

3. The Parties of this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative cooperation, to ensure that the provisions of Article 5 (Prohibition and abolition of customs duties and imports and charges having equivalent effect), Article 7 (Prohibition and abolition of quantitative restrictions on imports or exports and measures having equivalent effect), Article 11 (Internal taxation) and Article 20 (Re-exports and serious shortage) of this Agreement and Protocol A are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

Article 5

Prohibition and abolition of customs duties of imports and charges having equivalent effect

1. No new customs duty on imports or charge having equivalent effect shall be introduced in trade between the Parties.
2. Customs duties on imports and charges having equivalent effect shall be abolished upon the date of entry into force of this Agreement.
3. The provisions of this Article shall also apply to customs duties of a fiscal nature. The Parties may replace a customs duty by an internal tax.

Article 6

Prohibition and abolition of customs duties on exports and charges having equivalent effect

1. No new customs duty on exports and charges having equivalent effect shall be introduced in trade between Estonia, Latvia and Lithuania.
2. Customs duties on exports and charges having equivalent effect shall be abolished upon the entry into force of this Agreement except as provided for in Annex 1.

Article 7

Prohibition and abolition of quantitative restrictions on imports or exports and measures having equivalent effect

1. No new quantitative restriction on imports or exports and measures having equivalent effect shall be introduced in trade between Estonia, Latvia and Lithuania.
2. Quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished on trade upon the date on entry into force of this Agreement except as provided for in Annex 2.

Article 8

General exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; laws and regulations relating to precious stones and metals. Such prohibitions or restrictions shall not however, constitute means of arbitrary discriminations or a disguised restriction on trade between the Parties.

Article 9

State monopolies

1. The Parties shall ensure that any state monopoly of commercial character be adjusted, so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of Estonia, Latvia and Lithuania. These goods shall be procured and marketed in accordance with commercial considerations.

2. This Article shall apply to the institutions through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties. These provisions shall likewise apply to monopolies delegated by the state to others.

Article 10

National treatment

The goods originating from the territory of one Party imported into the territory of any other Party shall be accorded treatment no less favorable than that accorded to like goods of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

Article 11

Internal taxation

1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in one Party and like products originating in the one of the other Parties.

2. Products exported to the territory of one of the Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 12