

Chapter Two

Rules Pertaining to the Exchange of Commodities

Article Three

- Both contracting parties shall exempt partly or wholly, the commodities of local origin and source, which are exchanged directly between themselves, and which are stated in the lists to be agreed upon by the contracting parties, from customs duties, with the exception of the taxes of similar effect.
- Customs duties are intended to mean the duties shown in customs tariffs of both parties.
- Taxes of similar effect are intended to mean the other dues and taxes imposed by either party on the imported commodities, but to which the products of the party state itself are not subject, regardless of the name of such dues or taxes whenever they occur.

Article Four

The commodities exchanged between both countries shall be accorded the same treatment of the national commodities with respect to the internal taxes imposed in the importing country on similar local products.

Article Five

The base of the tax dues on the added value or sales tax or similar taxes imposed in both countries on the products imported within the framework of the lists referred to above, shall be determined without taking in account the customs duties from which the commodities exchanged between both contracting parties are exempted, in conformity with the requirements of Article three above.

Article Six

The commodities exchanged between both countries, which are stated in the lists to be agreed upon by the contracting parties, shall be liberated from non-customs restraints applied at the time of import provided that the list of such restraints shall be specified in a schedule to be agreed upon by the contracting parties. However, any restraint which is not included in such schedule, shall be considered as void and null.

Article Seven

The commodities which are not included in the lists referred to in Articles three and six of this Agreement, shall be subject to the laws and regulations in force in

the field of foreign trade, and to the taxes and fees applied at the time of import in both countries.

Article Eight

The commercial transactions performed within the framework of this agreement, shall be settled in transferable currencies, in conformity, with the exchange regulations valid in both countries.

Article Nine

The procedures for preventing or restraining the import or export, relating to the maintenance of morals, security, public order, health of the individuals, protection of plants, animals and national historical, archeological and artistic heritage of both parties, shall be excepted from the provisions of this Agreement.

Chapter Three

Rules of Origin

Article Ten For the purposes of this Agreement, the following shall be considered to be of local origin :

- The materials wholly produced by both contracting parties, including agricultural, animal-based and fish products, live animals and natural resources which were not subjected to any industrial conversion.
- The industrial products in which the ratio of the added value resulting from their manufacturing in the country of either party is not less than 40% of the final value of the finished commodity (value ex-factory). This ratio, however, shall be applied to the commodities manufactured within the scope of the joint enterprises set up between both countries.

Article Eleven

- The products of local origin which are exported from the country of either party to the country of the other party, shall be accompanied by a certificate of origin issued and attested by the competent authorities of both countries.

Chapter Four

Precautionary Measures

Article Twelve

Each contracting party shall undertake to present anything which may constitute