WORLD TRADE

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Committee on Regional Trade Agreements

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FREE TRADE AGREEMENT BETWEEN THE KYRGYZ REPUBLIC AND MOLDOVA

The following text reproduces the Agreement between the Kyrgyz Republic and Moldova.

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

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

aspiring to the development of trade economic cooperation between the Government of the Kyrgyz Republic and the Government of the Republic of Moldova on the basis of equality and mutual benefit,

proceeding from sovereignty of the right of each State to follow an independent foreign economic policy,

intending to further the growth of economic activity and ensuring of full employment and raise of the productivity and rational exploitation of resources,

aspiring to favour the harmonious development and growth of international trade, and elimination of barriers on the way of its development,

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 and/or importation of goods originating in the customs territory of one Contracting Party and intended for the customs territory of the other Contracting Party.
- 2. For the purposes of this Agreement and for the period it is effective, goods originating in the territory of a Contracting Party shall be goods:
 - (a) wholly produced on the territory of the Contracting Party;

- (b) which were subject to processing on the territory of a Contracting Party with the use of raw material, materials and parts from third countries and which changed (because of that) the belonging according to the classification of the Goods Nomenclature of Foreign Economic Activity at least by one of the first 4 digits;
- (c) produced with the use of raw material, materials and parts mentioned in subparagraph "b", provided that their total cost does not exceed a fixed share of the export price for saleable goods.

The rules of origin of goods in detail will be coordinated by the Contracting Parties in a separate document that will be integral part of this Agreement.

Article 2

Each Contracting Party shall not:

- directly or indirectly impose on goods of the other Contracting Party, subject to this Agreement, domestic taxes or levies which exceed the relevant taxes or levies imposed on similar domestically produced goods or goods originating in third countries;
- with respect to importation or exportation of goods, subject to this Agreement, introduce any special restrictions or requirements which in a similar situation are not applied to similar domestically produced goods or goods originating in third countries;
- with respect to warehousing, transhipping, storing and transporting goods originating in the territory of the other Contracting Party, and with respect to payments and transfers of payments, apply rules other than those applied in similar cases with respect to goods originating in third countries.

Article 3

Under this Agreement, in mutual trade, the Contracting Parties shall refrain from applying discriminatory measures and introducing quantitative restrictions or measures, equivalent with them, with respect to exportation and/or importation of goods.

The Contracting Parties may unilaterally establish quantitative restrictions, but in reasonable limits and for a strictly appointed term.

These restrictions must be exclusive and may be applied only in the event of an acute deficit of this product in the domestic market and acute deficit of the balance of payments.

A Contacting Party which applies quantitative restrictions in compliance with this Article must, as far as possible in advance, provide the other Contracting 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.

The introduction of quantitative restrictions in compliance with this Article shall be in the form of a separate Protocol.