

2. Quantitative restrictions referred to in Paragraph 1 of this Article may be introduced unilaterally with strictly defined time frames only in the event of:

- sharp deficit in this good on domestic market - until the situation on domestic market will stabilize, or
- sharp deficit in the balance of payment - until the balance of payment situation stabilizes, or
- if any good has been imported on the territory of one of the Contracting Parties in such increased quantities and on such terms that threaten or may threaten to cause injury to domestic producers of like or directly competitive goods,
- for the purposes of exercising the measures provided by the 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 referred to in Paragraph 1 of Article 1 of this Agreement.

4. A Contracting Party using quantitative restrictions under Paragraph 2 of this Article shall if possible in advance inform, as well as upon request of the other Contracting Party, immediately provide the necessary information on the 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

Each Contracting Party shall not permit re-export of goods in relation to export of which the other Contracting Party where these goods originate from applies measures of tariff-based and (or) non-tariff-based regulation.

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 the event 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 state that permitted the non-sanctioned re-export. In addition the latter shall repay the full amount of such re-export proceeds to the country of origin of relevant goods.

The term "re-export" refers to the export of goods originating from the customs territory of one Contracting Party, as defined in Article 1, paragraph 2 of this Agreement, by the other Contracting Party to the outside of the customs territory of the latter, for the purpose of exporting it into a third country.

Article 5

Contracting Parties will on a regular basis exchange information on customs issues, including customs statistics. Relevant authorized bodies of the Contracting Parties shall coordinate the way to exchange such information.

Article 6

Contracting Parties will inform each other on all the exceptions to the existing customs tariff that are applied unilaterally.

Article 7

Contracting Parties shall consider incompatible with the purposes of this Agreement any unfair business practices and shall not allow and eliminate the following methods thereof:

- agreements between enterprises, decisions made by the associations of enterprises, and general methods of business practices aimed at hindering or limiting competition or disrupting the competitive environment in the territories of the Contracting Parties;

- actions by means of which one or a few enterprises use their dominant position, limiting competition within the entire territory of the Contracting Parties or a significant part thereof.

Article 8

For the purposes of applying measures of tariff and non-tariff regulation in the bilateral economic relationships, statistical information exchange, and for carrying out customs procedures, the Contracting Parties agreed to use the unified, nine-digit Commodity Nomenclature of Foreign Economic Activities (CN FEA), based upon the Harmonized Commodity Description and Coding System and Combined Tariffs and Statistics Nomenclature of the Eurasian economic community. For their own needs Contracting Parties may expend this Commodity Nomenclature beyond the nine digits if necessary.

Introduction of the reference original of the Commodity Nomenclature is carried out by the Russian Federation through the existing representations in the relevant international organizations, until the Republic of Azerbaijan declares its independent introduction of such an original.

Article 9

Contracting Parties shall not use state aid in the form of subsidies to enterprises or in any other form if the result of such state aid would be the distortion of normal economic conditions in the territory of the other Contracting Party.

Article 10

Contracting Parties agree that the adherence to the principle of freedom of transit is the major condition for achieving goals of this Agreement and a substantial element in the process of their integration into the system of international division of labour and cooperation.

Thereupon each Contracting Party shall provide unimpeded transit through its territory for goods originating from the customs territory of the other Contracting Party or third countries and destined for the customs territory of the other Contracting Party or any third country, and shall supply exporters, importers, and carriers with all facilities and services available and necessary for ensuring transit on terms not worse than those granted to national exporters, importers, or carriers, or exporters, importers or carriers of any other third state.

Transit tariffs for all types of transportation, including tariffs for loading and unloading operations, shall be economically justified and shall not exceed normal operational expenses, including reasonable profit rates. Contracting Parties shall not request payment for warehousing, reloading, storage, and transportation of goods in the currency of any third state.

Contracting Parties shall conclude a special agreement on transit.

Article 11

Contracting Parties have the right to take measures which they consider necessary for protecting their vital interests or which are undoubtedly necessary for compliance with international agreements to which they are or intend to become parties, if these measures relate to:

- information affecting the interests of national defence;
- trade in arms, munitions and military equipment;
- research or production related to the defence needs;
- supply of materials and equipment used in nuclear industry;
- protection of public morality and public order;
- protection of industrial and intellectual property;
- gold, silver, and other precious metals and stones;
- protection of human, animal and plant life.

Article 12