

AGREEMENT
BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE
GOVERNMENT OF TURKMENISTAN ON FREE TRADE
(Moscow, 11 November, 1992)

The Government of the Russian Federation and the Government of Turkmenistan, hereafter referred to as the Contracting Parties,

Guided by the provisions of the Treaty on Friendship and Co-operation between the Russian Federation and Turkmenistan signed on 31 July 1992,

Taking into consideration the multilateral Agreement on customs policy principles of 13 March 1992,

Striving to develop trade and economic cooperation between the Russian Federation and Turkmenistan on the basis of equality and mutual benefit,

On the assumption of the sovereign right of each State to conduct its independent foreign economic policy and enforce relevant international obligations and realization of proclaimed intentions,

Intending to promote the establishment of common market for goods, services, capital and labour,

Desiring to promote the establishment of proper conditions for the Customs union,
HAVE AGREED as follows:

Article 1

1. Contracting Parties shall not apply customs duties, taxes and charges having equivalent impact on exportation and importation of goods originating from the customs territory of one of Contracting Parties and destined for the customs territory of the other Contracting Party.

Exceptions from this trade regime on the basis of the agreed nomenclature of goods shall be formalized by annual documents, which shall be an integral part of this Agreement.

2. For the purposes of this Agreement, and for its effective term, goods originating from the territories of Contracting Parties shall be deemed to be:

(a) Completely produced in the territory of Contracting Parties;

(b) Having been processed on the territory of Contracting Parties by utilizing raw materials and components of third country origin, and, with this regard, have been changed its classification under the Goods Nomenclature of International Trade, based under the Harmonized System of Commodity Description and Coding of Goods and Combined tariff-statistical nomenclature of the European economic community, on the basis of the first four digits;

(c) Produced with the use of raw materials and components listed in "b" above, provided that its total cost shall not exceed fixed proportion of export price of goods sold.

Detailed rules on establishing origin of goods shall be formulated by the Contracting Parties in a separate document, which will become an integral part of this Agreement.

Article 2

Contracting Parties shall not:

directly or indirectly impose on goods, covered by this Agreement, any internal taxes or charges in excess of corresponding taxes and charges, imposed on domestically produced similar goods or goods of third country origin;

apply with regard to import or export of goods, covered by this Agreement, any special limitations or requirements, which are not applied in a similar situation to domestically produced similar goods or goods of third country origin;

apply with regard to warehousing, reloading, storage, transportation of goods, originated from the territory of the other Contracting Party, as well as to payments and payment transfers, rules other than those applied in similar situations to goods of domestic production or of third country origin.

Article 3

1. Contracting Parties shall refrain from imposing quantitative restrictions or equivalent to them measures on export and/or import of goods within the frames of this Agreement.

2. Quantitative restrictions, referred to in Paragraph 1 of this Article, may be introduced unilaterally within reasonable reasons and on a strictly defined period only in case of:

sharp deficit of the good on domestic market – until stabilization on domestic market;

sharp deficit in the balance of payment -until stabilization in the balance of payment;

if any good is being imported to the territory of one of the Contracting Parties in such increased quantity and on such conditions, that cause or threaten to cause injury to domestic producers of like or directly competitive goods;

for the purpose of implementing measures provided for in article 4 of this Agreement.

3. Quantitative restrictions, referred to in Paragraph 1 of this Article, may also be introduced by mutual agreement of the Parties and shall be included in the annual documents, as referred to in Paragraph 1 Article 1 of this Agreement.

4. A Contracting Party, which applies quantitative restrictions in accordance with Paragraph 2 of this Article, shall, upon request of the other Contracting Party, provide necessary information on reasons, forms and possible time frames for using the abovementioned restrictions.

5. Contracting Parties shall endeavour to solve all issues arising in relation to application of quantitative restrictions under Paragraph 2 of this Article by means of consultations.

Article 4

Neither Contracting Party shall permit re-export of goods in relation to export of which the other Contracting Party, on which territory these goods originate from, applies measures of tariff or non-tariff regulation. Contracting Parties shall define a list of goods, which are forbidden for re-export, and also exchange lists of goods, to which measures of tariff and non-tariff regulation are applied.

Re-export of such goods into third countries is permitted only upon written consent and on conditions stipulated by an authorized state agency of the country of origin of these goods. In case of non-compliance with this provision, the Contracting Party, whose interests have been violated, has the right for unilateral introduction of measures to regulate export of goods into the territory of the Contracting Party that permitted the non-sanctioned re-export. Currency gain from such re-export shall be repaid to the country of origin of relevant goods.

For the purposes of this Article the term "re-export" refers to the export of goods originating from the customs territory of one Contracting Party, by the other Contracting Party outside the customs territory of the latter, for the purpose of exporting it into a third country.

Article 5

Contracting Parties will exchange information on customs issues on a regular basis, including customs statistics. Relevant authorized bodies of Contracting Parties shall formulate in a relevant document an order of exchanging such information.