

**Agreement
between the Government of Ukraine and the Government
of the Republic of Belarus On Free Trade**

Government of Ukraine and Government of the Republic Belarus hereinafter referred to as “the Parties”,

based on the Agreement between the Belorussian Soviet Socialist Republic and Ukrainian Soviet Socialist Republic signed on December 20, 1990,

desiring to develop trade and economic cooperation between Ukraine and Republic of Belarus on the basis of equality and mutual benefit,

proceeding from the sovereign right of each state to conduct independent foreign economic policy,

intending to contribute to the development of the economic activity, full employment, increase of the efficiency and effective utilization of resources,

desiring to contribute to the sustainable development and growth of the world trade, elimination of the barriers to the development,

have agreed as follows:

Article 1

1. The Parties shall not apply duties, taxes and charges having equivalent effect on export and/or import of products originating in the customs territory of either party and intended for the customs territory of the other Party. Exemptions from this trade regime according to the agreed commodity nomenclature shall be executed by the separate Protocol or Agreement being integral part of this Agreement.

2. For the purpose of this Agreement and during the period of its implementation the following goods shall be considered as goods originating in the territories of both states:

- a) fully produced on the territory of the state, or
- b) processed on the territory of the state with the use of raw materials, materials and spare parts originating in third countries and which changes in connection therewith at least one out of six first digits of the classification of the harmonized system of goods codes and descriptions;
- c) produced with the use of raw materials, materials and spare parts specified in paragraph b), provided that their total value does not exceed the fixed part of the export price of the distributed goods.

More detailed rules of origin of the goods will be agreed upon by the Parties in a separate document which will be an integral part of this Agreement.

Article 2

Parties shall not:

Each 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 Party, and payments and transfer of payments, the rules other than those to be applied under the similar circumstances in respect of own products or products originating in the third countries.

Article 3

1. The Parties shall refrain from the application of quantitative restrictions or equivalent measures on export and/or import of goods within the framework of this Agreement.

2. Quantitative restrictions mentioned in paragraph 1 of this article can be established unilaterally within reasonable limits and for a definite period only in the following cases:

- with the purpose of taking measures provided for in Article 4 of this Agreement, or
- if goods are imported into the territory of one of the states in such a big quantity or under such conditions which are causing or threaten to cause losses to the national producers of similar or directly competitive products.

3. Quantitative restrictions mentioned in the paragraph 1 of this Article can be also established by mutual consent of the Parties and included in the annual Protocols or Agreements mentioned in paragraph 1 of the Article 1 of this Agreement.

4. The Party applying quantitative restrictions in accordance with paragraph 2 of this Article is required to present to the other Party information regarding the reasons for the imposition of such restrictions, forms and expected period of their application.

5. The Parties shall strive to resolve all issues related to the application of quantitative restrictions described in paragraph 2 of this Article by consultations.

6. When choosing measures according to this Article the Parties shall give the priority to those measures which have the least negative effect on the achievement of the purposes of this Agreement.

Article 4

The Parties agree that settlements can be made in national currencies after the conclusion of the appropriate Agreement by the authorized banks of the Parties.

The balance of mutual payments shall be calculated at the end of the year and shall be paid by goods and services.

Article 5

Each Party shall not permit re-export of goods the export of which is covered by the tariff and/or non tariff measures of the other Party where the goods originate from.

Such products can be re-exported to third countries only provided there is a written consent and conditions set forth by the authorized bodies of the country of origin of these goods. If this provision is not fulfilled the Party which interests were violated has the right to unilaterally take measures to regulate export of goods to the territory of the state which allowed nonsunctioned re-export. In the case of re-export of such goods the state where they were produced has the right to claim compensation of losses.

For the purposes of this Article “re-export” means export of goods received from the customs territory of one of the states (as set out in paragraph 2 of the Article 1 of this Agreement) by the other state outside the customs territory of the latest with the purpose of exporting to the third country.

Article 6

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

Article 7

1. The Parties shall strive to introduce identical levels of customs duties in the trade with third countries and for this purpose agree to conduct regular consultations.

2. The Parties shall inform each other of current customs tariffs and all exemptions therefrom.

Article 8

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 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 both Parties.

Article 9

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

The Parties agree that the standard Commodity Description shall be introduced on the basis of mutual consent through the existing missions in the relevant international organizations.

Article 10

1. The Parties agree that respect for the principle of freedom of transit is most important condition for the achievement of the objectives of the present Agreement and an essential element of the process of becoming a part of the international division of labor and co-operation system.

Each Party in accordance with the effective domestic laws shall ensure free transit through its territory for products originating in the customs territory of the other Party or third countries and designed for the customs territory of the other Party or third country, and will provide the exporters, importers or carriers who carry out such transit with all available and necessary facilities and services for such transit on conditions, including financial ones, which are not worse than facilities and services available to the exporters, importers, national carriers of any third state.

Parties agree that the tariffs for the transit by any means of transport including tariffs for loading and unloading shall be based on economic grounds.

Article 11

The present Agreement does not prevent the right of either 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 party or intends to become party, if such measures relate to:

- Information which concerns the interests of national defense;
- trade in weapons, ammunition and military technology;
- 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 12

With the purpose of conducting coordinated policy of export controls towards third countries the Parties shall establish Interstate Coordination Council on Export Control consisting of the heads of national state export control bodies responsible for the development of unified control lists, the consideration of facts constituting violations requiring export control, and the preparation of proposals concerning the introduction and cancellation of sanctions.

Article 13

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

Article 14

Nothing in this Agreement shall prevent Parties from establishing relations with states not Parties to this Agreement and also with their alliances and interstate organizations. These relations shall not contradict with the purpose and terms of this Agreement.

Article 15

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

Article 16

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

Article 17

The Parties agree that Ukraine may establish its trade representative office in the Republic of Belarus and the Republic of Belarus may establish its trade representative office in Ukraine. Parties shall additionally agree on the legal status of such trade representative offices, their functions, and locations.

Article 18

Any other state subject to the consent of the Parties, may join this Agreement on conditions agreed upon between the joining state and the Parties.

Article 19

The present Agreement shall come into force from the date of exchange of notifications that all further requirements for the entry into force have been fulfilled.

The Agreement shall become invalid upon the expiration of twelve month from the date of written notice by one of the Parties to terminate it.

Executed in Kiev this 17 day of December 1992 in two copies each in Ukrainian and Belorussian languages, and all texts have equal force.

Protocol
between the Government of Ukraine and Government of the
Republic of Belarus on exemptions from the free trade regime
in the Agreement between the Government of Ukraine and Government
of the Republic of Belarus On Free Trade of December 17, 1992.

Government of Ukraine and Government of the Republic of Belarus hereinafter referred to as "Parties",

In accordance with the Agreement between the Government of Ukraine and Government of the Republic of Belarus On Free Trade of December 17, 1992,

Agreed upon the following:

Article 1

Parties establish exemptions from the free trade regime provided by this Protocol and covering the following;

1. Goods covered by the Law of Ukraine of May 7, 1996, No.180/96-SR "On Export Duty On Livestock And Leather Raw Materials"(Annex 1)
2. White sugar in accordance with the Resolution of the Council of Ministers of the Republic of Belarus of July 30, 1997, No. 992 "On Amendments to the Resolution of the Council of Ministers of the Republic of Belarus of February 10, 1997, No.72".

Article 2

Most favored nation treatment shall apply to the goods described in Article 1 of this Protocol, including:

- customs duties and charges levied from exports including collection methods for such duties and charges;
- provisions concerning customs registration of transit, transportation, storage, reloading and other similar services;
- issuance of export (import) licenses;
- rules covering sale, purchase, transportation, distribution and utilization of goods in the national market.

Article 3

Licenses and quotas shall be granted for the export/import of goods (works, services) according to the national legislation of the Parties which is in force at the moment of the customs registration of goods when they are exported from Ukraine into the Republic of Belarus or when they are imported from the Republic of Belarus into Ukraine.

Article 4

This Protocol is an integral part of the Agreement On Free Trade of December 17, 1992 between the Government of Ukraine and the Government of the Republic of Belarus.

This Protocol comes into force starting from the date of written notification on the fulfillment by the Parties of all required internal procedures.

This Protocol shall stay in force up to the conclusion of the new Protocol provided by the Article 1 of the Agreement On Free Trade of December 17, 1992 between the Government of Ukraine and Government of the Republic of Belarus.

Executed in the city of Kiyv on the 13th of February 1998 in two copies in Ukrainian, Belorussian and Russian. All texts have equal force. In case of any discrepancies in the interpretation of this Protocol priority shall be given to the Russian text.

Annex 1 to the Protocol
on exemptions from the free trade regime in the Agreement
between the Government of Ukraine and Government
of the Republic of Belorussia On Free Trade

**Nomenclature of goods subject to the
customs duty levied by Ukraine**

Code of the GN FEA	Name of goods
01.02.90100	Young cattle
01.02.90310	*****
01.02.90330	Caws
01.02.90350	Bulls
01.02.90370	Oxen
01.02.90900	Other
01.04.10	Live sheep
41.01	Cattle's hides
41.02	Of sheep or lambs
41.03.90000	Of pigs only