FREE TRADE AGREEMENT

BETWEEN

THE REPUBLIC OF TURKEY

AND

THE REPUBLIC OF MOLDOVA

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PREAMBLE

The Republic of Turkey and the Republic of Moldova (hereinafter referred to as “the Parties” or “Turkey” or “Moldova” where appropriate),

REAFFIRMING the mutual interest of the Parties in the continual reinforcement of the multilateral trading system and considering that the provisions and instruments of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as “GATT 1994”) and the Marrakesh Agreement establishing the World Trade Organization (hereinafter referred to as the “WTO Agreement”) constitute a basis for their foreign trade policy;

CONFIRMING their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

TAKING INTO ACCOUNT the Agreement establishing an Association between Turkey and the European Economic Community and the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part;

DESIRING to create more favourable conditions for the sustainable development and diversification of trade between them and for the promotion of commercial and economic co-operation in areas of common interest on the basis of equality, mutual benefit, non-discrimination, and a balance of rights and obligations;

DETERMINED to lay down for this purpose provisions aimed at the progressive abolition of the obstacles to trade between the Parties in accordance with the provisions concerning the establishment of free trade area;

DESIRING to establish clear, predictable and lasting rules to promote the development of reciprocal trade and investments, by means of establishing a free trade area;

DECLARING their readiness to examine the possibility of developing and deepening their economic relations by extending the fields covered by this Agreement;

RECOGNISING that free trade agreements contribute to the expansion of world trade, to greater international stability, and, in particular, to the development of closer relations among their peoples;

HAVE AGREED to conclude this Free Trade Agreement (hereinafter referred to as “this Agreement”).

CHAPTER I
INITIAL PROVISIONS

ARTICLE 1
Establishment of the Free Trade Area

The Parties, in accordance with this Agreement and in conformity with Article XXIV of the GATT 1994, hereby establish a free trade area.

ARTICLE 2
Objectives

The objectives of this Agreement are:

a) to increase and enhance the economic co-operation between the Parties and raise the living standards of their people;

b) to promote the expansion of bilateral trade through the harmonious development of the economic relations between the Parties;

c) to eliminate obstacles and restrictions on trade in goods;

d) to contribute, by the removal of barriers to trade, to the harmonious development and expansion of world trade; and

e) to provide fair conditions of competition in trade between the Parties

ARTICLE 3
Relations to Multilateral Agreements

The Parties affirm their rights and obligations with respect to each other in accordance with the WTO Agreement, including the GATT 1994, and its successor agreements and other multilateral agreements to which the Parties are party.

ARTICLE 4
Trade Relations Governed by Other Agreements

1. The Parties, without prejudice to the rights and obligations provided for in this Agreement, preserve the right to maintain or establish customs unions, free trade areas or other arrangements with third countries.

2. In case the rights and obligations provided for under this Agreement are being affected, any Party may request to hold consultations within the Joint Committee concerning agreements establishing or adjusting customs unions or free trade areas and, where required, on other major issues related to the Parties' respective trade policies with third countries.

CHAPTER II
COMMON PROVISIONS

ARTICLE 5
Customs Duty

For the purpose of this Agreement, a customs duty includes any duty or charge of any kind imposed on, or in connection with, the importation or exportation of a good, including any form of surtax or surcharge imposed on, or in connection with, such importation or exportation, but does not include any:

a) internal taxes or other charges equivalent to internal taxes imposed consistently with Article 10 (National Treatment);

b) anti-dumping or countervailing duties imposed consistently with Article 20 (Anti-Dumping and Countervailing Measures);

c) safeguard duties or levies imposed consistently with Article 19 (General Safeguards)

d) fees or other charges imposed consistently with Article 11 (Fees and Other Charges).

ARTICLE 6
Classification and Valuation of Goods

1. The classification of goods in trade between the Parties shall be that set out in each Party's respective tariff nomenclature in conformity with the Combined Nomenclature (CN) of the European Union.

2. A Party may introduce new tariff splits, provided that the preferential conditions applied in the new tariff splits are not less preferential than those applied originally.

3. For the purposes of determining the customs value of goods traded between the Parties, provisions of Article VII of the GATT 1994 and the WTO Agreement on Implementation of Article VII of the GATT 1994, as may be amended, shall apply *mutatis mutandis*.

ARTICLE 7
Base Rate

1. For each good, the base rate to which successive reductions or eliminations set out in this Agreement is to be applied shall be the Most Favoured Nation (MFN) customs duty that was in force on the date of entry into force of this Agreement.

2. If, after the date of entry into force of this Agreement, any tariff reduction is applied by the Parties on MFN basis, such reduced duties shall replace the base rates referred to in paragraph 1 of this Article as from the date when such reductions are applied.

3. The Parties shall communicate to each other their respective base rates.

ARTICLE 8
Customs Duties on Exports and Charges Having Equivalent Effect

1. Customs duties on exports and charges having equivalent effect shall be abolished in trade between the Parties upon the entry into force of this Agreement.

2. From the date of the entry into force of this Agreement no new customs duties on exports and charges having equivalent effect shall be introduced in trade between the Parties.

ARTICLE 9
Quantitative Restrictions on Imports and Exports

Neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its interpretative notes. To this end, Article XI of the GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.

ARTICLE 10
National Treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes. To this end, Article III of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 11
Fees and Other Charges

Each Party shall ensure, in accordance with Article VIII of the GATT 1994 and its interpretative notes, that all fees and charges of whatever character (other than customs duties and other duties and charges that are excluded from the definition of a customs duty under Article 5 (Customs Duty)) imposed on, or in connection with, importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or taxation of imports or exports for fiscal purposes.

ARTICLE 12
Sanitary and Phytosanitary Measures

1. The Parties affirm their rights and obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

2. The Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction on trade between them.

ARTICLE 13
Technical Regulations

1. The Parties confirm their rights and obligations with respect to each other under the WTO Agreement on Technical Barriers to Trade.

2. The Parties shall co-operate and exchange information within the Joint Committee in the fields of technical regulations, standards, metrology, and conformity assessment procedures, with the aim of eliminating technical barriers to trade.

3. The Parties agree to enter where appropriate into negotiations for the mutual recognition in the field of conformity assessment, with the consideration of international rights and obligations of both Parties.

ARTICLE 14
Government Procurement

The Parties shall grant each other's suppliers access to contract award procedures a treatment no less favourable than that accorded to suppliers of any other country.

ARTICLE 15
Intellectual Property Rights

1. The Parties affirm their existing rights and obligations with respect to each other under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as "TRIPS Agreement") and any other multilateral intellectual property agreements by which both Parties are bound.

2. The Parties shall 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 TRIPS Agreement and any other multilateral intellectual property agreements by which both Parties are bound.

3. The Parties shall cooperate on intellectual property matters, and each of them shall provide the legal means for interested parties to prevent the commercial use of the other Party's country name, where such use is likely to mislead consumers with regard to the geographical origin of the good.

ARTICLE 16
Rules of Origin and Co-operation between the Customs Administrations

1. The rules of origin applicable between the Parties to goods covered under this Agreement and related methods of administrative co-operation are set out in Annex I.

2. Annex I of this Agreement on rules of origin shall be applied temporarily and it shall be replaced by the rules of origin in the preferential trade arrangement and its related annexes between Moldova and the EU. In case these rules of origin are to be amended, the Joint Committee shall initiate the procedure of amending those rules of origin.

ARTICLE 17
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 the Parties may not benefit from repayment of internal indirect taxation in excess of the amount of indirect taxation imposed on them.

ARTICLE 18
Structural Adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 23 (Elimination of Customs Duties on Imports and Charges Having Equivalent Effect) may be taken by 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 Parties to products originating in the other Party introduced by these measures may not exceed 25 % ad valorem and shall maintain an element of preference 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% of total imports of industrial products from the other Party as defined in Article 22 (Scope) during the last year for which statistics are available.

4. These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Joint Committee. They shall cease to apply at the latest on the expiry of the transitional period.

5. No such measures can be introduced in respect of a product if more than three years have elapsed since the elimination of all duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product.

6. The Parties shall inform the Joint Committee of any exceptional measures they intend to take and, at the request of either Party, consultations shall be held in the Joint Committee on such measures and the sectors to which they apply before they are applied. When taking such measures the Parties 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 duties starting at the latest two years after their introduction, at equal rates. The Joint Committee may decide on a different schedule.

ARTICLE 19
General Safeguards

1. The Parties retain their rights and obligations to apply safeguard measures consistent with Article XIX of the GATT 1994 and the WTO Agreement on Safeguards.

2. This Agreement shall not confer any additional rights or obligations on the Parties with regard to the application of safeguard measures, referred to in paragraph 1 of this Article.

ARTICLE 20
Anti-dumping and Countervailing Measures

1. The rights and obligations of the Parties with respect to anti-dumping and countervailing measures shall be governed by Article VI and Article XVI of the GATT 1994, the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.

2. This Agreement shall not confer any additional rights or obligations on the Parties with regard to the application of anti-dumping and countervailing measures, referred to in paragraph 1 of this Article.

ARTICLE 21
Re-export and Serious Shortage

1. Where compliance with the provisions of Articles 8 (Customs Duties on Exports and Charges Having Equivalent Effect) and 9 (Quantitative Restrictions on Imports and Exports) leads to:

   a) re-export towards a third country against which the exporting Party to this Agreement 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 procedures laid down in Article 31 (Fulfilment of Obligations and Dispute Settlement).

2. Measures taken as a result of the situation referred to in paragraph 1 shall be applied in a non-discriminatory manner and be eliminated when conditions no longer justify their maintenance.

CHAPTER III
INDUSTRIAL GOODS

ARTICLE 22
Scope

1. The provisions of this Chapter shall apply to industrial products originating in the Parties.

2. The term “industrial products” means, for the purposes of this Agreement, the goods falling within Chapters 25 to 97 of the Combined Nomenclature of the EU.

ARTICLE 23
Customs Duties on Imports and Charges Having Equivalent Effect

1. Customs duties on imports and charges having equivalent effect applied by Turkey on goods originating in Moldova shall be abolished on the date of entry into force of this Agreement.

2. Customs duties on imports and charges having equivalent effect applied by Moldova on goods originating in Turkey shall be abolished on the date of entry into force of this Agreement without prejudice to paragraph 3 of this Article.

3. Customs duties on imports applied by Moldova on goods originating in Turkey specified in Annex II shall be progressively abolished in accordance with the timetable laid down therein.

4. For goods originating in Turkey specified in Annex II, Moldova shall accord treatment no less favourable than that accorded to the same products originating in the EU. In case of any favourable change in the treatment accorded to the EU for the goods specified in Annex II, Moldova shall without delay inform the Joint Committee with a view to take a decision to reflect these changes to the goods originating in Turkey specified in this Annex and promptly notify Turkey thereof.

5. From the date of entry into force of this Agreement no new customs duties on imports or charges having equivalent effect shall be introduced in trade between the Parties.

CHAPTER IV
AGRICULTURAL PRODUCTS

ARTICLE 24
Scope

1. The provisions of this Chapter shall apply to agricultural products originating in the Parties.

2. The term "agricultural products" means, for the purposes of this Agreement, the goods falling within Chapters 01 to 24 of the Combined Nomenclature of the EU.

ARTICLE 25
Exchange of Concessions

1. The Parties to this Agreement shall mutually allocate concessions set forth in Annex III in accordance with the provisions laid down therein.

2. Taking into account the role of agriculture in their respective economies, the development of trade in agricultural products and the rules of their respective agricultural policies, the Parties shall examine in the Joint Committee the possibilities of granting further concessions to each other in trade in agricultural products.

ARTICLE 26
Specific Safeguards

Notwithstanding other provisions of this Agreement, and in particular Article 31 (Fulfilment of Obligations and Dispute Settlement), given the particular sensitivity of the agricultural market, if imports of products originating in one of the Parties, which are the subject of concessions granted under this Agreement cause serious disturbance to the market or to its domestic regulatory mechanisms in the other Party, both Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take appropriate measures in accordance with the provisions of the GATT and the other relevant WTO agreements.

CHAPTER V
INSTITUTIONAL PROVISIONS

ARTICLE 27
Establishment of the Joint Committee

1. A Joint Committee is hereby established in which each Party shall be represented by its senior officials.

2. The Joint Committee shall be responsible for the administration of this Agreement and shall ensure efficient implementation of its provisions.

3. The Joint Committee shall meet whenever necessary upon request, but normally at least once a year. Either Party may request a meeting to be held. The Joint Committee shall be chaired alternately by the Parties.

4. The Joint Committee shall adopt its rules of procedure.

ARTICLE 28
Functions of the Joint Committee

1. For the efficient implementation of this Agreement, the Joint Committee shall have the following functions; including but not limited to:

    a) review the general functioning of this Agreement;

    b) set up sub-committees as it considers necessary to assist it in accomplishing its tasks, and supervise the work of sub-committees;

    c) review, consider and, as appropriate, decide on specific matters related to the operation and implementation of this Agreement, including matters reported by sub-committees;

    d) facilitate, as appropriate, the avoidance and settlement of disputes arising under this Agreement;

    e) as appropriate, issue interpretations of this Agreement;

    f) review the possibility of further removal of the obstacles to trade between the Parties and the further development of the trade relationship;

    g) explore ways to enhance trade between the Parties and to further the objectives of this Agreement; and,

    h) take such other actions as the Parties may agree.

2. The Joint Committee may take decisions in the matters related to this Agreement, including decisions to adopt any amendment to this Agreement. The Joint Committee may also make recommendations to matters related to this Agreement. The Joint Committee shall take decisions and make recommendations by consensus of the Parties.

3. The decisions taken by the Joint Committee on any amendment to this Agreement shall be subject to the completion of the respective internal ratification procedures of the Parties in accordance with Article 34 (Amendments).

CHAPTER VI
FINAL PROVISIONS

ARTICLE 29
General and Security Exceptions

Nothing in this Agreement shall prevent the Parties from taking actions and adopting measures consistent with Article XX and Article XXI of the GATT 1994.

ARTICLE 30
Balance of Payment Exceptions

1. Should a Party decide to impose measures for balance-of-payments purposes, it shall do so only in accordance with its rights and obligations under the GATT 1994, including the Declaration on Trade Measures Taken for Balance of Payments Purposes (1979 Declarations) and the Understanding on the Balance of Payments provisions of the GATT 1994 (BOP Understanding).

2. The Party concerned shall promptly consult with the other Party in adopting the measures pursuant to paragraph 1 of this Article,

3. The Parties shall endeavour to avoid the application of the restrictive measures referred to in paragraph 1 of this Article.

4. Any restrictive measure adopted or maintained under this Article shall be non-discriminatory.

ARTICLE 31
Fulfilment of Obligations and Dispute Settlement

1. The Parties shall take all necessary measures to ensure the achievement of the objectives of this Agreement and the fulfilment of their obligations under this Agreement.

2. The Parties shall at all times endeavour to agree on the interpretation and implementation of this Agreement and shall make every attempt through cooperation and consultations to avoid and settle disputes between them and to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

3. Each Party may request consultations within the Joint Committee with respect to a measure or any other matter relating to the interpretation and implementation of this Agreement.

4. The requesting Party shall deliver written notification to the other Party, stating the reasons for the request, including the identification of the measure at issue and an indication of relevant article(s) of this Agreement, and provide sufficient information to enable an examination of the matter.

5. The Joint Committee shall convene within 30 calendar days after the date of receipt of the request. Upon initiation of consultations, the Parties shall provide information to enable the examination of how the measure or any other matter might affect the interpretation and implementation of this Agreement, and give confidential treatment to the information exchanged during consultations.

6. The Joint Committee shall endeavour to resolve the dispute promptly by means of a decision and if the Parties agree may make recommendations regarding the implementing measures to be taken by the Party concerned, and the timeframe for doing so.

7. The Joint Committee may call on technical advisers or create working groups or expert groups as it deems necessary; or as may assist the Parties to reach a mutually satisfactory resolution of the dispute.

8. If the dispute cannot be solved within a reasonable period of time during the consultations, the Joint Committee may agree to establish an Arbitration Panel. Numbers of arbitrators, selection procedures of the arbitrators, proceedings of Arbitration Panel and the timeframe that the Arbitration Panel has to submit its Report shall be established by the Joint Committee.

9. If a Party considers that the other Party has failed to fulfil an obligation under this Agreement, and the Joint Committee has failed to arrive at a commonly acceptable solution within 90 calendar days from the receipt of the notification referred to in paragraph 4, the Party concerned may take appropriate measures. The measures taken shall be notified immediately to the Joint Committee, which shall hold regular consultations with a view to eliminating these measures. The measures shall be abolished when conditions no longer justify their maintenance, or, if the dispute is submitted to the Arbitration Panel.

10. In case the Parties failed to resolve any dispute within the Joint Committee they can proceed in conformity with the procedures set forth in WTO Understanding on Rules and Procedures Governing the Settlement of Dispute.

ARTICLE 32
Evolutionary Clause

The Parties may mutually agree to extend this Agreement with the aim of broadening and supplementing its scope in accordance with their respective legislation, by concluding agreements on specific sectors or activities in the light of the experience gained during its implementation.

ARTICLE 33
Annexes

Annexes to this Agreement shall form an integral part of this Agreement.

ARTICLE 34
Amendments

1. The Parties may agree, in writing, to make amendment to this Agreement.

2. Any amendment to this Agreement shall be subject to the completion of all necessary requirements foreseen by their national legislation for the entry into force of this Agreement.

3. Any amendment to this Agreement shall enter into force on the first day of the second month following the date on which the Parties exchange written notifications certifying that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement have been fulfilled.

4. When so agreed, and approved in accordance with the necessary requirements foreseen by their national legislation for the entry into force of this Agreement, any amendment shall constitute an integral part of this Agreement.

ARTICLE 35
Entry into Force

1. The Parties shall ratify this Agreement in accordance with all necessary requirements foreseen by their national legislation for the entry into force of this Agreement.-

2. This Agreement shall enter into force on the first day of the second month following the date on which the Parties exchange written notifications certifying that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement have been fulfilled.

ARTICLE 36
Duration and Termination

1. This Agreement shall be valid indefinitely.

2. Either Party may give written notice to the other of its intention to terminate this Agreement. Termination shall take effect on the first day of the seventh month after notification to the other Party.

3. The Parties agree that, in case of accession of one of the Parties to this Agreement to the EU, this Agreement will be terminated on the date of the accession to the EU.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this Agreement.

DONE at Chisinau on this eleventh day of September, in the year twothousandandfourteen, in two originals, each in the Turkish, Romanian and English languages, all texts being equally authentic. In case of any divergence in the interpretation of this Agreement, the English text shall prevail.

FOR THE REPUBLIC OF TURKEY	FOR THE REPUBLIC OF MOLDOVA
Nihat ZEYBEKCİ **Minister of Economy**	**Andrian CANDU** **Deputy Prime Minister and** **Minister of Economy**