

The Parties shall grant each other the concessions specified in the Annexes to Protocol 2 to this Agreement as laid down in that Protocol and in accordance with the provisions of this Chapter.

Article 11

Concessions and agricultural policies

1. Without prejudice to the concessions granted pursuant to this Article, the provisions of paragraph 1 shall not restrict in any way the pursuance of the respective agricultural policies of the Parties or the taking of any measures under such policies. The Parties shall notify each other as soon as possible of the changes in their respective agricultural policies which may affect the conditions of trade in agricultural products between them. In such cases, prompt consultations shall be held, upon request of any Party, to examine the situation.
2. For the purpose of ensuring the proper functioning of the provisions of the Protocol 2 to this Agreement and the possibilities of granting each other further concessions, the Parties shall hold consultations regularly on a mutually advantageous and reciprocal basis within the framework of the Joint Committee.

Article 12

Sanitary and phytosanitary measures

1. The Parties shall apply the sanitary and phytosanitary measures in accordance with the provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures within the WTO.
2. The Parties shall not apply their regulations in veterinary, plant health and health matters as an arbitrary or unjustifiable discrimination between the Parties or a disguised restriction in the trade between them.

CHAPTER III

General Provisions

Article 13

Classification of goods

1. The Slovak Customs Tariff shall be applied to the classification of goods for imports to the Slovak Republic.
2. The Turkish Customs Tariff shall be applied to the classification of goods for imports to the Republic of Turkey.
3. Any changes in import tariff classification of goods carried out by the Parties, including by the creation of new tariff items, shall not negatively affect the schedules of liberalisation and concessions established in Protocols 1 and 2 to this Agreement.

Article 14

Rules of origin and co-operation in customs administration

1. Protocol 3 to this Agreement lays down the rules of origin and related methods of administrative co-operation.
2. The Parties shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Protocol 3 to this Agreement

and Articles 3 to 8, 15 and 27 of this Agreement are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

Article 15

Internal taxation

1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the other Party.
2. Products exported to the territory of one of the Parties may not benefit from repayment of internal taxes in excess of the amount of direct or indirect taxes imposed on these products.

Article 16

General exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; of the protection of health and life of humans, animals or plants, including environmental measures necessary to protect human, animal or plant life or health; of the protection of national treasures possessing artistic, historic or archaeological value; of the protection of intellectual property, or of the rules relating to gold or silver or to the conservation of exhaustible natural resources. Such prohibitions or restrictions shall not, however, constitute means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 17

Security exceptions

Nothing in this Agreement shall prevent a Party from taking any appropriate measure which it considers necessary:

- (a) to prevent the disclosure of information contrary to its essential security interests;
- (b) for the protection of its essential security interests or for the implementation of international obligations or national policies:
 - (i) relating to the traffic in arms, ammunition and implements of war, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
 - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
 - (iii) taken in time of war or other serious international tension.

Article 18

State monopolies

1. The Parties shall ensure that any state monopoly of a commercial character be adjusted so that by 1 July 1999 no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Parties.

2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties or sales on the domestic markets. These provisions shall likewise apply to monopolies delegated by the state to other bodies.

Article 19

Payments

1. Payments in freely convertible currencies relating to commercial transactions within the framework of this Agreement between the Parties and the transfer of such payments to the territory of the Party where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short and medium term credits covering commercial transactions within the framework of this Agreement in which their resident participates.

3. Notwithstanding the provisions of paragraph 2, any measure concerning current payments connected with the movement of goods shall be in conformity with the conditions laid down under Article VIII of the Articles of Agreement of the International Monetary Fund.

Article 20

Rules of competition concerning undertakings

1. The following are incompatible with the proper functioning of this Agreement insofar as they may affect trade between the Parties:

(a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

(b) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.

2. The provisions of paragraph 1 shall apply to the activities of all undertakings including public undertakings and undertakings to which the Parties grant special or exclusive rights. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly, shall be subject to provisions of paragraph 1 in so far as the application of these provisions does not obstruct the performance, in law or fact, of the particular public tasks assigned to them.

3. With regard to products covered by Chapter II the provisions in paragraph 1(a) shall not apply to such agreements, decisions and practices which form an integral part of a national market organization.

4. If a Party considers that a given practice is incompatible with this Article and if such practice causes or threatens to cause serious prejudice to the interest of that Party or material injury to its domestic industry, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 30.

Article 21

State aid

1. Any aid granted by a Party or through state resources in any form which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between the Parties, be incompatible with the proper functioning of this Agreement.
2. The provisions of paragraph 1 shall not apply to products covered by Chapter II.
3. The Parties shall ensure the transparency in the area of state aid, in accordance with the provisions of the Agreement on Subsidies and Countervailing Measures and the GATT 1994 and each Party, upon request of the other Party, shall provide information on aid schemes and on particular individual cases of state aid.
4. If a Party considers that a particular practice, including that in agriculture:
 - is incompatible with the terms of paragraph 1, and
 - if such practice causes or threatens to cause serious prejudice to the interest of that Party or material injury to its domestic industry, it may take appropriate measures under the conditions of and in accordance with the provisions laid down in Article 30. Such appropriate measures may only be taken in conformity with the procedures and under the conditions laid down by the Agreement on Subsidies and Countervailing Measures and the GATT 1994 and in accordance with the relevant internal legislation of the importing Party.

Article 22

Public procurement

1. The Parties consider the liberalisation of their respective public procurement markets as an objective of this Agreement.
2. The Parties shall progressively develop their respective regulations for public procurement with a view to grant suppliers of the other Party by the end of the transitional period, at the latest, access to contract award procedures on their respective public procurement markets according to the provisions of the Agreement on Government Procurement concluded within the framework of the WTO and the Parties' undertakings therein.
3. The Joint Committee shall examine developments related to the achievement of the objectives of this Article and may recommend practical modalities of implementing the provisions of paragraph 2 so as to ensure free access, transparency and a mutual opening of their respective public procurement markets.
4. During the examination referred to in paragraph 3, the Joint Committee may consider, especially in the light of development in this area in international relations, the possibility of expanding the coverage of the market opening provided for in paragraph 2.
5. The Parties shall endeavour to accede to the relevant agreements negotiated under the auspices of the WTO.

Article 23

Standards

1. The rights and obligations of the Parties relating to standards or technical regulations and related measures shall be governed by the Agreement on Technical Barriers to Trade within the WTO.
2. Either Party, upon request of the other Party, shall provide information on particular individual cases of standards-related measures.

3. The Parties shall aim to reduce technical barriers to trade. To this end the Parties shall enter where appropriate into negotiations for the conclusion of agreements for the mutual recognition in the field of conformity assessment, in the spirit of the recommendations of the Agreement on Technical Barriers to Trade within the WTO.

Article 24

Dumping

If a Party finds that dumping within the meaning of Article VI of the GATT 1994 is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with the Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994 under the conditions and in accordance with the procedure laid down in Article 30.

Article 25

Protection of intellectual property

1. The Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights including measures for the grant and the enforcement of such rights. The protection, where necessary, shall be extended, before the end of 1998, to a level corresponding to the substantive standards of the multilateral agreements which are specified in Annex III to this Agreement.

2. For the purpose of this Agreement "intellectual property protection" includes, in particular, protection of copyright and neighbouring rights in original literary, scientific and artistic works, including musical works, computer programs, data bases, audio and visual recordings, trade marks, geographical indications, industrial designs, patents, topographies of integrated circuits, undisclosed information including "know-how" and protection of new varieties of plant.

3. The Parties shall co-operate in matters of intellectual property. They shall hold, upon request of any Party, experts consultations on these matters, in particular, on activities relating to the existing or to future international conventions on harmonization, administration and enforcement of intellectual property and on activities in international organizations, such as the WTO, the World Intellectual Property Organization, as well as relations of the Parties with other countries on matters concerning intellectual property.

Article 26

General safeguards

Where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:

(a) serious injury to domestic producers of like or directly competitive products in the territory of the importing Party; or

(b) serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region, the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 30.

Article 27

Structural adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 3 may be taken by any of the Parties in the form of increased customs duties.
2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.
3. Customs duties on imports applicable in the Party concerned to products originating in the other Party introduced by these measures may not exceed 25 per cent ad valorem and shall maintain an element of preference in customs duties for products originating in the other Party. The total value of imports of the products which are subject to these measures may not exceed 15 per cent of total imports of industrial products from the other Party, as defined in Chapter I, during the last year for which statistics are available.
4. These measures may be applied for a period not exceeding three years. They shall cease to apply at the latest on the date of the end of the transitional period for this Agreement.
5. No such measures may be introduced in respect of a product if more than three years elapsed since the elimination of all customs duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product.
6. The Party concerned shall inform the other Party of any exceptional measures it intends to take and, upon request of the other Party, consultations shall be held within the Joint Committee on such measures and the sectors to which they apply prior to their introduction. When taking such measures the Party concerned shall provide the Joint Committee with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these customs duties starting at the latest two years after their introduction, at equal annual rates. The Joint Committee may decide on a different schedule.

Article 28

Re-export and serious shortage

Where compliance with the provisions of Articles 6 and 8 leads to:

- (a) re-export towards a third country against which the exporting Party maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Party, and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 30. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

Article 29

Fulfilment of obligations

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall see to it that the objectives set out in this Agreement are attained.
2. If a Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 30.

Article 30

Procedure for the application of safeguard measures

1. In the event of either Party subjecting imports of products liable to give rise to the difficulties referred to in Article 26 to an administrative procedure having as its purpose the rapid provision of information on the trend of trade flows, it shall inform the other Party.
2. In the cases specified in Articles 24, 26 and 28 before taking the measures provided for therein or, in cases to which paragraphs 3 (a), 3 (e) and 3 (f) apply, as soon as possible, either Party, as the case may be, shall supply the Joint Committee with all relevant information, with a view to seeking a solution acceptable to both Parties. In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. The safeguard measures shall be notified immediately to the Joint Committee and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their abolition as soon as circumstances permit.
3. For the implementation of paragraph 2, the following provisions shall apply:
 - (a) as regards Articles 20 and 21, the Party concerned shall give the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. If the Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee or if the Joint Committee fails to reach an agreement within 30 days of the matter being referred to it, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question;
 - (b) as regards Article 24, the Joint Committee shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. When no end has been put to the dumping within the meaning of Article VI of the GATT 1994 or no other satisfactory solution has been reached within 30 days of the matter being referred to the Joint Committee, the importing Party may adopt the appropriate measures;
 - (c) as regards Article 26, the difficulties rising from the situation referred to in that Article shall be referred for examination to the Joint Committee, which may take any decision needed to put an end to such difficulties. If the Joint Committee or the exporting Party has not taken a decision putting an end to the difficulties or no other satisfactory solution has been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures to remedy the problem. These measures must not exceed the scope of what is necessary to remedy the difficulties which have arisen;
 - (d) as regards Article 28, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Joint Committee. The Joint Committee may take any decision needed to put an end to the difficulties. If it has not taken such a decision within 30 days of the matter being referred to it, the exporting Party may apply appropriate measures on the exportation of the product concerned;
 - (e) as regards Article 29, the Party concerned may take appropriate measures after the consultations have been concluded or a period of three months has elapsed from the date of notification to the other Party;
 - (f) where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, either Party whichever is concerned may, in the situations specified in Articles 24, 26 and 28, apply forthwith the precautionary and provisional measures strictly necessary to deal with the situation, and the Joint Committee will be informed immediately.

Article 31

Balance of payments difficulties

1. The Parties shall endeavour to avoid the imposition of restrictive measures including measures relating to imports for balance of payments purposes.

2. Where one of the Parties is in serious balance of payments difficulties, or under imminent threat thereof, the Party concerned may, in accordance with the conditions established under the GATT 1994 and under Article VIII of the Articles of Agreement of the International Monetary Fund, adopt restrictive measures, including measures related to imports, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The measures shall be progressively relaxed as balance of payments conditions improve and they shall be eliminated when conditions no longer justify their maintenance. The Party concerned shall inform the other Party forthwith of their introduction and, whenever practicable, of a time schedule for their removal.

Article 32

Evolutionary clause

1. Where a Party considers that it would be useful in the interests of the economies of the Parties to develop and to deepen the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Joint Committee shall examine such a request and, where appropriate, may make recommendations, particularly with a view to opening negotiations.

2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to the ratification or to the approval by the Parties in accordance with their internal legislation and procedures.

CHAPTER IV

Institutional and Final Provisions

Article 33

The Joint Committee

1. A Joint Committee is hereby established and shall consist of a representative of the Republic of Turkey, on the one hand, and of a representative of the Slovak Republic, on the other hand.

2. The Joint Committee shall be responsible for the administration of this Agreement and shall ensure its proper implementation. It shall examine any major issue arising within the framework of this Agreement and any other trade or economic issues of mutual interest. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the Parties.

3. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, upon request of any Party, shall hold consultations within the Joint Committee.

4. The Joint Committee may take decisions in the cases provided for in this Agreement. These decisions shall be implemented by the Parties in accordance with their internal legislation. The Joint Committee may also make recommendations on any other trade and economic matter of mutual interest to the Parties.

Article 34

Procedures of the Joint Committee