

FREE TRADE AGREEMENT BETWEEN UKRAINE AND UZBEKISTAN

FREE TRADE AGREEMENT between the Government of Ukraine and the Government of the Republic of Uzbekistan

Additionally see the Protocol
on changes and additions to the Agreement between the Government of Ukraine and the Republic of
Uzbekistan on free trade dated December 29, 1994

Date of signing: December 29, 1994

Effective date: January 1, 1996

The Government of Ukraine and the Government of the Republic of Uzbekistan, referred to hereinafter as the Contracting Parties,

confirming their favorable regard to the free development of mutual economic cooperation,

taking into account the evolved economic relations of Ukraine and the Republic of Uzbekistan;

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

recognizing that the free movement of goods and services requires effecting mutually agreed measures,

taking guidance from the provisions of the Declaration on the Fundamentals of Economic Relations between Ukraine and the Republic of Uzbekistan,

confirming their regard to the principles of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization,

have agreed as follows:

Article 1

1. The Contracting Parties shall grant each other a regime of free trade.

The Contracting Parties shall not apply customs duties, taxes and charges of equivalent effect, as well as on the export and (or) import of commodities forwarded from the customs territory of one of the Contracting Parties and intended for the customs territory of another Contracting Party. Exclusion from the given trade regime by a conciliated classification of commodities shall be formalized by documents that are an inseparable part of the present Agreement.

2. In compliance with item 1 of this Article, the Contracting Parties shall annually design and conciliate the general List of Exclusions from the regime of free trade as well as the methods of application of such exceptions.

3. For the purposes of the present Agreement and for its validity period, the commodities dispatched from the territories of the Contracting Parties shall mean the commodities identified by the Rules for Identifying the Countries of the Commodities' Origin of September 24, 1993 approved by the Decision of the Council of the Heads of Governments of the Commonwealth of Independent States.

Article 2

Each of the Contracting Parties shall not:

- directly or indirectly impose on commodities, which come within the purview of the present Agreement, domestic taxes and charges that exceed corresponding taxes or charges imposed on similar commodities of domestic manufacture or commodities forwarded from third countries;
- apply to the warehousing, reloading, storage, movement of commodities originating from the territory of another Contracting Party, as well as payments and remittance of payments other rules than those that are applied in similar cases to its own commodities or commodities originating from third countries.

Article 3

The Contracting Parties shall in mutual trade refrain from applying discriminatory measures to the other Contracting Party, and from introducing quantitative restrictions or equivalent measures on the export and (or) import of commodities within the framework of the present Agreement.

The Parties may set quantitative or other special restrictions under unilateral procedure, but only within reasonable limits and for a clearly defined time.

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

The Contracting Party that applies quantitative restrictions under the present Article shall as far as possible provide to the other Contracting Party in good time full information about the main reasons for introducing the referred to restrictions in the due form and for the foreseen periods of application of the referred to restrictions, after which it shall appoint consultations.

Article 4

The present Agreement shall not preclude the right of each of the Contracting Parties from taking unilateral measures generally accepted in international practice in state regulation of foreign trade relations, which it considers necessary for the protection of its vital interests or which are undoubtedly necessary for the performance of the international treaties to which it is a party or intends to be a party, if these measures concern the following:

- protection of human life and health, the environment, protection of animals and plants;
- protection of public morals and public order;
- trade in weapons, ammunition and materiel;
- supply of fission material and sources of radioactive substances, recovery of radioactive waste;
- trade in gold, silver or other precious metals and stones;
- conservation of exhaustible natural resources;
- upsetting the balance of payments;
- restriction of the export of products the domestic prices for which are below world prices owing to programs of government support;
- protection of industrial or intellectual property;
- protection of national heritage values;
- measures applied at times of war or under other emergency circumstances in international relations;

- actions aimed to meet the commitments under the UN Charter for the preservation of international peace and security.

The Contracting Party that effects such measures under the present Article shall as far as possible provide to the other Contracting Party in good time full information about the main reasons for introducing the referred to restrictions in the due form and for the foreseen periods of their application, after which it shall appoint consultations.

Article 5

The Contracting Parties shall exchange on a regular basis information about:

- domestic legal regulation of foreign economic relations, including on issues of trade, investment, taxation, banking, insurance and other services, as well as on issues of transport and customs, including customs statistics.

The Contracting Parties shall without delay notify each other about the changes in national legislation that may impact on the performance of the present Agreement.

The authorized agencies of the Contracting Parties shall conciliate the procedure for exchanging such information.

The provisions of the present Article shall not:

- be interpreted as binding for the competent bodies of any Contracting Party to provide information that may not be received under the legislation or in the course of usual administrative practice by one of the Contracting Parties;
- provide information that would disclose any trade, business, industrial, commercial or professional secret, or a trading process, or any information the disclosure of which is inconsistent with the state interests of a Contracting Party.

Article 6

The Contracting Parties shall recognize unfair business practices as being incompatible with the purposes of the present Agreement and shall not allow resorting to the following methods:

- agreements between enterprises, decisions made by associations of enterprises, as well as general methods of business practices that aim to hinder or restrict competition or violate the terms for it on the territories of the Contracting Parties;
- actions by which one or several enterprises use their dominating status, restricting competition on the entire or a substantial part of the Contracting Parties' territories.

Article 7

When effecting measures of tariff and nontariff regulation of bilateral economic relations, for the exchange of statistical information and for conducting customs procedures, the Contracting Parties shall apply the uniform nine-digit classification of foreign trade commodities (CFTC) based on the Harmonized System of Description and Coding of Commodities and the combined tariff-statistical classification of the European Union. For their own needs the Contracting Parties shall, when necessary, develop the commodity classification beyond the nine-digit limit.

A model copy of commodity classification shall be maintained on a mutually conciliated basis through the existing missions at corresponding international organizations.

Article 8

1. The Contracting Parties agree that abidance by the principle of free transit is an important condition for achieving the purposes of the present Agreement and an essential element in the process of their affiliation with the system of international division of labor and cooperation.

In this connection, each Contracting Party shall ensure unhindered and customs-free transit through their territory of commodities forwarded from the customs territory of another Contracting Party and (or) third countries and intended for the customs territory of the other Contracting Party or any third country, and shall provide to exporters, importers or carriers all the available and required facilities and services for transit on terms that are not worse than those on which the very same facilities and services are provided to their own exporters, importers or exporters, importers or carriers of any third country.

2. The procedure and terms of transit of freight through the territory of states shall be regulated in compliance with international carriage rules.

Article 9

Each Contracting Party shall not permit the unsanctioned reexport of commodities, relative to the export of which the Party from whose customs territory these commodities originate applies measures of tariff and (or) nontariff regulation. The Contracting Parties shall identify the list of commodities, under which unsanctioned reexport is prohibited, and also exchange lists of commodities, under which measures of tariff and nontariff regulation are applied.

Such commodities may be reexported to third countries only by written consent and on the terms stipulated by an authorized agency of the state from which the said commodities originate.

Article 10

In order to pursue a concerted policy of export control with regard to third countries, the Contracting Parties shall hold regular consultations to identify the measures for designing an effective system of export control.

Article 11

The provisions of the present Agreement shall replace the provisions of bilateral agreements concluded earlier between the Contracting Parties to the extent when the latter are either not compatible with the first or identical to them.

Article 12

Each Contracting Party, in compliance with its legislation and international commitments, shall provide equal relief at law of the rights and legitimate interests of the business entities of the other Contracting Party.

Article 13

Disputes between the Contracting Parties as to the interpretation or application of provisions of the present Agreement shall be settled through negotiations or in another manner acceptable to the Parties Contracting Parties.

The Contracting Parties shall strive to avoid conflict situations in mutual trade.

Article 14

In order to achieve the purposes of the present Agreement and draft recommendations for the improvement of trade and economic cooperation between the two countries, the Contracting Parties have agreed to set up a joint Ukrainian-Uzbek Commission.

Article 15

The present Agreement shall come into force from the date when the Contracting Parties exchange notifications about their performance of the inter-state procedures required for this purpose and remain in force until the expiry of twelve months from the date when one of the Contracting Parties forwards a written notification to the other Contracting Party about the intention to terminate its effect.

In case of termination of the effect of the present Agreement, its provisions shall be applied until the complete performance of the contracts that were concluded between the enterprises and organizations of both Contracting Parties but not performed during its validity period.

Made at the city of Tashkent on December 29, 1994 in two valid copies, each in the Ukrainian, Uzbek and Russian languages, each text being of equal force.

For the purpose of interpreting the provisions of the present Agreement, the Russian language shall have prevalence.

For the Government of Ukraine

For the Government of the Republic of Uzbekistan

(signature)

(signature)

Protocol

on changes and additions to the Agreement between the Government of Ukraine and the Republic of Uzbekistan on free trade dated December 29, 1994

*(Decree of the Cabinet of Ministers of Ukraine
on September 24, 2005 N 949)*

Date of signing: 25.06.2004

Date of ratification: 14.12.2005

Effective date: 02.04.2007

Cabinet of Ministers of Ukraine and the Government of the Republic of Uzbekistan, referred to hereinafter as the Contracting Parties,

recognizing the importance of activities aimed at creating long lasting basis for the successful expansion of cooperation between the two countries on the basis of the principle of free trade,

in accordance with Article 1 of the Agreement between the Government of Ukraine and the Republic of Uzbekistan on free trade from December 29, 1994 (hereinafter – Agreement) have agreed as follows:

Article 1

Not impeding the right of the Contracting Parties under Article 4 of the Agreement to unilaterally use of generally accepted international practice in the activities of state regulation in the sphere of external economic relations, the Contracting Parties:

- 1) in paragraph 1 of Article 1 of the Agreement remove the word "Exceptions from this trade regime for concerted nomenclature of goods are processed by the documents, which are integral part of this Agreement",
- 2) withdraw the paragraph 2 of Article 1 of the Agreement and abolish the Protocol on exclusions from free trade regime dated April 18, 1997 of the Agreement.

Article 2

This protocol is integral part of the Agreement and shall take effect from the date of exchange of notices on the implementation of all necessary domestic procedures by both Contracting parties.

Made in the city of Tashkent on June 25, 2004 in two valid copies in Ukrainian, Uzbek and Russian languages, moreover all texts are equally authentic.

For the purposes of interpreting the provisions of the Protocol the text in Russian language is used.