

AGREEMENT ON FREE TRADE BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GEORGIA AND THE GOVERNMENT OF THE REPUBLIC OF ARMENIA

The Government of the Republic of Georgia and the Government of the Republic of Armenia, hereinafter referred to as the "Sides" to the agreement,

Confirming their tendency towards free development of mutual economic cooperation,

Taking into account integral economic relations between Georgia and Armenia as well as the interdependence and mutual complement of the economy of both countries,

Striving for the development of trade and economic cooperation between Georgia and Armenia on the basis of equality and mutual advantage,

Acknowledging the tendency of Georgia and Armenia towards principles of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO),

Agreed on the following:

Article 1

1. The Side to the agreement do not impose the customs duties on export and/or import and also taxes and charges, having an equivalent effect, on commodity originated from the customs area of one of the Sides and designated for the customs area of another Side. If Sides consider it necessary, exclusion from such trade regime on the agreed commodity nomenclature is generally drawn up through protocol, which is the inherent part of the present agreement.
2. For objectives of the present agreement, commodity, originated from the territories of the Sides is considered to be determined in accordance with the regulations determining the originator country of commodity since 24 September 1993, that are ratified by the Decision of the Council of Governments of Independent States.

Article 2

Each Side will not:

- impose local taxes or charges, directly or indirectly, on goods covered by the present agreement, at the rate that exceeds the level of relevant taxes or charges imposed on analogous goods of the local production or those produced in third countries;
- introduce special restrictions or demands towards export or import of goods covered by the present agreement that are not used towards analogous goods of the local production or those produced in third countries;
- use different rules towards warehousing, unloading, storage, shipment of goods originated on the territory of another Side as well as towards repayments and remittances, with

the exception of the rules that in similar cases are used towards domestic goods or those originated from third countries.

Article 3

Sides will refrain from carrying out discriminative measures in reciprocal trade as well as from applying quantitative restrictions or their equivalent measures on export and/or import of goods or their equivalent measures within the framework of the present agreement.

Sides may ascertain quantitative or other special restrictions unilaterally and in strictly determined terms.

These restrictions must be of exclusive character and may be applied only in cases provided by agreements within the framework of GATT.

The Side, which applies quantitative restrictions in accordance with this Article, will provide another Side with full information about the basic reasons for establishment, forms and possible terms of application of mentioned restrictions; hence the consultations are appointed.

Article 4

All repayments and remittances in trade and economic cooperation between Georgia and Armenia will be implemented in accordance with the agreement between the authorized banks of the Sides.

Article 5

Sides will exchange, on regular basis, an information about the laws and other regulatory acts concerning economic activity in trade and transport spheres, investments, taxation, banking and insurance activity and other financial services including customs issues and statistics.

Sides immediately inform each other about changes taking place in the national legislation that may affect implementation of the present agreement.

Authorized bodies to the Sides coordinate the rule of such exchange of information.

Article 6

1. Sides will be striving for establishment of the common customs tariff applied in trade with third countries and to this end they agreed to hold regular consultations.

2. Sides will notify each other of the operating tariffs and all their exceptions.

Article 7

Sides consider that unfair business practice is incompatible with the agreement's objectives and undertake not to permit the following methods: