply to customs duties of a fiscal nature except as provided for in Protocol C. The Parties to this Agreement may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.

ARTICLE 5

Prohibition and Abolition of Customs Duties on Exports and Charges having Equivalent Effect

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between Switzerland and Lithuania.
2. Existing customs duties on exports and charges having equivalent effect shall be abolished upon the entry into force of this Agreement.

ARTICLE 6

Prohibition and Abolition of Quantitative Restrictions on Imports or Exports and Measures having Equivalent Effect

1. No new quantitative restriction on imports or exports and measures having equivalent effect shall be introduced in trade between Switzerland and Lithuania.
2. Existing quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement, except as provided for in Annex III.

ARTICLE 7

National Treatment

The goods of the territory of one Contracting Party imported into the territory of the other Contracting Party shall be accorded treatment no less favourable than that accorded to like goods of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

ARTICLE 8

Internal Taxation

1. The Parties to this Agreement 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 like 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 9

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 of humans, animals or plants; the protection of the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; rules relating to gold or silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties to this Agreement.

ARTICLE 10

State Monopolies

1. The Parties shall ensure that any state monopoly of a commercial character be adjusted, subject to the provisions laid down in Protocol D, so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of Switzerland and of Lithuania. These goods shall be procured and marketed in accordance with commercial considerations.
2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties to this Agreement, in law or in fact, either directly or indirectly supervise, determine or appreciably

influence imports or exports between the Parties to this Agreement. These provisions shall likewise apply to monopolies delegated by the State to others.

ARTICLE 11

Co-operation in the Field of Agriculture

1. The Parties to this Agreement declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.
2. In pursuance of this objective, measures to facilitate trade and co-operation in the field of agriculture will be decided upon by the Parties to this Agreement based on recommendations of the Joint Committee.
3. The Parties to this Agreement 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 12

Payments

1. Payments relating to trade and the transfer of such payments to the territory of the Party to this Agreement where the creditor resides shall be free from any restrictions.
2. The Parties shall refrain from any currency exchange or administrative restrictions on the grant, repayment or acceptance of short-term and medium-term credits covering commercial transactions in which a resident participates.

ARTICLE 13

Public Procurement

1. The Parties to this Agreement consider the effective liberalization of their respective public procurement markets as an integral objective of this Agreement.
2. To this effect, the Parties shall elaborate rules within the Joint Committee with a view to ensure such a liberalization not later than 31 December 1995.
3. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 14

Protection of Intellectual Property

1. In order to achieve the objectives of this Agreement, the Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights. They shall adopt and take adequate, effective and non-discriminatory measures for the enforcement of such rights against infringement thereof, and in particular against counterfeiting and piracy. Particular obligations of the Parties shall be listed in Annex IV.

2. The Parties to this Agreement shall take, as soon as possible after the entry into force of the Agreement, all necessary measures to comply with the substantive provisions of the multilateral conventions which are specified in Article 2 of Annex IV and make best endeavours to adhere to them, as well as to multilateral agreements facilitating co-operation in the field of protection of intellectual property rights.

3. In the field of intellectual property, the Parties to this Agreement shall not grant treatment less favourable to each other's nationals than that accorded to nationals of any other State. Any advantage, favour, privilege or immunity deriving from:

- (a) existing bilateral agreements concluded by a Party to this Agreement before the entry into force of this Agreement, as notified to the other Party within one year from the date of entry into force of this Agreement,
- (b) existing and future regional agreements on economic integration to which not all of the Parties are parties,

may be exempted from this obligation, provided that such agreement does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Party.

4. The Parties to this Agreement may conclude further agreements exceeding the requirements of this Agreement.

5. If any Party to this Agreement considers that the other Party has failed to fulfil its obligations under this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 27, paragraph 2 of this Agreement.

6. The Parties to this Agreement shall agree upon appropriate modalities for technical assistance and co-operation of respective authorities of the Parties. To this end, they shall co-ordinate efforts with relevant international organizations.

ARTICLE 15

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 Switzerland and Lithuania:

- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings 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 to this Agreement as a whole or in a substantial part thereof.

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

ARTICLE 16

State Aid

1. Any aid granted by a Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between Switzerland and Lithuania, be incompatible with the proper functioning of this Agreement. In particular, the Parties shall not maintain or introduce export aid as listed in Annex V.

2. The Parties to this Agreement shall ensure transparency of state aid measures by exchanging information on the request of either Party to this Agreement.

3. The Joint Committee shall keep the situation regarding the application of state aid measures under review, and shall elaborate further rules of implementation which shall be applicable not later than 31 December 1995.

4. If a Party to this Agreement considers that a given practice is incompatible with paragraph 1 of this Article, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard procedure).

5. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 17

Dumping

1. If a Party finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with that Article and agreements related thereto, under the conditions and in accordance with the procedure laid down in Article 22 (Safeguard procedure).

2. The Party to this Agreement concerned shall endeavour to accede to the relevant agreements negotiated under the auspices of the General Agreement on Tariffs and Trade.

ARTICLE 18

Emergency Action on Imports of a Particular Product

If an increase in imports of a given product originating in Switzerland or in Lithuania 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 22 (Safeguard procedure).

ARTICLE 19

Structural Adjustment

The Parties agree that exceptional measures of limited duration which derogate from the provisions of the Article 4 (Prohibition and abolition of customs duties on imports) may be taken by Lithuania in the form of increased customs duties under the conditions and in accordance with Annex VI.

ARTICLE 20

Re-export and Serious Shortage

Where compliance with the provisions of Article 5 (Prohibition and abolition of customs duties on exports) and 6 (Prohibition and abolition of quantitative restrictions on imports and exports) leads to:

- (a) re-export towards a third country against which the exporting Party to this Agreement maintains for the product concerned quantitative export restrictions, 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 to this Agreement;

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 22 (Safeguard procedure).

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1. Where Switzerland or Lithuania is in serious balance of payments difficulties, or under imminent threat thereof, Switzerland or Lithuania, as the case may be, may, in accordance with the terms and conditions established under the General Agreement on Tariffs and Trade and associated legal instruments, 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 progressively relaxed as balance of payments conditions improve and they shall be eliminated when conditions no longer justify their maintenance. Switzerland or Lithuania, as the case may be, shall inform the Joint Committee forthwith of their introduction and of a time schedule for their removal.

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

2. (a) As regards Article 16 (State aid) the Parties concerned shall give to the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. 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 for such consultations, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.
 - (b) As regards Articles 17 (Dumping), 18 (Emergency Action on Imports) and 20 (Re-export 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 27 (Fulfilment of 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 a 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.
3. The other Party shall be immediately notified of the safeguard measures taken. The safeguard measures 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 will least disturb the functioning of the Agreement.
 4. The safeguard measures taken shall be the object of regular consultations with a view to their relaxation, substitution or abolition as soon as possible.
 5. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Article 16 (State Aid), 17 (Dumping), 18 (Emergency Action on Imports) and 20 (Re-export and serious shortage) apply forthwith the precautionary and provisional measures strictly necessary to deal with the situation. The Joint Committee shall be notified of these measures without delay and consultations between the Parties to this Agreement shall take place as soon as possible.

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This Agreement is extended to the Principality of Liechtenstein as long as this country is bound to the Swiss Confederation by a customs union treaty.

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Amendments

Amendments to this Agreement other than those referred to in paragraph 3 and 4 of Article 24 (Joint Committee) which are approved by the Joint Committee shall be submitted to the Parties to this Agreement for acceptance and shall enter into force if accepted by these Parties.

ARTICLE 32

Entry into Force

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2. If this Agreement has not entered into force in accordance with the provisions of paragraph 1, it shall enter into force on the first day of the month following the day on which both Parties have fulfilled the notification procedure established under paragraph 1.

2. In case Lithuania has fulfilled the ratification requirements in accordance with this Article before Switzerland, Switzerland may notify Lithuania that, during an initial phase, it shall apply the Agreement provisionally, until its ratification procedure has been completed.

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Either Party to this Agreement may denounce this Agreement by means of a written notification to the other Party. The 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 Riga on 24 November 1992, in English, German and Lithuanian languages. In case of divergencies between the texts, the English version shall prevail.

For the Government of the
Swiss Confederation
(signature)

For the Government of the
Republic of Lithuania
(signature)