AGREEMENT ON THE ABOLITION OF NON-TARIFF BARRIERS TO TRADE BETWEEN THE REPUBLIC OF ESTONIA, THE REPUBLIC OF LATVIA AND THE REPUBLIC OF LITHUANIA

Preamble

The Republic of Estonia, the Republic of Latvia and the Republic of Lithuania, hereinafter referred to as "the Parties",

Whereas the Parties recognise that the ultimate objective of the Parties is to become members of the European Union;

Whereas the Parties acknowledge the need for improving regional co-operation among the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania, taking into account that closer integration between the European Union and the Parties, and the Parties among themselves should proceed in parallel;

Recognising that the removal of remaining obstacles to trade between the Parties calls for concerted action in order to guarantee steady expansion of trade and fair competition;

Desiring to ensure that technical regulations and standards, including packaging, marking and labelling requirements and conformity assessment procedures with technical regulations and standards do not create unnecessary obstacles to trade between the Parties;

Desiring to guarantee that sanitary and phytosanitary measures do not create disguised restrictions to trade;

Anxious to strengthen their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions;

Having regard to the Free Trade Agreement between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania signed on 13 September, 1993 and to the Free Trade Agreement between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania on Trade in Agricultural Products signed on 16 June, 1996 hereinafter referred to as "Agreements";

Intending to develop and deepen the Baltic free trade area by abolishing between the Parties all remaining obstacles to the free movement of goods.

Recognising their desire to become members of the World Trade Organisation,
Hereby agree as follows:

CHAPTER I

General Provisions

Article 1

Objectives

The objectives of this Agreement are:

1. To abolish the non-tariff barriers to trade between the Parties.

2. To develop and deepen the free trade area between the Parties.

Article 2

Scope

This Agreement shall apply to products falling within Chapters 01 to 97 of the Harmonised Commodity Description and Coding System, originating in the Parties, which is subject of the Agreements.

Article 3

Definitions

Non-tariff barriers shall mean all forms of action which may be taken by, or with the authority of, the State; legislation, by-laws, the administrative practice of any public authority, injunctions or interdicts pronounced by courts, and rules promulgated by professional regulatory bodies which are capable of hindering directly or indirectly, actually or potentially, trade between the Parties.

Sanitary or phytosanitary measure shall mean any measure applied:

(a) to protect animal or plant life or health within the territory of a Party from risks arising from the entry, establishment or spread of pests, diseases, disease carrying organisms or disease-causing organisms;

(b) to protect human or animal life or health within the territory of a Party from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs;

(c) to protect human life or health within the territory of a Party from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or

(d) to prevent or limit other damage within the territory of a Party from the entry, establishment or spread of pests.

Such measures shall include all relevant laws, decrees, regulations, requirements and procedures including, inter alia, end product criteria; processes and production

methods; testing and inspection, certification and approval procedures; quarantine treatments including relevant requirements associated with the transport of animals or plants, or with the materials necessary for their survival during transport; provisions on relevant statistical methods, sampling procedures and methods of risk assessment; and packaging and labelling requirements directly related to food safety.

Harmonisation shall mean the establishment, recognition and application of equivalent sanitary and phytosanitary measures and technical regulations by the Parties.

Technical regulation shall mean a document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

Standard shall mean a document approved by a recognised standardisation body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

Conformity assessment procedure shall mean any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled.

Article 4

Exceptions

The provisions of this Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of legitimate objectives such as national security requirements, the prevention of deceptive practices; the protection of human health or safety, animal or plant life, or health or the environment. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 5

Abolition of non-tariff barriers

1. All existing non-tariff barriers to trade which are not consistent with the provisions of this Agreement, and are in force between the Parties, shall be abolished upon the entry into force of this Agreement.

2. No new non-tariff barriers to trade which are inconsistent with the provisions of this Agreement shall be introduced by the Parties from the date of entry into force of this Agreement.

Article 6

Application of national regulation and basis for mutual recognition

1. Once goods have been lawfully produced and marketed in one Party in accordance with International and European standards and European Community regulations, the sale of such products may not be subject to legal prohibition in another Party and these goods shall be admitted into the other Party without restriction, except in cases described in Article 4 of this Agreement.

2. In case national regulations applied by one of the Parties find more restrictive requirements than those defined by International and European standards and European Community regulations, obstacles to free movement of goods which are the consequence of applying, to goods originating in another Party where they are lawfully manufactured and marketed, rules that lay down requirements to be met by such goods (relating to designation, form, size, weight, composition, presentation, labelling, packaging etc.) constitute non-tariff barriers prohibited by the present Agreement.

3. In the absence of harmonisation of legislation with International and European standards and European Community regulations or in a case of more restrictive national requirements, equivalence of different requirements for goods shall be established by the agreed procedure between the Parties. Approval of equivalence shall be the responsibility of the Joint Committee.

4. Parties shall recognise suppliers' declarations of conformity, approvals of testing and certification bodies issued and operating according to the relevant European and International standards issued by relevant European and International standard bodies.

5. Parties shall recognise National Accreditation systems operating according to the European standards of series EN 45000 in the other Parties.

CHAPTER II

Sanitary and Phytosanitary Measures

Article 7

General principles

This Agreement applies to all sanitary and phytosanitary measures which directly or indirectly, affect trade between the Parties. Such measures shall be developed and applied in accordance with the provisions of this Agreement.

Article 8

Basic rights and obligations

The Parties have the right to take sanitary and phytosanitary measures necessary for the protection of human, animal or plant life or health, provided that such measures are not inconsistent with the provisions of this Agreement.

The Parties shall ensure that any sanitary or phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient scientific evidence, except as provided for in paragraph†7 Article 11.

The Parties shall ensure that their sanitary and phytosanitary measures do not arbitrarily or unjustifiably discriminate between the Parties where identical or similar conditions prevail, including between their own territory and that of the other Parties. Sanitary and phytosanitary measures shall not be applied in a manner which would constitute a disguised restriction on international trade.

Article 9

Harmonisation

1. To harmonise sanitary and phytosanitary measures on as wide a basis as possible, the Parties shall base their sanitary or phytosanitary measures on international standards, guidelines and recommendations developed by the relevant international organisations, including the Codex Alimentarius Commission, the International Office of Epizootic, the relevant international and regional organisations operating within the framework of the International Plant Protection Convention and European Community regulations, guidelines or recommendations, European standards where they exist, except as otherwise provided for in this Agreement, and in particular in paragraph 3 of this Article.

2. Sanitary or phytosanitary measures which conform to international standards, guidelines or recommendations developed by the relevant international organisations, including the Codex Alimentarius Commission, the International Office of Epizootic, the relevant international and regional organisations operating within the framework of the International Plant Protection Convention, European Community regulations shall be deemed to be necessary to protect human, animal or plant life or health, and presumed to be consistent with the relevant provisions of this Agreement.

3. The Parties may introduce or maintain sanitary or phytosanitary measures which result in a higher level of sanitary or phytosanitary protection than would be achieved by measures based on the relevant international standards, guidelines or recommendations developed by the relevant international organisations, including the Codex Alimentarius Commission, the International Office of Epizootic, the relevant international and regional organisations operating within the framework of the International Plant Protection Convention and European Community regulations, if there is a scientific justification, or as a consequence of the level of sanitary or phytosanitary protection a Party determines to be appropriate in accordance with the relevant provisions of paragraphs†1 through†8

of Article†11. Notwithstanding the above, all measures which result in a level of sanitary or phytosanitary protection different from that which would be achieved by measures based on international standards, guidelines or recommendations developed by the relevant international organisations, including the Codex Alimentarius Commission, the International Office of Epizootic, the relevant international and regional organisations operating within the framework of the International Plant Protection Convention and European Community regulations shall not be inconsistent with any other provision of this Agreement.

4. The Parties shall play a full part, within the limits of their resources, in the relevant international organisations and their subsidiary bodies, in particular the Codex Alimentarius Commission, the International Office of Epizootic, and the international and regional organisations operating within the framework of the International Plant Protection Convention, to promote within these organisations the development and periodic review of standards, guidelines and recommendations with respect to all aspects of sanitary and phytosanitary measures.

Article 10

Equivalence

1. The Parties shall accept the sanitary or phytosanitary measures of other Parties as equivalent, even if these measures differ from their own or from those used by other Parties trading in the same product, if the exporting Party objectively demonstrates to the importing Party that its measures achieve the importing Party's appropriate level of sanitary or phytosanitary protection. For this purpose, reasonable access shall be given, upon request, to the importing Party for inspection, testing and other relevant procedures.

2. The Parties shall, upon request, enter into consultations in the Joint Committee, with the aim of achieving Agreement on recognition of the equivalence of specified sanitary or phytosanitary measures.

Article 11

Assessment of risk and determination of the appropriate level of sanitary or phytosanitary protection

1. The Parties shall assure that their sanitary or phytosanitary measures are based on an assessment, as appropriate to the circumstances, of the risks to human, animal or plant life or health, taking into account risk assessment techniques developed by the relevant international organisations.

2. In the assessment of risks, the Parties shall take into account available scientific evidence; relevant processes and production methods; relevant inspection, sampling and testing methods; prevalence of specific diseases or pests; existence of pest-free or disease-free areas; relevant ecological and environmental conditions; and quarantine or other treatment.

3. In assessing the risk to animal or plant life or health and determining the measure to be applied for achieving the appropriate level of sanitary or phytosanitary protection from such risk, the Parties shall take into account as relevant economic factors: the potential damage in terms of loss of production or sales in the event of the entry, establishment or spread of a pest or disease; the costs of control or eradication in the territory of the importing Party; and the relative cost-effectiveness of alternative approaches to limiting risks.

4. The Parties should, when determining the appropriate level of sanitary or phytosanitary protection, take into account the objective of minimising negative trade effects.

5. With the objective of achieving consistency in the application of the concept of appropriate level of sanitary or phytosanitary protection against risks to human life or health, or to animal and plant life or health, each Party shall avoid arbitrary or unjustifiable distinctions in the levels it considers to be appropriate in different situations, if such distinctions result in discrimination or disguised restriction on intra-Baltic trade.

6. Without prejudice to paragraph†2, Article†9, when establishing or maintaining sanitary or phytosanitary measures to achieve the appropriate level of sanitary or phytosanitary protection, the Parties shall ensure that such measures are not more trade-restrictive than required to achieve their appropriate level of sanitary or phytosanitary protection, taking into account technical and economic feasibility.

7. In cases where relevant scientific evidence is insufficient, a Party may provisionally adopt sanitary or phytosanitary measures on the basis of available pertinent information, including that from the relevant international organisations as well as from sanitary or phytosanitary measures applied by other Parties. In such circumstances, the Parties shall seek to obtain the additional information necessary for a more objective assessment of risk and review the sanitary or phytosanitary measure accordingly within a reasonable period of time.

8. When a Party has reason to believe that a specific sanitary or phytosanitary measure introduced or maintained by another Party is constraining, or has the potential to constrain, its exports, and the measure is not based on the relevant international standards, guidelines or recommendations, or such standards, guidelines or recommendations do not exist, an explanation of the reasons for such sanitary or phytosanitary measure may be requested and shall be provided by the Party maintaining the measure.

Article 12

Transparency and notification procedures on sanitary and phytosanitary measures

1. The Parties shall notify changes in their sanitary or phytosanitary measures at least 1 (one) month before their introduction and shall provide information on their

sanitary or phytosanitary measures in accordance with the provisions of this Article.

2. The Parties shall ensure that all sanitary and phytosanitary regulations which have been adopted are published promptly in such a manner as to enable interested Parties to become acquainted with them.

3. Except in urgent circumstances, the Parties shall allow a reasonable interval between the publication of a sanitary or phytosanitary regulation and its entry into force in order to allow time for producers in exporting Parties to adapt their products and methods of production to the requirements of the importing Party.

4. Each Party shall ensure that one Enquiry Point exists which is responsible for the provision of answers to all reasonable questions from interested Parties as well as for the provision of relevant documents regarding:

4.1. any sanitary or phytosanitary regulations adopted or proposed within its territory;

4.2. any control and inspection procedures, production and quarantine treatment, pesticide tolerance and food additive approval procedures operated within its territory;

4.3. risk assessment procedures, factors taken into consideration, as well as the determination of the appropriate level of sanitary or phytosanitary protection;

4.4. the location of the Enquiry Points.

5. Parties shall take such reasonable measures as may be available to them to ensure that where copies of documents are requested by other Parties, or by interested Parties in other Parties in accordance with the provisions of this Agreement, they are supplied at the same price (if any) as to the nationals of the Party concerned.

6. Whenever an international standard, guideline or recommendation does not exist or the content of a proposed sanitary or phytosanitary regulation is not substantially the same as the content of an international standard, guideline or recommendation, and if the regulation may have a significant effect on trade of other Parties, the Parties shall:

6.1. publish a notice at an early stage, at least 2 (two) month before the foreseen adoption of such regulation in such a manner as to enable interested Parties to become acquainted with the proposal to introduce a particular regulation;

6.2. notify other Parties, through the Enquiry Points, of the products to be covered by the regulation together with a brief indication of the objective and rationale of the proposed regulation. Such notifications shall take place at an early stage, when amendments can still be introduced and comments taken into account;

6.3. provide upon request to other Parties copies of the proposed regulation and, whenever possible, identify the parts which in substance deviate from international standards, guidelines or recommendations;

6.4. without discrimination, allow reasonable time for other Parties to make comments in writing, discuss these comments upon request, and take the comments and the results of the discussions into account.

6.5. in case the results of the discussions are not taken into account, other Parties may appeal to the Joint Committee.

7. However, where urgent problems of health protection arise or threaten to arise for a Party, that Party may omit the steps enumerated in paragraph 5 of this Article as it finds necessary, provided that the Party:

7.1. immediately notifies other Parties, through the Enquiry Points, of the particular regulation and the products covered, with a brief indication of the objective and the rationale of the regulation, including the nature of the urgent problem(s);

7.2. provides, upon request, copies of the regulation to other Parties;

7.3. allows other Parties to make comments in writing, discusses these comments upon request, and takes the comments and the results of the discussions into account.

8. Notifications to the Enquiry Points shall be in English according to the Notification forms provided for the Agreement on Sanitary and Phytosanitary Measures of World Trade Organisation.

CHAPTER III

Technical barriers to trade

Article 13

General provisions

1. General terms for standardisation and certification shall normally have the meaning given to them by definitions adopted within the United Nations system and by international standardising bodies taking into account their context and in the light of the object and purpose of this Agreement.

2. All references in this Agreement to technical regulations, standards, methods for assuring conformity with technical regulations or standards and certification systems shall be construed to include any amendments thereto and any additions to the rules or the product coverage thereof, except amendments and additions of an insignificant nature.

Article 14

Technical regulations and standards

1. Parties shall ensure that technical regulations and standards are not prepared, adopted or applied with a view to creating obstacles to trade. Furthermore, products imported from the territory of any Party shall be accorded treatment no less favourable than that accorded to like products of national origin and to like products originating in any other Party in relation to such technical regulations or standards.

2. Where technical regulations or standards are required and relevant international standards exist or their completion is imminent, the Parties shall use them, or the relevant parts of them, as a basis for the technical regulations or standards except where, as duly explained upon request, such international standards or relevant parts are inappropriate for the Parties concerned, for inter alia such reasons as national security requirements; the prevention of deceptive practices; protection for human health or safety, animal or plant life or health, or the environment; fundamental climatic or other geographical factors; fundamental technological problems.

3. Wherever appropriate, the Parties shall specify technical regulations and standards in terms of performance rather than design or descriptive characteristics.

4. The Parties shall ensure that national standardisation bodies accept and comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards in accordance with the World Trade Organisation Agreement on Technical Barriers to Trade.

5. The Parties shall notify changes in their technical regulations and standards at least 1 (one) month before their introduction and shall provide information on their technical regulations and standards in accordance with the provisions of this Article.

6. Whenever a relevant international standard does not exist or the technical content of a proposed technical regulation is not in accordance with the technical content of relevant international standards, and if the technical regulation may have a significant effect on trade of other Parties, Parties shall:

6.1. publish a notice at an early appropriate stage, at least 2 (two) month before the adoption of such regulations that they propose to introduce a particular technical regulation; it shall be published in such manner as to enable interested Parties in other Parties to become acquainted with it;

6.2. notify other Parties through the Enquiry Points of the products to be covered by the proposed technical regulation, together with a brief indication of its objective and rationale. Such notifications shall take place at an early appropriate stage, when amendments can still be introduced and comments taken into account;

6.3. upon request, provide to other Parties particulars or copies of the proposed technical regulation and, whenever possible, identify the parts which in substance deviate from relevant international standards;

6.4. without discrimination, allow reasonable time for other Parties to make comments in writing, discuss these comments upon request, and take these written comments and the results of these discussions into account.

6.5. in case the results of the discussions are not taken into account, other Parties may appeal to the Joint Committee.

Article 15

Conformity with technical regulations and standards

1. In order to facilitate the determination of conformity with technical regulations and standards where such positive assurance is required, the Parties shall ensure, whenever possible that their central government bodies and authorised inspection institutions in harmonised or equivalent areas:

1.1. accept test results, certificates or marks of conformity issued by relevant bodies in the territories of other Parties; or rely upon suppliers' declaration of conformity in the territories of other Parties;

1.2. accept test results even when the test methods differ from their own, provided they are satisfied that the methods employed in the territory of the exporting Party provide a sufficient means of determining conformity with the relevant technical regulations or standards. It is recognised that prior consultations may be necessary in order to arrive at a mutually satisfactory understanding regarding suppliers' declaration of conformity, test methods and results, and certificates or marks of conformity employed in the territory of the exporting Party, in particular in the case of perishable products or of other products which are liable to deteriorate in transit.

2. The Parties shall ensure that, in case where a positive assurance is required by the State that imported products conform with technical regulations or standards, central government bodies and authorised inspection institutions apply the following provisions to products originating in the territories of other Parties:

2.1. imported products shall be accepted for testing under conditions no less favourable than those accorded to like domestic or imported products in a comparable situation;

2.2. the test methods and administrative procedures for imported products shall be no more complex and no less expeditious than the corresponding methods and procedures, in a comparable situation for like products of national origin or originating in any other country;

2.3. any fees imposed for testing imported products shall be equitable in relation to any fees chargeable for testing like products of national origin or originating in any other country;

2.4. the results of tests shall be made available to the exporter or importer or their agents, if requested, so that corrective action may be taken if necessary;

2.5. the siting of testing facilities and the selection of samples for testing shall not be such as to cause unnecessary inconvenience for importers, exporters or their agents;

2.6. the confidentiality of information about imported products arising from or supplied in connection with such tests shall be respected in the same way as for domestic products.

3. Nothing in this Article shall prevent the Parties from carrying out reasonable spot checks within their territories.

Article 16

Conformity assessment procedures

1. Parties shall ensure that conformity assessment procedures are not formulated or applied with a view to creating obstacles to international trade. They shall likewise ensure that neither such conformity assessment procedures themselves, nor their application, have the effect of creating unnecessary obstacles to international trade.

2. The Parties shall ensure that conformity assessment procedure are formulated and applied so as to grant access for suppliers of like products originating in the territories of other Parties under conditions no less favourable than those accorded to suppliers of like products of national origin or originating in any other country. The Parties shall make reference to the provisions of Article†6 paragraph 1.

3. Parties shall, from the date of entry into force of the present Agreement:

3.1. publish a notice at an early appropriate stage, that they propose to introduce a conformity assessment procedure; it shall be published in such a manner as to enable interested Parties to become acquainted with it;

3.2. notify the Enquiry Points of the products to be covered by the proposed conformity assessment procedure together with a brief description of the objective of the proposed conformity assessment procedure;

3.3. upon request provide, without discrimination, to other Parties particulars or copies of the proposed rules of the conformity assessment procedure;

3.4. allow, without discrimination, reasonable time for other Parties to make comments in writing on the formulation and operation of the conformity assessment procedure, discuss the comments upon request and take them into account.

4. However, where urgent problems of safety, health, environmental protection or national security arise or threaten to arise for a Party, that Party may omit such of the

steps enumerated in paragraph 3 as it finds necessary provided that the Party, upon adoption of the conformity assessment procedure, shall:

4.1. notify immediately the other Parties through the Enquiry Points of the particular conformity assessment procedure and the products covered, with a brief indication of the objective and the rationale of the conformity assessment including the nature of the urgent problem(s);

4.2. upon request provide, without discrimination, other Parties with copies of the rules of the conformity assessment procedure;

4.3. allow, without discrimination, other Parties to present their comments in writing, discuss these comments upon request and take the written comments and results of any such discussion into account.

5. The Parties shall ensure that all adopted rules of conformity assessment procedure are published.

Article 17

International and regional systems

1. Where a positive assurance, other than by the supplier, of conformity with a technical regulation or standard is required, the Parties shall, wherever practicable, formulate and adopt international systems for conformity assessment and become members thereof or participate therein.
2. Parties shall take such reasonable measures as may be available to them to ensure that international and regional systems for conformity assessment in which relevant bodies within their territories are members or participants comply with the provisions of Article†16, with the exception of paragraph†2 having regard to the provisions of this Article , paragraph 3. In addition, the Parties shall not take any measures which have the effect of, directly or indirectly, requiring or encouraging such systems to act in a manner inconsistent with any of the provisions of Article†16.

3. Parties shall take such reasonable measures as may be available to them to ensure that international and regional conformity assessment systems, in which relevant bodies within their territories are members or participants, are formulated and applied so as to grant access for suppliers of like products originating in the territories of other Parties, under conditions no less favourable than those accorded to suppliers of like products originating in a member country, a participant country or in any other country, including the determination that such suppliers are able and willing to fulfil the requirements of the system. Access for suppliers is obtaining certification from an importing Party which is a member of or participant in the system, or from a body authorised by the system to grant conformity assessment, under the rules of the system. Access for suppliers also includes receiving the mark of the system, if any, under conditions no less favourable than those accorded to suppliers of like products originating in a member country or a participant country.

4. Parties shall ensure that their central government bodies rely on international or regional conformity assessment systems only to the extent that the systems comply with the provisions of Article 16 and this Article, paragraph 3.

Article 18

Information and assistance on technical regulations, standards and conformity assessment procedures

1. Each Party shall ensure that an Enquiry Point exists. The Parties shall notify by diplomatic channels institutions responsible for notifications of technical barriers to trade and sanitary and phytosanitary measures.

2. An Enquiry Point shall be able to answer all reasonable enquiries from interested Parties in other Parties regarding:

2.1. any technical regulations adopted or proposed within its territory;

2.2. any standards adopted or proposed within its territory;

2.3. any conformity assessment procedures, or proposed conformity assessment procedures, which are operated within its territory;

2.4. the location of notices published pursuant to this Agreement, or the provision of information as to where such information can be obtained;

2.5. the location of the Enquiry Point(s) mentioned in this Article, paragraph 3.

2.6. lists of the products subject to mandatory conformity assessment;

2.7. list of national accreditation institutions;

2.8. lists of the accredited testing laboratories, certification institutions and inspections;

2.9. lists of enterprises whose quality systems have been certified;

2.10. information on accreditation bodies in the Parties;

2.11. information on corresponding surveillance institutions in the Parties.

3. Notifications to the Enquiry Points shall be in English according to the Notification forms provided for the Agreement on Technical Barriers to Trade of the World Trade Organisation.

4. The Enquiry Points shall promptly circulate copies of the notification to all Parties.

5. Parties shall take such reasonable measures as may be available to them to ensure that where copies of documents are requested by other Parties, or by interested Parties in other Parties in accordance with the provisions of this Agreement, they are supplied at the same price (if any) as to the nationals of the Party concerned.

6. Parties recognise the desirability of developing centralised information systems with respect to the preparation, adoption and application of all technical regulations, standards and conformity assessment procedures within their territories.

CHAPTER IV

Institutional and Final Provisions

Article 19

Institutions

1. The Joint Committee is hereby established and shall consist of representatives appointed by the Governments of the Republic of Latvia, the Republic of Estonia and the Republic of Lithuania.

2. The implementation of this Agreement shall be supervised and administrated by the Joint Committee.

3. For the purpose of proper implementation of this Agreement, the Parties shall exchange information and, upon request of any Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the Parties.

4. The Joint Committee may take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

Article 20

Procedures of the Joint Committee

1. For the proper implementation of this Agreement the Joint Committee shall meet whenever necessary but at least once a year. Each Party may request that a meeting be held.

2. The Joint Committee shall act by common Agreement.

3. If a representative in the Joint Committee of a Party has, under the reservation, accepted a decision subject to the fulfilment of internal legal requirements, the decision shall enter into force, if no later date is contained therein, on the day the lifting of the reservation is notified.

4. For the purpose of this Agreement the Joint Committee shall adopt its rules of procedure which shall, inter alia, contain provisions for convening meetings and for the designation of the Chairman and his/her term of office.

5. The Joint Committee may decide to set up such subcommittees and working groups as it considers necessary to assist it in accomplishing its tasks.

6. The Joint Committee of this Agreement will inform the Joint Committee of the Agreements after the fulfilment of procedures established in paragraphs 2 and 3.

Article 21

Dispute settlement

1. The Parties shall take all necessary measures to ensure the implementation of the provisions of this Agreement and the fulfilment of the Obligations of this Agreement.

2. If one Party considers that another Party has failed to fulfil any of the obligations arising from this Agreement, the Party concerned may submit the dispute for consultations in the Joint Committee under the conditions and according to the provisions of Article 20 of this Agreement.

3. If the Joint Committee is unable to reach common consent on the dispute it shall present relevant information to the Joint Committee of the Agreements, to decide on retaliatory measures according to the provisions of the Agreements.

Article 22

Final provisions

The Government of the Republic of Latvia shall act as the Depository for this Agreement.

Article 23

Entry into force

The Parties shall notify the Depository in writing when the constitutional requirements necessary to give effect to this Agreement in their respective states have been complied with.

This Agreement shall enter into force on the first day of the second month after the last notifications have been received from all Parties.

Article 24

Validity and termination

1. This Agreement is concluded for an unlimited period of time.

2. Any Party may renounce this Agreement by means of a written notification to the Depository. This Agreement shall cease to be in force six months after the date on which the Depository has informed all Parties about the receipt of such notification.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this Agreement.

Done at this 20th day of November one thousand nine hundred and ninety seven, in one original, in the Estonian, Latvian, Lithuanian and the English languages. In a case of differing interpretations, the English text shall prevail.

For the Republic of Latvia For the Republic of Estonia For the Republic of Lithuania

Memorandum of Understanding
on the

AGREEMENT ON THE ABOLITION OF NON-TARIFF BARRIERS TO TRADE
BETWEEN THE REPUBLIC OF ESTONIA, THE REPUBLIC OF LATVIA
AND THE REPUBLIC OF LITHUANIA

For the purpose of proper and effective implementation of the Agreement the Parties agreed the following explanatory notes:

1. Article 20, paragraph 6 has the meaning that the Joint Committee of the present Agreement in written form will inform institutions of the Parties responsible for administration of the Joint†Committee of the Agreements on implementation of the present Agreement.

2. Article 21, paragraph†3 "retaliatory measures" may consist of all measures according to the Article 26 of the Free Trade Agreement between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania signed on 13 September 1993 and to the Article†21 of the Free Trade Agreement between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania on Trade in Agricultural Products signed on 16 June, 1996.