

WORLD TRADE ORGANIZATION

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Committee on Regional Trade Agreements

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FREE TRADE AGREEMENT BETWEEN THE KYRGYZ REPUBLIC AND KAZAKHSTAN

The following text reproduces the Free Trade Agreement between the Kyrgyz Republic and Kazakhstan.

AGREEMENT ON FREE TRADE BETWEEN GOVERNMENT OF THE KYRGYZ REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

The Government of Kyrgyz Republic and the Government of the Republic of Kazakhstan, hereinafter referred to as the Parties,

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

Being guided by the Agreement of the Heads' Council of the CIS States on the Creation of a Free-Trade Area, of 15 April 1994,

Expressing the resolution to favour a harmonious development and growth of world trade and elimination of barriers on the way of its development,

Hereby agreed as follows:

Article 1

1. The Parties shall not apply customs duties, which have equivalent effect, to exportation and/or importation of goods originating in the customs territory of one of the Parties and intended for the customs territory of the other Party. Exceptions to this trade regime according to the coordinated Goods Nomenclature shall be formulated yearly in the form of a separate Protocol.

2. For the purpose of this Agreement and the period it is effective, goods originating in the customs territories of the Parties shall be goods:

- (a) wholly produced on the territory of the Parties or;
- (b) which were subject to the processing on the territory of the Parties with the use of raw material, materials and parts which originate in third countries and the classification of which has thereby changed by at least one of the first four digits according to the HCDCS;

- (c) produced with the use of raw material, materials and parts mentioned in subparagraph "b".

Article 2

The Parties shall not:

- (a) Directly or indirectly impose on goods, subject to this Agreement, domestic taxes or levies which exceed the relevant taxes and levies imposed on similar domestically produced goods or goods originating in third countries:
- (b) introduce with respect to importation or exportation of goods, subject to this Agreement, any special restrictions and requirements which in a similar situation are not applied to similar domestically produced goods or goods originated from countries:
- (c) apply with respect to warehousing, trans-shipping, storing and transporting goods originating in the other Party, as well as payments and transfer of payments, rules other than those applied in similar cases with respect to their own goods or goods originating in third countries.

Article 3

1. Under this Agreement, in mutual trade, the Parties shall refrain from applying discriminatory measures and introducing quantitative restrictions or measures, equivalent with them, to exportation and/or importation of goods.
2. The Parties may unilaterally establish quantitative restrictions, but in reasonable limits and for a strictly defined period.
3. These restrictions must be exclusive and may be applied only in cases of an acute deficit of the products in the domestic market and acute deficit of the balance-of-payments.
4. A Party which applies quantitative restrictions in compliance with this Article must, as far as possible in advance, provide the other Party with full information concerning the basic reasons for the introduction, forms and expected terms of applying the mentioned restrictions. After that, consultations shall be scheduled.
5. The introduction of quantitative restrictions in compliance with this Article shall be in the form of a separate Protocol.

Article 4

All settlements and payments on trade and economic cooperation between business entities of the Parties shall be made in compliance with the Agreement between the authorized banks of the Parties.