

Official Journal

of the European Communities

ISSN 0378-6978

L 247

Volume 38

13 October 1995

English edition

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COUNCIL

COUNCIL DECISION

of 17 July 1995

on the conclusion by the European Community of the Interim Agreement on trade and trade-related matters between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part

(95/414/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 in conjunction with Article 228 (2), first sentence, thereof,

Having regard to the proposal from the Commission,

Whereas, pending the entry into force of the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part, signed in Corfu on 24 June 1994, it is necessary to approve, on behalf of the European Community, the Interim Agreement on trade and trade-related matters between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part, initialled on 29 December 1994,

HAS DECIDED AS FOLLOWS:

Article 1

The Interim Agreement on trade and trade-related matters between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian

Federation, of the other part, together with the two Protocols and the declarations relating thereto, is hereby approved on behalf of the European Community.

The text of the Interim Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Interim Agreement ⁽¹⁾.

Article 3

The President of the Council shall give the notification provided for in Article 36 of the Interim Agreement on behalf of the European Community.

Done at Brussels, 17 July 1995.

For the Council

The President

J. SOLANA

⁽¹⁾ The date of entry into force of the Agreement will be published in the *Official Journal of the European Communities* by the General Secretariat of the Council.

INTERIM AGREEMENT

on trade and trade-related matters between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part

The EUROPEAN COMMUNITY, the EUROPEAN COAL AND STEEL COMMUNITY and the EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as 'THE COMMUNITY'

of the one part, and

the RUSSIAN FEDERATION, hereinafter referred to as 'RUSSIA'

of the other part,

Parties to the present Agreement,

Whereas an Agreement on Partnership and Cooperation establishing a partnership between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part, hereinafter referred to as 'the Agreement on Partnership and Cooperation', was signed on 24 June 1994;

Whereas the aim of the Agreement on Partnership and Cooperation is to strengthen and widen the relations established previously, notably by the Agreement between the European Economic Community and the European Atomic Energy Community and the Union of Soviet Socialist Republics on trade and commercial and economic cooperation signed on 18 December 1989, hereinafter referred to as the '1989 Agreement';

Whereas it is necessary to ensure the further development of trade between the Parties;

Whereas to this end it is necessary to implement as speedily as possible, by means of an Interim Agreement, the provisions of the Agreement on Partnership and Cooperation concerning trade and trade-related matters;

Bearing in mind the contribution which financial cooperation could make to the trade-related aims of this Agreement;

Have decided to conclude this Agreement and to this end have designated as their plenipotentiaries;

THE EUROPEAN COMMUNITY:

THE EUROPEAN COAL AND STEEL COMMUNITY:

THE EUROPEAN ATOMIC ENERGY COMMUNITY:

RUSSIA:

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

TITLE I

GENERAL PRINCIPLES

Article 1

Respect for democratic principles and human rights as defined in particular in the Helsinki Final Act and the Charter of Paris for a New Europe underpins the internal and external policies of the Parties and constitutes an essential element of partnership and of this Agreement.

Article 2

1. The most-favoured-nation treatment granted by Russia under this Agreement shall not apply in relation to advantages defined in Annex I granted by Russia to other countries of the former USSR.

2. In the case of the most-favoured-nation treatment granted under Title II, the exceptions referred to in paragraph 1 shall not apply after Russia accedes to the General Agreement on Tariffs and Trade, hereinafter referred to as the 'GATT', or the World Trade Organization, hereinafter referred to as the 'WTO'.

TITLE II

TRADE IN GOODS

Article 3

1. The Parties shall accord to one another the general most-favoured-nation treatment described in Article I, paragraph 1 of the GATT.

2. The provisions of paragraph 1 shall not apply to:

- (a) advantages accorded to adjacent countries in order to facilitate frontier traffic;
- (b) advantages granted with the aim of creating a customs union or a free-trade area or pursuant to the creation of such a union or area; the terms 'customs union' and 'free trade area' shall have the same meaning as those described in paragraph 8 of Article XXIV of the GATT or created through the procedure indicated in paragraph 10 of the same GATT Article;
- (c) advantages granted to particular countries in accordance with the GATT and with other international arrangements in favour of developing countries.

Article 4

1. The products of the territory of one Party imported into the territory of the other Party shall not be subject, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like domestic products.

2. Notwithstanding the provisions of paragraph 1, the parties agree that Russia may continue the temporary implementation of its legislation and regulations as regards excise duties on the following conditions:

- the effective discrimination, as it exists on the date of signature of this Agreement, between the treatment of each Community product and the corresponding domestic product is not increased, and
- treatment granted by Russia to Community products is not less favourable than that granted to the products of any third country.

Russia shall endeavour to ensure full compliance with the obligations laid down in paragraph 1 as soon as possible, and shall be in full compliance with them not later than 1 January 1996. Implementation of this shall be monitored by the Joint Committee.

3. Moreover, the products of the territory of one Party imported into the territory of the other Party shall be accorded treatment no less favourable than that accorded to like products of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use. The provision of this paragraph shall not prevent the application of differential internal transportation charges which are based exclusively on the economic operation of the means of transport and not on the nationality of the product.

4. Article III, paragraphs 8, 9 and 10 of the GATT shall be applicable *mutatis mutandis* between the Parties.

Article 5

1. The Parties agree that the principle of freedom of transit is an essential condition of attaining the objectives of this Agreement.

In this connection each Party shall provide for freedom of transit through its territory of goods originating in the customs territory or destined for the customs territory of the other Party.

2. The rules described in Article V, paragraphs 2, 3, 4 and 5 of the GATT shall be applicable between the Parties.

Article 6

The following Articles of the GATT shall be applicable *mutatis mutandis* between the Parties:

1. Article VII, paragraphs 1, 2, 3, 4 (a), (b) and (d) and 5;
2. Article IX;
3. Article X.

Article 7

Without prejudice to the rights and obligations stemming from international conventions on the temporary admission of goods which bind both Parties, each Party shall furthermore grant the other Party exemption from import charges and duties on goods admitted temporarily, in the instances and according to the procedures stipulated by any other international convention on this matter binding upon it, in conformity with its legislation. Such legislation shall be applied on a most-favoured-nation basis and thus subject to the exceptions listed in Article 2 (2) of this Agreement. Account shall be taken of the conditions under which the obligations stemming from such a convention have been accepted by the Party in question.

Article 8

1. Goods originating in Russia shall be imported into the Community free of quantitative restrictions without prejudice to the provisions of Articles 10, 13 and 14 of this Agreement and to the provisions of Articles 77, 81, 244, 249 and 280 of the Acts of Accession of Spain and Portugal to the Community.

2. Goods originating in the Community shall be imported into Russia free of quantitative restrictions without prejudice to the provisions of Articles 10, 13 and 14 and of Annex II to this Agreement.

Article 9

Until Russia accedes to the GATT/WTO, the Parties shall hold consultations in the Joint Committee on their

import tariff policies, including changes in tariff protection. In particular, such consultations shall be offered prior to the increase of tariff protection.

Article 10

1. Where any product is being imported into the territory of one of the Parties in such increased quantities and under such conditions as to cause or threaten to cause substantial injury to domestic producers of like or directly competitive products, the Community or Russia, whichever is concerned, may take appropriate measures in accordance with the following procedures and conditions.

2. Before taking any measures, or in cases to which paragraph 4 applies as soon as possible thereafter, the Community or Russia, as the case may be, shall supply the Joint Committee with all relevant information with a view to seeking a solution acceptable to both parties. The Parties shall commence consultations promptly within the Joint Committee.

3. If, as a result of the consultations, the Parties do not reach agreement within 30 days of referral to the Joint Committee on actions to avoid the situation, the Party which requested consultations shall be free to restrict imports of the products concerned or to adopt other appropriate measures to the extent and for such time as is necessary to prevent or remedy the injury.

4. In critical circumstances where delay would cause damage difficult to repair, the Parties may take the measures before the consultations, on the condition that consultations shall be offered immediately after taking such action.

5. In the selection of measures under this Article, the Parties shall give priority to those which cause least disturbance to the achievement of the aims of this Agreement.

6. Where a safeguard measure is taken by one Party in accordance with the provisions of this Article, the other Party shall be free to deviate from its obligations under this Title towards the first Party in respect of substantially equivalent trade.

Such action shall not be taken before consultations have been offered by such other Party nor if agreement has been reached within 45 days following the date these consultations were offered.

7. The right of deviation from the obligations referred to in paragraph 6 shall not be exercised for the first three years that a safeguard measure is in effect, provided that the safeguard measure has been taken as a result of an absolute increase in imports, for the maximum period of four years, and in conformity with the provisions of this Agreement.

Article 11

Nothing in this Title, and in Article 10 in particular, shall prejudice or affect in any way the taking, by either Party, of anti-dumping or countervailing measures in accordance with Article VI of the GATT, the Agreement on implementation of Article VI of the GATT, the Agreement on interpretation and application of Articles VI, XVI and XXIII of the GATT or related internal legislation.

In respect of anti-dumping or subsidy investigations, each Party agrees to examine submissions by the other Party and to inform the interested parties concerned of the essential facts and considerations on the basis of which a final decision is to be made. Before definitive anti-dumping and countervailing duties are imposed, the Parties shall do their utmost to bring about a constructive solution to the problem.

Article 12

The 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; the protection of natural resources; the protection of national treasures of artistic, historic or archaeological value or the protection of intellectual, industrial and commercial property or rules relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 13

This Title shall not affect the provisions of the Agreement between the European Economic Community and the Russian Federation on trade in textile products initialled on 12 June 1993 and applied with retroactive effect as from 1 January 1993. Furthermore, Article 8 of this Agreement shall not apply to trade in textile products falling under Chapters 50 to 63 of the Combined Nomenclature.

Article 14

1. Trade in products covered by the Treaty establishing the European Coal and Steel Community shall be governed by:

- the provisions of this Title, with the exception of Article 8, and

- upon its entry into force, by the provisions of the Agreement between the European Coal and Steel Community and the Russian Federation on trade in certain steel products.

2. The establishment of a Contact Group on coal and steel matters is governed by Protocol 1 annexed to this Agreement.

*Article 15***Trade in nuclear materials**

1. Trade in nuclear materials shall be covered by:

- the provisions of this Agreement with the exception of Articles 8 and 10 (1) to (5) and (7),
- the provisions of Articles 6, 7, 14 and 15 (1) (2) (3), first sentence, and (4) and (5) of the 1989 Agreement,
- the attached Exchange of Letters.

2. Notwithstanding the provisions of paragraph 1 of this Article, the Parties agree to take all necessary steps to arrive at an arrangement covering trade in nuclear materials by 1 January 1997.

3. Until such an arrangement is reached, the provisions of this Article will continue to apply.

4. Steps will be taken to conclude an agreement regarding nuclear safeguards, physical protection and administrative cooperation in transfers of nuclear materials. Until such an agreement is in force, the respective legislation and international non-proliferation obligations of the Parties will be applicable as regards the transfer of nuclear materials.

5. For the purpose of the application of the regime provided for in paragraph 1:

- the reference in Article 6 and Article 15 (5) of the 1989 Agreement to 'this Agreement' shall be read as meaning the regime established by paragraph 1 of this Article,
- the reference in Article 10 (6) of this Agreement to 'this Article' shall be read as meaning Article 15 of the 1989 Agreement,
- the reference in Articles 6, 7, 14 and 15 of the 1989 Agreement to the 'Contracting Parties' shall be read as meaning the Parties to this Agreement.

TITLE III

PAYMENTS, COMPETITION AND OTHER ECONOMIC PROVISIONS

Article 16

The Parties undertake to authorize, in freely convertible currency, any current payments between residents of the Community and of Russia connected with the movement of goods made in accordance with the provisions of the present Agreement.

*Article 17***Competition**

1. The Parties agree to work to remedy or remove through the application of their competition laws or otherwise, restrictions on competition by enterprises or caused by State intervention in so far as they may affect trade between the Community and Russia.

2. In order to attain the objectives mentioned in paragraph 1:

2.1. The Parties, within their respective competences, shall ensure enforcement of laws addressing restrictions on competition by enterprises within their jurisdiction.

2.2. The Parties shall refrain from granting export aids favouring certain undertakings or the production of products other than primary products. The Parties also declare their readiness, as from the third year from the date of entry into force of the Agreement on Partnership and Cooperation, to establish for other aids which distort or threaten to distort competition in so far as they affect trade between the Community and Russia, strict disciplines, including the outright prohibition of certain aids. These categories of aids and the disciplines applicable to each shall be defined jointly within a period of three years after entry into force of the Agreement on Partnership and Cooperation.

Upon request by one Party, the other Party shall provide information on its aid schemes or in particular individual cases of State aid.

2.3. During a transitional period expiring five years after the entry into force of the Agreement on Partnership and Cooperation, Russia may take measures inconsistent with paragraph 2.2, second sentence, provided that these measures are introduced and applied in the circumstances referred to in Annex III.

2.4. In the case of State monopolies of a commercial character, the Parties declare their readiness, as from the third year from the date of entry into force of the Agreement on Partnership and

Cooperation, to ensure that there is no discrimination between nationals and companies of the Parties regarding the conditions under which goods are procured or marketed.

In the case of public undertakings or undertakings to which Member States or Russia grant exclusive rights, the Parties declare their readiness, as from the third year from the date of entry into force of the Agreement on Partnership and Cooperation, to ensure that there is neither enacted nor maintained any measure distorting trade between the Community and Russia to an extent contrary to the Parties' respective interests. This provision shall not obstruct the performance, in law or fact, of the particular tasks assigned to such undertakings.

2.5. The period defined in paragraphs 2.2 and 2.4 may be extended by agreement of the Parties.

3. Consultations may take place within the Joint Committee at the request of the Community or Russia on the restrictions or distortions of competition referred to in paragraphs 1 and 2 and on the enforcement of their competition rules, subject to limitations imposed by laws regarding disclosure of information, confidentiality and business secrecy. Consultations may also comprise questions on the interpretation of paragraphs 1 and 2.

4. The Party with experience in applying competition rules shall give full consideration to providing the other Party, upon request and within available resources, technical assistance for the development and implementation of competition rules.

5. The above provisions in no way affect a Party's rights to apply adequate measures, notably those referred to in Article 11, in order to address distortions of trade.

*Article 18***Intellectual, industrial and commercial property protection**

1. Adequate and effective protection and enforcement of intellectual, industrial and commercial property rights shall be ensured pursuant to the provisions of this Article and of Annex IV.

2. If problems in the area of intellectual, industrial and commercial 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 19***Standards and conformity assessment**

Within the limits of their competence, and in accordance with their legislation, the Parties shall take measures with a view to reducing the differences which exist between the Parties in the fields of metrology, standardization and certification by encouraging the use of internationally agreed instruments in those fields.

The Parties shall closely cooperate in the abovementioned areas with the relevant European and other international organizations.

The Parties shall, in particular, encourage practical interaction of their respective organizations, with the aim of starting to negotiate mutual recognition agreements in the field of conformity assessment activities.

*Article 20***Customs**

1. The aim of cooperation shall be to achieve compatibility of the customs systems of the Parties.

2. Cooperation shall include the following in particular:

- the exchange of information,
- the improvement of working methods,
- harmonization and simplification of customs procedures regarding the goods traded between the Parties,
- the interconnection between the transit systems of the Community and Russia,
- the support in the introduction and management of modern customs information systems, including computer based systems on the customs check points,
- mutual assistance and joint actions with respect to 'dual-use' goods and goods subject to non-tariff limitations,
- the organization of seminars and training periods.

Technical assistance shall be provided where necessary.

3. Mutual assistance between administrative authorities in customs matters of the Parties shall take place in accordance with Protocol 2 attached to this Agreement.

TITLE IV**INSTITUTIONAL, GENERAL AND FINAL PROVISIONS***Article 21*

The Joint Committee set up by the 1989 Agreement shall perform the duties assigned to it by this Agreement until the Cooperation Council provided for in Article 90 of the Agreement on Partnership and Cooperation is established.

Article 22

The Joint Committee may, for the purposes of attaining the objectives of the Agreement, make recommendations in the cases provided for therein.

It shall draw up its recommendations by agreement between the Parties.

Article 23

When examining any issue arising within the framework of this Agreement in relation to a provision referring to an Article of the GATT, the Joint Committee shall take into account to the greatest extent possible the interpretation that is generally given to the Article of the

GATT in question by the Contracting Parties to the GATT.

Article 24

1. Within the scope of this Agreement, each Party undertakes to ensure that natural and legal persons of the other Party have access free of discrimination in relation to its own nationals to the competent courts and administrative organs of the Parties to defend their individual rights and their property rights, including those concerning intellectual, industrial and commercial property.

2. Within the limits of their respective powers, the Parties:

- shall encourage the adoption of arbitration for the settlement of disputes arising out of commercial and cooperation transactions concluded by economic operators of the Community and those of Russia,
- agree that where a dispute is submitted to arbitration, each party to the dispute may, except where the rules of the arbitration centre chosen by the parties provide otherwise, choose its own arbitrator, irrespective of his nationality, and that the presiding third arbitrator

- or the sole arbitrator may be a citizen of a third State,
- will recommend their economic operators to choose by mutual consent the law applicable to their contracts,
 - shall encourage recourse to the arbitration rules elaborated by the United Nations Commission on International Trade Law (Uncitral) and to arbitration by any centre of a state signatory to the Convention on Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June 1958.

Article 25

Nothing in this Agreement shall prevent a Party from taking any measures:

1. which it considers necessary for the protection of its essential security interests:
 - (a) to prevent the disclosure of information contrary to its essential security interests;
 - (b) which relate to fissionable materials or the materials from which they are derived;
 - (c) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
 - (d) in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security; or
2. which it considers necessary to respect its international obligations and commitments or autonomous measures taken in line with such generally accepted international obligations and commitments on the control of dual use industrial goods and technology.

Article 26

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:
 - the arrangements applied by Russia in respect of the Community shall not give rise to any discrimination between the Member States, their nationals or their companies or firms,

— the arrangements applied by the Community in respect of Russia shall not give rise to any discrimination between Russian nationals, or its companies or firms.

2. The provisions of paragraph 1 are without prejudice to the right of the Parties to apply the relevant provisions of their fiscal legislation to tax payers who are not in identical situations in particular as regards their place of residence.

Article 27

1. Each of the Parties may refer to the Joint Committee any dispute relating to the application or interpretation of this Agreement.

2. The Joint Committee may settle the dispute by means of a recommendation.

3. 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 a conciliator; the other Party must then appoint a second conciliator within two months.

The Joint Committee shall appoint a third conciliator.

The conciliator's recommendations shall be taken by majority vote. Such recommendations shall not be binding upon the Parties.

4. The Joint Committee may establish rules of procedure for dispute settlement.

Article 28

The Parties agree to consult promptly through appropriate channels at the request of either Party to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.

The provisions of this Article shall in no way affect and are without prejudice to Articles 10, 11, 27 and 32.

Article 29

Treatment granted to Russia hereunder shall in no case be more favourable than that granted by the Member States to each other.

Article 30

In so far as matters covered by this Agreement are covered by the Energy Charter Treaty and Protocols

thereto, such Treaty and Protocols shall upon entry into force apply to such matters but only to the extent that such application is provided for therein.

Article 31

1. This Agreement shall remain in force until the entry into force of the Agreement on Partnership and Cooperation signed on 24 June 1994.

2. Either Party may denounce this Agreement by notifying the other Party. This Agreement shall cease to apply six months after the date of such notification.

Article 32

1. The Parties shall take any general or specific measures required to fulfil their obligations under the Agreement. They shall see to it that the objectives set out in the Agreement are attained.

2. If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of these measures, priority must be given to those which least disturb the functioning of the Agreement. These measures shall be notified immediately to the Joint Committee if the other Party so requests.

Article 33

Annexes I, II, III and IV together with Protocols 1 and 2 shall form an integral part of this Agreement.

Article 34

This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the European Community, the European Coal and Steel Community and the European Atomic Energy Community are applied and under the conditions laid down in those Treaties and, on the other hand, to the territory of Russia.

Article 35

This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Russian languages, each of these texts being equally authentic.

Article 36

These Agreement shall enter into force on the first day of the second month following the date on which the Parties have notified each other that the legal procedures necessary to this end have been completed.

Upon its entry into force, and as far as relations between the Community and Russia are concerned, this Agreement shall, without prejudice to Article 15 (1), (3) and (5), replace Articles 2, 3 paragraph (1), first, second and fifth indents, and paragraph (2) and Articles 4 to 16 and Article 18 of the 1989 Agreement.

Hecho en Bruselas, el diecisiete de julio de mil novecientos noventa y cinco.

Udfærdiget i Bruxelles, den syttende juli nitten hundrede og femoghalvfems.

Geschehen zu Brüssel am siebzehnten Juli neunzehnhundertfünfundneunzig.

Έγινε στις Βρυξέλλες, στις δέκα επτά Ιουλίου χίλια εννιακόσια ενενήντα πέντε.

Done at Brussels on the seventeenth day of July in the year one thousand nine hundred and ninety-five.

Fait à Bruxelles, le dix-sept juillet mil neuf cent quatre-vingt-quinze.

Fatto a Bruxelles, addì diciassette luglio millenovecentonovantacinque.

Gedaan te Brussel, de zeventiende juli negentienhonderd vijfennegentig.


Feito em Bruxelas, em dezassete de Julho de mil novecentos e noventa e cinco.

Tehdy Brysselissä seitsemäntenätoista päivänä heinäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäviisi.

Som skedde i Bryssel den sjuttonde juli nittonhundrafem.

Совершено в Брюсселе семнадцатого июля тысяча девятьсот девяносто пятого года.

Por las Comunidades Europeas
For De Europæiske Fællesskaber
Für die Europäischen Gemeinschaften
Για τις Ευρωπαϊκές Κοινοότητες
For the European Communities
Pour les Communautés européennes
Per le Comunità europee
Voor de Europese Gemeenschappen
Pelas Comunidades Europeias
Euroopan yhteisöjen puolesta
På Europeiska gemenskapernas vägnar



За Правительство Российской Федерации



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ANNEX I

Indicative list of advantages granted by Russia to the countries of the former USSR in areas covered by this Agreement (as of January 1994)

Advantages are granted bilaterally by respective agreements or by established practice. They provide for, *inter alia*:

1. Import/export taxation

No import duties are applied.

No export duties are applied with respect to goods delivered under annual bilateral interstate trade and cooperation arrangements within the nomenclature and volumes, stipulated therein, considered as 'exportation for federal state needs' as defined by corresponding Russian law.

No VAT is applied on import.

No excise duties are applied on import.

2. Allocation of quotas and licensing procedures

Export quotas for deliveries of Russian products under annual bilateral interstate trade and cooperation agreements are opened in the same way as for 'deliveries for State needs'.

3. Special conditions for current payments.**4. Price system regarding Russian export of some kinds of raw materials and semifinished products (coals, crude oil, natural gas, refined oil products)**

Prices are determined on the basis of corresponding average world prices converted in roubles or respective national currency at a rate quoted by the Central Bank of Russia as of the fifteenth day of the month previous to the month of exportation.

5. Conditions of transportation and transit

As regards countries of the Commonwealth of Independent States that are Parties to the Multilateral Agreement 'on the principles and conditions of relations in the field of transport' and/or on the basis of bilateral arrangements on transportation and transit, no taxes or fees are applied on a reciprocal basis for the transportation and customs clearing of goods (including goods in transit) and transit of vehicles.

ANNEX II

Derogations from Article 8 (quantitative restrictions)

1. Exceptional measures which derogate from the provisions of Article 8 may be taken by Russia in the form of quantitative restrictions on a non-discriminatory basis as provided for in Article XIII of the GATT. Such measures can only be taken after the end of the first calendar year following signature of the Agreement on Partnership and Cooperation.
2. These measures may only be taken in the circumstances mentioned in Annex III.
3. The total value of imports of goods which are subject to these measures may not exceed the following proportions of total imports of goods originating in the Community:
 - 10% during the second and third calendar years following signature of the Agreement on Partnership and Cooperation,
 - 5% during the fourth and fifth calendar years following signature of the Agreement on Partnership and Cooperation,
 - 3% afterwards, until Russia's accession to the GATT/WTO.

The abovementioned proportions will be determined by reference to the value of imports by Russia of goods originating in the Community during the last year prior to the introduction of quantitative restrictions for which statistics are available.

These provisions shall not be circumvented by increased tariff protection on the imported goods concerned.

4. These measures shall not be applied after Russia's accession to the GATT/WTO unless otherwise provided for in Russia's accession protocol to the GATT/WTO.
5. Russia shall inform the Joint Committee of any measures it intends to take under the terms of the present Annex, and consultations shall be held in the Joint Committee if so requested by the Community on such measures before they are taken, and on the sectors to which they apply.

*ANNEX III***Transitional period for provisions on competition and for the introduction of quantitative restrictions**

The circumstances mentioned in Article 17 (2.3) and in Annex II, paragraph 2 are understood in respect of sectors of the Russian economy which:

- are undergoing restructuring, or
- are facing serious difficulties, particularly where these entail serious social problems in Russia, or
- face the elimination or a drastic reduction of the total market share held by Russian companies or nationals in a given sector or industry in Russia, or
- are newly emerging industries in Russia.

*ANNEX IV***Protection of intellectual, industrial and commercial property**

(Article 18)

Pursuant to the provisions of Article 18, Russia shall continue to improve the protection of intellectual, industrial and commercial property rights in order to provide, by the end of the fifth year after the entry into force of the Agreement on Partnership and Cooperation, for a level of protection similar to that provided in the Community, including comparable means of enforcing such rights.

PROTOCOL 1**on the establishment of a coal and steel Contact Group**

1. A Contact Group is established between the Parties. The Group is composed of representatives of the Community and of Russia.
2. The Contact Group exchanges information on the situation of the coal and steel industries in both territories and on trade between them, particularly with the purpose of identifying such problems as might arise.
3. The Contact Group also examines the situation of the coal and steel industries at world level, including developments in international trade.
4. The Contact Group exchanges all useful information on the structure of the industries concerned, the development of their production capacities, the science and research progress in the relevant fields, and the evolution of employment. The Group also examines pollution and environmental problems.
5. The Contact Group also examines the progress made in the framework of technical assistance between the Parties, including assistance to financial, commercial and technical management.
6. The Contact Group exchanges all relevant information as to attitudes taken, or to be taken in the appropriate international organizations or fora.
7. As and when both Parties agree that the presence and/or participation of representatives of the industries is appropriate, the Contact Group is enlarged to include them.
8. The Contact Group meets twice a year, alternately on the territories of each Party.
9. The chairmanship of the Contact Group is held alternately by a representative of the Commission of the European Communities and a representative of the Government of the Russian Federation.

PROTOCOL 2

on mutual administrative assistance for the correct application of customs legislation

Article 1

Definitions

For the purposes of this Protocol:

- (a) 'customs legislation' shall mean provisions applicable in the territories of the Parties and governing the import, export, transit of goods and their placing under any customs procedure, including measures of prohibition, restriction and control and adopted by the said Parties;
- (b) 'customs duties' shall mean all duties, taxes, fees or many other charges which are levied and collected in the territories of the Parties, in application of customs legislation, but not including fees and charges which are limited in amount to the approximate costs of services rendered;
- (c) 'applicant authority' shall mean a competent administrative authority which has been appointed by a Party for this purpose and which makes a request for assistance in customs matters;
- (d) 'requested authority' shall mean a competent administrative authority which has been appointed by a Party for this purpose and which receives a request for assistance in customs matters;
- (e) 'contravention' shall mean any violation of the customs legislation as well as any attempted violation of such legislation.

Article 2

Scope

1. The Parties shall assist each other, within their competences, in the manner and under the conditions laid down in this Protocol, in ensuring that customs legislation is correctly applied, in particular by the prevention, detection and investigation of contraventions of this legislation.

2. Assistance, in customs matters, as provided for in this Protocol, applies to any administrative authority of the Parties which is competent for the application of this Protocol. It shall not prejudice the rules governing mutual assistance in criminal matters. Nor shall it cover information, including documents obtained under powers exercised at the request of the judicial authority, unless those authorities so agree.

Article 3

Assistance on request

1. At the request of the applicant authority, the requested authority shall furnish it with all relevant

information to enable it to ensure that customs legislation is correctly applied, including information regarding operations detected or planned which are, appear, or would be in contravention of such legislation.

2. At the request of the applicant authority, the requested authority shall inform it whether goods exported from the territory of one of the Parties have been properly imported into the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods.

3. At the request of the applicant authority, the requested authority shall take the necessary steps to ensure that a surveillance is kept on:

- (a) natural or legal persons of whom there are reasonable grounds for believing that they are contravening or have contravened customs legislation,
- (b) places where stocks of goods have been assembled in such a way that there are reasonable grounds for supposing that they are intended as supplies for operations contrary to the customs legislation of the other Party,
- (c) movements of goods notified as possibly giving rise to contraventions of customs legislation,
- (d) means of transport for which there are reasonable grounds for believing that they have been, are, or may be used in the contravening of customs legislation.

Article 4

Spontaneous assistance

The Parties shall within their competences provide each other with assistance without prior request where they consider that to be necessary for the correct application of customs legislation, particularly when they obtain information pertaining to:

- operations detected or planned, which are, appear, or would be in contravention of such legislation,
- new means or methods employed in realizing such operations,
- goods known to the subject to substantial contravention of customs legislation on import, export, transit or any other customs procedure.

*Article 5***Form and substance of requests for assistance**

1. Requests pursuant to this Protocol shall be made in writing. Documents necessary for the execution of such requests shall accompany the request. When required because of the urgency of the situation, oral requests may be accepted, but must be confirmed in writing immediately.
2. Requests pursuant to paragraph 1 of this Article shall include the following information:
 - (a) the applicant authority making the request,
 - (b) the measure requested,
 - (c) the object of and the reason for the request,
 - (d) the laws, rules and other legal elements involved,
 - (e) indications as exact and comprehensive as possible on the natural or legal persons being the target of the investigations,
 - (f) a summary of the relevant facts.
3. Requests shall be submitted in an official language of the requested authority or in a language acceptable to such authority.
4. If a request does not meet the formal requirements, its correction or completion may be demanded; the ordering of precautionary measures may, however, take place.

*Article 6***Execution of requests**

1. Requests for assistance will be executed in accordance with the laws, rules and other legal instruments of the requested Party.
2. In order to comply with a request for assistance, the requested authority shall proceed, within its competence and available resources, as though it were acting on its own account or at the request of other authorities of that same Party, by supplying information already possessed, by carrying out appropriate enquiries or by arranging for them to be carried out.
3. Duly authorized officials of a Party may, with the agreement of the other Party involved and within the conditions laid down by the latter, obtain from the offices of the requested authority or other authority for which the requested authority is responsible, information relating to the contravention of customs legislation which the applicant authority needs for the purposes of this Protocol.
4. Officials of a Party may, with the agreement of the other Party involved and within the conditions laid down by the latter, be present at enquiries carried out in the latter's territory.

5. When, in the circumstances provided for under this Protocol, officials of one Party are present at enquiries carried out in the territory of the other Party, they must, at all times, be able to furnish proof of their official capacity. They must not wear uniform nor carry arms.

*Article 7***Form in which information is to be communicated**

1. Under the conditions and within the limits laid down in this Protocol, the Parties shall communicate to each other information in the form of documents, certified copies of documents, reports and the like.
2. Original files and documents may be transmitted on request only in cases where certified copies would be insufficient. Those files and documents shall be returned at the earliest opportunity.
3. The documents provided for in paragraph 1 may be replaced by computerized information produced in any form for the same purpose. All relevant information for the utilization of the material shall be supplied on request.

*Article 8***Exceptions to the obligation to provide assistance**

1. The Parties may refuse to give assistance as provided for in this Protocol, provide it partially or provide it subject to certain conditions or requirements, where to do so would:
 - (a) be likely to prejudice sovereignty, public policy, security or other essential interests; or
 - (b) violate an industrial, commercial or professional secret.
2. Where the applicant authority asks for assistance which it would itself be unable to provide if asked so by another party, it shall draw attention to that fact in its request. It shall then be left to the requested authority to decide how to respond to such a request.
3. If assistance is withheld or denied, the decision and the reasons therefor must be notified in written form to the applicant authority without delay.

*Article 9***Obligation to observe confidentiality**

1. Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential nature. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended to like

information under the relevant legislation applicable in the Party which received it and the corresponding provisions applying to the Community institutions.

2. Nominative data shall not be transmitted whenever there are reasonable grounds to believe that the transfer or the use made of the data transmitted would be contrary to the basic legal principles of one of the Parties, and, in particular, if the person concerned would suffer a prejudice to fundamental human rights. Upon request, the receiving Party shall inform the furnishing Party of the use made of the information supplied and of the results achieved.

3. Nominative data may only be transmitted to customs authorities and, in the case of need for prosecution purposes, to public prosecution and judicial authorities. Other persons or authorities may obtain such information only upon previous authorization by the furnishing authority.

4. The furnishing Party shall verify the accuracy of the information to be transferred. Whenever it appears that the information supplied was inaccurate or to be deleted, the receiving Party shall be notified without delay. The latter shall be obliged to carry out the correction or deletion.

5. Without prejudice to cases of prevailing public interest, the person concerned may obtain, upon request, information on the data stores and the purpose of this storage.

Article 10

Use of information

1. Information obtained shall be used solely for the purposes of this Protocol and may be used within each Party for other purposes only with the prior written consent of the administrative authority which furnished the information and shall be subject to any restrictions laid down by that authority.

2. Paragraph 1 shall not impede the use of information in any judicial or administrative proceedings subsequently instituted for failure to comply with customs legislation.

3. The Parties may, in their records of evidence, reports and testimonies and in proceedings and charges brought before the courts, use as evidence information obtained and documents consulted in accordance with the provisions of this Protocol.

Article 11

Experts and witnesses

An official of a requested authority may be authorized to appear, within the limitations of the authorization

granted, as expert or witness in judicial or administrative proceedings regarding the matters covered by this Protocol in the jurisdiction of another Party, and produce such objects, documents or authenticated copies thereof, as may be needed for the proceedings. The request for an appearance must indicate specifically on what matters and by virtue of what title or qualification the official will be questioned.

Article 12

Assistance expenses

The Parties shall waive all claims on each other for the reimbursement of expenses incurred pursuant to this Protocol, except, as appropriate, for expenses to experts and witnesses and to interpreters and translators who are not dependent upon public services.

Article 13

Implementation

1. The management of this Protocol shall be entrusted to the competent services of the Commission of the European Communities and, where appropriate, the customs authorities of the Member States on the one hand and the central customs authorities of Russia on the other. They shall decide on all practical measures and arrangements necessary for its application, taking into consideration rules in the field of data protection. They may recommend to the Joint Committee amendments which they consider should be made to this Protocol.

2. The Parties shall consult each other and subsequently keep each other informed of the detailed rules of implementation which are adopted in accordance with the provisions of this Protocol.

Article 14

Complementarity

1. This Protocol shall complement and not impede the application of any agreements on mutual assistance which have been concluded between individual or several Member States and Russia. Nor shall it preclude more extensive mutual assistance granted under such agreements concluded or to be concluded.

2. Without prejudice to Article 10, these agreements do not prejudice Community provisions governing the communication between the competent services of the Commission of the European Communities and the customs authorities of the Member States of any information obtained in customs matters which could be of Community interest.

FINAL ACT

The plenipotentiaries of the EUROPEAN COMMUNITY, the EUROPEAN COAL AND STEEL COMMUNITY and the EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as 'the Community',

of the one part, and

the plenipotentiary of THE RUSSIAN FEDERATION,

of the other part,

meeting at Brussels on 17 July 1995 for the signature of the Interim Agreement on trade and trade-related matters between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part, hereinafter referred to as 'the Agreement', have adopted the following texts:

the Agreement and the following Protocols:

Protocol 1 on the establishment of a coal and steel Contact Group

Protocol 2 on mutual administrative assistance for the correct application of customs legislation

The plenipotentiaries of the Community and the plenipotentiary of the Russian Federation have adopted the texts of the Joint Declarations listed below and annexed to this Final Act:

Joint Declaration in relation to Title II and Article 23 of the Agreement

Joint Declaration in relation to Article 3 of the Agreement

Joint Declaration in relation to Article 5 of the Agreement

Joint Declaration in relation to Article 10 of the Agreement

Joint Declaration in relation to Article 11 of the Agreement

Joint Declaration in relation to Article 15 (1), second indent, of the Agreement

Joint Declaration in relation to Article 16 of the Agreement

Joint Declaration in relation to Article 17 (2.2) of the Agreement

Joint Declaration in relation to Article 18 of the Agreement

Joint Declaration in relation to Article 25 of the Agreement

Joint Declaration in relation to Article 27 of the Agreement

Joint Declaration in relation to Article 32 of the Agreement

Joint Declaration in relation to Article 32 (2) of the Agreement

Joint Declaration in relation to Articles 1 and 32 of the Agreement

Joint Declaration in relation to Article 36 of the Agreement

Joint Declaration in relation to Article 6 of Protocol 2

The plenipotentiaries of the Community and the plenipotentiary of the Russian Federation have taken note of the Exchange of Letters in relation to Article 15 of the Agreement annexed to this Final Act

The plenipotentiary of the Russian Federation has taken note of the declarations listed below and annexed to this Final Act:

Community declaration in relation to Article 17 of the Agreement

Community declaration in relation to Article 18 of the Agreement

The plenipotentiaries of the Community have taken note of the declarations listed below and annexed to this Final Act:

Declaration by the Russian Federation in relation to Article 6 of the Agreement

Declaration by the Russian Federation in relation to Article 18 of the Agreement

Declaration by the Russian Federation in relation to Article 24 of the Agreement

Hecho en Bruselas, el diecisiete de julio de mil novecientos noventa y cinco.

Udfærdiget i Bruxelles, den syttende juli nitten hundrede og femoghalvfems.

Geschehen zu Brüssel am siebzehnten Juli neunzehnhundertfünfundneunzig.

Έγινε στις Βρυξέλλες, στις δέκα επτά Ιουλίου χίλια εννιακόσια ενενήντα πέντε.

Done at Brussels on the seventeenth day of July in the year one thousand nine hundred and ninety-five.

Fait à Bruxelles, le dix-sept juillet mil neuf cent quatre-vingt-quinze.

Fatto a Bruxelles, addì diciassette luglio millenovecentonovantacinque.

Gedaan te Brussel, de zeventiende juli negentienhonderd vijfennegentig.

Feito em Bruxelas, em dezassete de Julho de mil novecentos e noventa e cinco.

Tehty Brysselissä seitsemäntenätoista päivänä heinäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäviisi.

Som skedde i Bryssel den sjuttonde juli nittonhundraottiofem.

Совершено в Брюсселе семнадцатого июля тысяча девятьсот девяносто пятого года.

Por las Comunidades Europeas

For De Europæiske Fællesskaber

Für die Europäischen Gemeinschaften

Για τις Ευρωπαϊκές Κοινότητες

For the European Communities

Pour les Communautés européennes

Per le Comunità europee

Voor de Europese Gemeenschappen

Pelas Comunidades Europeias

Euroopan yhteisöjen puolesta

På Europeiska gemenskapernas vägnar

За Правительство Российской Федерации

JOINT DECLARATION IN RELATION TO TITLE II AND ARTICLE 23

For the purpose of Title II and Article 23, the GATT is understood to be the General Agreement on Tariffs and Trade signed in Geneva in 1947 as amended, as applied at the date of signature of the Agreement on Partnership and Cooperation, if the Parties do not agree otherwise within the framework of the Joint Committee established under Article 21.

JOINT DECLARATION IN RELATION TO ARTICLE 3

The Parties agree that the provisions of paragraph 1 of Article 3 shall not apply to conditions of import of products to the territory of Russia under financial loans and credits granted for development and humanitarian purposes, technical and humanitarian assistance and other similar arrangements, concluded between Russia and third States or international organizations in so far as such States or international organizations require special treatment for such imports.

JOINT DECLARATION IN RELATION TO ARTICLE 5

Article 5, within Title II on trade in goods, deals with the question of transit. It is the understanding of the Parties that Article 5 deals exclusively with the freedom of transit of goods, and does not deal with access to markets for transportation services. This is according to normal GATT practice.

JOINT DECLARATION IN RELATION TO ARTICLE 10

The Parties declare that the text of the safeguard clause, Article 10, does not grant GATT safeguard treatment.

JOINT DECLARATION IN RELATION TO ARTICLE 11

It is understood that the provisions of Article 11 and those of the following paragraph are neither intended to, nor shall, slow down, hinder or impede the procedures provided for in the respective legislation of the Parties regarding anti-dumping and subsidies investigations.

The Parties agree that, without prejudice to their legislation and practice, when establishing normal value due account shall be taken overall, in each case on its merits, when natural comparative advantages can be shown by the manufacturers involved to be held with regard to factors such as access to raw materials, production process, proximity of production to customers and special characteristics of the product.

JOINT DECLARATION IN RELATION TO ARTICLE 15 (1), SECOND INDENT

With respect to the Community the legislation and regulations, referred to in Article 6 of the 1989 Agreement, include, *inter alia*, the Treaty establishing the European Atomic Energy Community and implementing regulations thereof, in particular the provisions of those texts, which specify the rights, powers and responsibilities of the Euratom Supply Agency and of the Commission of the European Communities.

JOINT DECLARATION IN RELATION TO ARTICLE 16 (DEFINITIONS)**'Current payments'**

For the purpose of this Article, 'current payments' are payments connected with the movement of goods made in accordance with normal international business practice and do not cover arrangements which materially constitute a combination of a current payment and a capital transaction, such as deferrals of payments and advances which is meant to circumvent respective legislation of the Parties in this field.

This definition does not preclude Russia from applying or enacting legislation which lays down that such payments must be carried out through those Russian banks which have received the respective licences from the Central Bank of the Russian Federation to carry out such operations in freely convertible currencies.

'Freely convertible currency'

A 'freely convertible currency' is any currency considered as such by the International Monetary Fund.

JOINT DECLARATION IN RELATION TO ARTICLE 17 (2.2)

'Primary products' are those defined as such in the GATT.

JOINT DECLARATION IN RELATION TO ARTICLE 18

Within the limits of their respective competences, the Parties agree that for the purpose of the Agreement, intellectual, industrial and commercial property includes in particular copyright, including the copyright in computer programs, and neighbouring rights, the rights relating to patents, industrial designs, geographical indications, including appellations of origin, trademarks and service marks, topographies of integrated circuits as well as protection against unfair competition as referred to in Article 10*bis* of the Paris Convention for the Protection of Industrial Property and Protection of Undisclosed Information on Know-how.

JOINT DECLARATION IN RELATION TO ARTICLE 25

The Parties agree that the measures provided for in Article 25 shall not be taken with the aim to distort conditions of competition in relevant markets and thus to afford protection to domestic production.

JOINT DECLARATION IN RELATION TO ARTICLE 27

The Parties invite the Joint Committee to examine forthwith the rules of procedure that may be useful for dispute settlement under this Agreement.

JOINT DECLARATION IN RELATION TO ARTICLE 32

The Parties agree, by common consent, for the purpose of its correct interpretation and its practical application that the terms 'cases of special urgency' included in Article 32 of the Agreement mean cases of material breach of the Agreement by one of the Parties. A material breach of the Agreement consists of

- (a) repudiation of the Agreement not sanctioned by the general rules of international law
- or
- (b) violation of the essential element of the Agreement set out in Article 1.

JOINT DECLARATION IN RELATION TO ARTICLE 32 (2)

The Parties agree that 'appropriate measures' referred to in Article 32 (2) are measures taken in accordance with international law.

If a Party takes a measure in a case of 'special urgency' as provided for under Article 32 (2), the other Party may avail itself of the procedure provided for in Article 27.

JOINT DECLARATION IN RELATION TO ARTICLES 1 AND 32

The Parties declare that the inclusion in the Agreement of the reference to the respect for human rights constituting an essential element of the Agreement and to cases of special urgency flows from

- the Community's policy in the area of human rights, in conformity with the Declaration of the Council of 11 May 1992 which provides for the inclusion of this reference in cooperation or association agreements between the Community and its CSCE partners, as well as
- Russia's policy in this field, and
- the attachment of both Parties to the relevant obligations, arising in particular from the Helsinki Final Act and the Charter of Paris for a new Europe.

JOINT DECLARATION IN RELATION TO ARTICLE 36

The Parties confirm that although the present Agreement replaces parts of the 1989 Agreement regarding relations between the Parties, the Agreement shall not prejudice or otherwise affect any measures taken before the entry into force of this Agreement or agreements made between them before that date in conformity with the 1989 Agreement and this upon the conditions and for the period of application contained in such measures or agreements.

JOINT DECLARATION IN RELATION TO ARTICLE 6 OF PROTOCOL 2

1. The Parties agree to take the necessary measures in order to assist each other, as provided for in this Protocol and without delay, for the following movements of goods:

- (a) movement of arms, ammunition, explosives and explosive devices;
- (b) movement of objects of art and antiquity, which present significant historical, cultural or archaeological value for one of the Parties;
- (c) movement of poisonous goods as well as the substances dangerous for the environment and the public health;
- (d) movement of sensitive and strategic goods subject to non-tariff limitations in accordance with the lists agreed upon by the Parties.

2. The Parties agree, if permitted by the basic principles of their respective legal systems, to take the necessary measures to allow the appropriate use of the controlled delivery technique on the basis of mutually agreed implementing provisions adopted by them in accordance with the procedures of this Protocol.

3. The Parties agree to take all necessary measures, in accordance with their respective legislation, in order:

- to deliver all documents,
- to notify all decisions,

falling within the scope of this Protocol to an addressee, residing or established in their respective territories on the basis of mutually agreed implementing provisions adopted by them in accordance with the procedures of this Protocol. In such a case Article 5 (3) is applicable.

4. The Parties agree that when the requested authority cannot act on his own, the administrative department to which the request has been addressed by this authority shall proceed under the same conditions applicable to the requested authority.

EXCHANGE OF LETTERS

in relation to Article 15

A. *Letter from Russia*

Sir,

The purpose of this letter is to confirm that with regard to trade in nuclear materials as covered by Article 15 of the Interim Agreement signed today, we have reached the following understanding:

Russia intends to act as a stable, reliable and long-term supplier of nuclear materials to the Community and the Community recognizes that intention. The Russian Government takes note that the Community considers Russia, in particular for the purposes of its supply policy in the nuclear field, as a source of supply which is separate and distinct from other suppliers.

In order to avoid any difficulties in trade, consultations shall be held regularly or on request on developments in the trade of nuclear materials between Russia and the Community. These consultations could include a continuous and regular dialogue on market developments and forecasts.

The consultations shall be held within the framework of Article 21.

As provided in Article 6 of the Interim Agreement the regulations referred to in Article 6 of the 1989 Agreement will be implemented in a uniform, impartial and equitable manner.

I refer to our common desire to facilitate by all practicable means the process of nuclear disarmament underway. We have agreed to take all necessary steps to conduct consultations with all countries concerned, if it appears that the implementation of respective bi- and multilateral agreements causes or threatens to cause substantial injury to the facilities of the Parties.

I propose that this letter and your reply will establish a formal agreement between us.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of
the Russian Federation*

B. *Letter from the Community*

Sir,

Thank you for your letter of today's date which reads as follows:

'The purpose of this letter is to confirm that with regard to trade in nuclear materials as covered by Article 15 of the Interim Agreement signed today, we have reached the following understanding:

Russia intends to act as a stable, reliable and long-term supplier of nuclear materials to the Community and the Community recognizes that intention. The Russian Government takes note that the Community considers Russia, in particular for the purposes of its supply policy in the nuclear field, as a source of supply which is separate and distinct from other suppliers.

In order to avoid any difficulties in trade, consultations shall be held regularly or on request on developments in the trade of nuclear materials between Russia and the Community. These consultations could include a continuous and regular dialogue on market developments and forecasts.

The consultations shall be held within the framework of Article 21.

As provided in Article 6 of the Interim Agreement the regulations referred to in Article 6 of the 1989 Agreement will be implemented in a uniform, impartial and equitable manner.

I refer to our common desire to facilitate by all practicable means the process of nuclear disarmament underway. We have agreed to take all necessary steps to conduct consultations with all countries concerned, if it appears that the implementation of respective bi- and multilateral agreements causes or threatens to cause substantial injury to the facilities of the Parties.

I propose that this letter and your reply will establish a formal agreement between us.'

I confirm that your letter and my reply establish a formal agreement between us.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the
European Communities*

COMMUNITY DECLARATION IN RELATION TO ARTICLE 17

The provisions of the Agreement are without prejudice to the competences of the European Community and its Member States in the field of competition.

COMMUNITY DECLARATION IN RELATION TO ARTICLE 18

The provisions of the Agreement are without prejudice to the competences of the European Community and its Member States in matters of intellectual, industrial and commercial property.

DECLARATION BY RUSSIA IN RELATION TO ARTICLE 6

The provisions of Article 6 (3) are without prejudice to measures outside the competences of the Government of the Russian Federation.

DECLARATION BY RUSSIA IN RELATION TO ARTICLE 18

The provisions of paragraph 2 of Article 54 with the exception of the final indent, and paragraphs 4 and 5 of Annex 10 of the Agreement on Partnership and Cooperation shall be applied from the entry into force of the Interim Agreement.

DECLARATION BY RUSSIA IN RELATION TO ARTICLE 24

The provisions of Article 24 (1) are without prejudice to special powers assigned by Russian legislation in force to patent attorneys who are citizens of the Russian Federation.

*OUTSIDE THE AGREEMENT***EXCHANGE OF LETTERS****on the consequences of enlargement***A. Letter from the Community*

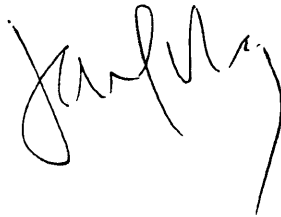
Sir,

I refer to the Interim Agreement signed today and confirm that if any amendment to this Agreement might become necessary as a result of the enlargement of the Community, this would become the subject of consultations between the Parties pursuant to Article 21 and in this context account would be taken, to the extent possible, of the character of hitherto existing bilateral trade and economic relations between Russia and new Member States.

I would be obliged if you could confirm the agreement of your Government to the content of this letter.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of
the European Communities*

A handwritten signature in black ink, appearing to be 'J. G. ...'.A handwritten signature in black ink, appearing to be 'J. G. ...'.

B. *Letter from Russia*

Sir,

Thank you for your letter of today's date which reads as follows:

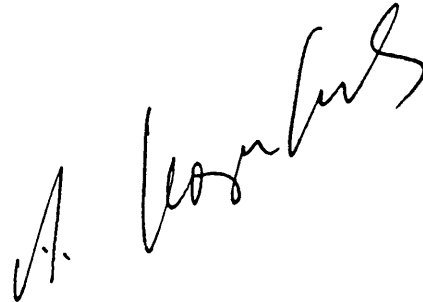
'I refer to the Interim Agreement signed today and confirm that if any amendment to this Agreement might become necessary as a result of the enlargement of the Community, this would become the subject of consultations between the Parties pursuant to Article 21 and in this context account would be taken, to the extent possible, of the character of hitherto existing bilateral trade and economic relations between Russia and new Member States.

I would be obliged if you could confirm the agreement of your Government to the content of this letter.'

I confirm that your letter and my reply establish a formal agreement between us.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Russian Federation*



A handwritten signature in black ink, appearing to read 'A. Gorbachev', is written over a horizontal line.

COMMISSION

COMMISSION DECISION

of 4 October 1995

concerning the conclusion on behalf of the European Coal and Steel Community and the European Atomic Energy Community of the Interim Agreement between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part, on trade and the Russian Federation, of the other part, on trade and trade-related matters

(95/415/Euratom, ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community and in particular the first paragraph of Article 95 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community and in particular the second paragraph of Article 101 thereof,

Whereas, pending the entry into force of the Partnership and Cooperation Agreement signed in Corfu on 24 June 1994, it is necessary to approve the Interim Agreement between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part, on trade and trade-related matters signed in Brussels on 17 July 1995;

Whereas the conclusion of the Interim Agreement is necessary to attain the objectives of the Community set out in particular in Articles 2 and 3 of the Treaty establishing the European Coal and Steel Community and whereas the Treaty did not make provision for all the cases covered by this Decision;

Having consulted the Consultative Committee and with the assent of the Council,

HAS DECIDED AS FOLLOWS:

Article 1

The Interim Agreement between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part, on trade and trade-related matters, together with the two Protocols and the declarations, are hereby approved on behalf of the European Coal and Steel Community and the European Atomic Energy Community.

These texts are attached to this Decision.

Article 2

The President of the Commission shall give the notification provided for in Article 35 of the Interim Agreement on behalf of the European Coal and Steel Community and the European Atomic Energy Community.

Done at Brussels, 4 October 1995.

For the Commission

The President

Jacques SANTER
