

FREE TRADE AGREEMENT BETWEEN THE KYRGYZ REPUBLIC AND ARMENIA

AGREEMENT FREE TRADE BETWEEN THE CABINET OF MINISTERS OF
THE KYRGYZ REPUBLIC AND THE GOVERNEMENT OF THE REPUBLIC OF ARMENIA
The Cabinet of Ministers of the Kyrgyz Republic and the Government of the Republic of
Armenia, further referred to as "Contracting Parties",

Aspiring for the development of trade economic cooperation between the Republic of Armenia
and the Kyrgyz Republic on the basis of equality and mutual benefit,

Proceeding from the sovereign right of either Contracting Party to carry out an independent
foreign economic policy and provide the fulfilment of the relevant international obligations and
implementation of declared intentions,

Intending to assist in the creation of a single market of goods, services, capitals and manpower,
Hereby agreed as follows:

Article 1

1. The Contracting Parties shall not apply customs duties, taxes, and levies which have equivalent effect, with respect to exportation or importation of goods originated from the customs territory of one of the Contracting Parties and intended for the customs territory of the other Contracting Party. Features of using the trade regime between both countries shall be in the form of annual documents which are integral par hereof.

2. For the purposes of this Agreement and for the period it is effective, goods originated from the territory of the Contracting Parties shall be goods:

- (a) fully manufactured on the territory of the Contracting Parties,
- (b) which were subject to processing on the territory of the Contracting Parties with the use of raw material, materials and parts originated from third countries, and which changed (because of that) the belonging based on the classification of the Harmonized Commodity Description and Coding System proceeding from the first four digits.
- (c) manufactured with the use of raw material, materials and parts mentioned in paragraph (b), provided that their total cost does not exceed a fixed share of export price for saleable goods.

Article 2

The Contracting Parties will not:

- directly or indirectly impose on goods, subject to this Agreement, domestic taxes or levies which exceed the relevant taxes or levies imposed on similar domestically produced goods or similar goods originated from third countries.

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- with respect to importation or exportation of goods, subject to this Agreement, introduce any special restrictions or requirements which are not similarly applied to similar domestically produced goods or similar goods originated from third countries.
- with respect to warehousing, transshipping, storing and transporting goods originated from the Contracting Parties, and with respect to payments and transfer of payments, apply rules other than those which are similarly applied with respect to their own goods or goods originated from third countries.

Article 3

1. The Contracting Parties will refrain from applying quantitative restrictions or measures which are equivalent with them with respect to exportation and importation of goods under this Agreement.

2. The quantitative restrictions mentioned in paragraph 1 of this Article may be unilaterally established in reasonable limits and for a strictly certain period only:

- in cases of acute deficit of this product in the domestic market until the market situation is stabilized;

- in cases of acute deficit of balance of payments until the situation with balance of payments is stabilized;
- for the purposes of carrying out the measures provided by Article 4 hereof.

3. The quantitative restrictions of this Article may also be established on the basis of Parties' mutual agreement and shall be included in yearly documents mentioned in paragraph 1 of Article 1 hereof.

4. A Contracting Party that applies quantitative restrictions in compliance with paragraph 2 of the Article shall be obliged, upon inquiry of the other Contracting Party, to present necessary information concerning the reasons for the introduction, forms and possible terms of applying the mentioned restrictions.

5. The Contracting Parties will aspire to solve all the issues arising in connection with the application of the quantitative restrictions in compliance with paragraph 2 of this Article by way of consultations.

Article 4

Either Contracting Party will not allow re-exportation of goods with respect to exportation of which the other Contracting Party, where these goods originate from, applies measures of tariff and/or non-tariff regulation.

Re-exportation of these goods to third countries can be carried out only by written consent and on terms determined by the authorized body of a State which is the country of origin of these goods. In the event that this provision is not implemented, a Contracting Party, whose interests have been violated, shall have the right to unilaterally introduce measures, for the regulation of exportation of goods to the territory of the State which allowed non-sanctioned re-export. And the latter pay the whole currency earning of such re-export to the country of origin of the relevant goods.

Re-exportation shall mean that goods originated from the customs territory of one of the Contracting Parties, as defined in paragraph 2 of Article 1 hereof, are exported by the other Contracting Party outside the customs territory of the latter with the aim of exporting them to a third country.

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Article 5

The Contracting Parties will, on a regular basis, exchange information on customs issues, as well as customs statistics. The relevant authorized bodies of the Contracting Parties shall coordinate the order and volume of such information.

The Contracting Parties will inform each other of all exceptions to the current customs tariff which are unilaterally applied.

Article 6

The Contracting Parties shall consider unfair business practice incompatible with the objectives of this Agreement. The unfair business practice is expressed in particular in the following:

- in concluding agreements between enterprises and their associations aimed at impeding or restricting competition or violating conditions for the competition on the territories of the Contracting Parties;
- in carrying out actions with the help of which one or several enterprises use their dominant position restricting competition on the entire or considerable part of the territory of the Contracting Parties.

Article 7

In carrying out measures of tariff and non-tariff regulation of bilateral economic relations, for exchanging statistical information and carrying out customs procedures, the Contracting Parties have agreed to apply a single 9-digit Goods Nomenclature of Foreign Economic Activity (GN FEA) based on the Harmonized Commodity Description and Coding System and the Combined Tariff Statistical Nomenclature of the European Economic Community. And the Contracting