

2. The Parties will discuss the means of co-operation in the area of services at the Association Council.

#### **Article 36**

##### **Co-operation between Small and Medium-Sized Enterprises**

1. With the view to further enhance trade and economic activities, the Parties shall give priority to promoting business and investment opportunities as well as joint ventures between small and medium sized enterprises (SMEs) of the two countries. Within this context, the Parties will;
  - a) exchange expertise on entrepreneurship, management, research and management centres, quality and production standards;
  - b) provide market information to create investment opportunities;
  - c) furnish published documents concerning SMEs.
2. Turkey shall support Syria's efforts towards capacity building for the related private sector institutions.

#### **CHAPTER V**

##### **INSTITUTIONAL, GENERAL AND FINAL PROVISIONS**

#### **Article 37**

##### **Establishment of the Turkey-Syria Association Council**

An Association Council is hereby established which as a rule shall be headed by Ministers in charge of foreign trade and meet at least once a year in accordance with the conditions laid down in its rules of procedure.

#### **Article 38**

##### **Duties of the Association Council**

The Association Council shall review the progress made in the implementation of this Agreement and in the cooperation to support Syrian economic reform and development efforts. It shall also examine any major issues arising within the framework of this Agreement including its economic and social impact and any other bilateral or international issues of mutual interest.

#### **Article 39**

##### **Procedures of the Association Council**

1. The Association Council shall consist of officials, public and private sector representatives of both Parties.

2. The Association Council shall establish its rules of procedure.
3. The Association Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions in the cases provided for therein.
4. The decisions taken shall be binding on the Parties that shall take the measures necessary to implement the decisions taken. The Association Council may also make appropriate recommendations.
5. The Association Council may upon necessity establish working groups or bodies for the implementation of the Agreement.
6. It shall draw up its decisions and recommendations by agreement between the two Parties.

#### **Article 40** **Establishment of the Association Committee**

1. Subject to the powers of the Association Council, an Association Committee is hereby established which shall be responsible for the implementation of the Agreement.
2. The Association Council may delegate to the Association Committee, in full or in part, any of its powers.

#### **Article 41** **Procedures of the Association Committee**

1. The Association Committee shall convene at Under-secretarial/Deputy Ministerial level at least twice a year alternatively in Turkey and Syria.
2. The Association Committee shall establish its rules of procedure.
3. The Association Committee shall have the power to take decisions for the implementation of the Agreement as well as in the areas in which the Council has delegated its powers to it.
4. It shall draw up its decisions by agreement between the two Parties. These decisions shall be binding on the Parties that shall take the measures necessary to implement the decisions taken.

#### **Article 42** **Security Exceptions**

Nothing in this Agreement shall prevent the Parties from taking any measures, which they consider necessary:

1. to prevent the disclosure of information contrary to their essential security interests;
2. for the protection of their essential security interests or for the implementation of international obligations or national policies:
  - a) relating to the traffic in arms, ammunition and implements of war 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
  - b) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
  - c) in time of war or other serious international tension constituting threat of war.

### **Article 43**

#### **Fulfilment of Obligations**

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. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 22 of this Agreement.

### **Article 44**

#### **Dispute Settlement**

1. Either Party may refer to the Association Council any dispute relating to the application or interpretation of this Agreement.
2. The Association Council may settle the dispute by means of a decision.
3. Each Party shall be bound to take measures involved in carrying out the decision referred to in paragraph 2.
4. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months.
5. The two arbitrators shall agree on a third arbitrator being a citizen of a third country of which both Parties have diplomatic relations. In case of failure to agree on the third arbitrator within two months, the necessary appointment shall be made by the Association Council.
6. The arbitrators' decisions shall be taken by majority vote.
7. Each Party to the dispute must take the steps required to implement the decision of the arbitration.

#### **Article 45**

##### **Evolutionary Clause**

1. Where either Party considers that it would be useful and in the interest of the economies of the Parties to develop 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 Association Council may instruct the Association Committee to examine this request and, where appropriate, to make recommendations to it, particularly with a view to opening negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their national legislation.

#### **Article 46**

##### **Amendments**

Amendments to this Agreement, as well as to its Annexes and Protocols, shall enter into force upon the exchange of written notifications through diplomatic channels, by which the parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement have been fulfilled.

#### **Article 47**

##### **Protocols and Annexes**

Protocols and Annexes to this Agreement shall form an integral part thereof. The Association Council may decide to amend the Protocols and Annexes in accordance with the national legislation of the Parties.

#### **Article 48**

##### **Duration and Denunciation**

1. This Agreement is concluded for an indefinite period of time.
2. Either party may denounce this Agreement by a written notification to the other Party. The Agreement shall terminate on the first day of the seventh month following the date when the other Party received the denunciation notice.

#### **Article 49**

##### **Entry into Force**

1. This Agreement shall enter into force on the first day of the second month, following the date on which the Parties have notified each other through diplomatic channels, that their internal legal requirements for the entry into force of this Agreement have been fulfilled.
2. Upon its entry into force, this Agreement shall replace the following Agreements between the Parties:

- a) Accord de Commerce Entre Le Gouvernement de la République de Turquie et le Gouvernement de la République Arabe Syrienne (Commercial Agreement between the Government of the Republic of Turkey and the Government of The Syrian Arab Republic-signed on 17 September 1974).
  - b) Agreement between the Government of the Republic of Turkey and the Government of the Syrian Arab Republic concerning the establishment of the Turkish-Syrian Joint Committee for Economic, Scientific, Technical and Commercial Co-operation (signed on 23 March 1982).
  - c) Long-Term Economic Co-operation Agreement between the Government of the Republic of Turkey and the Government of the Syrian Arab Republic (signed on 23 March 1982).
3. IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this Agreement.
4. DONE at ---- day of----- two thousand and four in duplicate copies in the Turkish, Arabic and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.

**FOR THE GOVERNMENT OF  
THE REPUBLIC OF TURKEY**

**FOR THE GOVERNMENT OF  
THE SYRIAN ARAB REPUBLIC**