

2. Quantitative restrictions, noted in this Article, may be ascertained unilaterally and in strictly determined terms in the following cases only:

- in the case of sharp commodity deficiency at the domestic market;
- until the stabilization of balance-of-payments;
- where commodity is imported into the area of one of the Sides by such an increased quantity or in such conditions that cause damage to or threaten to inflict damage to domestic producers of similar or directly competitive goods;
- with the purpose of implementing the measures provided by the Article concerning regulation of re-export procedures.

3. The Side, which will apply quantitative restrictions in accordance with this Article, will provide another Side with full information about the reasons for establishment, forms and possible terms of application of mentioned restrictions; hence consultations are appointed and a separate protocol is drawn up.

4. Sides are striving for settlement, through consultations, of all questions related to the establishment of quantitative restrictions arising in accordance with paragraph 2 of this Article.

5. According to this Article, Sides will give the priority to measures, which have the slightest negative influence upon achieving the objectives of the present agreement.

Article 4

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

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Sides will 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 an exchange of information.

Article 5

Sides are agreed that re-export is acceptable through written consent of the authorized body of the exporter country.

Article 6

Sides will notify each other of the operating customs 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:

- Agreements between enterprises, decisions of their associations and common methods of business practice that aim to prevent or restrict competition or violate its conditions at the territories of the Sides;
- Actions, through which one or several enterprises using their dominant condition, restrict competition on the whole territories of the Sides or on the substantial part of the Side's territory.

Article 8

During implementation of tariff and non-tariff regulation of bilateral economic relations, for exchange of statistics and for implementation of customs procedures Sides agreed to apply common nine-digit commodity nomenclature of foreign economic activity based on the harmonized system of description and coding of goods and on the combined tariff and statistic nomenclature of European Community. Herewith, for their needs, Sides implement, in case of necessity, development of the commodity nomenclature beyond the bounds of nine-digits.

Establishment of standard pattern of the commodity nomenclature is implemented on the basis of mutual agreements through representatives in relevant international organizations.

Article 9

Sides are agreed that the maintenance of the principle of freedom of transit is the most significant term for achieving the objectives of the present agreement, and the essential element of the process of their linking up in the system of co-operation and international division of labour.

In this regard, each Side insures transit of the commodity originated on the customs area of another Side and/or of the third country and is designated for the customs area of another Side or of the third country, except the cases concerning national security interests of the Sides. Each Side will provide exporters, importers or conveyers with all necessary facilities and services for transit security in terms not worse than the ones for facilities and services that are given to own exporters, importers and conveyers or those of any other third country.

Sides are agreed that tariffs on transit, which is implemented through any kind of transport, including handling tariffs, will be economically proved.

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Article 10

This agreement does not prevent the right of any Side to implement measures adopted in international practice that are considered to be necessary for protection of the Side's fundamental interests and that are essential for fulfilment of international agreements, participant of which the Side is or intends to be, if such measures concern the following:

- Information concerning interests of national security;
- Trade in weapon, ammunition, military equipment;
- Investigation and production concerning defensive needs;
- Supply with materials and equipment applied in nuclear industry;
- Protection of the public moral and public order;
- Protection of industrial or intellectual property;
- Gold, silver or other precious stones and metals;
- Protection of human health, animals, plants and environment.

Article 11

With the aim to implement agreed policy on export control towards third countries, Sides will hold regular consultations and take mutually agreed measures for establishing an effective export control system.

Article 12

Provisions of the present agreement replace provisions of the previous agreement concluded between the Sides, where these provisions are incompatible or identical.

Article 13

Disputes between Sides, concerning interpretation and application of the agreement's provisions, will be settled through negotiations. Sides will attempt to avoid conflicts in reciprocal trade. Sides determine, that claims and disputes, arising through implementation and interpretation of commercial contacts and transactions between economic entities of both countries, are in the competence of arbitrages that are established on the areas of the Sides or on the area of the third country, which will be determined by Sides, if settlement of such disputes and claims is impossible through consultations and negotiations.

Sides may determine applied material rights, norms and procedures as well as places for case hearing.

Each Side to the agreement insures existence of effective facilities on its territory for recognition and implementation of arbitrage decisions.

Article 14

In order to implement the present agreement and to elaborate recommendations for improvement of trade and economic cooperation between two countries, Sides agreed to establish the

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joint Georgian-Azerbaijani Commission, which will take place in Georgia or Azerbaijan according to the request of one of the Sides.

Article 15