

decision needed to put an end to the difficulties. If it has not taken such a decision within thirty days of the matter being referred to it, the exporting Party may apply appropriate measures on the exportation of the product concerned. The measures shall be nondiscriminatory and be eliminated when conditions no longer justify their maintenance.

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; the protection of health and life of humans, animals or plants and environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual, industrial and commercial property. Such prohibitions or restrictions must not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

ARTICLE 17

Balance of Payments Difficulties

Where either Party is in a serious balance of payments difficulties or under threat thereof, the Party concerned may in accordance with the conditions laid down within the framework of WTO Agreement, adopt restrictive measures, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Party concerned shall inform the other Party forthwith of their introduction and present to the other Party, as soon as possible, a time schedule of their removal.

ARTICLE 18

Rules of Origin and Cooperation between the Customs Administrations

1. The Parties agreed to apply the preferential rules of origin in trade between them.
2. Protocol II to this Agreement lays down the preferential rules of origin and related methods of administrative co-operation.
3. In case these rules of origin are amended, the Joint Committee shall initiate procedure of amending rules of origin.

CHAPTER IV

STATE MONOPOLIES, COMPETITION RULES, PAYMENTS AND OTHER ECONOMIC PROVISIONS

ARTICLE 19 Payments and Transfers

The Parties undertake to authorise, in freely convertible currency, in accordance with the provisions of Article VIII of the Articles of the Agreement of the International Monetary Fund, any payments and transfers on the current account of balance of payments between Turkey and Georgia.

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 dominant position in the territories of the Parties as a whole or in a substantial part thereof;
 - c) any state aid which distorts, or threatens to distort, competition by favoring certain undertakings or the production of certain goods.
2. The Joint Committee shall, within five years of the entry into force of this Agreement, adopt by decision the necessary rules for the implementation of paragraph 1. Until these rules are adopted, the provisions of Article 21 shall be applied as regard the implementation of paragraph 1.c).
3. Each Party shall ensure transparency in the area of state aid, inter alia by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of state aid.
4. If any Party considers that a particular practice is incompatible with the terms of the first paragraph of this Article, and:
 - a) is not adequately dealt with under the implementing rules referred to in paragraph 2, or

- b) in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry,

it may take appropriate measures after consultation within the Joint Committee or after thirty working days following referral for such consultation.

With reference to practices incompatible with paragraph 1.c), such appropriate measures, when the WTO rules are applicable to them, may only be adopted in accordance with the procedures and under the conditions laid down by the WTO or by any other relevant instrument negotiated under its auspices and applicable to the Parties.

- 5. Notwithstanding any provisions to the contrary adopted in conformity with this Article, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

ARTICLE 21

Subsidies

- 1. The rights and obligations of the Parties in respect of subsidies shall be governed by Articles VI and XVI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures and the WTO Agreement on Agriculture.
- 2. If a Party finds that subsidies are granted which affect bilateral trade, the Party concerned may take appropriate measures in accordance with the above-mentioned Agreements.

ARTICLE 22

Intellectual Property Rights

- 1. The Parties to this Agreement shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights, including measures for the enforcement of such rights against infringement thereof, counterfeiting and piracy, in accordance with the provisions of this Article and the relevant international agreements.
- 2. The Parties to this Agreement shall accord to each other's nationals treatment no less favorable than that they accord to their own nationals. Exemption from this obligation must be in accordance with the substantive provisions of Article 3 of the TRIPS Agreement.
- 3. The Parties to this Agreement shall grant to each other's nationals treatment no less favorable than that accorded to nationals of any other country. Exemptions from

this obligation must be in accordance with the substantive provisions of the TRIPS Agreement, in particular Articles 4 and 5 thereof.

4. The implementation of this Article shall be regularly reviewed by the Parties. If problems in the area of intellectual property affecting trading conditions were to occur, urgent consultations shall be undertaken, at the request of either Party, with a view to reaching mutually satisfactory solutions.

ARTICLE 23

State Monopolies

1. The Parties shall progressively adjust any state monopoly of a commercial character so as to ensure that by the end of the fourth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the Parties.
2. The Joint Committee shall be informed about the measures adopted to implement this objective.

ARTICLE 24

Public Procurement

The Parties agree on the objective of a progressive liberalization of public procurement. The Joint Committee will hold consultations on the implementation of this objective.

ARTICLE 25

Technical Barriers to Trade

1. The rights and obligations of the Parties in respect of technical regulations, standards, conformity assessment and related measures shall be governed by the WTO Agreement on Technical Barriers to Trade.
2. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment, with a view to increasing the mutual understanding of their respective systems, facilitating access to their respective markets and eliminating technical barriers to trade. The Parties shall consult each other in the Joint Committee in view of the implementation of the objective set out in this Article.
3. Each Party, upon a request from the other Party, shall submit information on particular individual cases of standards, technical rules or similar measures.

4. Without prejudice to paragraph 1, the Parties agree to hold immediate consultations in the framework of the Joint Committee where either Party has taken measures which are likely to create, or have created an obstacle to trade, in order to find an appropriate solution in conformity with the WTO Agreement on Technical Barriers to Trade.

ARTICLE 26

Trade in Services

1. The Parties shall aim at achieving gradual liberalization and the opening of their markets for trade in services in accordance with the provisions of the WTO General Agreement on Trade in Services (GATS), taking into account ongoing work under the auspices of the WTO.
2. The Parties shall, at regular intervals in the Joint Committee, review relevant services sectors and consider further liberalization of trade in services, taking into account international developments.

CHAPTER V

INSTITUTIONAL AND FINAL PROVISIONS

ARTICLE 27

Establishment of the Joint Committee

1. A Joint Committee is hereby established in which each Party shall be represented. The Joint Committee shall be responsible for the administration of this Agreement and shall ensure its proper implementation.
2. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of any Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the Parties.
3. The Joint Committee may, in accordance with the provisions of paragraph 3 of Article 28, take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

ARTICLE 28

Procedures of the Joint Committee