AGREEMENT
BETWEEN THE GOVERNMENT OF RUSSIAN FEDERATION AND THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN ON FREE TRADE

(Baku, September 30, 1992)

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

striving to develop trade and economic cooperation between the Russian Federation and the Republic of Azerbaijan based upon equality and mutual benefits,

based upon the sovereign rights of each Contracting Party to conduct its independent foreign economic policy and enforce relevant international obligations and realization of proclaimed aims,

recognizing importance of measures, aimed at the creation of a strong base for successful enlargement of cooperation between the countries on a basis of a free trade,

have agreed as follows:

Article 1

1. Contracting Parties shall not apply customs duties, taxes and charges having equivalent impact on import of goods originating from the customs territory of one of Contracting Parties and destined for the customs territory of the other Contracting Party. Special cases of application of this trade regime between the two countries on the agreed nomenclature of the 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, materials and components of third country origin, whose classification under the Harmonized System of Commodity Description and Coding changed in at least one of the first four digits due to this processing;

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

Detailed rules on establishing origins of goods shall be coordinated by Contracting Parties and included in a document that shall become an integral part of this Agreement.

Article 2

Contracting Parties shall not:

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

apply any special limitations or conditions to goods covered by this Agreement, in excess of limitations or conditions applied under similar circumstances to similar goods of domestic production or of third country origin;

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

Article 3

1. Contracting Parties shall refrain from introducing quantitative restrictions or its equivalents on export and (or) import of goods within the framework of this Agreement.