

AGREEMENT
BETWEEN
UKRAINE
AND
THE REPUBLIC OF GEORGIA
ON FREE TRADE

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

Reaffirming their firm commitment to the free development of mutual economic cooperation,

Recalling the integration of economic relations which existed between Ukraine and the Republic of Georgia, and the interdependence and mutual contribution to the economies of both countries,

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

Recognizing that free transit of products and services requires mutually agreed measures,

Being guided by the provisions of the Declaration on the Fundamentals of Economic Relations between Ukraine and the Republic of Georgia,

Reaffirming the intention of Ukraine and the Republic of Georgia to become the 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 introduce customs duties, and/or import duties, and taxes and fees having equivalent effect on the products originating in the customs territory of either Contracting Party and designed for the customs territory of the other Contracting Party. Exemptions from this trade regime according to the agreed commodity description shall be executed by the instruments being an integral part thereof, if the Contracting Parties deem it necessary.

2. For the purpose of this Agreement and for the period of its implementation, the products originating in the territories of the Contracting Parties shall mean the products as determined by the Rules of Origin of September 24, 1993, adopted 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 products originating in the other Contracting 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

The Contracting Parties shall refrain in their mutual trade from applying any discriminatory measure, imposing quantitative restrictions or equivalent measures on export and/or import of products under this Agreement.

The Contracting Parties may impose quantitative or any other restrictions unilaterally, but only within the reasonable limits and for a definite period.

These restrictions shall be of an exclusive nature and may be applied only in cases provided for by the GATT agreements.

The Contracting Party which applies quantitative restrictions in accordance with this article, shall present, if possible in advance, to the other Contracting 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 exchange, on a regular basis, information on:

- laws and other normative acts relating to economic activity, including those regarding trade, investment, taxation, banking and insurance, and other financial services, and those regarding transport and customs issues including customs statistics.

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

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

Article 5

The Contracting Parties recognise unfair business practices to be incompatible with the purposes of the present Agreement and undertake in particular, but not exclusively, to prohibit the following methods thereof:

- agreements between enterprises, decisions taken by associations of enterprises, and common methods of business practice interfere with or restrict competition or which adversely affect the conditions for it on the territories of the Contracting Parties;

- actions by which one or several enterprises use their predominant position to restrict competition on the whole or considerable part of the territories of the Contracting Parties.

Article 6

In the course of applying of tariff and non-tariff measures to regulate their bilateral economic relations, to exchange statistical information, to conduct customs procedures, the Contracting Parties shall use the uniform nine digits Commodity Nomenclature of the Foreign Economic Activity (CN FEA), based on the Harmonised Commodity Description and Coding System and Combined Tariff and Statistical Commodity Nomenclature of the European Economic Community. However, if deemed necessary, the Contracting Parties shall develop Commodity Nomenclature beyond nine digits.

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

Article 7.

1.The Contracting 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 labour and co-operation system.

To this effect each Contracting Party safeguards unimpeded transit of goods originating in the customs territory of the other Contracting Party and/or any other state and intended for the customs territory of the other Contracting Party or any other state. Each Contracting Party shall provide exporters, importers or carriers with all available means and services, necessary for the transit, upon conditions no worse than those available to domestic exporters or importers as well as for exporters, importers or carriers of any third state.

2.The procedure and conditions for the transit of goods in the territories of the states is regulated in accordance with the international transport rules.

Article 8

The present 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 party or intends to become party, if such measures relate to:

Information which concerns 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 9

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 10

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.

Article 11

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 12

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-Georgian Commission.

Article 13

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 Tbilisi, this 9th day of January 1995, in two originals, each in the Ukrainian, Georgian 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 Georgia