

# FREE TRADE AGREEMENT BETWEEN UKRAINE AND RUSSIAN FEDERATION

## Annex Information on the regional trade agreement

### FREE TRADE AGREEMENT between the Government of Ukraine and the Government of the Russian Federation

#### I. Background information on the agreement.

1.

Membership: the Government of Ukraine and the Government of the Russian Federation.

DATE OF SIGNATURE: June 24, 1993.

ENTRY INTO FORCE: February 21, 1994.

2. Type of agreement – free trade agreement.

3. Scope.

The Agreement covers goods originating from the customs territory of one Contracting Party and destined to the customs territory of another Contracting Party.

The goods originating from the customs territories of the Contracting Parties shall be the goods:

- a) wholly produced in the territories of the Contracting Parties and/ or
- b) which have undergone transformation in the territory of the Contracting Parties with the use of raw materials, products and components from the third countries and as a result of such transformation changed the tariff heading of the Classification of Trade Nomenclature of the Foreign Economic Activity based on the Harmonized Commodity Description and Coding System and Combined Tariff and Statistical Nomenclature of the European Economic Cooperation at the four-digit level and/ or
- b) manufactured with the use of raw materials, products and components indicated in paragraph “b” subject to the condition that their combined value shall not exceed a fixed portion of the export price of a product being sold.

#### Exemptions from the free-trade regime by the Russian Federation

Code of CIS Trade Nomenclature	Product description	Termination date
1701 99 1000	White sugar	January 1, 2009
2207 10 0000	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher	January 1, 2010
2207 20 0000	Ethyl alcohol and other spirits, denatured, of any strength.	January 1, 2010
2208 90 910	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages: in containers holding 2 litres or less	January 1, 2010
2208 90 990	in containers holding more than 2 litres.	January 1, 2010



Exemptions from the free trade regime by Ukraine

Code of CIS Trade Nomenclature	Product description	Termination date
1701 99 1000	White sugar	January 1, 2009

4. Trade data.

**Trade in goods between Ukraine and the Russian Federation**

**in 2007**

(according to the State Customs Service of Ukraine and the State Statistics Committee of Ukraine)

(millions USD)

1	2	EXPORT		IMPORT		TRADE TURNOVER	
		2006 year	2007 year	2006 year	2007 year	2006 year	2007 year
	<b>TOTAL :</b>	<b>8650,70</b>	<b>12668,32</b>	<b>13787,22</b>	<b>16837,60</b>	<b>22437,92</b>	<b>29505,92</b>
	( % 2007/2006)		146,4		122,1		131,5
	(share of export/ import in foreign trade turnover)		42,9		57,1		
<b>0105-2500</b>	<b>AGRICULTURAL PRODUCTS</b> (animal and plant products, processed agricultural products)	<b>887,05</b>	<b>1462,34</b>	<b>486,50</b>	<b>620,17</b>	<b>1373,55</b>	<b>2082,51</b>
	( % 2007/2006)		164,9		127,5		151,6
	<i>including:</i>						
0202	Meat of bovine animals, frozen	5,82	91,24	0,00	0,11	5,82	91,35
0301 - 07	Fish, crustaceans, molluscs	0,20	0,93	13,66	10,75	13,86	11,68
0401 - 02	Milk and cream concentrated/ un concentrated and with/ without added sugar or other sweetening matter.	10,29	32,08	0,63	0,91	10,92	32,99
0405 - 06	Butter and other fats and oils derived from milk; dairy spreads; Cheese and curd.	126,05	221,66	15,33	23,90	141,38	245,56
1001 -08	Cereals	31,22	12,24	4,38	2,20	35,60	14,44
1101 - 06	Products of the milling industry	3,73	10,57	3,01	13,90	6,74	24,47
1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.	69,21	119,57	0,03	0,01	69,24	119,58
1601 - 02	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products; Other prepared or preserved meat, meat offal or blood.	0,16	0,05	6,96	4,00	7,12	4,05

1604 - 05	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs; Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved.	10,87	18,51	36,89	38,10	47,76	56,61
1701 - 02	Cane or beet sugar and chemically pure sucrose, in solid form; Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel.	4,13	19,33	0,05	0,00	4,18	19,33
1803 - 06	Cocoa paste, whether or not defatted; Cocoa butter, fat and oil; Cocoa powder; Chocolate and other food preparations containing cocoa.	135,34	203,90	51,77	67,36	187,11	271,26
2001 - 09	Preparations of vegetables, fruit, nuts or other parts of plants.	71,34	95,96	32,99	28,72	104,33	124,68
<b>2203 -08</b>	<b>Alcoholic beverages</b>	<b>262,20</b>	<b>329,07</b>	<b>12,93</b>	<b>40,37</b>	<b>275,13</b>	<b>369,44</b>
	<i>including:</i>						
2203	Beer made from malt	70,37	72,19	8,13	5,51	78,50	77,70
2204 - 05	Wine of fresh grapes, including fortified wines; Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances	25,58	33,98	0,25	0,76	25,83	34,74
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher; ethyl alcohol and other spirits, denatured, of any strength	0,00	0,00	0,00	0,94	0,00	0,94
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages	166,25	201,06	4,55	9,10	170,80	210,16
2301 - 09	Residues and waste from the food industries; prepared animal fodder.	2,91	3,51	24,69	21,66	27,60	25,17
<b>2401 - 03</b>	<b>Tobacco and manufactured tobacco substitutes.</b>	<b>20,87</b>	<b>11,46</b>	<b>52,43</b>	<b>70,93</b>	<b>73,30</b>	<b>82,39</b>
<b>2501 - 2621</b>	<b>MINERAL PRODUCTS AND ORES</b>	<b>197,41</b>	<b>325,51</b>	<b>166,73</b>	<b>275,84</b>	<b>364,14</b>	<b>601,35</b>
	( % 2007/2006)		164,9		165,4		165,1
2501	Salt and pure sodium chloride	26,82	30,63	0,02	0,01	26,84	30,64
2516	Granite, porphyry, basalt, sandstone and other monumental or building stone	3,83	3,64	0,01	0,01	3,84	3,65
2517	Pebbles, gravel, broken or crushed stone	78,99	136,20	1,17	1,29	80,16	137,49
2601	Iron ores and concentrates, including roasted iron pyrites	0,76	15,29	84,51	180,23	85,27	195,52
2602	Manganese ores and concentrates	0,64	0,76	0,00	0,00	0,64	0,76
2614	Titanium ores and concentrates	18,82	21,96	0,00	0,00	18,82	21,96

<b>2701 - 16</b>	<b>ENERGY PRODUCTS</b>	<b>97,08</b>	<b>165,26</b>	<b>6939,82</b>	<b>7881,38</b>	<b>7036,90</b>	<b>8046,64</b>
	( % 2007/2006)		170,2		113,6		114,3
	<i>including:</i>						
2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	7,50	13,02	651,36	980,13	658,86	993,15
2704 - 08	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon; Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons; Tar distilled from coal, from lignite or from peat, and other mineral tars; Oils and other products of the distillation of high temperature coal tar.	71,90	82,52	90,92	259,70	162,82	342,22
2709	Petroleum oils and oils obtained from bituminous minerals, crude	0,00	0,00	4403,62	4627,56	4403,62	4627,56
2710	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included	9,81	24,12	1378,40	1528,18	1388,21	1552,30
2711	Petroleum gases and other gaseous hydrocarbons	0,04	0,01	397,45	710,00	397,49	710,01
<b>2801 - 4017</b>	<b>PRODUCTS OF CHEMICAL AND ALLIED INDUSTRIES</b>	<b>923,75</b>	<b>1104,92</b>	<b>1193,09</b>	<b>1588,81</b>	<b>2116,84</b>	<b>2693,73</b>
	( % 2007/2006)		119,6		133,2		127,3
	<i>including:</i>						
2818	Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide	315,48	371,64	1,38	1,05	316,86	372,69
2915	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives	6,64	9,82	4,51	5,96	11,15	15,78
3003 - 06	Pharmaceutical products	17,29	21,36	40,34	57,17	57,63	78,53
3206	Other colouring matter	36,70	56,04	0,07	0,09	36,77	56,13
3208 - 11	Paints and varnishes	5,74	8,85	7,85	8,25	13,59	17,10
3401 - 02	Soap and washing preparations.	23,04	28,91	101,47	110,97	124,51	139,88
3403	Lubricating preparations and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials	2,99	3,23	1,41	2,92	4,40	6,15
3801	Artificial graphite; colloidal or semi-colloidal graphite; preparations based on graphite or other carbon in the form of pastes, blocks, plates or other semi-manufactures.	1,46	1,93	0,68	1,75	2,14	3,68

3901 - 26	Plastics and articles thereof.	243,76	289,11	205,79	291,41	449,55	580,52
4001 - 17	Rubber and articles thereof.	94,43	93,53	281,53	329,28	375,96	422,81
	<i>including:</i>						
4011	New pneumatic tyres, of rubber	77,01	73,18	118,39	142,89	195,40	216,07
<b>4401 - 4911</b>	<b>WOOD AND ARTICLES OF WOOD, PULP OF WOOD OR OTHER FIBROUS CELLULOSIC MATERIALS, PAPER AND PAPERBOARD</b>	<b>441,14</b>	<b>572,02</b>	<b>368,70</b>	<b>462,80</b>	<b>809,84</b>	<b>1034,82</b>
	( % 2007/2006)		129,7		125,5		127,8
	<i>including:</i>						
4401 - 4602	Wood and articles of wood	24,35	33,04	55,20	77,11	79,55	110,15
4702 - 4707	Pulp of wood or of other fibrous cellulosic material	0,01	0,03	43,11	61,14	43,12	61,17
4801 - 4911	Paper and paperboard; articles of paper pulp, of paper or of paperboard.	413,94	538,93	260,43	324,34	674,37	863,27
<b>4101 - 4304; 5001 - 6704</b>	<b>SOFTGOODS</b>	<b>104,78</b>	<b>147,96</b>	<b>116,22</b>	<b>117,3</b>	<b>221,00</b>	<b>265,26</b>
	( % 2007/2006)		141,2		100,9		120,0
	<i>including:</i>						
4101 - 4304	Raw hides and skins and leather; Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut; Furskins and artificial fur; manufactures thereof.	2,85	2,85	9,96	6,09	12,81	8,94
5002 - 6002	Textiles and textile products	64,12	89,69	86,64	92,18	150,76	181,87
	<i>including:</i>						
5208 - 12	Woven fabrics of cotton	1,54	4,33	47,22	49,45	48,76	53,78
5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon	11,52	15,83	0,25	0,15	11,77	15,98
6101 - 6310	Articles of apparel and clothing accessories	19,00	31,67	15,11	14,75	34,11	46,42
6401 - 6507	Footwear, gaiters and the like; parts of such articles; Headgear and parts thereof.	17,72	22,46	4,52	4,27	22,24	26,73
<b>6801 - 7020</b>	<b>ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS</b>	<b>138,62</b>	<b>180,24</b>	<b>191,81</b>	<b>221,53</b>	<b>330,43</b>	<b>401,77</b>
	( % 2007/2006)		130,0		115,5		121,6
<b>7201 - 8113</b>	<b>BASE METALS AND ARTICLES OF BASE METAL</b>	<b>2710,59</b>	<b>3635,40</b>	<b>1468,97</b>	<b>2084,04</b>	<b>4179,56</b>	<b>5719,44</b>
	( % 2007/2006)		134,1		141,9		136,8
	<i>including:</i>						
<b>7201 - 7326</b>	<b>Iron and steel and articles thereof</b>	<b>2585,34</b>	<b>3418,11</b>	<b>1113,31</b>	<b>1562,29</b>	<b>3698,65</b>	<b>4980,40</b>
	<i>including:</i>						
7201	Pig iron and spiegeleisen in pigs, blocks or other primary forms	0,16	0,02	70,04	58,18	70,20	58,20

7202	Ferro-alloys	166,99	244,69	64,77	59,38	231,76	304,07
7207 - 29	Products of iron and steel	1309,78	1852,12	613,94	1042,46	1923,72	2894,58
7303 - 07	Tubes, pipes and hollow profiles, of cast iron and steel; Tube or pipe fittings, of iron or steel	947,73	1054,19	64,65	57,26	1012,38	1111,45
<b>7401 - 8113</b>	<b>Non ferrous metals</b>	<b>125,25</b>	<b>217,30</b>	<b>355,66</b>	<b>521,77</b>	<b>480,91</b>	<b>739,07</b>
	<i>including:</i>						
7402 - 19	Copper and articles thereof.	44,41	71,47	158,33	175,02	202,74	246,49
7501 - 08	Nickel and articles thereof.	6,16	19,56	71,66	128,74	77,82	148,30
7601 - 16	Aluminium and articles thereof.	53,82	68,32	95,20	130,10	149,02	198,42
<b>8201 - 8908</b>	<b>PRODUCTS OF MACHINERY-PRODUCING INDUSTRY</b>	<b>3000,04</b>	<b>4781,20</b>	<b>2714,51</b>	<b>3412,65</b>	<b>5714,55</b>	<b>8193,85</b>
	( % 2007/2006)		159,4		125,7		143,4
	<i>including:</i>						
8201 - 15	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal.	10,51	15,01	36,60	49,81	47,11	64,82
8402 - 06	Boilers, machinery and mechanical appliances; parts thereof.	23,12	60,99	13,60	17,56	36,72	78,55
8407 - 09	Spark-ignition reciprocating or rotary internal combustion piston engines; Compression-ignition internal combustion piston engines (diesel or semi-diesel engines); Parts suitable for use solely or principally with the engines of heading 8407 or 8408	25,21	27,27	139,08	173,28	164,29	200,55
8411	Turbo-jets, turbo-propellers and other gas turbines	186,51	205,93	22,28	16,56	208,79	222,49
8412	Other motors and engines	27,40	95,29	47,16	48,04	74,56	143,33
8413 - 14	Pumps for liquids, liquid elevators; Air or vacuum pumps, air or other gas compressors and fans.	185,21	219,80	55,01	65,50	240,22	285,30
8418	Refrigerators, freezers and other refrigerating or freezing equipment	94,75	107,17	55,23	58,30	149,98	165,47
8428 - 31	Other lifting, handling, loading or unloading machinery; Self-propelled bulldozers, angledozers, graders, levelers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers; Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery; Parts suitable for use solely or principally with the machinery of headings 8425 to 8430	113,84	117,21	102,65	115,28	216,49	232,49
8432 - 38	Agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery; Machinery for the industrial preparation or manufacture of food or drink	75,31	113,38	41,45	38,64	116,76	152,02

8454 - 55	Converters, ladles, ingot moulds and machines, of a kind used in metallurgy or in metal foundries; Metal-rolling mills and rolls therefor	60,83	125,86	4,54	8,49	65,37	134,35
8458 - 63	Metal working machines	19,92	25,33	6,79	14,62	26,71	39,95
8479	Machines and mechanical appliances having individual functions	11,76	29,47	31,01	40,83	42,77	70,30
8482	Valve or roller bearings	32,95	44,62	31,77	74,07	64,72	118,69
8501 - 03	Electric motors and generators; Electric generating sets and rotary converters; Parts suitable for use solely or principally with the machines of heading № 8501 or 8502.	73,92	118,81	43,79	22,02	117,71	140,83
8504	Electrical transformers, static converters (for example, rectifiers), inductors and throttles	120,22	317,64	24,20	6,79	144,42	324,43
8605 - 06	Railway or tramway passenger coaches, , not self-propelled; Railway or tramway goods vans and wagons, not self-propelled.	612,36	1188,30	13,19	182,72	625,55	1371,02
8607	Parts of railway or tramway locomotives or rolling-stock	111,97	189,77	90,85	806,09	202,82	995,86
8701 - 05	Tractors; Motor vehicles for the transport of ten or more persons, including the driver; Motor cars and other motor vehicles principally designed for the transport of persons; Motor vehicles for the transport of goods; Special purpose motor vehicles.	362,20	686,32	614,67	806,09	976,87	1492,41
8706 - 08	Chassis fitted with engines for the motor vehicles of headings № 87.01 to 87.05; Bodies (including cabs), for the motor vehicles of headings 87.01 to 87.05; Parts and accessories of the motor vehicles of headings 87.01 to 87.05.	81,68	103,37	339,66	336,46	421,34	439,83
8801 - 05	Balloons and dirigibles; gliders, hang gliders and other non-powered aircraft; Other aircraft; spacecraft and suborbital and spacecraft launch vehicles; Parts of the goods of heading № 88.01 or 88.02; Parachutes and parachutes; parts thereof and accessories thereto; Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts of the foregoing articles.	83,85	37,32	22,67	12,72	106,52	50,04
8901 - 08	Vessels and other floating structures.	11,28	39,50	2,35	10,34	13,63	49,84
9001 - 9114	Instruments and apparatus	69,53	91,08	108,11	150,51	177,64	241,59
	( % 2007/2006)		131,0		139,2		136,0
	<b>OTHER PRODUCTS</b>	<b>150,24</b>	<b>293,47</b>	<b>140,87</b>	<b>173,08</b>	<b>291,11</b>	<b>466,55</b>

	( % 2007/2006)		195,3		122,9%		160,3

## **II. Trade provisions.**

### **1. Import restrictions.**

#### **1.1. Duties and charges.**

The Contracting Parties shall not apply customs duties, taxes and charges, which have an equivalent effect, with respect to importation of goods, originating from the customs territory of one Contracting Party and destined for the customs territory of the other Contracting Party.

#### **1.2. Quantitative restrictions.**

The Contracting Parties shall not apply quantitative restrictions or other equivalent measures to importation of goods under this Agreement.

The Contracting Parties shall not introduce special restrictions or requirements, which are not applied to domestic or third-country goods in similar situations, for importation of goods under this Agreement.

#### **1.3. Common customs tariff.**

Introduction of the common customs tariff is not envisaged.

The Contracting Parties shall harmonize tariff rate levels applied in trade with the third parties. The Contracting Parties agreed to hold regular consultations aimed at achieving that goal.

### **2. Export restrictions.**

#### **2.1 Duties and charges.**

The Contracting Parties shall not apply customs duties, taxes and charges, which have an equivalent effect, with respect to exportation of goods, originating from the customs territory of one Contracting Party and destined for the customs territory of the other Contracting Party.

#### **2.2. Quantitative restrictions.**

The Contracting Parties shall not apply quantitative restrictions or other equivalent measures to exportation of goods under this Agreement.

The Contracting Parties shall not introduce special restrictions or requirements, which are not applied to domestic or third-country goods in similar situations, for exportation of goods under this Agreement.

### **3. Rules of Origin.**

Goods originating from the territories of the Contracting Parties shall be goods determined by Regulations on Establishing a Country of Origin as of 30 November, 2000 approved by Decision of the Governments Heads' Council of the Commonwealth of Independent States.

### **4. Standards.**

The Agreement does not contain any specific provisions concerning standards.

### **5. Safeguards.**

The Contracting Parties may unilateral apply quantitative restrictions, but within reasonable limits and strictly for a definite period of time in case of:

- acute deficit of this product in the domestic market, until the market situation is stabilized;

- acute deficit of balance of payments, until the situation with the balance of payments is stabilized;

- where a good is imported into the territory of one of the Contracting Parties in such increased amounts or on such terms, which damage or threaten to damage local manufacturers of similar or directly competing goods;

- with a view to carrying out the measures aimed at prevention of re-exportation of goods subject to tariff and/ or non-tariff regulation measures by the Contracting Party, from which the goods originate.

Quantitative restrictions may be introduced subject to mutual agreement of the Contracting Parties; such restrictions shall be inscribed in Protocols to be signed every year.

#### 6. Antidumping and countervailing measures.

The Agreement does not contain provisions concerning antidumping and countervailing measures.

#### 7. Subsidies and State Support.

The Agreement does not contain any specific provision concerning subsidies and state support as well as countervailing measures.

#### 8. Provisions concerning specific industries.

The Agreement does not contain any specific provision concerning specific industries.

#### 9. Other provisions.

The Contracting Parties will exchange on a regular basis customs information, including available customs statistics. The authorized government bodies of the Contracting Parties establish a procedure for such exchange in an official document.

### **III. General Provisions of the Agreement.**

#### 1. Exceptions and Reservations.

Nothing in the Agreement shall prevent of the Contracting Parties from taking measures, which are considered necessary for the protection of their vital interests or which are undoubtedly necessary for the implementation of international agreements of which they are signatories or intend to become signatories, and these measures concern:

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

#### 2. Accessions.

There is no provision in the Agreement allowing other countries to join it as this is a bilateral agreement.

#### 3. Dispute Settlement Procedures.

Disputes between the Contracting Parties on the interpretation or application of the provisions of this Agreement shall be settled by way of negotiations. The Contracting Parties shall be guided by the provisions of this Agreement as well as by the documents emanating from it in their effort to come to an understanding.

#### 4. Relation with Other Trade Agreements.

Provisions of this Agreement shall replace the provisions of any bilateral agreements concluded earlier by the Contracting Parties insofar as the latter are incompatible or identical with the former.

This Agreement does not interfere with other agreements concluded earlier by the Contracting Parties with the third countries.

#### 5. Institutional Framework.

To implement the objectives of this Agreement and to work out recommendations on improving trade and economic cooperation between the two countries, the Contracting Parties agreed to establish the Joint Russian-Ukrainian Commission.

The Russian-Ukrainian Interstate Commission shall be guided in its operation by the Declaration of the President of the Russian Federation and the President of Ukraine on Establishing of the Russian-Ukrainian Interstate Commission on Cooperation of May 8, 2005, provisions of agreements, treaties, protocols, Rules of procedure in force and other bilateral documents.

The major functions of the Commission are the following:

- to analyze the status of cooperation between Ukraine and the Russian Federation, to identify the most perspective areas of such cooperation and possibilities for improvement of forms of cooperation;
- to monitor realization of bilateral agreements and arrangements achieved by the Heads of States and the Governments of the Contracting Parties;
- to plan and coordinate preparation of bilateral Ukrainian-Russian agreements aimed at deepening of cooperation between the Contracting Parties, development and realization of priority programs of economic and science-technical cooperation, measures aimed at promotion of interregional cooperation and business interaction among entrepreneurs;
- to coordinate activities of ministries and administrations, organizations and companies of various ownership forms in order aiming at promotion of bilateral economic cooperation;
- to advise on the issues of foreign policy as well as on the issues of interaction within the Commonwealth of Independent States;
- to organize the work in the area of exchange of experience of market reforms and to draft proposals on harmonization of legislation of the Contracting Parties with the purpose of advancing integration processes in their relations.

The Commission consists of the Russian and Ukrainian parts. Membership of the national parts of the Commission shall be approved by President of the Russian Federation and President of Ukraine accordingly on parity basis.

The following bodies shall be established within the Commission:

1. The Committee on Economic Cooperation is led by the Head of the Government of the Russian Federation and the Prime-Minister of Ukraine, who act as the Heads of the Russian and Ukrainian parts of the Committee accordingly.

The Committee functions under direct supervision of the Heads of the Russian and Ukrainian parts of the Commission.

The Committee consists of the Russian and Ukrainian parts; their membership shall be submitted by the Head of the Government of the Russian Federation and the Prime-Minister of Ukraine through the secretaries of the Commission to the Heads of the Russian and Ukrainian parts of the Commission accordingly for approval.

Secretariats shall be established to support the work of the Russian and Ukrainian part of the Commission. Their membership shall be approved by the Heads of the Russian and Ukrainian parts of the Committee.

The following sub-commissions shall be established within the Committee:

- on trade and economic cooperation;

- on fuel and energy sector;
- on nuclear energy and nuclear materials;
- on industrial policy;
- on cooperation in the aircraft industry;
- on cooperation in the space industry;
- on agricultural sector;
- on transports;
- on credit and financial cooperation;
- on science and technical cooperation;
- on ownership.

2. The Sub-committee on Security is headed by the Minister of Defense of the Russian Federation and by the Minister of Defense of Ukraine, who act as the Heads of the Russian and Ukrainian parts of the Subcommittee.

The Subcommittee reports to the Heads of the Russian and Ukrainian parts of the Commission.

The Subcommittee consists of the Russian and Ukrainian parts. Their membership shall be submitted by the Minister of Defense of the Russian Federation and the Minister of Defense of Ukraine through the Secretaries of the Commission to the Heads of the Russian and Ukrainian parts of the Commission accordingly for approval.

Secretariats shall be established to support the work of the Russian and Ukrainian parts of the Sub-committee. Their membership shall be approved by the Heads of the Russian and Ukrainian parts of the Sub-committee.

The following sub-commissions shall be established within the Sub-committee:

- on cooperation between the military establishments of the Russian Federation and Ukraine;
- on military and technical cooperation.

3. The Subcommittee on international cooperation is headed by the Minister of Foreign Affairs of the Russian Federation and the Minister of Foreign Affairs of Ukraine, who act as the heads of the Russian and Ukrainian parts of the Subcommittee accordingly:

The Subcommittee reports to the Heads of the Russian and Ukrainian parts of the Commission.

The Subcommittee consists of the Russian and Ukrainian parts. Their membership shall be submitted by the Minister of Foreign Affairs of the Russian Federation and the Minister of Foreign Affairs of Ukraine through the Secretaries of the Commission to the Heads of the Russian and Ukrainian parts of the Commission accordingly for approval.

Secretariats shall be established to support the work of the Russian and Ukrainian parts of the Subcommittee. Their membership shall be approved by the Heads of the Russian and Ukrainian parts of the Sub-committee.

The following sub-commissions shall be established within the Sub-committee on international cooperation:

- on frontier issues
- on Azov-Kerch reconciliation;
- on cooperation in international organizations;
- on fight against new challenges and threats;
- on settlement of regional conflicts;
- on consular cooperation.

4. The Subcommittee on humanitarian cooperation is headed by the Minister of education and science of the Russian Federation and the Minister of education and science of Ukraine, who act as the heads of the Russian and Ukrainian parts of the Subcommittee accordingly.

The Subcommittee reports to the Head of the Government of the Russian Federation and the Prime-Minister of Ukraine.

The Subcommittee consists of the Russian and Ukrainian parts. Their membership shall be submitted by the Minister of education and science of the Russian Federation and the Minister of education and science of Ukraine through the Secretaries of the Commission to the Head of the Government of the Russian Federation and the Prime-Minister of Ukraine. accordingly for approval.

Secretariats shall be established to support the work of the Russian and Ukrainian parts of the Subcommittee. Their membership shall be approved by the Heads of the Russian and Ukrainian parts of the Sub-committee accordingly.

The following sub-commissions shall be established within the Subcommittee on humanitarian cooperation:

- on cooperation in the areas of culture and information;
- on cooperation in education and science;
- on cooperation in youth and family policy;
- on social protection;
- on cooperation in migration and protection of rights of migrant workers;
- on cooperation in healthcare;
- on cooperation in tourism;
- on cooperation in physical culture and sports;
- on cooperation in satisfying the cultural and language needs of national minorities.

4. The Sub-commission on Functioning of the Black Sea Fleet of the Russian Federation and its stay in the territory of Ukraine reports to the Heads of the Russian and Ukrainian parts of the Commission.

The Sub-commission consists of the Russian and Ukrainian parts. Their membership shall be presented by the Secretaries of the Commission to the Heads of the Russian and Ukrainian parts of the Commission accordingly for approval.

Secretariats shall be established to support the work of the Russian and Ukrainian parts of the Sub-commission. Their membership shall be approved by the Heads of the Russian and Ukrainian parts of the Sub-commission accordingly.

In addition to the above-mentioned other Committees, Subcommittees and work groups on other issues of bilateral cooperation may be established within the commission.

#### **IV. Other Information.**

Contracting Parties shall consider incompatible with the purposes of this Agreement any unfair business practices, in particular, the following methods thereof:

- agreements between enterprises, associations of enterprises aimed at hindering or limiting competition or disrupting the competitive environment in the territories of the Contracting Parties;

- actions by means of which one or several enterprises use their dominant position, limiting competition within the entire territory of the Contracting Parties or a significant part thereof.

Each Contracting Party shall ensure free transit, via its territory, of goods originating from the customs territory of the other Contracting Party and/or third countries and destined for the customs territory of the other Contracting Party or a third country.