



European Union No. 3 (2014)

Association Agreement

between the European Union and the European Atomic Energy Community and
their Member States, of the one part, and Georgia, of the other part

Brussels, 27 June 2014

[The Agreement is not in force]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
October 2014*

Volume I of II



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ASSOCIATION AGREEMENT

**between the European Union and the European Atomic Energy Community
and their Member States, of the one part, and Georgia, of the other part**

PREAMBLE

THE KINGDOM OF BELGIUM,
THE REPUBLIC OF BULGARIA,
THE CZECH REPUBLIC,
THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE REPUBLIC OF ESTONIA,
IRELAND,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
THE REPUBLIC OF CROATIA,
THE ITALIAN REPUBLIC,
THE REPUBLIC OF CYPRUS,
THE REPUBLIC OF LATVIA,
THE REPUBLIC OF LITHUANIA,
THE GRAND DUCHY OF LUXEMBOURG,
HUNGARY,
THE REPUBLIC OF MALTA,
THE KINGDOM OF THE NETHERLANDS,
THE REPUBLIC OF AUSTRIA,
THE REPUBLIC OF POLAND,
THE PORTUGUESE REPUBLIC,
ROMANIA,
THE REPUBLIC OF SLOVENIA,
THE SLOVAK REPUBLIC,
THE REPUBLIC OF FINLAND,
THE KINGDOM OF SWEDEN,
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty on European Union and the Treaty on the Functioning of the European Union, hereinafter referred to as ‘the Member States’,
THE EUROPEAN UNION, hereinafter referred to as ‘the Union’ or ‘the EU’ and
THE EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as
‘the Euratom’

of the one part, and

GEORGIA,

of the other part,

hereafter jointly referred to as ‘the Parties’,

CONSIDERING the strong links and common values of the Parties, established in the past through the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Georgia, of the other part, and being developed within the framework of the Eastern Partnership as a specific dimension of the European Neighbourhood Policy and recognising the common desire of the Parties to further develop, strengthen and extend their relations in an ambitious and innovative way;

ACKNOWLEDGING the European aspirations and European choice of Georgia;

RECOGNISING that the common values on which the EU is built – democracy, respect for human rights and fundamental freedoms, and the rule of law – lie also at the heart of political association and economic integration as envisaged in this Agreement;

RECOGNISING that Georgia, an Eastern European country, is committed to implementing and promoting these values;

RECOGNISING that Georgia shares historical links and common values with the Member States;

TAKING INTO ACCOUNT that this Agreement shall not prejudice and leaves open the way for future progressive developments in EU-Georgia relations;

COMMITTED to further strengthening respect for fundamental freedoms, human rights, including the rights of persons belonging to minorities, democratic principles, the rule of law, and good governance, based on common values of the Parties;

UNDERSTANDING that internal reforms towards strengthening democracy and market economy will facilitate participation of Georgia in EU policies, programmes and agencies. This process and sustainable conflict settlement will mutually reinforce each other and will contribute to build confidence between communities divided by conflict;

WILLING to contribute to the political, socio-economic and institutional development of Georgia through wide-ranging cooperation in a broad spectrum of

areas of common interest, such as the development of civil society, good governance, including in the field of taxation, trade integration and enhanced economic cooperation, institution building, public administration and civil service reform and fight against corruption, the reduction of poverty and cooperation in the field of freedom, security and justice necessary to effectively implement this Agreement and noting the EU's readiness to support relevant reforms in Georgia;

COMMITTED to all the principles and provisions of the Charter of the United Nations, the Organisation for Security and Cooperation in Europe (OSCE), in particular of the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe, the concluding documents of the Madrid, Istanbul and Vienna Conferences of 1991 and 1992 respectively, and the Charter of Paris for a New Europe of 1990, as well as the United Nations Universal Declaration of Human Rights of 1948 and the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950.

RECALLING their will to promote international peace and security as well as engaging in effective multilateralism and the peaceful settlement of disputes, in particular by cooperating to that end within the framework of the United Nations (UN) and the OSCE;

COMMITTED to international obligations to fighting against the proliferation of weapons of mass destruction and their means of delivery and to cooperating on disarmament;

RECOGNISING the added value of the active participation of the Parties in various regional cooperation formats;

DESIROUS to further develop regular political dialogue on bilateral and international issues of mutual interest, including regional aspects, taking into account the Common Foreign and Security Policy (CFSP) of the European Union, including the Common Security and Defence Policy (CSDP);

FULLY RESPECTING the principles of independence, sovereignty, territorial integrity and the inviolability of the internationally recognised borders under international law, the Charter of the United Nations, the Final Act of the Helsinki Conference on Security and Cooperation in Europe and relevant United Nations Security Council resolutions;

RECOGNISING the importance of the commitment of Georgia to reconciliation and its efforts to restore its territorial integrity and full and effective control over Georgian regions of Abkhazia and the Tskhivali region/South Ossetia in pursuit of a peaceful and lasting conflict resolution based on principles of international law, and of the EU's commitment to support a peaceful and lasting resolution of the conflict;

RECOGNISING in this context the importance of pursuing the implementation of the Six-Point Agreement of 12 August 2008 and its subsequent implementing measures, of meaningful international presence for maintaining peace and security

on the ground, of pursuing mutually supportive non-recognition and engagement policies, of supporting the Geneva International Discussions and of safe and dignified return of all internally displaced persons and refugees in line with principles of international law;

COMMITTED to provide the benefits of closer political association and economic integration of Georgia with the EU to all citizens of Georgia including the communities divided by conflict;

COMMITTED to combating organised crime and illicit trafficking and to further strengthening cooperation in the fight against terrorism;

COMMITTED to deepening their dialogue and cooperation on mobility, migration, asylum and border management taking also into account the EU-Georgia Mobility Partnership, with a comprehensive approach paying attention to legal migration, including circular migration, and to cooperation aimed at tackling illegal migration, trafficking in human beings and efficient implementation of the readmission agreement;

RECOGNISING the importance of introducing a visa free travel regime for the citizens of Georgia in due course, provided that conditions for well-managed and secure mobility are in place including the effective implementation of visa facilitation and readmission agreements;

COMMITTED to the principles of free market economy and the readiness of the EU to contribute to the economic reforms in Georgia, including in the framework of the European Neighbourhood Policy and the Eastern Partnership;

COMMITTED to achieve economic integration in particular through a Deep and Comprehensive Free Trade Area (DCFTA), as an integral part of this Agreement including regulatory approximation and in compliance with the rights and obligations arising out of the membership of the Parties in the World Trade Organisation (WTO);

BELIEVING that this Agreement will create a new climate for economic relations between the Parties and above all for the development of trade and investment, and will stimulate competition, which are factors crucial to economic restructuring and modernisation;

COMMITTED to respecting the principles of sustainable development, to protecting the environment and mitigating climate change, to continuous improvement of environmental governance and meeting environmental needs, including cross-border cooperation and implementation of multilateral international agreements;

COMMITTED to enhancing the security of energy supply, including the development of the Southern Corridor by, inter alia, promoting the development of appropriate projects in Georgia facilitating the development of relevant infrastructure, including for transit through Georgia, increasing market integration

and gradual regulatory approximation towards key elements of the EU acquis, and promoting energy efficiency and the use of renewable energy sources;

ACKNOWLEDGING the need for enhanced energy cooperation, and the commitment of the Parties to implement the Energy Charter Treaty;

WILLING to improve the level of public health safety and protection of human health as an essential element for sustainable development and economic growth;

COMMITTED to enhancing people-to-people contacts, including through cooperation and exchanges in the fields of science and technology, business, youth, education and culture;

COMMITTED to promoting cross-border and inter-regional cooperation by both sides in the spirit of good neighbourly relations;

RECOGNISING the commitment of Georgia to progressively approximating its legislation in the relevant sectors with that of the EU, in accordance with this Agreement and to implementing it effectively;

RECOGNISING the commitment of Georgia to developing its administrative and institutional infrastructure to the extent necessary to enforce this Agreement;

TAKING ACCOUNT of the willingness of the EU to provide support for the implementation of reforms, and to use all available instruments of cooperation and technical, financial and economic assistance in this endeavour;

CONFIRMING that the provisions of this Agreement that fall within the scope of Title V of Part Three of the Treaty on the Functioning of the European Union bind the United Kingdom and Ireland as separate Contracting Parties, and not as part of the EU, unless the EU together with the United Kingdom and/or Ireland have jointly notified Georgia that the United Kingdom or Ireland is bound as part of the EU in accordance with Protocol No 21 on the position of the United Kingdom and Ireland in respect of the Area of Freedom, Security and Justice, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union. If the United Kingdom and/or Ireland ceases to be bound as part of the EU in accordance with Article 4a of that Protocol, the EU together with the United Kingdom and/or Ireland shall immediately inform Georgia of any change in their position in which case they shall remain bound by the provisions of this Agreement in their own right. The same applies to Denmark, in accordance with the Protocol No 22 on the position of Denmark, annexed to those Treaties.

HAVE DECIDED TO CONCLUDE THIS AGREEMENT:

Article 1

Objectives

1. An association is hereby established between the Union and its Member States, of the one part, and Georgia, of the other part.

2. The aims of this association are:

- (a) to promote political association and economic integration between the Parties based on common values and close links, including by increasing Georgia's participation in EU policies, programmes and agencies;
- (b) to provide a strengthened framework for enhanced political dialogue on all areas of mutual interest, allowing the development of close political relations between the Parties;
- (c) to contribute to the strengthening of democracy and to political, economic and institutional stability in Georgia;
- (d) to promote, preserve and strengthen peace and stability regionally and internationally, based on the principles of the Charter of the United Nations and the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe, including through joining efforts to eliminate sources of tension, enhance border security, and to promote cross-border cooperation and good neighbourly relations;
- (e) to promote cooperation aimed at peaceful conflict resolution;
- (f) to enhance cooperation in the area of freedom, security and justice with the aim of reinforcing the rule of law and the respect for human rights and fundamental freedoms;
- (g) to support the efforts of Georgia to develop its economic potential through international cooperation, including through the approximation of its legislation to that of the EU;
- (h) to achieve Georgia's gradual economic integration into the EU Internal Market, as stipulated in this Agreement, in particular through establishing a Deep and Comprehensive Free Trade Area which will provide for far-reaching market access on the basis of sustained and comprehensive regulatory approximation in compliance with the rights and obligations arising from its WTO membership;
- (i) to establish conditions for an increasingly close cooperation in other areas of mutual interest.

TITLE I
GENERAL PRINCIPLES

Article 2

General Principles

1. Respect for the democratic principles, human rights and fundamental freedoms, as proclaimed in the United Nations Universal Declaration of Human Rights of 1948 and as defined in the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950, the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe and the Charter of Paris for a New Europe of 1990 shall form the basis of the domestic and external policies of

the Parties and constitutes an essential element of this Agreement. Countering the proliferation of weapons of mass destruction, related materials and their means of delivery also constitute essential elements of this Agreement.

2. The Parties reiterate their commitment to the principles of a free market economy, sustainable development and effective multilateralism.

3. The Parties reaffirm their respect for the principles of the rule of law and good governance, as well as their international obligations, in particular under the UN, the Council of Europe and the OSCE. In particular, they agree to promoting respect for the principles of sovereignty and territorial integrity, inviolability of borders and independence.

4. The Parties commit themselves to the rule of law, good governance, the fight against corruption, the fight against the various forms of transnational organised crime and terrorism, the promotion of sustainable development, effective multilateralism and the fight against the proliferation of weapons of mass destruction and their delivery systems. This commitment constitutes a key factor in the development of the relations and cooperation between the Parties and contributes to regional peace and stability.

TITLE II

POLITICAL DIALOGUE AND REFORM, COOPERATION IN THE FIELD OF FOREIGN AND SECURITY POLICY

Article 3

Aims of political dialogue

1. Political dialogue on all areas of mutual interest, including foreign and security matters as well as domestic reform, shall be further developed and strengthened between the Parties. This will increase the effectiveness of political cooperation and promote convergence on foreign and security matters, strengthening relations in an ambitious and innovative way.

2. The aims of political dialogue shall be:

(a) to deepen political association and increase political and security policy convergence and effectiveness;

(b) to promote the principles of territorial integrity, inviolability of internationally recognised borders, sovereignty and independence, as enshrined in the Charter of the United Nations and the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe;

(c) to promote peaceful conflict resolution;

(d) to promote international stability and security based on effective multilateralism;

- (e) to strengthen cooperation and dialogue between the Parties on international security and crisis management, in particular in order to address global and regional challenges and key threats;
- (f) to strengthen the cooperation in the fight against the proliferation of weapons of mass destruction (WMD) and their delivery systems including the conversion to alternative employment of scientists formerly employed in WMD programmes;
- (g) to foster result-oriented and practical cooperation between the Parties for achieving peace, security and stability on the European continent;
- (h) to strengthen respect for democratic principles, the rule of law and good governance, human rights and fundamental freedoms, including media freedom and the rights of persons belonging to minorities, and to contribute to consolidating domestic political reforms;
- (i) to develop dialogue and to deepen the cooperation of the Parties in the field of security and defence;
- (j) to work to further promote regional cooperation in various formats;
- (k) to provide all benefits of closer political association between the EU and Georgia, including increased security policy convergence to all citizens of Georgia within its internationally recognised borders.

Article 4

Domestic reform

The Parties shall cooperate on developing, consolidating and increasing the stability and effectiveness of democratic institutions and the rule of law; on ensuring respect for human rights and fundamental freedoms; on making further progress on judicial and legal reform, so that the independence of the judiciary is guaranteed, strengthening its administrative capacity and guaranteeing impartiality and effectiveness of law enforcement bodies; on further pursuing the public administration reform and on building an accountable, efficient, effective, transparent and professional civil service; and on continuing effective fight against corruption, particularly in view of enhancing international cooperation on combating corruption, and ensuring effective implementation of relevant international legal instruments, such as the United Nations Convention Against Corruption of 2003.

Article 5

Foreign and security policy

1. The Parties shall intensify their dialogue and cooperation and promote gradual convergence in the area of foreign and security policy, including the common security and defence policy, and shall address in particular issues of conflict

prevention, peaceful conflict resolution and crisis management, regional stability, disarmament, non-proliferation, arms control and export control. Cooperation shall be based on common values and mutual interests, and shall aim at increasing policy convergence and effectiveness, making use of bilateral, international and regional fora.

2. The Parties reaffirm their commitment to the principles of territorial integrity, inviolability of internationally recognised borders, sovereignty and independence, as established in the Charter of the United Nations and the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe, and their commitment to promote these principles in their bilateral and multilateral relations. The Parties also underline their full support for the principle of host nation consent on stationing foreign armed forces on their territories. They agree that the stationing of foreign armed forces on their territory should take place with the explicit consent of the host state, in accordance with international law.

Article 6

Serious crimes of international concern

1. The Parties reaffirm that the most serious crimes of concern to the international community as a whole must not go unpunished and that impunity for such crimes must be avoided by taking measures at national and international level including the International Criminal Court.

2. The Parties consider that the establishment and effective functioning of the International Criminal Court constitutes an important development for international peace and justice. The Parties reaffirm their commitment to continue to cooperate with the International Criminal Court by implementing the Rome Statute of the International Criminal Court and its related instruments, giving due regard to preserving its integrity.

Article 7

Conflict prevention and crisis management

The Parties shall enhance practical cooperation in conflict prevention and crisis management, in particular with a view to possible participation of Georgia in EU-led civilian and military crisis management operations as well as relevant exercises and training, on a case-by-case basis and following possible invitation by the EU.

Article 8

Regional stability

1. The Parties shall intensify their joint efforts to promote stability, security and democratic development in the region, as well as to work to further promote regional cooperation in various formats and, in particular, shall work towards peaceful settlement of the unresolved conflicts in the region.

2. These efforts shall follow commonly shared principles of maintaining international peace and security as established by the Charter of the United Nations, the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe and other relevant multilateral documents. The Parties shall also make full use of the multilateral framework of the Eastern Partnership that provides for cooperation activities and open and free dialogue, fostering links among partners countries themselves.

Article 9

Peaceful conflict resolution

1. The Parties reiterate their commitment to peaceful conflict resolution in full respect of the sovereignty and territorial integrity of Georgia within its internationally recognised borders as well as to facilitating jointly post-conflict rehabilitation and reconciliation efforts. Pending sustainable solution to conflict and without prejudice to the existing formats for addressing conflict-related issues, peaceful conflict resolution will constitute one of the central subjects on the agenda of political dialogue between the Parties, as well as in the dialogue with other relevant international actors.

2. The Parties recognise the importance of the commitment of Georgia to reconciliation and its efforts to restore its territorial integrity in pursuit of a peaceful and lasting conflict resolution, of pursuing the full implementation of the Six-Point Agreement of 12 August 2008 and its subsequent implementing measures, of pursuing mutually supportive non-recognition and engagement policies, of supporting the Geneva International Discussions and of safe and dignified return of all internally displaced persons and refugees to their habitual places of residence in line with principles of international law; and of a meaningful international field involvement, including, as appropriate, that of the EU.

3. The Parties shall coordinate, also with other relevant international organisations, their efforts to contribute to peaceful conflict resolution in Georgia, including in relation to humanitarian issues.

4. All these efforts shall follow commonly shared principles of maintaining international peace and security as established by the Charter of the United Nations, the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe and other relevant multilateral documents.

Article 10

Weapons of mass destruction

1. The Parties consider that the proliferation of weapons of mass destruction (WMD) and their means of delivery, both to state and non-state actors, represents one of the most serious threats to international peace and stability. The Parties therefore agree to cooperate and to contribute to countering the proliferation of

WMD and their means of delivery through full compliance with, and national implementation of, their existing obligations under international disarmament and non-proliferation treaties and agreements, and other relevant international obligations. The Parties agree that this provision constitutes an essential element of this Agreement.

2. The Parties furthermore agree to cooperate and to contribute to countering the proliferation of WMD and their means of delivery by:

- (a) taking steps to sign, ratify, or accede to, as appropriate, and fully implement, all other relevant international instruments; and
- (b) establishing an effective system of national export controls, controlling the export as well as transit of WMD-related goods, including a WMD end-use control on dual-use technologies, and containing effective sanctions for breaches of export controls.

3. The Parties agree to address these issues in their political dialogue.

Article 11

Small arms and light weapons and conventional arms exports control

1. The Parties recognise that the illicit manufacture, transfer and circulation of small arms and light weapons (SALW), including their ammunition, and their excessive accumulation, poor management, inadequately secured stockpiles and uncontrolled spread continue to pose a serious threat to peace and international security.

2. The Parties agree to observe and fully implement their respective obligations to deal with the illicit trade in SALW, including their ammunition, under existing international agreements and UN Security Council resolutions, as well as their commitments within the framework of other international instruments applicable in this area, such as the United Nations Programme of Action to prevent, combat and eradicate the illicit trade in SALW in all its aspects.

3. The Parties shall undertake to cooperate and to ensure coordination, complementarity and synergy in their efforts to deal with the illicit trade in SALW, including their ammunition, and the destruction of excessive stockpiles, at global, regional, sub-regional and national levels.

4. Furthermore, the Parties agree to continue to cooperate in the area of conventional arms export control, in the light of the Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment.

5. The Parties agree to address these issues in their political dialogue.

Article 12

Fight against terrorism

1. The Parties reaffirm the importance of the fight against and the prevention of terrorism and agree to work together at bilateral, regional and international level to prevent and combat terrorism in all its forms and manifestations.
2. The Parties agree that the fight against terrorism must be conducted with full respect for the rule of law and in full conformity with international law including international human rights law, international refugee law and international humanitarian law, the principles of the Charter of the United Nations, and all relevant international counter-terrorism related instruments.
3. The Parties stress the importance of the universal ratification and full implementation of all UN counter-terrorism related conventions and protocols. The Parties agree to continue to promote dialogue on the draft Comprehensive Convention on International Terrorism and to cooperate in the implementation of the United Nations Global Counter-Terrorism Strategy, as well as all relevant UN Security Council resolutions and Council of Europe conventions. The Parties also agree to cooperate to promote international consensus on the prevention of and fight against terrorism.

TITLE III FREEDOM, SECURITY AND JUSTICE

Article 13

Rule of law and respect for human rights and fundamental freedoms

1. In their cooperation in the area of freedom, security and justice the Parties shall attach particular importance to further promoting the rule of law, including the independence of the judiciary, access to justice, and the right to a fair trial.
2. The Parties will cooperate fully on the effective functioning of institutions in the areas of law enforcement and the administration of justice.
3. Respect for human rights and fundamental freedoms will guide all cooperation on freedom, security and justice.

Article 14

Protection of personal data

The Parties agree to cooperate in order to ensure a high level of protection of personal data in accordance with the EU, Council of Europe and international legal instruments and standards referred to in Annex I to this Agreement.

Article 15

Cooperation on migration, asylum and border management

1. The Parties reaffirm the importance of a joint management of migration flows between their territories and shall establish a comprehensive dialogue on all migration-related issues, including legal migration, international protection and the fight against illegal migration, smuggling and trafficking in human beings.

2. Cooperation will be based on specific needs assessments conducted in mutual consultation between the Parties and be implemented in accordance with their relevant legislation in force. It will, in particular, focus on:

- (a) the root causes and the consequences of migration;
- (b) the development and implementation of national legislation and practices as regards international protection, with a view to satisfying the provisions of the Geneva Convention relating to the Status of Refugees of 1951 and of the Protocol relating to the Status of Refugees of 1967 and of other relevant international instruments, such as the European Convention on the Protection of Human Rights and Fundamental Freedoms of 1950, and to ensuring the respect of the principle of 'non-refoulement';
- (c) the admission rules and rights and status of persons admitted, fair treatment and integration of lawfully residing non-nationals education and training and measures against racism and xenophobia;
- (d) the enhancement of an effective and preventive policy against illegal migration, smuggling of migrants and trafficking in human beings including the issue of how to combat networks of smugglers and traffickers and how to protect the victims of such trafficking;
- (e) the implementation of the Working Arrangement on the establishment of operational cooperation between the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX) and the Ministry of Internal Affairs (MIA) of Georgia, signed on 4 December 2008;
- (f) in the areas of document security and border management, issues such as organisation, training, best practices and other operational measures.

3. Cooperation may also facilitate circular migration for the benefit of development.

Article 16

Movement of persons and readmission

1. The Parties will ensure the full implementation of:

- (a) the Agreement between the European Union and Georgia on the readmission of persons residing without authorisation, which entered into force on 1 March 2011; and
- (b) the Agreement between the European Union and Georgia on the facilitation of the issuance of visas, which entered into force on 1 March 2011.

2. The Parties shall continue to endeavour to enhance mobility of citizens and shall take gradual steps towards the shared objective of a visa-free regime in due course, provided that the conditions for well-managed and secure mobility set out in the two-phase Action Plan on Visa Liberalisation are in place.

Article 17

The fight against organised crime and corruption

1. The Parties shall cooperate on combating and preventing criminal and illegal activities, in particular transnational activities, organised or otherwise, such as:

- (a) smuggling and trafficking in human beings as well as small arms and illicit drugs;
- (b) smuggling and trafficking in goods;
- (c) illegal economic and financial activities such as counterfeiting, fiscal fraud and public procurement fraud;
- (d) embezzlement in projects funded by international donors;
- (e) active and passive corruption, both in the private and public sector;
- (f) forging documents, submitting false statements; and
- (g) cybercrime.

2. The Parties shall enhance bilateral, regional and international cooperation among law enforcement bodies including developing cooperation between Europol and the relevant authorities of Georgia. The Parties are committed to implementing effectively the relevant international standards, and in particular those enshrined in the United Nations Convention against Transnational Organised Crime (UNTOC) of 2000 and the three Protocols thereto and in the United Nations Convention against Corruption of 2003.

Article 18

Illicit drugs

1. Within their respective powers and competencies, the Parties shall cooperate to ensure a balanced and integrated approach towards drug issues. Drug policies and actions shall be aimed at reinforcing structures for preventing and combating illicit drugs, reducing the supply of, trafficking in and the demand for illicit drugs, addressing the health and social consequences of drug abuse with a view to reducing harm as well as at a more effective prevention of diversion of chemical precursors used for the illicit manufacture of narcotic drugs and psychotropic substances.

2. The Parties shall agree on the necessary methods of cooperation to attain these objectives. Actions shall be based on commonly agreed principles along the lines of the relevant international conventions, and the EU Drug Strategy (2013-20), the Political Declaration on the guiding principles of drug demand reduction, approved by the Twentieth United Nations General Assembly Special Session on Drugs in June 1998.

Article 19

Money laundering and terrorism financing

1. The Parties shall cooperate in order to prevent the use of their financial and relevant non-financial systems to launder the proceeds of criminal activities in general and drug offences in particular, as well as for the purpose of terrorism financing.

This cooperation extends to the recovery of assets or funds derived from the proceeds of crime.

2. Cooperation in this area shall allow exchanges of relevant information within the framework of respective legislation and the adoption of appropriate standards to prevent and combat money laundering and financing of terrorism equivalent to those adopted by relevant international bodies active in this area, such as the Financial Action Task Force on Money Laundering (FATF).

Article 20

Cooperation in the fight against terrorism

1. In full accordance with the principles underlying the fight against terrorism as set out in Article 12 of this Agreement, the Parties reaffirm the importance of a law enforcement and judicial approach to the fight against terrorism and agree to cooperate in the prevention and suppression of terrorism in particular by:

- (a) ensuring the criminalisation of terrorist offences, in line with the definition contained in the Council Framework Decision 2008/919/JHA of 28 November 2008 amending Framework Decision 2002/475/JHA on combatting terrorism;
- (b) exchanging information on terrorist groups and individuals and their support networks, in accordance with international and national law, in particular as regards data protection and the protection of privacy;
- (c) exchanging experience in the prevention and suppression of terrorism, means and methods and their technical aspects, as well as on training, in accordance with applicable law;
- (d) sharing information on best practices in addressing and countering radicalisation and recruitment, and on promoting rehabilitation;
- (e) exchanging views and experience concerning cross-border movement and travel of terrorist

suspects as well as concerning terrorist threats;

(f) sharing best practices as regards the protection of human rights in the fight against terrorism, in particular in relation to criminal justice proceedings;

(g) taking measures against the threat of chemical, biological, radiological and nuclear terrorism and undertaking the measures necessary to prevent the acquisition, transfer and use for terrorist purposes of chemical, biological, radiological and nuclear materials as well as to prevent illegal acts against high risk chemical, biological, radiological and nuclear facilities.

2. Cooperation shall be based on relevant available assessments, such as those of the relevant bodies of the UN and the Council of Europe and conducted in mutual consultation between the Parties.

Article 21

Legal cooperation

1. The Parties agree to develop judicial cooperation in civil and commercial matters as regards the negotiation, ratification and implementation of multilateral conventions on civil judicial cooperation and, in particular, the conventions of the Hague Conference on Private International Law in the field of international legal cooperation and litigation as well as the protection of children.

2. As regards judicial cooperation in criminal matters, the Parties will seek to enhance cooperation on mutual legal assistance on the basis of relevant multilateral agreements. This would include, where appropriate, accession to, and implementation of, the relevant international instruments of the UN and the Council of Europe and closer cooperation with Eurojust.

TITLE IV

TRADE AND TRADE-RELATED MATTERS

CHAPTER 1

National Treatment and Market Access For Goods

Section 1

Common Provisions

Article 22

Objective

The Parties shall establish a free trade area starting from the entry into force of this Agreement, in accordance with the provisions of this Agreement and in conformity

with Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994).

Article 23

Scope and coverage

1. The provisions of this Chapter shall apply to trade in goods ⁽¹⁾ between the Parties.
2. For the purposes of this Chapter, ‘originating’ means qualifying under the rules of origin set out in Protocol I to this Agreement.

Section 2

Elimination of customs duties, fees and other charges

Article 24

Definition of customs duties

For the purposes of this Chapter, a ‘customs duty’ includes any duty or charge of any kind imposed on, or in connection with, the import or export of a good, including any form of surtax or surcharge imposed on or in connection with such import or export. A ‘customs duty’ does not include any:

- (a) charge equivalent to an internal tax imposed consistently with Article 31 of this Agreement;
- (b) duties imposed consistently with Chapter 2 (Trade Remedies) of Title IV (Trade and Trade-related Matters) of this Agreement;
- (c) fees or other charges imposed consistently with Article 30 of this Agreement.

Article 25

Classification of goods

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 2012 Harmonised System based on the International Convention on the Harmonised Commodity Description and Coding System of 1983 (HS) and subsequent amendments thereto.

Article 26

Elimination of customs duties on imports

1. The Parties shall eliminate all customs duties on goods originating in the other Party as from the date of entry into force of this Agreement except as provided in paragraphs 2 and 3 of this Article and without prejudice to paragraph 4 of this Article.

2. The products listed in Annex II-A to this Agreement shall be imported into the Union free of customs duties within the limits of the tariff rate quotas set out in that Annex. The most-favoured-nation (MFN) customs duty rate shall apply to imports exceeding the tariff rate quota limit.
3. The products listed in Annex II-B to this Agreement shall be subject to an import duty when imported into the Union with exemption of the ad valorem component of that import duty.
4. The import of products originating in Georgia listed in Annex II-C to this Agreement shall be subject to the anti-circumvention mechanism set out in Article 27 of this Agreement.
5. After five years from the entry into force of this Agreement, at the request of either Party, the Parties shall consult to consider broadening the scope of the liberalisation of customs duties in the trade between the Parties. A decision under this paragraph shall be made by the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.

Article 27

Anti-circumvention mechanism for agricultural products and processed agricultural products

1. The products listed in Annex II-C to this Agreement are subject to the anti-circumvention mechanism set out in this Article. The average annual volume of imports from Georgia into the Union for each category of those products is provided in Annex II-C to this Agreement.
2. When the volume of imports of one or more categories of products referred to in paragraph 1 reaches 70 % of the volume indicated in Annex II-C to this Agreement in any given year starting on 1 January, the Union shall notify Georgia about the volume of imports of the products(s) concerned. Following this notification and within 14 calendar days from the date on which the volume of imports of one or more categories of products referred to in paragraph 1 reaches 80 % of the volume indicated in Annex II-C to this Agreement, Georgia shall provide the Union with a sound justification that Georgia has the capacity to produce the products for export into the Union in excess of the volumes set out in that Annex. If those imports reach 100 % of the volume indicated in Annex II-C to this Agreement, and in the absence of a sound justification by Georgia, the Union may temporarily suspend the preferential treatment for the products concerned.

The suspension shall be applicable for a period of six months and shall take effect on the date of publication of the decision to suspend preferential treatment in the Official Journal of the European Union.

3. All temporary suspensions adopted pursuant to paragraph 2 shall be notified by the Union to Georgia without undue delay.

4. A temporary suspension shall be lifted before the expiry of six months from its entry into force by the Union if Georgia provides robust and satisfactory evidence within the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, that the volume of the relevant category of products imported in excess of the volume referred to in Annex II-C to this Agreement results from a change in the level of production and export capacity of Georgia for the product(s) concerned.

5. Annex II-C to this Agreement may be amended and the volume modified by mutual consent of the Union and Georgia in the Association Committee in Trade configuration at the request of Georgia, in order to reflect changes in the level of production and export capacity of Georgia for the product(s) concerned.

Article 28

Standstill

Neither Party may adopt any new customs duty, on a good originating in the other Party or may increase any customs duty applied on the date of entry into force of this Agreement. This shall not preclude that either Party may maintain or increase a customs duty as authorised by the Dispute Settlement Body (DSB) of the WTO.

Article 29

Customs duties on exports

Neither Party shall adopt or maintain any customs duty or tax, other than internal charges applied in conformity with Article 30 of this Agreement, on, or in connection with, the export of goods to the territory of the other Party.

Article 30

Fees and other charges

Each Party shall ensure, in accordance with Article VIII of GATT 1994 and the interpretative notes thereon, that all fees and charges of whatever character other than customs duties or other measures referred to in Article 26 of this Agreement, imposed on, or in connection with, the import or export of goods are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

Section 3

Non-tariff measures

Article 31

National treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994, including the interpretative notes thereon. To that end, Article III of GATT 1994 and the interpretative notes thereon are incorporated into this Agreement and made an integral part thereof.

Article 32

Import and export restrictions

Neither Party shall adopt or maintain any prohibition or restriction on the import of any good of the other Party or on the export or sale for export of any good destined for the territory of the other Party, except as otherwise provided in this Agreement or in accordance with Article XI of GATT 1994 and the interpretative notes thereon. To that end, Article XI of GATT 1994 and the interpretative notes thereon are incorporated into this Agreement and made an integral part thereof.

Section 4

Specific provisions related to goods

Article 33

General exceptions

Nothing in this Chapter shall be construed to prevent the adoption or enforcement by any Party of measures in accordance with Articles XX and XXI of GATT 1994 and any relevant interpretative notes to those Articles under GATT 1994, which are hereby incorporated into this Agreement and made an integral part thereof.

Section 5

Administrative cooperation and coordination with other countries

Article 34

Temporary withdrawal of preferences

1. The Parties agree that administrative cooperation and assistance is essential for the implementation and the control of preferential tariff treatment granted under this Chapter and underline their commitment to combat irregularities and fraud in customs and related matters.
2. Where a Party has made a finding, on the basis of objective information, of a failure of the other Party to provide administrative cooperation or assistance and/or of irregularities or fraud under this Chapter, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned in accordance with this Article.

3. For the purposes of this Article, a failure to provide administrative cooperation or assistance shall mean, inter alia:

- (a) a repeated failure to respect the obligations to verify the originating status of the good(s) concerned;
- (b) a repeated refusal or undue delay in carrying out and/or communicating the results of subsequent verification of the proof of origin;
- (c) a repeated refusal or undue delay in obtaining authorisation to conduct enquiry visits to determine the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.

4. For the purposes of this Article, a finding of irregularities or fraud may be made, inter alia, where there is a rapid increase, without satisfactory explanation, in the volume of imports of goods exceeding the usual level of production and export capacity of the other Party that is linked to objective information concerning irregularities or fraud.

5. The application of a temporary suspension shall be subject to the following conditions:

- (a) the Party which has made a finding, on the basis of objective information, of a failure to provide administrative cooperation or assistance and/or of irregularities or fraud from the other Party, shall without undue delay notify the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, of its finding together with the objective information and enter into consultations within that Committee, on the basis of all relevant information and objective findings, with a view to reaching a solution acceptable to both Parties;
- (b) where the Parties have entered into consultations within the Association Committee in Trade configuration and have failed to agree on an acceptable solution within three months following the notification, the Party concerned may temporarily suspend the relevant
- (c) temporary suspensions under this Article shall be limited to that necessary to protect the financial interests of the Party concerned. They shall not exceed a period of six months, which may be renewed, if at the date of expiry nothing has changed with respect to the condition that gave rise to the initial suspension. They shall be subject to periodic consultations within the Association Committee in Trade configuration, in particular with a view to their termination as soon as the conditions for their application no longer apply.

6. Each Party shall publish in accordance with its internal procedures, notices to importers concerning any: notification referred to in paragraph 5(a); decision referred to in paragraph 5(b); and extension or termination referred to in paragraph 5(c).

Article 35

Management of administrative errors

In case of an error by the competent authorities in the proper management of the preferential system at export, and in particular in the application of the provisions of Protocol I to this Agreement concerning the definition of originating products and methods of administrative cooperation, where this error leads to consequences in terms of import duties, the Party facing such consequences may request the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, to examine the possibilities of adopting all appropriate measures with a view to resolving the situation.

Article 36

Agreements with other countries

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier traffic except in so far as they conflict with trade arrangements provided for in this Agreement.
2. Consultations between the Parties shall take place within the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, at the request of either Party, concerning agreements establishing customs unions, free trade areas or arrangements for frontier traffic and on other major issues related to their respective trade policy with third countries. In particular in the event of a third country acceding to the EU, such consultations shall take place so as to ensure that account be taken of the mutual interests of the Union and Georgia as stated in this Agreement.

CHAPTER 2

Trade remedies

Section 1

Global safeguard measures

Article 37

General provisions

1. The Parties confirm their rights and obligations under Article XIX of GATT 1994 and the Agreement on Safeguards contained in Annex 1A to the WTO Agreement ('Agreement on Safeguards') and Article 5 of the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement ('Agreement on Agriculture').

2. The preferential rules of origin established under Chapter 1 (National Treatment and Market Access for Goods) of Title IV (Trade and Trade-related Matters) of this Agreement shall not apply to this Section.

3. The provisions of this Section shall not be subject to Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement.

Article 38

Transparency

1. The Party initiating a safeguard investigation shall notify the other Party of such initiation provided the latter has a substantial economic interest.

2. Notwithstanding Article 37 of this Agreement, at the request of the other Party, the Party initiating a safeguard investigation and intending to apply safeguard measures shall provide immediately ad hoc written notification of all the pertinent information leading to the initiation of a safeguard investigation and the imposition of safeguard measures, including, where relevant, information on the initiation of a safeguard investigation, on the provisional findings and on the final findings of the investigation, as well as offer the possibility for consultations to the other Party.

3. For the purposes of this Article, a Party shall be considered as having a substantial economic interest when it is among the five largest suppliers of the imported product during the most recent three-year period of time, measured in terms of either absolute volume or value.

Article 39

Application of measures

1. When imposing safeguard measures, the Parties shall endeavour to impose them in a way that affects their bilateral trade the least.

2. For the purposes of paragraph 1 of this Article, if a Party considers that the legal requirements for the imposition of definitive safeguard measures are met and intends to apply such measures, that Party shall notify the other Party and give the latter the possibility to hold bilateral consultations. If no satisfactory solution has been reached within 30 days of the notification, the importing Party may adopt the appropriate measures to remedy the problem.

Section 2

Anti-dumping and countervailing measures

Article 40

General provisions

1. The Parties confirm their rights and obligations under Article VI of GATT 1994, the Agreement on Implementation of Article VI of GATT 1994, contained in Annex 1A to the WTO Agreement ('Anti-Dumping Agreement') and the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement ('SCM Agreement').
2. The preferential rules of origin established under Chapter 1 (National Treatment and Market Access for Goods) of Title IV (Trade and Trade-related Matters) of this Agreement shall not apply to this Section.
3. The provisions of this Section shall not be subject to Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement.

Article 41

Transparency

1. The Parties agree that anti-dumping and countervailing measures should be used in full compliance with the requirements of the Anti-Dumping Agreement and the SCM Agreement, respectively, and should be based on a fair and transparent system.
2. The Parties shall ensure, immediately after the imposition of provisional measures and before the final determination is made, full and meaningful disclosure of all essential facts and considerations which form the basis for the decision to apply measures, without prejudice to Article 6.5 of the Anti-Dumping Agreement and Article 12.4 of the SCM Agreement. Disclosures shall be made in writing and allow interested parties sufficient time to make their comments.
3. Provided it does not unnecessarily delay the conduct of the investigation, each interested Party shall be granted the possibility to be heard in order to express their views during anti-dumping and anti-subsidy investigations.

Article 42

Consideration of public interest

Anti-dumping or countervailing measures may not be applied by a Party where, on the basis of the information made available during the investigation, it can clearly be concluded that it is not in the public interest to apply such measures. The public interest determination shall be based on an appreciation of all the various interests taken as a whole, including the interests of the domestic industry, users, consumers and importers to the extent that they have provided relevant information to the investigating authorities.

Article 43

Lesser duty rule

Should a Party decide to impose a provisional or a definitive anti-dumping or a countervailing duty, the amount of such duty shall not exceed the margin of dumping or the total amount of countervailable subsidies, but it should be less than the margin of dumping or the total amount of countervailable subsidies if such a lesser duty would be adequate to remove the injury to the domestic industry.

CHAPTER 3

Technical barriers to trade, standardisation, metrology, accreditation and conformity assessment

Article 44

Scope and definitions

1. This Chapter applies to the preparation, adoption and application of standards, technical regulations, and conformity assessment procedures as defined in the Agreement on Technical Barriers to Trade, contained in Annex 1A to the WTO Agreement ('TBT Agreement') that may affect trade in goods between the Parties.
2. Notwithstanding paragraph 1, this Chapter does not apply to sanitary and phytosanitary measures as defined in Annex A to the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement ('SPS Agreement'), nor to purchasing specifications prepared by public authorities for their own production or consumption requirements.
3. For the purposes of this Chapter, the definitions of Annex I to the TBT Agreement shall apply.

Article 45

Affirmation of the TBT Agreement

The Parties affirm their existing rights and obligations with respect to each other under the TBT Agreement which is hereby incorporated into this Agreement and made an integral part thereof.

Article 46

Technical cooperation

1. The Parties shall strengthen their cooperation in the field of standards, technical regulations, metrology, market surveillance, accreditation and conformity assessment systems with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets. To that end, they may establish regulatory dialogues at both horizontal and sectoral levels.
2. In their cooperation, the Parties shall seek to identify, develop and promote trade facilitating initiatives which may include, but are not limited to:

- (a) reinforcing regulatory cooperation through the exchange of data and experience, and through scientific and technical cooperation, with a view to improving the quality of their technical regulations, standards, market surveillance, conformity assessment and accreditation, and making efficient use of regulatory resources;
- (b) promoting and encouraging cooperation between their respective organisations, public or private, responsible for metrology, standardisation, market surveillance, conformity
- (c) fostering the development of the quality infrastructure for standardisation, metrology, accreditation, conformity assessment and the market surveillance system in Georgia;
- (d) promoting the participation of Georgia in the work of related European organisations;
- (e) seeking solutions to technical barriers to trade that may arise; and
- (f) where appropriate, undertaking efforts to coordinate their positions on matters of mutual interest in international trade and regulatory organisations such as the WTO and the United Nations Economic Commission for Europe (UNECE).

Article 47

Approximation of technical regulations, standards, and conformity assessment

1. Having regard to its priorities for approximation in different sectors, Georgia shall take the measures necessary in order to gradually achieve approximation with the Union's technical regulations, standards, metrology, accreditation, conformity assessment, corresponding systems and market surveillance system, and undertakes to follow the principles and the practice laid down in the relevant Union acquis (indicative list in Annex III-B to this Agreement). A list of the measures for approximation is set out in Annex III-A to this Agreement, which may be amended by a decision of the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.
2. With a view to reaching these objectives, Georgia shall:
 - (a) having regard to its priorities, progressively approximate its legislation to the relevant Union acquis; and
 - (b) achieve and maintain the level of administrative and institutional effectiveness necessary to provide an effective and transparent system that is required for the implementation of this
3. Georgia shall refrain from amending its horizontal and sectoral legislation in the priority areas for approximation, except for approximating such legislation progressively to the corresponding Union acquis and for maintaining such

approximation; and shall notify the Union of such changes in its domestic legislation.

4. Georgia shall ensure and facilitate the participation of its relevant national bodies in the European and international organisations for standardisation, legal and fundamental metrology, and conformity assessment, including accreditation, in accordance with the respective areas of activity of those bodies and the membership status available to them.

5. With a view to integrating its standardisation system, Georgia shall use best endeavours to ensure that its standards body:

- (a) progressively transposes the corpus of European standards (EN) as national standards, including the harmonised European standards, the voluntary use of which shall give presumption of conformity with Union legislation transposed into Georgian legislation;
- (b) simultaneously with such transposition, withdraws conflicting national standards;
- (c) progressively fulfils the other conditions for full membership of the European standards organisations.

Article 48

Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA)

The Parties may ultimately agree to add an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) as a Protocol to this Agreement covering one or more sectors agreed upon following verification by the Union that the relevant Georgian horizontal and sectoral legislation, institutions and standards have been fully approximated to those of the Union. Such an ACAA will provide that trade between the Parties in products in the sectors that it covers shall take place under the same conditions as those applying to trade in such products between the Member States.

Article 49

Marking and labelling

1. Without prejudice to the provisions of Articles 47 and 48 of this Agreement, and with respect to technical regulations relating to labelling or marking requirements, the Parties reaffirm the principles of Chapter 2.2 of the TBT Agreement that such requirements are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade. For this purpose, such labelling or marking requirements shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks that non-fulfilment would create.

2. Regarding obligatory marking or labelling in particular, the Parties agree that:

- (a) they will endeavour to minimise their needs for marking or labelling, except as required for the adoption of the Union acquis in this area and for the protection of health, safety or the environment, or for other reasonable public policy purposes;
- (b) a Party may determine the form of labelling or marking but shall not require the approval, the registration or the certification of labels; and
- (c) the Parties retain the right to require the information on the label or marking to be in a specified language.

CHAPTER 4

Sanitary and phytosanitary measures

Article 50

Objective

1. The objective of this Chapter is to facilitate trade in commodities covered by sanitary and phytosanitary measures (SPS measures), including all measures listed in Annex IV to this Agreement, between the Parties, whilst safeguarding human, animal or plant life or health, by:

- (a) ensuring full transparency as regards measures applicable to trade, listed in Annex IV to this Agreement;
- (b) approximating the Georgian regulatory system to that of the Union;
- (c) recognising the animal and plant health status of the Parties and applying the principle of regionalisation;
- (d) establishing a mechanism for the recognition of equivalence of measures maintained by a
- (e) continuing to implement the SPS Agreement;
- (f) establishing mechanisms and procedures for trade facilitation; and
- (g) improving communication and cooperation between the Parties on measures listed in Annex IV to this Agreement.

2. This Chapter also aims at reaching a common understanding between the Parties concerning animal welfare standards.

Article 51

Multilateral obligations

The Parties re-affirm their rights and obligations under the WTO Agreements, and in particular the SPS Agreement.

Article 52

Scope

This Chapter shall apply to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties, including all measures listed in Annex IV to this Agreement. This scope is without prejudice to the scope of approximation as set out in Article 55 of this Agreement.

Article 53

Definitions

For the purposes of this Chapter, the following definitions shall apply:

- (1) 'sanitary and phytosanitary measures' means measures as defined in paragraph 1 of Annex A to the SPS Agreement (SPS measures);
- (2) 'animals' means animals as defined in the Terrestrial Animal Health Code or the Aquatic Animal Health Code of the World Organisation for Animal Health (OIE), respectively;
- (3) 'animal products' means products of animal origin, including aquatic animal products as defined in the Aquatic Animal Health Code of the OIE;
- (4) 'animal by-products not intended for human consumption' means entire bodies or parts of animals, products of animal origin or other products obtained from animals that are not
- (5) 'plants' means living plants and specified living parts thereof, including seeds and germplasm:
 - (a) fruits, in the botanical sense, other than those preserved by deep freezing;
 - (b) vegetables, other than those preserved by deep freezing;
 - (c) tubers, corms, bulbs, rhizomes;
 - (d) cut flowers;
 - (e) branches with foliage;
 - (f) cut trees retaining foliage;
 - (g) plant tissue cultures;
 - (h) leaves, foliage;

- (i) live pollen; and
 - (j) bud-wood, cuttings, scions.
- (6) 'plant products' means products of plant origin, unprocessed or having undergone simple preparation in so far as these are not plants, set out in Part 3 of Annex IV-A to this Agreement;
- (7) 'seeds' means seeds in the botanical sense, intended for planting;
- (8) 'pests' means any species, strain or biotype of plant, animal or pathogenic agent injurious to plants or plant products (harmful organisms);
- (9) 'protected zones' means zones within the meaning of Article 2(1)(h) of Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community, or any successor provision;
- (10) 'animal disease' means a clinical or pathological manifestation in animals of an infection;
- (11) 'aquaculture disease' means clinical or non-clinical infection with one or more of the aetiological agents of the diseases referred to in the Aquatic Animal Health Code of the OIE;
- (12) 'infection in animals' means the situation where animals maintain an infectious agent with or without presence of clinical or pathological manifestation of an infection;
- (13) 'animal welfare standards' means standards for the protection of animals developed and applied by the Parties and, as appropriate, in line with the OIE standards;
- (14) 'appropriate level of sanitary and phytosanitary protection' means the appropriate level of sanitary and phytosanitary protection as defined in paragraph 5 of Annex A to the SPS Agreement;
- (15) 'region' means with regard to animal health a zone or a region as defined in the Terrestrial Animal Health Code of the OIE, and with regard to aquaculture a zone as defined in the Aquatic Animal Health Code of the OIE. For the Union the term 'territory' or 'country' shall mean the territory of the Union;
- (16) 'pest free area (PFA)' means an area in which a specific pest does not occur as demonstrated by scientific evidence and in which, where appropriate, this condition is being officially maintained;
- (17) 'regionalisation' means the concept of regionalisation as described in Article 6 of the SPS Agreement;
- (18) 'consignment of animals or animal products' means a number of animals or a quantity of animal products of the same type, covered by the same certificate or document, conveyed

same exporting Party or region(s) of the Party. A consignment of animals may be composed of one or more commodities or lots;

- (19) 'consignment of plants or plant products' means a quantity of plants, plant products and/or other objects being moved from a Party to another Party and covered, when required, by a single phytosanitary certificate. A consignment may be composed of one or more
- (20) 'lot' means a number or units of a single commodity, identifiable by its homogeneity of composition and origin, and forming part of a consignment;
- (21) 'equivalence for trade purposes' (equivalence) means that the measures listed in Annex IV to this Agreement applied in the exporting Party, whether or not different from the measures listed in that Annex applied in the importing Party, objectively achieve the importing Party's appropriate level of protection or acceptable level of risk;
- (22) 'sector' means the production and trade structure for a product or category of products in a Party;
- (23) 'sub-sector' means a well-defined and controlled part of a sector;
- (24) 'commodity' means the products or objects referred to in points 2 to 7;
- (25) 'specific import permit' means a formal prior authorisation by the competent authorities of the importing Party addressed to an individual importer as a condition for import of a single consignment or multiple consignments of a commodity from the exporting Party, within the scope of this Chapter;
- (26) 'working days' means weekdays except Sunday, Saturday and public holidays in one of the Parties;
- (27) 'inspection' means the examination of any aspect of feed, food, animal health and animal welfare in order to verify that such aspect(s) comply with the legal requirements of feed and food law and animal health and animal welfare rules;
- (28) 'plant health inspection' means official visual examination of plants, plant products or other regulated objects to determine if pests are present and/or to determine compliance with phytosanitary regulations;
- (29) 'verification' means checking, by examination and consideration of objective evidence,

Article 54

Competent authorities

The Parties shall inform each other about the structure, organisation and division of competences of their competent authorities during the first meeting of the Sanitary and Phytosanitary Sub-Committee referred to in Article 65 of this Agreement

(‘SPS Sub-Committee’). The Parties shall inform each other of any change of the structure, organisation and division of competences, including of the contact points, concerning such competent authorities.

Article 55

Gradual approximation

1. Georgia shall continue to gradually approximate its sanitary and phytosanitary, animal welfare and other legislative measures as laid down in Annex IV to this Agreement to that of the Union in accordance with the principles and procedure set out in Annex XI to this Agreement.
2. The Parties shall cooperate on gradual approximation and capacity building.
3. The SPS Sub-Committee shall regularly monitor the implementation of the approximation process set out in Annex XI to this Agreement in order to provide necessary recommendations on approximation.
4. No later than six months after the entry into force of this Agreement, Georgia shall submit a list of the EU sanitary and phytosanitary, animal welfare and other legislative measures as defined in Annex IV to this Agreement that Georgia will approximate. The list shall be divided into priority areas, in which trade in a specific commodity or a group of commodities will be facilitated by means of approximation. This approximation list shall serve as a reference document for the implementation of this Chapter.

Article 56

Recognition for trade purposes of animal health and pest status and regional conditions

1. As regards animal diseases and infections in animals (including zoonosis), the following shall apply:
 - (a) the importing Party shall recognise for trade purposes the animal health status of the exporting Party or its regions determined in accordance with the procedure set out in Annex VI to this Agreement, with respect to animal diseases specified in Annex V-A to this Agreement;
 - (b) where a Party considers that it has, for its territory or a region within its territory, a special status with respect to a specific animal disease other than a disease listed in Annex V-A to this Agreement, it may request recognition of this status in accordance with the procedure laid down in Annex VI Part C to this Agreement. In this regard, the importing Party may request guarantees, accompanied with an explanatory note, in respect of imports of live
 - (c) the Parties recognise as the basis for trade between them the status of the territories or the regions, or the status in a sector or a sub-sector of the Parties related to the prevalence or

the incidence of an animal disease other than a disease listed in Annex V-A to this Agreement, or related to infections in animals and/or the associated risk, as appropriate, as determined by the OIE. In this regard, the importing Party may request guarantees, in respect of imports of live animals and animal products, which are appropriate to the defined status in accordance with the recommendations of OIE; and

(d) without prejudice to Articles 58, 60 and 64 of this Agreement, and unless the importing Party raises an explicit objection and requests supporting or additional information, consultations and/or verification, each Party shall take without undue delay the necessary legislative and administrative measures to allow trade on the basis of the provisions of points (a), (b) and (c) of this paragraph.

2. As regards pests, the following shall apply:

(a) the Parties recognise for trade purposes the pest status in respect of pests specified in Annex V-B to this Agreement as determined in Annex VI-B; and

(b) without prejudice to Articles 58, 60 and 64 of this Agreement, and unless the importing Party raises an explicit objection and requests supporting or additional information, consultations and/or verification, each Party shall take without undue delay the necessary legislative and administrative measures to allow trade on the basis of the provision of point (a) of this paragraph.

3. The Parties recognise the concept of regionalisation and PFAs as specified in the relevant International Plant Protection Convention of 1997 (IPPC) and the International Standards for Phytosanitary Measures (ISPMs) of the Food and Agriculture Organisation (FAO), and of protected zones in accordance with Directive 2000/29/EC, which they agree to apply to trade between them.

4. The Parties agree that regionalisation decisions for animal and fish diseases listed in Annex V-A to this Agreement and for pests listed in Annex V-B to this Agreement shall be taken in accordance with the provisions of Part A and B of Annex VI to this Agreement.

5. As regards animal diseases in accordance with the provisions of Article 58 of this Agreement the exporting Party seeking recognition of its regionalisation decision by the importing Party shall notify its measures with full explanations and supporting data for its determinations and decisions. Without prejudice to Article 59 of this Agreement, and unless the importing Party raises an explicit objection and requests additional information, consultations and/or verification within 15 working days following receipt of the notification, the regionalisation decision so notified shall be deemed accepted.

The consultations referred to in the first subparagraph of this paragraph shall take place in accordance with Article 59(3) of this Agreement. The importing Party shall assess the additional information within 15 working days following receipt of the additional information. The verification referred to in the first subparagraph of

this paragraph shall be carried out in accordance with Article 62 of this Agreement within 25 working days following receipt of the request for verification.

6. As regards pests, each Party shall ensure that trade in plants, plant products and other objects takes account, as appropriate, of the pest status in an area recognised as a protected zone or as a PFA by the other Party. A Party seeking recognition of its PFA by the other Party shall notify its measures and, upon request, provide full explanation and supporting data for its establishment and maintenance, as guided by appropriate FAO or IPPC standards, including ISPMs. Without prejudice to Article 64 of this Agreement, and unless a Party raises an explicit objection and requests additional information, consultations and/or verification within three months following the notification, the regionalisation decision for PFA so notified shall be deemed accepted; and

The consultations referred to in the first subparagraph of this paragraph shall take place in accordance with Article 59(3) of this Agreement. The importing Party shall assess the additional information within three months following the receipt of the additional information. The verification referred to in the first subparagraph of this paragraph shall be carried out in accordance with Article 62 of this Agreement within 12 months following the receipt of the request for verification, taking into account the biology of the pest and the crop concerned.

7. After finalisation of the procedures of paragraphs 4 to 6, and without prejudice to Article 64 of this Agreement, each Party shall take, without undue delay, the necessary legislative and administrative measures to allow trade on that basis.

8. The Parties may engage in further discussions with regard to the issue of compartmentalisation.

Article 57

Recognition of equivalence

1. Equivalence may be recognised in relation to:

- (a) an individual measure;
- (b) a group of measures; or
- (c) a system applicable to a sector, sub-sector, commodities or a group of commodities.

2. As regards recognition of equivalence the Parties shall follow the process set out in paragraph 3 of this Article. This process shall include an objective demonstration of equivalence by the exporting Party and an objective assessment of the request by the importing Party. This assessment may include inspections or verifications.

3. Upon request of the exporting Party concerning recognition of equivalence as set out in paragraph 1 of this Article the Parties shall without delay and no later than

three months following the receipt of such a request by the importing Party, initiate the consultation process which includes the steps set out in Annex VIII to this Agreement. In case of multiple requests from the exporting Party, the Parties, upon request of the importing Party, shall agree within the SPS Sub-Committee referred to in Article 65 of this Agreement on a time schedule in which they shall initiate and conduct the process referred to in this paragraph.

4. Georgia shall notify the Union as soon as approximation is achieved in relation to a measure, a group of measures or a system as set out in paragraph 1 of this Article as a result of the monitoring provided for in Article 55(3) of this Agreement. This fact shall be considered as a basis for a request of Georgia to initiate the process of the recognition of equivalence of the measures concerned, as set out in paragraph 3 of this Article.

5. Unless otherwise agreed, the importing Party shall finalise the process for recognition of equivalence referred to in paragraph 3 of this Article within 360 days after the receipt of the request of the exporting Party, including a dossier demonstrating the equivalence. This time-limit may be extended with regard to seasonal crops when it is justifiable to delay the assessment to permit verification during a suitable period of growth of a crop.

6. The importing Party determines equivalence as regards plants, plant products and other objects in accordance with the relevant ISPMs.

7. The importing Party may withdraw or suspend equivalence on the basis of any amendment by one of the Parties of measures affecting equivalence, provided that the following procedure is followed:

(a) in accordance with the provisions of Article 58(2) of this Agreement, the exporting Party shall inform the importing Party of any proposal for amendment of its measures for which equivalence of measures is recognised and the likely effect of the proposed measures on the equivalence which has been recognised. Within 30 working days following the receipt of this information, the importing Party shall inform the exporting Party whether or not equivalence would continue to be recognised on the basis of the proposed measures;

(b) in accordance with the provisions of Article 58(2) of this Agreement, the importing Party shall promptly inform the exporting Party of any proposal for amendment of its measures on which recognition of equivalence has been based and the likely effect of the proposed measures on the equivalence which has been recognised. Should the importing Party not continue to recognise equivalence, the Parties may agree on the conditions under which to reinstate the process referred to in paragraph 3 of this Article on the basis of the proposed measures.

8. The recognition, suspension or withdrawal of equivalence rests solely with the importing Party acting in accordance with its administrative and legislative framework. That Party shall provide to the exporting Party in writing full explanation and supporting data used for the determinations and decisions covered

by this Article. In case of non-recognition, suspension or withdrawal of equivalence, the importing Party shall indicate to the exporting Party the required conditions on the basis of which the process referred to in paragraph 3 may be reinitiated.

9. Without prejudice to Article 64 of this Agreement, the importing Party may not withdraw or suspend equivalence before the proposed new measures of either Party enter into force.

10. In case equivalence is formally recognised by the importing Party, on the basis of the consultation process as set out in Annex VIII to this Agreement, the SPS Sub-Committee shall, in accordance with the procedure set out in Article 65(5) of this Agreement, declare the recognition of equivalence in trade between the Parties. This decision may also provide for the reduction of physical checks at the frontiers, simplification of certificates and pre-listing procedures for the establishments, as applicable.

The status of recognition of equivalence shall be listed in Annex XII to this Agreement.

Article 58

Transparency and exchange of information

1. Without prejudice to Article 59 of this Agreement, the Parties shall cooperate to enhance mutual understanding of the other Party's official control structure and mechanisms tasked with the application of the measures listed in Annex IV to this Agreement and of the performance of such structure and mechanism. This can be achieved, inter alia, through reports of international audits when these are made public and the Parties can exchange information on the results of such audits or other information, as appropriate.

2. In the framework of approximation of legislation as referred to in Article 55 of this Agreement or of recognition of equivalence as referred to in Article 57 of this Agreement, the Parties shall keep each other informed of legislative or procedural changes adopted in the concerned areas.

3. In this context, the Union shall inform Georgia well in advance of changes to the Union legislation to allow Georgia to consider modification of its legislation accordingly.

The necessary level of cooperation should be reached in order to facilitate transmission of legislative documents upon request of one of the Parties.

To this effect, each Party shall notify the other Party of its contact points. The Parties shall also notify each other of any changes to the contact points.

Article 59

Notification, consultation and facilitation of communication

1. Each Party shall notify in writing the other Party within two working days of any serious or significant human, animal or plant health risk, including any food control emergencies or situations where there is a clearly identified risk of serious health effects associated with the consumption of animal or plant products, in particular:

- (a) any measures affecting regionalisation decisions referred to in Article 56 of this Agreement;
- (b) the presence or evolution of any animal disease listed in Annex V-A to this Agreement or of the regulated pests listed in Annex V-B to this Agreement;
- (c) findings of epidemiological importance or important associated risks with respect to animal diseases and pests which are not listed in Annexes V-A and V-B to this Agreement or which are new animal diseases or pests; and
- (d) any additional measures beyond the basic requirements to their respective measures taken to control or eradicate animal diseases or pests or protect public or plant health and any changes in prophylactic policies, including vaccination policies.

2. Notifications shall be made in writing to the contact points referred to in Article 58(1) of this Agreement.

A notification in writing means notification by mail, fax or e-mail.

3. Where a Party has serious concerns regarding a risk to human, animal or plant health, consultations regarding the situation shall, upon request of that Party, take place as soon as possible and, in any case, within 15 working days from the date of that request. In such situations, each Party shall endeavour to provide all the information necessary to avoid a disruption in trade, and to reach a mutually acceptable solution consistent with the protection of human, animal or plant health.

4. Upon request of a Party, consultations regarding animal welfare shall take place as soon as possible and, in any case, within 20 working days from the date of notification. In such situations, each Party shall endeavour to provide all the requested information.

5. Upon request of a Party, consultations as referred to in paragraphs 3 and 4 of this Article shall be held by video or audio conference. The requesting Party shall ensure the preparation of the minutes of the consultation, which shall be formally approved by the Parties. For the purposes of this approval, the provisions of Article 58(3) of this Agreement shall apply.

6. A mutually applied rapid alert system and early warning mechanism for any veterinary and phytosanitary emergencies will start at a later stage after Georgia implements the necessary legislation in this field and creates conditions for their proper working on the spot.

Article 60

Trade conditions

1. Import conditions prior to recognition of equivalence:

- (a) The Parties agree to subject imports of any commodity covered by Annexes IV–A and IV–C(2) and (3) to this Agreement to conditions prior to recognition of equivalence. Without prejudice to the decisions taken in accordance with Article 56 of this Agreement, the import conditions of the importing Party shall be applicable to the total territory of the exporting Party. Upon entry into force of this Agreement and in accordance with the provisions of Article 58 of this Agreement, the importing Party shall inform the exporting Party of its sanitary and/or phytosanitary import requirements for commodities referred to in Annexes IV–A and IV–C to this Agreement. This information shall include, as appropriate, the models for the official certificates or declarations or commercial documents, as prescribed by the importing Party; and
- (b)
 - (i) Any amendment or proposed amendment of the conditions referred to in paragraph 1(a) of this Article shall comply with the relevant notification procedures of the SPS Agreement;
 - (ii) Without prejudice to the provisions of Article 64 of this Agreement, the importing Party shall take into account the transport time between the Parties to establish the date of entering into force of the amended conditions referred to in paragraph 1(a) of this Article; and
 - (iii) If the importing Party fails to comply with the notification requirements referred to in paragraph 1(a) of this Article, it shall continue to accept the certificate or the attestation guaranteeing the previously applicable conditions until 30 days after the amended import conditions enter into force.

2. Import conditions after recognition of equivalence:

- (a) Within 90 days following the date of the decision on recognition of equivalence as specified in Article 57(10) of this Agreement, the Parties shall take the necessary legislative and administrative measures to implement the recognition of equivalence in order to allow on that basis trade between them of commodities referred to in Annexes IV–A and IV–C(2) and (3) to this Agreement. For those commodities, the model for the official certificate or official document required by the importing Party may, then, be replaced by a certificate drawn up as provided for in Annex X–B to this Agreement;
- (b) For commodities in sectors or sub–sectors for which not all measures are recognised as equivalent, trade shall continue on the basis of compliance with the conditions referred to in paragraph 1(a) of this Article. Upon request of the exporting Party, the provisions of

3. From the date of entry into force of this Agreement, the commodities referred to Annexes IV-A and IV-C(2) to this Agreement shall not be subject to an import permit between the Parties.

4. For conditions affecting trade of the commodities referred to in paragraph 1(a) of this Article, upon request of the exporting Party, the Parties shall enter into consultations within the SPS Sub-Committee in accordance with the provisions of Article 65 of this Agreement, in order to agree on alternative or additional import conditions of the importing Party. Such alternative or additional import conditions may, when appropriate, be based on measures of the exporting Party recognised as equivalent by the importing Party. If agreed, the importing Party shall within 90 days take the necessary legislative and/or administrative measures to allow import on the basis of the agreed import conditions.

5. List of establishments, provisional approval

(a) For the import of animal products referred to in Part 2 of Annex IV-A to this Agreement, upon request of the exporting Party accompanied by the appropriate guarantees, the importing Party shall provisionally approve processing establishments referred to in Annex VII.2 to this Agreement which are situated in the territory of the exporting Party, without prior inspection of individual establishments. Such approval shall be consistent with the conditions and provisions set out in Annex VII to this Agreement. Except when additional information is requested, the importing Party shall take the necessary legislative and/or administrative measures to allow import on that basis within 30 working days following the date of receipt of the request and the relevant guarantees by the importing Party.

The initial list of establishments shall be approved in accordance with the provisions of Annex VII to this Agreement.

(b) For the import of animal products referred to in paragraph 2(a) of this Article, the exporting Party shall inform the importing Party of its list of establishments meeting the importing

6. Upon request of a Party, the other Party shall provide the necessary explanation and the supporting data for the determinations and decisions covered by this Article.

Article 61

Certification procedure

1. For purposes of certification procedures and issuing of certificates and official documents the parties agree on the principles set out in Annex X to this Agreement.

2. The SPS Sub-Committee referred to in Article 65 of this Agreement may agree on the rules to be followed in case of electronic certification, withdrawal or replacement of certificates.

3. In the framework of approximated legislation as referred to in Article 55 of this Agreement, the Parties shall agree on common models of certificates, where applicable.

Article 62

Verification

1. In order to maintain confidence in the effective implementation of the provisions of this Chapter each Party has the right:

- (a) to carry out verification of all or part of the inspection and certification system of the other Party's authorities, and/or of other measures, where applicable, in accordance with the relevant international standards, guidelines and recommendations of Codex Alimentarius, OIE and IPPC;
- (b) to receive information from the other Party about its control system and be informed of the results of the controls carried out under that system respecting the confidentiality provisions applicable in either Party.

2. Either Party may share the results of the verifications referred to in paragraph 1(a) of this Article with third parties and make the results publicly available as may be required by provisions applicable to either Party. Confidentiality provisions applicable to either Party shall be respected in such sharing and/or publication of the results, where appropriate.

3. If the importing Party decides to carry out a verification visit to the exporting Party, the importing Party shall notify the exporting Party of this verification visit at least 60 working days before the verification visit is to be carried out, except in emergency cases or if the Parties agree otherwise. Any modification to this visit shall be agreed by the Parties.

4. The costs incurred in undertaking a verification of all or part of the other Party's competent authorities' inspection and certification systems and/or other measure, where applicable, shall be borne by the Party carrying out the verification or the inspection.

5. The draft written communication of verifications shall be forwarded to the exporting Party within 60 working days after the end of verification. The exporting Party shall have 45 working days to comment on the draft written communication. Comments made by the exporting Party shall be attached to and, where appropriate included in the final outcome. However, where a significant human, animal or plant health risk has been identified during the verification, the exporting Party shall be informed as quickly as possible and in any case within 10 working days following the end of the verification.

6. For clarity the results of verification may contribute to the procedures referred to in Articles 55, 57 and 63 of this Agreement conducted by the Parties or one of the Parties.

Article 63

Import checks and inspection fees

1. The Parties agree that import checks by the importing Party of consignments from the exporting Party shall respect the principles set out in Part A of Annex IX to this Agreement. The results of these checks may contribute to the verification process referred to in Article 62 of this Agreement.

2. The frequencies of physical import checks applied by each Party are set out in Part B of Annex IX to this Agreement. A Party may amend these frequencies within its competences and in accordance with its internal legislation, as a result of progress made in accordance with Articles 55, 57 and 60 of this Agreement, or as a result of verifications, consultations or other measures provided for in this Agreement. SPS Sub-Committee referred to in Article 65 shall modify Part B of Annex IX to this Agreement by decision, accordingly.

3. Inspection fees, if applicable, may only cover the costs incurred by the competent authority for performing import checks. The fee shall be calculated on the same basis as the fees charged for the inspection of similar domestic products.

4. The importing Party shall upon request of the exporting Party inform the latter of any amendment, including the reasons for such an amendment concerning the measures affecting import checks and inspection fees, and of any significant changes in the administrative conduct for such checks.

5. From a date to be determined by the SPS Sub-Committee referred to in Article 65 of this Agreement, the Parties may agree on the conditions to approve each other's controls referred to in Article 62(1)(b) of this Agreement with a view to adapt and reciprocally reduce, where applicable, the frequency of physical import checks for the commodities referred to in Article 60(2)(a) of this Agreement.

From that date the Parties may reciprocally approve each other's controls for certain commodities and, consequently reduce or replace the import checks for these commodities.

Article 64

Safeguard measures

1. Should the exporting Party take measures within its territory to control any cause likely to constitute a serious hazard or risk to human, animal or plant health, the exporting Party, without prejudice to the provisions of paragraph 2 of this Article, shall take equivalent measures to prevent the introduction of the hazard or risk into the territory of the importing Party.

2. On the basis of serious human, animal or plant health grounds, the importing Party may, take provisional measures necessary for the protection of human, animal or plant health. For consignments en route between the Parties, the importing Party shall consider the most suitable and proportionate solution in order to avoid unnecessary disruptions to trade.

3. The Party adopting measures under paragraph 2 of this Article, shall inform the other Party no later than one working day following the date of the adoption of the measures. Upon request of either Party, and in accordance with the provisions of Article 59(3) of this Agreement, the Parties shall hold consultations regarding the situation within 15 working days of the notification. The Parties shall take due account of any information provided through such consultations and shall endeavour to avoid unnecessary disruption to trade, taking into account, where applicable, the outcome of the consultations provided for in Article 59(3) of this Agreement.

Article 65

Sanitary and Phytosanitary Sub-Committee

1. The SPS Sub-Committee is hereby established. It shall meet within three months after the date of entry into force of this Agreement, upon request of either Party thereafter, or at least once every year. If agreed by the Parties, a meeting of the SPS Sub-Committee may be held by video or audio-conference. The SPS Sub-Committee may also address issues out of session, by correspondence.

2. SPS Sub-Committee shall have the following functions:

- (a) to consider any matter relating to this Chapter;
- (b) to monitor the implementation of this Chapter and examine all matters which may arise in relation to its implementation;
- (c) to review the Annexes IV to XII to this Agreement, notably in the light of progress made under the consultations and procedures provided for under this Chapter;
- (d) to modify by means of an endorsement decision Annexes IV to XII to this Agreement in the light of the review provided for in point (c) of this paragraph, or as otherwise provided in this Chapter; and
- (e) to give opinions and make recommendations to other bodies as defined in Title VIII (Institutional, General and Final Provisions) of this Agreement in light of the review provided for in point (c) of this paragraph.

3. The Parties agree to establish technical working groups, when appropriate, consisting of expert-level representatives of the Parties, which shall identify and address technical and scientific issues arising from the application of this Chapter. When additional expertise is required, the Parties may establish ad hoc groups,

including scientific and expert groups. Membership of such ad hoc groups need not be restricted to representatives of the Parties.

4. SPS Sub-Committee shall regularly inform by means of a report the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, on its activities and decisions taken within competence.

5. The SPS Sub-Committee shall adopt its working procedures at its first meeting.

6. Any decision, recommendation, report or other action by the SPS Sub-Committee or any group established by the SPS Sub-Committee shall be adopted by consensus between the Parties.

CHAPTER 5

Customs and trade facilitation

Article 66

Objectives

1. The Parties acknowledge the importance of customs and trade facilitation matters in the evolving bilateral trade environment. The Parties agree to reinforce cooperation in this area with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfil the objectives of effective control and support facilitation of legitimate trade as a matter of principle.

2. The Parties recognise that utmost importance shall be given to public policy objectives including trade facilitation, security and prevention of fraud and a balanced approach to them.

Article 67

Legislation and procedures

1. The Parties agree that their respective trade and customs legislation, as a matter of principle, shall be stable and comprehensive, as well as that the provisions and the procedures shall be proportionate, transparent, predictable, non-discriminatory, impartial and applied uniformly and effectively and will, inter alia:

- (a) protect and facilitate legitimate trade through effective enforcement of and compliance with legislative requirements;
- (b) avoid unnecessary or discriminatory burdens on economic operators, prevent fraud and provide further facilitation for economic operators having a high level of compliance;
- (c) apply a Single Administrative Document (SAD) for the purposes of customs declarations;
- (d) lead to greater efficiency, transparency and simplification of customs procedures and

practices at the border;

- (e) apply modern customs techniques, including risk assessment, post clearance controls and company audit methods in order to simplify and facilitate the entry, exit and the release of goods;
- (f) aim at reducing compliance costs and increasing predictability for all economic operators;
- (g) without prejudice to the application of objective risk assessment criteria, ensure the non-discriminatory administration of requirements and procedures applicable to imports, exports and goods in transit;
- (h) apply the international instruments applicable in the field of customs and trade including those developed by the World Customs Organisation (WCO), the Istanbul Convention on temporary admission of 1990, the International Convention on the Harmonised System of 1983, the WTO, the UN TIR Convention of 1975, the 1982 Convention on harmonisation of frontier controls of goods; and may take into account the WCO Framework of Standards to Secure and Facilitate Global Trade and European Commission guidelines such as the Customs Blueprints, where relevant;
- (i) take the necessary measures to reflect and implement the provisions of the Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures of 1973;
- (j) provide for advance binding rulings on tariff classification and rules of origin. The Parties ensure that a ruling may be revoked or annulled only after notification to the affected operator and without retroactive effect, unless the rulings have been made on the basis of incorrect or incomplete information;
- (k) introduce and apply simplified procedures for authorised traders according to objective and non-discriminatory criteria;
- (l) set rules that ensure that any penalties imposed for breaches of customs regulations or procedural requirements be proportionate and non-discriminatory and, that their application, does not result in unwarranted and unjustified delays; and
- (m) apply transparent, non-discriminatory and proportionate rules where government agencies provide services also provided by the private sector.

2. In order to improve working methods, as well as to ensure non-discrimination, transparency, efficiency, integrity and accountability of operations, the Parties shall:

- (a) take further steps towards the reduction, the simplification and the standardisation of data and documentation required by customs and other relevant authorities;
- (b) simplify requirements and formalities wherever possible, with respect to the rapid release

- (c) provide effective, prompt and non-discriminatory procedures guaranteeing the right of appeal against customs and other relevant authorities' administrative actions, rulings and decisions affecting the goods submitted to customs. Such procedures for appeal shall be easily accessible and any costs shall be reasonable and commensurate with the costs incurred by the authorities to ensure the right of appeal;
- (d) take steps to ensure that where a disputed administrative action, ruling or decision is the subject of an appeal, goods should normally be released and duty payments may be left pending, subject to any safeguard measures judged necessary. Where required, the release of the goods should be subject to the provision of a guarantee, such as a surety or a deposit; and
- (e) ensure that the highest standards of integrity be maintained, in particular at the border, through the application of measures reflecting the principles of the relevant international conventions and instruments in this field, in particular the WCO Revised Arusha Declaration of 2003 and the European Commission Blueprint on Customs ethics of 2007, where appropriate.

3. The Parties agree to eliminate:

- (a) any requirements for the mandatory use of customs brokers; and
- (b) any requirements for the mandatory use of pre-shipment or destination inspections.

4. With regard to transit:

- (a) for the purposes of this Agreement, the transit rules and definitions set out in the WTO provisions, in particular Article V of GATT 1994, and related provisions, including any clarifications and amendments resulting from the Doha Round negotiations on trade facilitation shall apply. Those provisions also apply when the transit of goods begins or ends in the territory of a Party;
- (b) the Parties shall pursue the progressive interconnectivity of their respective customs transit
- (c) the Parties shall ensure cooperation and coordination between all relevant authorities in their territories to facilitate traffic in transit. Parties shall also promote cooperation between the authorities and the private sector in relation to transit.

Article 68

Relations with the business community

The Parties agree:

- (a) to ensure that their respective legislation and procedures are transparent, publicly available, as far as possible through electronic means, and contain a justification for their adoption.

There should be regular consultations and a reasonable time period between the publication of new or amended provisions and their entry into force;

- (b) on the need for timely and regular consultations with trade representatives on legislative proposals and procedures related to customs and trade issues;
- (c) to make publicly available relevant notices of administrative nature, including authority's requirements and entry or exit procedures, hours of operations and operating procedures for customs offices at ports and border crossing points, and points of contact for information enquiries;
- (d) to foster cooperation between operators and relevant administrations, using non-arbitrary and publicly accessible procedures based, inter alia, on those promulgated by the WCO; and
- (e) to ensure that their respective customs and customs-related requirements and procedures continue to meet the legitimate needs of the trading community, follow best practices, and remain the least trade-restrictive possible.

Article 69

Fees and charges

1. The Parties shall prohibit administrative fees having an equivalent effect to import or export duties or charges.
2. With regard to all fees and charges of whatever character imposed by the customs authorities of each Party, including fees and charges for tasks undertaken on behalf of the said authorities, upon or in connection with import or export and without prejudice to the relevant provisions of Chapter 1 (National Treatment and Market Access for Goods) of Title IV (Trade and Trade-related Matters) of this Agreement:
 - (a) fees and charges may only be imposed for services provided at the request of the declarant outside normal working conditions, hours of operation and in places other than those and required for undertaking such import or export;
 - (b) fees and charges shall not exceed the cost of the service provided;
 - (c) fees and charges shall not be calculated on an ad valorem basis;
 - (d) the information on the fees and the charges shall be published via an officially designated medium, and where feasible and possible, an official website. This information shall include the reason for the fee or the charge for the service provided, the responsible authority, the fees and the charges that will be applied, and when and how payment is to be made; and
 - (e) new or amended fees and charges shall not be imposed until information on them is

Article 70

Customs valuation

1. The provisions of Agreement on the Implementation of Article VII of GATT 1994 contained in Annex 1A to the WTO Agreement, including any subsequent amendments, shall govern the customs valuation of goods in the trade between the Parties. Those provisions of the WTO Agreement are hereby incorporated into this Agreement and made part thereof. Minimum customs values shall not be used.
2. The Parties shall cooperate with a view to reaching a common approach to issues relating to customs valuation.

Article 71

Customs cooperation

The Parties shall strengthen cooperation in the area of customs to ensure implementation of the objectives of this Chapter in order to further trade facilitation, while ensuring effective control, security and prevention of fraud. To that end the Parties may use, where appropriate, the European Commission Customs Blueprint as a benchmarking tool.

In order to ensure compliance with the provisions of this Chapter the Parties shall, inter alia:

- (a) exchange information concerning customs legislation and procedures;
- (b) develop joint initiatives relating to import, export and transit procedures, as well as work towards ensuring that an effective service is provided to the business community;
- (c) cooperate on the automation of customs and other trade procedures;
- (d) exchange, where appropriate, information and data subject to respect of the confidentiality of sensitive data and the protection of personal data;
- (e) cooperate in preventing and combating illicit cross-border traffic in goods, including in tobacco products;
- (f) exchange information or enter into consultations with a view to establishing where possible, common positions in international organisations in the field of customs such as the WTO, the WCO, the UN, the United Nations Conference on Trade And Development (UNCTAD) and the UN-ECE;
- (g) cooperate in the planning and delivery of technical assistance, notably to facilitate customs and trade facilitation reforms in accordance with the relevant provisions of this Agreement;
- (h) exchange best practices in customs operations, in particular on risk based customs control

- (i) promote coordination between all border authorities of the Parties to facilitate border crossing process and enhance control, taking into account joint border controls, where feasible and appropriate; and
- (j) establish, where relevant and appropriate, mutual recognition of trade partnership

Article 72

Mutual administrative assistance in customs matters

Without prejudice to other forms of cooperation envisaged in this Agreement, in particular in Article 71 of this Agreement, the Parties shall provide mutual administrative assistance in customs matters in accordance with the provisions of Protocol II on Mutual Administrative Assistance in Customs Matters to this Agreement.

Article 73

Technical assistance and capacity building

The Parties shall cooperate with a view to providing technical assistance and capacity building for the implementation of trade facilitation and customs reforms.

Article 74

Customs Sub-Committee

1. The Customs Sub-Committee is hereby established. It shall report to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.
2. The function of the Sub-Committee shall include regular consultations and monitoring of the implementation and the administration of this Chapter, including but not limited to the issues of customs cooperation, cross-border customs cooperation and management, technical assistance, rules of origin, trade facilitation, as well as mutual administrative assistance in customs matters.
3. The Customs Sub-Committee shall, inter alia:
 - (a) see to the proper functioning of this Chapter and of Protocols I and II to this Agreement;
 - (b) adopt practical arrangements, measures and decisions to implement this chapter and Protocols I and II to this Agreement, including on exchange of information and data, mutual recognition of customs controls and trade partnership programmes, and mutually agreed
 - (c) exchange views on any points of common interest, including future measures and the resources needed for their implementation and application;

- (d) make recommendations where appropriate; and
- (e) adopt its internal rules of procedure.

Article 75

Approximation of customs legislation

Gradual approximation to the Union's customs law and certain international law shall be carried out as set out in Annex XIII to this Agreement.

CHAPTER 6

Establishment, trade in services and electronic commerce

Section 1

General provisions

Article 76

Objective, scope and coverage

1. The Parties, reaffirming their respective commitments under the WTO Agreement hereby lay down the necessary arrangements for the progressive reciprocal liberalisation of establishment and trade in services and for cooperation on electronic commerce.
2. Public procurement is covered in Chapter 8 (Public procurement) of Title IV (Trade and Trade-related Matters) of this Agreement and nothing in this Chapter shall be construed to impose any obligation with respect to public procurement.
3. Subsidies are covered in Chapter 10 (Competition) of Title IV (Trade and Trade-related Matters) of this Agreement and the provisions of this Chapter shall not apply to subsidies granted by the Parties.
4. Consistent with the provisions of this Chapter, each Party retains the right to regulate and to introduce new regulations to meet legitimate policy objectives.
5. This Chapter shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.
6. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment in this Chapter and Annex XIV to this Agreement ⁽³⁾.

Article 77

Definitions

For the purposes of this Chapter:

- (a) 'measure' means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action or any other form;
- (b) 'measures adopted or maintained by a Party' means measures taken by:
 - (i) central, regional or local governments and authorities; and
 - (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;
- (c) 'natural person of a Party' means a national of a Member State of the EU or a national of Georgia in accordance with the respective legislation;
- (d) 'juridical person' means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or proprietorship or association;
- (e) 'juridical person of a Party' means a juridical person as defined in point (d) and set up in accordance with the law of a Member State of the EU or of Georgia respectively, and having its registered office, central administration, or principal place of business in the territory ⁽⁴⁾ to which the Treaty on the Functioning of the European Union applies or in the territory of Georgia, respectively.

Should that juridical person have only its registered office or central administration in the territory to which the Treaty on the Functioning of the European Union applies or in the territory of Georgia respectively, it shall not be considered as a juridical person of the Union or a juridical person of Georgia respectively, unless its operations possess a real and continuous link with the economy of the Union or of Georgia, respectively;

Notwithstanding the preceding subparagraph, shipping companies established outside the Union or Georgia and controlled by nationals of a Member State of the EU or of Georgia, respectively, shall also be beneficiaries under this Agreement, if their vessels are registered in accordance with their respective legislation, in that Member State or in Georgia and fly the flag of a Member State or of Georgia;
- (f) 'subsidiary' of a juridical person of a Party means a juridical person which is owned or
- (g) 'branch' of a juridical person means a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management structure and is materially equipped to negotiate business with third parties so that the latter, although knowing that there will, if necessary, be a legal link with the parent

body, the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension;

(h) 'establishment' means:

(i) as regards juridical persons of the Union or of Georgia, the right to take up and pursue economic activities by means of setting up, including the acquisition of, a juridical person and/or create a branch or a representative office in Georgia or in the Union respectively;

(ii) as regards natural persons, the right of natural persons of the Union or of Georgia to take up and pursue economic activities as self-employed persons, and to set up

(i) 'economic activities' shall include activities of an industrial, commercial and professional character and activities of craftsmen and do not include activities performed in the exercise of governmental authority;

(j) 'operations' shall mean the pursuit of economic activities;

(k) 'services' includes any service in any sector except services supplied in the exercise of governmental authority;

(l) 'services and other activities performed in the exercise of governmental authority' are services or activities which are performed neither on a commercial basis nor in competition with one or more economic operators;

(m) 'cross-border supply of services' means the supply of a service:

(i) from the territory of a Party into the territory of the other Party (Mode 1), or

(ii) in the territory of a Party to the service consumer of the other Party (Mode 2);

(n) 'service supplier' of a Party means any natural or juridical person of a Party that seeks to

(o) 'entrepreneur' means any natural or juridical person of a Party that seeks to perform or performs an economic activity through setting up an establishment.

Section 2

Establishment

Article 78

Scope

This Section applies to measures adopted or maintained by the Parties affecting establishment in all economic activities with the exception of:

- (a) mining, manufacturing and processing ⁽⁶⁾ of nuclear materials;
- (b) production of or trade in arms, munitions and war matériel;
- (c) audio-visual services;
- (d) national maritime cabotage ⁽⁷⁾, and
- (e) domestic and international air transport services ⁽⁸⁾, whether scheduled or non-scheduled, and services directly related to the exercise of traffic rights, other than:
 - (i) aircraft repair and maintenance services during which an aircraft is withdrawn from service;
 - (ii) the selling and marketing of air transport services;
 - (iii) computer reservation system (CRS) services;
 - (iv) ground-handling services;
 - (v) airport operation services.

Article 79

National treatment and most favoured nation treatment

1. Subject to the reservations listed in Annex XIV-E to this Agreement, Georgia shall grant, upon entry into force of this Agreement:

- (a) as regards the establishment of subsidiaries, branches and representative offices of juridical persons of the Union: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better;
- (b) as regards the operation of subsidiaries, branches and representative offices of juridical persons of the Union in Georgia, once established: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better ⁽⁹⁾.

2. Subject to reservations listed in Annex XIV-A to this Agreement, the Union shall grant, upon entry into force of this Agreement:

- (a) as regards the establishment of subsidiaries, branches and representative offices of juridical persons of Georgia: treatment no less favourable than that accorded to its own juridical

(b) as regards the operation of subsidiaries, branches and representative offices of juridical persons of Georgia in the Union, once established: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better ⁽¹⁰⁾.

3. Subject to reservations listed in Annexes XIV-A and XIV-E to this Agreement, the Parties shall not adopt any new regulations or measures which introduce discrimination as regards the establishment of juridical persons of the Union or of Georgia on their territory or in respect of their operation, once established, by comparison with their own juridical persons.

Article 80

Review

1. With a view to progressively liberalising the establishment conditions, the Parties shall regularly review the provisions of this Section and the list of reservations referred to in Article 79 of this Agreement as well as the establishment environment, consistent with their commitments in international agreements.

2. In the context of the review referred to in paragraph 1, the Parties shall assess any obstacles to establishment that have been encountered. With a view to deepening the provisions of this Chapter, the Parties shall find, if need be, appropriate ways to address such obstacles, which could include further negotiations, including with respect to investment protection and to investor-to-state dispute settlement procedures.

Article 81

Other agreements

This Chapter shall not affect the rights of entrepreneurs of the Parties arising from any existing or future international agreement relating to investment, to which a Member State of the EU and Georgia are parties.

Article 82

Standard of treatment for branches and representative offices

1. The provisions of Article 79 of this Agreement do not preclude the application by a Party of particular rules concerning the establishment and operation in its territory of branches and representative offices of juridical persons of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches and representative offices as compared to branches and representative offices of juridical persons incorporated in its territory or, as regards financial services, for prudential reasons.

2. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences or, as regards financial services, for prudential reasons.

Section 3

Cross-border supply of services

Article 83

Scope

This Section applies to measures of the Parties affecting the cross border supply of all services sectors with the exception of:

- (a) audio-visual services;
- (b) national maritime cabotage ⁽¹¹⁾, and
- (c) domestic and international air transport services ⁽¹²⁾, whether scheduled or non-scheduled,
 - (i) aircraft repair and maintenance services during which an aircraft is withdrawn from service;
 - (ii) the selling and marketing of air transport services;
 - (iii) computer reservation system (CRS) services;
 - (iv) ground-handling services;
 - (v) airport operation services.

Article 84

Market access

1. With respect to market access through the cross-border supply of services, each Party shall accord services and service suppliers of the other Party a treatment not less favourable than that provided for in the specific commitments contained in Annexes XIV-B and XIV-F to this Agreement.

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annexes XIV-B and XIV-F to this Agreement are defined as:

- (a) limitations on the number of services suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;

(b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test, or

(c) limitations on the total number of service operations or on the total quantity of service output expressed in the terms of designated numerical units in the form of quotas or the requirement of an economic needs test.

Article 85

National treatment

1. In the sectors where market access commitments are inscribed in Annexes XIV-B and XIV-F to this Agreement, and subject to any conditions and qualifications set out therein, each Party shall grant to services and service suppliers of the other Party, in respect of all measures affecting the cross-border supply of services, treatment no less favourable than that it accords to its own like services and services suppliers.

2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

4. Specific commitments entered into under this Article shall not be construed to require any Party to compensate for inherent competitive disadvantages which result from the foreign character of the relevant services or services suppliers.

Article 86

Lists of commitments

The sectors liberalised by each Party pursuant to this Section and, by means of reservations, the market access and national treatment limitations applicable to services and services suppliers of the other Party in those sectors are set out in lists of commitments included in Annexes XIV-B and XIV-F to this Agreement.

Article 87

Review

With a view to the progressive liberalisation of the cross-border supply of services between the Parties, the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, shall regularly review the list of commitments referred to in Article 86 of this Agreement. This review shall take into account the process of gradual approximation, referred to in Articles 103, 113, 122 and 126 of

this Agreement, and its impact on the elimination of remaining obstacles to cross-border supply of services between the Parties.

Section 4

Temporary presence of natural persons for business purposes

Article 88

Scope and definitions

1. This Section applies to measures of the Parties concerning the entry and temporary stay in their territories of key personnel, graduate trainees, business sellers, contractual service suppliers and independent professionals in accordance with Article 76(5) of this Agreement.

2. For the purposes of this Section:

(a) 'key personnel' means natural persons employed within a juridical person of one Party other than a non-profit organisation ⁽¹³⁾ and who are responsible for the setting-up or the proper control, administration and operation of an establishment. 'Key personnel' comprise 'business visitors' for establishment purposes and 'intra-corporate transferees':

(i) 'business visitors' for establishment purposes means natural persons working in a senior position who are responsible for setting up an establishment. They do not offer or provide services or engage in any other economic activity than required for establishment purposes. They do not receive remuneration from a source located within the host Party;

(ii) 'intra-corporate transferees' means natural persons who have been employed by a juridical person or have been partners in it for at least one year and who are temporarily transferred to an establishment that may be a subsidiary, branch or head company of the enterprise / juridical person in the territory of the other Party. The natural person concerned must belong to one of the following categories:

(1) managers: persons working in a senior position within a juridical person, who primarily direct the management of the establishment, receiving general

stockholders of the business or their equivalent, including at least:

- directing the establishment or a department or sub-division thereof;
- supervising and controlling the work of other supervisory, professional or managerial employees; and
- having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions;

(2) specialists: persons working within a juridical person who possess uncommon

knowledge essential to the establishment's production, research equipment,

account will be taken not only of knowledge specific to the establishment, but also of whether the person has a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an

- (b) 'graduate trainees' means natural persons who have been employed by a juridical person of one Party or its branch for at least one year, possess a university degree and are temporarily transferred to an establishment of the juridical person in the territory of the other Party, for career development purposes or to obtain training in business techniques or methods ⁽¹⁴⁾;
- (c) 'business sellers' ⁽¹⁵⁾ means natural persons who are representatives of a services or goods supplier of one Party seeking entry and temporary stay in the territory of the other Party for the purpose of negotiating the sale of services or goods, or entering into agreements to sell services or goods for that supplier. They do not engage in making direct sales to the general public and do not receive remuneration from a source located within the host Party, nor are they commission agents;
- (d) 'contractual services suppliers' means natural persons employed by a juridical person of one Party which itself is not an agency for placement and supply services of personnel nor acting through such an agency, has no establishment in the territory of the other Party and has concluded a bona fide contract to supply services with a final consumer in the latter Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services;
- (e) 'independent professionals' means natural persons engaged in the supply of a service and established as self-employed in the territory of a Party who have no establishment in the territory of the other Party and who have concluded a bona fide contract (other than through an agency for placement and supply services of personnel) to supply services with a final consumer in the latter Party, requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services;
- (f) 'qualifications' means diplomas, certificates and other evidence (of formal qualification)

Article 89

Key personnel and graduate trainees

1. For every sector committed in accordance with Section 2 (Establishment) of this Chapter and subject to any reservations listed in Annexes XIV-A and XIV-E to this Agreement, or in Annexes XIV-C and XIV-G to this Agreement, each Party shall allow entrepreneurs of the other Party to employ in their establishment natural persons of that other Party provided that such employees are key personnel or

graduate trainees as defined in Article 88 to this Agreement. The temporary entry and temporary stay of key personnel and graduate trainees shall be for a period of no longer than three years for intra-corporate transferees, 90 days in any 12-month period for business visitors for establishment purposes, and one year for graduate trainees.

2. For every sector committed in accordance with Section 2 (Establishment) of this Chapter, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annexes XIV-C and XIV-G to this Agreement, are defined as limitations on the total number of natural persons that an entrepreneur may employ as key personnel and graduate trainees in a specific sector in the form of numerical quotas or a requirement of an economic needs test and as discriminatory limitations.

Article 90

Business sellers

For every sector committed in accordance with Section 2 (Establishment) or Section 3 (Cross-border supply of services) of this Chapter and subject to any reservations listed in Annexes XIV-A, XIV-E, and XIV-B and XIV-F to this Agreement, each Party shall allow the entry and temporary stay of business sellers for a period of no longer than 90 days in any 12-month period.

Article 91

Contractual service suppliers

1. The Parties reaffirm their respective obligations arising from their commitments under the General Agreement on Trade in Services (GATS) as regards the entry and temporary stay of contractual services suppliers. In accordance with Annexes XIV-D and XIV-H to this Agreement, each Party shall allow the supply of services into their territory by contractual services suppliers of the other Party, subject to the conditions specified in paragraph 2 of this Article.

2. The commitments undertaken by the Parties are subject to the following conditions:

- (a) the natural persons must be engaged in the supply of a service on a temporary basis as employees of a juridical person, which has obtained a service contract not exceeding 12 months;
- (b) the natural persons entering the other Party should be offering such services as employees of the juridical person supplying the services for at least the year immediately preceding the date of submission of an application for entry into the other Party. In addition, the natural persons must possess, at the date of submission of an application for entry into the other Party, at least three years professional experience ⁽¹⁶⁾ in the sector of activity which is the

subject of the contract;

- (c) the natural persons entering the other Party must possess:
 - (i) a university degree or a qualification demonstrating knowledge of an equivalent level ⁽¹⁷⁾;
and
 - (ii) professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or legal requirements of the Party where the service is supplied;
- (d) the natural person shall not receive remuneration for the provision of services in the territory of the other Party other than the remuneration paid by the juridical person employing the natural person;
- (e) the entry and temporary stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months or, in the case of Luxembourg, 25 weeks in any 12-month period or for the duration of the contract, whichever is less;
- (f) access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract and does not confer entitlement to exercise the professional title of the Party where the service is supplied;
- (g) the number of persons covered by the service contract shall not be larger than necessary to fulfil the contract, as it may be requested by the laws, regulations or other legal requirements of the Party where the service is supplied.

Article 92

Independent professionals

1. In accordance with Annexes XIV-D and XIV-H to this Agreement, the Parties shall allow the supply of services into their territory by independent professionals of the other Party, subject to the conditions specified in paragraph 2 of this Article.

2. The commitments undertaken by the Parties are subject to the following conditions:

- (a) the natural persons must be engaged in the supply of a service on a temporary basis as self-employed persons established in the other Party and must have obtained a service contract for a period not exceeding 12 months;
- (b) the natural persons entering the other Party must possess, at the date of submission of an application for entry into the other Party, at least six years professional experience in the
- (c) the natural persons entering the other Party must possess:
 - (i) a university degree or a qualification demonstrating knowledge of an equivalent level ⁽¹⁸⁾
and

- (ii) professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or other legal requirements of the Party where the service is supplied;
- (d) the entry and temporary stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months or, in the case of Luxembourg, 25 weeks in any 12-month period or for the duration of the contract, whichever is less;
- (e) access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract and does not confer entitlement to exercise the professional title of the Party where the service is provided.

Section 5

Regulatory framework

Sub-section 1

Domestic regulation

Article 93

Scope and definitions

1. The following disciplines apply to measures by the Parties relating to licencing requirements and procedures, qualification requirements and procedures that affect:

- (a) cross-border supply of services;
- (b) establishment in their territory of juridical and natural persons defined in Article 77(9) of this Agreement, and
- (c) temporary stay in their territory of categories of natural persons as defined in points (a) to (e) of Article 88(2) of this Agreement.

2. In the case of cross-border supply of services, those disciplines shall only apply to sectors for which the Party has undertaken specific commitments and to the extent that these specific commitments apply in accordance with Annexes XIV-B and XIV-F to this Agreement. In the case of establishment, those disciplines shall not apply to sectors to the extent that a reservation is listed in accordance with Annexes XIV-A and XIV-E to this Agreement. In the case of temporary stay of natural persons, these disciplines shall not apply to sectors to the extent that a reservation is listed in accordance with Annexes XIV-C, XIV-D, XIV-G and XIV-H to this Agreement.

3. Those disciplines do not apply to measures to the extent that they constitute limitations under the relevant Annexes to this Agreement.

4. For the purposes of this Section:

- (a) 'licencing requirements' means substantive requirements, other than qualification requirements, with which a natural or a juridical person is required to comply in order to obtain, amend or renew authorisation to carry out the activities as defined in points (a) to (c) of paragraph 1;
- (b) 'licencing procedures' means administrative or procedural rules that a natural or a juridical person, seeking authorisation to carry out the activities as defined in points (a) to (c) of paragraph 1, including the amendment or renewal of a licence, must adhere to in order to demonstrate compliance with licencing requirements;
- (c) 'qualification requirements' means substantive requirements relating to the competence of a natural person to supply a service, and which are required to be demonstrated for the purpose of obtaining authorisation to supply a service;
- (d) 'qualification procedures' means administrative or procedural rules that a natural person
- (e) 'competent authority' means any central, regional or local government and authority or non-governmental body in the exercise of powers delegated by central or regional or local governments or authorities, which takes a decision concerning the authorisation to supply a service, including through establishment or concerning the authorisation to establish in an economic activity other than services.

Article 94

Conditions for licencing and qualification

1. Each Party shall ensure that measures relating to licencing requirements and procedures, qualification requirements and procedures are based on criteria which preclude the competent authorities from exercising their power of assessment in an arbitrary manner.

2. The criteria referred to in paragraph 1 shall be:

- (a) proportionate to a public policy objective;
- (b) clear and unambiguous;
- (c) objective;
- (d) pre-established;
- (e) made public in advance;
- (f) transparent and accessible.

3. An authorisation or a licence shall be granted as soon as it is established, in the light of an appropriate examination, that the conditions for obtaining an authorisation or licence have been met.

4. Each Party shall maintain or institute judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected entrepreneur or service supplier, for a prompt review of, and where justified, appropriate remedies for, administrative decisions affecting establishment, cross-border supply of services or temporary presence of natural persons for business purposes. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, each Party shall ensure that the procedures in fact provide for an objective and impartial review.

5. Where the number of licences available for a given activity is limited because of the scarcity of available natural resources or technical capacity, each Party shall apply a selection procedure to potential candidates which provides full guarantees of impartiality and transparency, including, in particular, adequate publicity about the launch, conduct and completion of the procedure.

6. Subject to the provisions specified by this Article, in establishing the rules for the selection procedure, each Party may take into account public policy objectives, including considerations of health, safety, the protection of the environment and the preservation of cultural heritage.

Article 95

Licencing and qualification procedures

1. Licencing and qualification procedures and formalities shall be clear, made public in advance and be such as to provide the applicants with a guarantee that their application will be dealt with objectively and impartially.

2. Licencing and qualification procedures and formalities shall be as simple as possible and shall not unduly complicate or delay the provision of the service. Any licencing fees ⁽¹⁹⁾ which the applicants may incur from their application should be reasonable and proportionate to the cost of the authorisation procedures in question.

3. Each Party shall ensure that the procedures used by, and the decisions of, the competent authority in the licencing or authorisation process are impartial with respect to all applicants. The competent authority should reach its decision in an independent manner and not be accountable to any supplier of the services for which the licence or authorisation is required.

4. Where specific time periods for applications exist, an applicant shall be allowed a reasonable period for the submission of an application. The competent authority shall initiate the processing of an application without undue delay. Where possible, applications should be accepted in electronic format under the same conditions of authenticity as paper submissions.

5. Each Party shall ensure that the processing of an application, including reaching a final decision, is completed within a reasonable timeframe from the submission of a complete application. Each Party shall endeavour to establish the normal timeframe for processing of an application.
6. The competent authority shall, within a reasonable period of time after receipt of an application which it considers incomplete, inform the applicant, to the extent feasible identify the additional information required to complete the application, and provide the opportunity to correct deficiencies.
7. Authenticated copies should be accepted, where possible, in place of original documents.
8. If an application is rejected by the competent authority, the applicant shall be informed in writing and without undue delay. In principle, the applicant shall, upon request, also be informed of the reasons for rejection of the application and of the timeframe for an appeal against the decision.
9. Each Party shall ensure that a licence or an authorisation, once granted, enters into effect without undue delay in accordance with the terms and conditions specified therein.

Sub-section 2
Provisions of general application

Article 96

Mutual recognition

1. Nothing in this Chapter shall prevent a Party from requiring that natural persons must possess the necessary qualifications and/or professional experience specified in the territory where the service is supplied, for the sector of activity concerned.
2. Each Party shall encourage the relevant professional bodies in their respective territories to provide recommendations on mutual recognition to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, for the purpose of the fulfilment, in whole or in part, by entrepreneurs and service suppliers of the criteria applied by each Party for the authorisation, licensing, operation and certification of entrepreneurs and service suppliers and, in particular, professional services.
3. On receipt of a recommendation referred to in paragraph 2, the Association Committee in Trade configuration shall, within a reasonable time, review that recommendation with a view to determine whether it is consistent with this Agreement, and on the basis of the information contained therein, assess in particular:
 - (a) the extent to which the standards and criteria applied by each Party for the authorisation,

licenses, operation and certification of services providers and entrepreneurs are converging, and

(b) the potential economic value of a mutual recognition agreement.

4. Where these requirements are satisfied, the Association Committee in Trade configuration shall establish the necessary steps to negotiate and thereafter the Parties shall engage into negotiations, through their competent authorities, of a mutual recognition agreement.

5. Any such agreement shall be in conformity with the relevant provisions of the WTO Agreement and, in particular, Article VII of GATS.

Article 97

Transparency and disclosure of confidential information

1. Each Party shall respond promptly to all requests by the other Party for specific information on any of its measures of general application or international agreements which pertain to or affect this Agreement. Each Party shall also establish one or more enquiry points to provide specific information to entrepreneurs and services suppliers of the other Party, upon request, on all such matters. The Parties shall notify each other enquiry points within three months after the date of entry into force of this Agreement. Enquiry points need not be depositories of laws and regulations.

2. Nothing in this Agreement shall require any Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

Sub-section 3

Computer services

Article 98

Understanding on computer services

1. To the extent that trade in computer services is liberalised in accordance with Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter, the Parties shall comply with paragraphs 2, 3 and 4 of this Article.

2. CPC ⁽²⁰⁾ 84, the UN code used for describing computer and related services, covers the basic functions used to provide all computer and related services:

(a) computer programmes defined as the sets of instructions required to make computers work and communicate (including their development and implementation);

- (b) data processing and storage, and
- (c) related services, such as consultancy and training services for staff of clients.

Technological developments have led to the increased offering of those services as a bundle or package of related services that can include some or all of those basic functions. For example, services such as web- or domain-hosting, data mining services and grid computing each consist of a combination of basic computer services functions.

3. Computer and related services, regardless of whether they are delivered via a network, including the internet, include all services that provide:

- (a) consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance, or management of or for computers or computer systems;
- (b) computer programmes defined as sets of instructions required to make computers work and communicate (in and of themselves), plus consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing,
- (c) data processing, data storage, data hosting or database services; or maintenance and repair services for office machinery and equipment, including computers; or training services for staff of clients, related to computer programmes, computers or computer systems, and not elsewhere classified.

4. Computer and related services enable the provision of other services (e.g. banking) by both electronic and other means. However, there is an important distinction between the enabling service (e.g. web-hosting or application-hosting) and the content or core service that is being delivered electronically (e.g. banking). In such cases, the content or core service is not covered by CPC 84.

Sub-section 4

Postal and courier services

Article 99

Scope and definitions

1. This Sub-Section sets out the principles of the regulatory framework for all postal and courier service liberalised in accordance with Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter.

2. For the purpose of this Sub-Section and of Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter:

- (a) 'licence' means an authorisation, granted to an individual supplier by a regulatory authority, which is required before supplying a given service;
- (b) 'universal service' means the permanent provision of a postal service of specified quality at all points in the territory of a Party at affordable prices for all users.

Article 100

Universal service

Each Party has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Party.

Article 101

Licences

1. A licence may only be required for services which are within the scope of the universal service.
2. Where a licence is required, the following shall be made publicly available:
 - (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
 - (b) the terms and conditions of licences.
3. The reasons for the denial of a licence shall be made known to the applicant upon request and an appeal procedure through an independent body will be established by each Party. Such a procedure will be transparent, non-discriminatory and based on objective criteria.

Article 102

Independence of the regulatory body

The regulatory body shall be legally separate from, and not accountable to any supplier of postal and courier services. The decisions of and the procedures used by the regulatory body shall be impartial with respect to all market participants.

Article 103

Gradual approximation

With a view to considering further liberalisation of trade in services, the Parties recognise the importance of the gradual approximation of the existing and future legislation of Georgia to the list of the Union acquis included in Annex XV-C to this Agreement.

Sub-section 5

Electronic communication networks and services

Article 104

Scope and definitions

1. This Sub-Section sets out the principles of the regulatory framework for all electronic communication services liberalised pursuant to Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter.

2. For the purpose of this Sub-Section and Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter:

- (a) 'electronic communication services' means all services which consist wholly or mainly in the conveyance of signals on electronic communication networks, including telecommunication services and transmission services in networks used for broadcasting. Those services exclude services providing, or exercising editorial control over, content transmitted using electronic communication networks and services;
- (b) 'public communication network' means an electronic communication network used wholly or mainly for the provision of publicly available electronic communication services;
- (c) 'electronic communication network' means transmission systems and, where applicable, switching or routing equipment and other resources which permit the conveyance of signals by wire, by radio, by optical or by other electromagnetic means, including satellite networks, fixed (circuit- and packet-switched, including internet) and mobile terrestrial networks, signals, networks used for radio and television broadcasting, and cable television networks, irrespective of the type of information conveyed;
- (d) a 'regulatory authority' in the electronic communication sector means the body or bodies charged with the regulation of electronic communication mentioned in this Sub-Section;
- (e) a services supplier shall be deemed to have 'significant market power' if, either individually or jointly with others, it enjoys a position equivalent to dominance, that is to say a position of economic strength affording it the power to behave to an appreciable extent independently of

- (f) 'interconnection' means the physical and logical linking of public communication networks used by the same or a different supplier in order to allow the users of one services supplier to communicate with users of the same or another services supplier, or to access services provided by another services supplier. Services may be provided by the parties involved or other parties who have access to the network. Interconnection is a specific type of access implemented between public network operators;
- (g) 'universal service' means the set of services of specified quality that is made available to all users in the territory of a Party regardless of their geographical location and at an affordable price; its scope and implementation are decided by each Party;
- (h) 'access' means the making available of facilities and/or services, to another services supplier, under defined conditions, on either an exclusive or non-exclusive basis, for the purpose of providing electronic communication services. It covers, inter alia, access to network elements and associated facilities, which may involve the connection of equipment, by fixed or non-fixed means (in particular this includes access to the local loop and to facilities and services necessary to provide services over the local loop), access to physical infrastructure, including buildings, ducts, and masts; access to relevant software systems, including operational support systems; access to numbering translation or systems offering equivalent functionality; access to fixed and mobile networks, in particular for roaming; access to conditional access systems for digital televisions services; access to virtual network services;
- (i) 'end-user' means a user not providing public communication networks or publicly available
- (j) 'local loop' means the physical circuit connecting the network termination point at the subscriber's premises to the main distribution frame or equivalent facility in the fixed public communication network.

Article 105

Regulatory authority

1. Each Party shall ensure that regulatory authorities for electronic communication services shall be legally distinct and functionally independent from any supplier of electronic communication services. If a Party retains ownership or control of a supplier providing electronic communication networks or services, such Party shall ensure the effective structural separation of the regulatory function from activities associated with ownership or control.
2. Each Party shall ensure that the regulatory authority shall be sufficiently empowered to regulate the sector. The tasks to be undertaken by a regulatory authority shall be made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body.

3. Each Party shall ensure that the decisions of and the procedures used by the regulatory authorities are impartial with respect to all market participants and transparent.
4. The regulatory authority shall have the power to carry out an analysis of relevant product and service markets liable to an ex ante regulation. Where the regulatory authority is required to determine under Article 107 of this Agreement whether to impose, maintain, amend or withdraw obligations it shall determine on the basis of a market analysis whether the relevant market is effectively competitive.
5. Where the regulatory authority determines that a relevant market is not effectively competitive, it shall identify and designate services suppliers with significant market power on that market and shall impose, maintain or amend specific regulatory obligations referred to in Article 107 of this Agreement as it is appropriate. Where the regulatory authority concludes that the market is effectively competitive it shall not impose or maintain any of the regulatory obligations referred to in Article 107 of this Agreement.
6. Each Party shall ensure that a services supplier affected by the decision of a regulatory authority shall have a right to appeal against that decision to an appeal body that is independent of the parties involved in the decision. Each Party shall ensure that the merits of the case are duly taken into account. Pending the outcome of any such appeal, the decision of the regulator shall stand, unless the appeal body decides otherwise. Where the appeal body is not judicial in character, written reasons for its decision shall always be given and its decisions shall also be subject to review by an impartial and independent judicial authority. Decisions taken by appeal bodies shall be effectively enforced.
7. Each Party shall ensure that where the regulatory authorities intend to take measures related to any of the provisions of this Sub-Section and which have a significant impact to the relevant market, they give the interested parties the opportunity to comment on the draft measure within a reasonable period of time. Regulators shall publish their consultation procedures. The results of the consultation procedure shall be made publicly available except in the case of confidential information.
8. Each Party shall ensure that suppliers providing electronic communication networks and services provide all the information, including financial information, necessary for regulatory authorities to ensure conformity with the provisions of this Sub-Section or decisions made in accordance with this Sub-Section. These suppliers shall provide such information promptly on request and to the time-table and level of detail required by the regulatory authority. The information requested by the regulatory authority shall be proportionate to the performance of that task. The regulatory authority shall give the reasons justifying its request for information.

Article 106

Authorisation to provide electronic communication services

1. Each Party shall ensure that the provision of services shall, as much as possible, be authorised following mere notification.
2. Each Party shall ensure that a licence can be required to address issues of attributions of numbers and frequencies. The terms and conditions for such licences shall be made publicly available.
3. Each Party shall ensure that where a licence is required:
 - (a) all the licensing criteria and a reasonable period of time normally required to reach a decision concerning an application for a licence shall be made publicly available;
 - (b) the reasons for the denial of a licence shall be made known in writing to the applicant upon request;
 - (c) the applicant of a licence shall be able to seek recourse before an appeal body in case that a licence is unduly denied;
 - (d) licence fees ⁽²¹⁾ required by any Party for granting a licence shall not exceed the applicable licences. Licence fees for the use of radio spectrum and numbering resources are not subject to the requirements of this paragraph.

Article 107

Access and interconnection

1. Each Party shall ensure that any services suppliers authorised to provide electronic communication services have the right and obligation to negotiate access and interconnection with suppliers of publicly available electronic communication networks and services. Access and interconnection should in principle be agreed on the basis of commercial negotiation between the services suppliers concerned.
2. Each Party shall ensure that services suppliers that acquire information from another services supplier during the process of negotiating interconnection arrangements use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored.
3. Each Party shall ensure that upon the finding in accordance with Article 105 of this Agreement that a relevant market is not effectively competitive, the regulatory authority shall have the power to impose on the supplier designated as having significant market power one or more of the following obligations in relation to interconnection and/or access:
 - (a) obligation on non-discrimination to ensure that the operator applies equivalent conditions in equivalent circumstances to other suppliers providing equivalent services, and provides

provides for its own services, or those of its subsidiaries or partners;

- (b) obligation of a vertically integrated company to make transparent its wholesale prices and its internal transfer prices, where there is a requirement for non-discrimination or for prevention of unfair cross-subsidy. The regulatory authority may specify the format and accounting methodology to be used;
- (c) obligations to meet reasonable requests for access to, and use of, specific network elements and associated facilities, including unbundled access to the local loop, inter alia, in situations where the regulatory authority considers that denial of access or unreasonable terms and conditions having a similar effect would hinder the emergence of a sustainable competitive market at the retail level, or would not be in the end user's interest.

Regulatory authorities may attach conditions covering fairness, reasonableness and timeliness to the obligations included under this point;

- (d) to provide specified services on a wholesale basis for resale by third parties; to grant open access to technical interfaces, protocols or other key technologies that are indispensable for the interoperability of services or virtual network services; to provide co-location or other forms of facility sharing, including duct, building or mast sharing; to provide specified services needed to ensure interoperability of end-to-end services to users, including facilities for intelligent network services; to provide access to operational support systems or similar software systems necessary to ensure fair competition in the provision of services; to interconnect networks or network facilities.

Regulatory authorities may attach conditions covering fairness, reasonableness and

- (e) obligations relating to cost recovery and price controls, including obligations for cost orientation of prices and obligations concerning cost accounting systems, for the provision of specific types of interconnection and/or access, in situations where a market analysis indicates that a lack of effective competition means that the operator concerned might sustain prices at an excessively high level, or apply a price squeeze, to the detriment of end-users.

Regulatory authorities shall take into account the investment made by the operator and allow the operator a reasonable rate of return on adequate capital employed, taking into account the risks involved;

- (f) to publish the specific obligations imposed on services suppliers by the regulatory authority identifying the specific product/service and geographical markets. Up-to-date information, provided that it is not confidential and it does not comprise business secrets is made publicly
- (g) obligations for transparency requiring operators to make public specified information and, in particular, where an operator has obligations of non-discrimination, the regulator may require that operator to publish a reference offer, which shall be sufficiently unbundled to ensure that services suppliers are not required to pay for facilities which are not necessary for

the service requested, giving a description of the relevant offerings broken down into components according to market needs, and the associated terms and conditions including prices.

4. Each Party shall ensure that a service supplier requesting interconnection with a supplier designated as having significant market power shall have recourse, either at any time or after a reasonable period of time which has been made publicly known, to an independent domestic body, which may be a regulatory body as referred to in Article 104(2)(d) of this Agreement, to resolve disputes regarding terms and conditions for interconnection and/or access.

Article 108

Scarce resources

1. Each Party shall ensure that any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, shall be carried out in an objective, proportionate, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands shall be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

2. Each Party shall ensure the effective management of radio frequencies for electronic communication services in their territory with a view to ensure effective and efficient use of the spectrum. Where demand for specific frequencies exceeds their availability, appropriate and transparent procedures shall be followed for the assignment of these frequencies in order to optimise their use and facilitate the development of competition.

3. Each Party shall ensure that the assignment of national numbering resources and the management of the national numbering plans are entrusted to the regulatory authority.

4. Where public or local authorities retain ownership or control of suppliers operating public communications networks and/or services, effective structural separation needs to be ensured between the function responsible for granting the rights of way from activities associated with ownership or control.

Article 109

Universal service

1. Each Party has the right to define the kind of universal service obligations it wishes to maintain.

2. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, objective and non-discriminatory way. The administration of such obligations shall also be neutral with respect to competition

and be not more burdensome than necessary for the kind of universal service defined by the Party.

3. Each Party shall ensure that all suppliers should be eligible to ensure universal service and no services supplier shall be a priori excluded. The designation shall be made through an efficient, transparent, objective and non-discriminatory mechanism. Where necessary, each Party shall assess whether the provision of universal service represents an unfair burden on organisation(s) designated to provide universal service. Where justified on the basis of such calculation, and taking into account the market benefit, if any, which accrues to an organisation that offers the universal service, regulatory authorities shall determine whether a mechanism is required to compensate the services supplier(s) concerned or to share the net cost of universal service obligations.

4. Each Party shall ensure that, where directories of all subscribers are available to users, whether printed or electronic, the organisations that provide those directories apply the principle of non-discrimination to the treatment of information that has been provided to them by other organisations.

Article 110

Cross-border provision of electronic communication services

Neither Party may require a service supplier of the other Party to set up an establishment, to establish any form of presence, or to be resident, in its territory as a condition for the cross-border supply of a service.

Article 111

Confidentiality of information

Each Party shall ensure the confidentiality of electronic communications and related traffic data by means of a public communication network and publicly available electronic communication services without restricting trade in services.

Article 112

Disputes between services suppliers

1. Each Party shall ensure that in the event of a dispute arising between suppliers of electronic communication networks or services in connection with rights and obligations referred to in this Section, the regulatory authority concerned shall, at the request of either Party, issue a binding decision to resolve the dispute in the shortest possible timeframe and in any case within four months.

2. The decision of the regulatory authority shall be made available to the public, having regard to the requirements of business confidentiality. The suppliers of electronic communication networks and services concerned shall be given a full statement of the reasons on which it is based.

3. When such a dispute concerns the cross-border provision of services, the regulatory authorities concerned shall co-ordinate their efforts in order to bring about a resolution of the dispute.

Article 113

Gradual approximation

With a view to considering further liberalisation of trade in services, the Parties recognise the importance of the gradual approximation of the existing and future legislation of Georgia to the list of the Union *acquis* included in the Annex XV-B to this Agreement.

Sub-section 6

Financial services

Article 114

Scope and definitions

1. This Sub-Section sets out the principles of the regulatory framework for all financial services liberalised pursuant to Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter.

2. For the purpose of this Sub-Section and of Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter:

(a) 'financial service' means any service of a financial nature offered by a financial service supplier of a Party. Financial services comprise the following activities:

(i) insurance and insurance-related services:

(1) direct insurance (including co-insurance):

(a) life;

(b) non-life;

(2) reinsurance and retrocession;

(3) insurance inter-mediation, such as brokerage and agency; and

(4) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and

(ii) banking and other financial services (excluding insurance):

- (1) acceptance of deposits and other repayable funds from the public;
- (2) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;
- (3) financial leasing;
- (4) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;
- (5) guarantees and commitments;
- (6) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
 - (a) money market instruments (including cheques, bills, certificates of deposits);
 - (b) foreign exchange;
 - (c) derivative products including, but not limited to, futures and options;
 - (d) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
 - (e) transferable securities;
 - (f) other negotiable instruments and financial assets, including bullion;
- (7) participation in issues of all kinds of securities, including underwriting and to such issues;
- (8) money broking;
- (9) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
- (10) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;
- (11) provision and transfer of financial information, and financial data processing and
- (12) advisory, intermediation and other auxiliary financial services on all the activities listed in points (1) through (11), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

- (b) 'financial service supplier' means any natural or juridical person of a Party that seeks to provide or provides financial services. The term 'financial service supplier' does not include a public entity;
- (c) 'public entity' means:
- (i) a government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or
 - (ii) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions;
- (d) 'new financial service' means a service of a financial nature, including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a Party but which is supplied in the territory of the other Party.

Article 115

Prudential carve-out

1. Each Party may adopt or maintain measures for prudential reasons, such as:
 - (a) the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is
 - (b) ensuring the integrity and stability of a Party's financial system.
2. Those measures shall not be more burdensome than necessary to achieve their aim, and shall not discriminate against financial service suppliers of the other Party in comparison to its own like financial service suppliers.
3. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual consumers or any confidential or proprietary information in the possession of public entities.

Article 116

Effective and transparent regulation

1. Each Party shall make its best endeavours to provide in advance to all interested persons any measure of general application that the Party proposes to adopt in order to allow an opportunity for such persons to comment on the measure. Such measure shall be provided:
 - (a) by means of an official publication; or

(b) in other written or electronic form.

2. Each Party shall make available to interested persons its requirements for completing applications relating to the supply of financial services.

On the request of an applicant, the concerned Party shall inform the applicant of the status of its application. If the concerned Party requires additional information from the applicant, it shall notify the applicant without undue delay.

3. Each Party shall make its best endeavours to ensure that internationally agreed standards for regulation and supervision in the financial services sector and for the fight against tax evasion and avoidance are implemented and applied in its territory. Such internationally agreed standards are, inter alia, the Basel Committee's 'Core Principles for Effective Banking Supervision', the International Association of Insurance Supervisors' 'Insurance Core Principles', the International Organisation of Securities Commissions' 'Objectives and Principles of Securities Regulation', the 'Agreement on Exchange of Information on Tax Matters' of the Organisation for Economic Co-operation and Development (OECD), the G20 'Statement on Transparency and Exchange of Information for Tax Purposes' and the Financial Action Task Force's 'Forty Recommendations' on money laundering and 'Nine Special Recommendations' on terrorist financing.

The Parties also take note of the 'Ten Key Principles for Information Exchange' promulgated by the G7 Finance Ministers, and will take all steps necessary to try to apply them in their bilateral contacts.

Article 117

New financial services

Each Party shall permit a financial service supplier of the other Party to provide any new financial service of a type similar to those services that the Party would permit its own financial service suppliers to provide under its domestic law in like circumstances. A Party may determine the juridical form through which the service may be provided and may require authorisation for the provision of the service. Where such authorisation is required, a decision shall be made within a reasonable time and the authorisation may only be refused for prudential reasons.

Article 118

Data processing

1. Each Party shall permit a financial service supplier of the other Party to transfer information in electronic or other form, into and out of its territory, for data processing where such processing is required in the ordinary course of business of such financial service supplier.

2. Each Party shall adopt adequate safeguards for the protection of privacy and fundamental rights, and freedom of individuals, in particular with regard to the transfer of personal data.

Article 119

Specific exceptions

1. Nothing in this Chapter shall be construed to prevent a Party, including its public entities, from exclusively conducting or providing in its territory activities or services forming part of a public retirement plan or statutory system of social security, except when those activities may be carried out, as provided by the Party's domestic regulation, by financial service suppliers in competition with public entities or private institutions.

2. Nothing in this Agreement applies to activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies.

3. Nothing in this Chapter shall be construed to prevent a Party, including its public entities, from exclusively conducting or providing in its territory activities or services for the account or with the guarantee or using the financial resources of the Party, or its public entities.

Article 120

Self-regulatory organisations

When a Party requires membership or participation in, or access to, any self-regulatory body, securities or futures exchange or market, clearing agency, or any other organization or association, in order for financial service suppliers of the other Party to supply financial services on an equal basis with financial service suppliers of the Party, or when the Party provides directly or indirectly such entities, privileges or advantages in supplying financial services, the Party shall ensure observance of the obligations of Articles 79 and 85 of this Agreement.

Article 121

Clearing and payment systems

Under the terms and conditions that accord national treatment, each Party shall grant to financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities available in the normal course of ordinary business. This Article is not intended to confer access to the Party's lender of last resort facilities.

Article 122

Gradual approximation

With a view to considering further liberalisation of trade in services, the Parties recognise the importance of the gradual approximation of the existing and future legislation of Georgia to the international best practices standards listed under Article 116(3) of this Agreement as well as to the list of the Union *acquis* included in Annex XV-A to this Agreement.

Sub-section 7 Transport services

Article 123

Scope

This Sub-Section sets out the principles regarding the liberalisation of international transport services pursuant to Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter.

Article 124

International maritime transport

1. For the purpose of this Sub-Section and Section 2 (Establishment), Section 3 (Cross-border supply of services) and Section 4 (Temporary presence of natural persons for business purposes) of this Chapter:

- (a) 'international maritime transport' includes door-to-door and multi-modal transport a sea-leg, under a single transport document, and to this effect the right to directly contract
- (b) 'maritime cargo handling services' means activities exercised by stevedore companies, including terminal operators, but not including direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
 - (i) the loading/discharging of cargo to/from a ship;
 - (ii) the lashing/unlashing of cargo;
 - (iii) the reception/delivery and safekeeping of cargoes before shipment or after discharge;
- (c) 'customs clearance services' (alternatively 'customs house brokers' services') means activities consisting in carrying out on behalf of another Party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of that service provider or a usual complement of the service provider's main activity;

- (d) 'container station and depot services' means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments;
- (e) 'maritime agency services' means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
 - (i) marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
 - (ii) acting on behalf of the companies organising the call of the ship or taking over cargoes when required;
- (f) 'freight forwarding services' means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information;
- (g) 'feeder services' means the pre- and onward transportation of international cargoes by sea, notably containerised, between ports located in a Party.

2. As regards international maritime transport, each Party agrees to ensure effective application of the principle of unrestricted access to cargoes on a commercial basis, the freedom to provide international maritime services, as well as national treatment in the framework of the provision of such services.

In view of the existing levels of liberalisation between the Parties in international maritime transport:

- (a) each Party shall apply effectively the principle of unrestricted access to the international maritime markets and trades on a commercial and non-discriminatory basis;
- (b) each Party shall grant to ships flying the flag of the other Party or operated by service suppliers of the other Party treatment no less favourable than that accorded to its own ships or those of any third country, whichever are the better, with regard to, inter alia, access to ports, the use of infrastructure and services of ports, and the use of maritime auxiliary services, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

3. In applying these principles, each Party shall:

- (a) not introduce cargo-sharing arrangements in future agreements with third countries terminate, within a reasonable period of time, such cargo-sharing arrangements in case they

(b) upon the entry into force of this Agreement, abolish and abstain from introducing any unilateral measures and administrative, technical and other obstacles which could constitute a disguised restriction or have discriminatory effects on the free supply of services in international maritime transport.

4. Each Party shall permit international maritime transport service suppliers of the other Party to have an establishment in its territory under conditions of establishment and operation no less favourable than those accorded to its own service suppliers or those of any third country, whichever are the better.

5. Each Party shall make available to maritime transport service suppliers of the other Party on reasonable and non-discriminatory terms and conditions the following services at the port: pilotage, towing and tug assistance, provisioning, fuelling and watering, garbage collecting and ballast waste disposal, port captain's services, navigation aids, shore-based operational services essential to ship operations, including communications, water and electrical supplies, emergency repair facilities, anchorage, berth and berthing services.

6. Each Party shall permit the movement of equipment such as empty containers, not being carried as cargo against payment, between ports of a Member State of the EU or between ports of Georgia.

7. Each Party, subject to the authorisation of the competent authority shall permit international maritime transport service suppliers of the other Party to provide feeder services between their national ports.

Article 125

Air transport

The progressive liberalisation of air transport between the Parties adapted to their reciprocal commercial needs and the conditions of mutual market access are governed by the Common Aviation Area Agreement between the European Union and its Member States, of the one part, and Georgia, of the other part.

Article 126

Gradual approximation

With a view to considering further liberalisation of trade in services, the Parties recognise the importance of the gradual approximation of the existing and future legislation of Georgia to the list of Union acquis included in Annex XV-D to this Agreement.

Section 6

Electronic commerce

Sub-section 1
General provisions

Article 127

Objective and principles

1. The Parties, recognising that electronic commerce increases trade opportunities in many sectors, agree to promote the development of electronic commerce between them, in particular by cooperating on the issues raised by electronic commerce under the provisions of this Chapter.
2. The Parties agree that the development of electronic commerce must be compatible with the international standards of data protection in order to ensure the confidence of users of electronic commerce.
3. The Parties agree that electronic transmissions shall be considered as the provision of services, within the meaning of Section 3 (Cross-border supply of services) of this Chapter, which cannot be subject to customs duties.

Article 128

Cooperation in electronic commerce

1. The Parties shall maintain a dialogue on regulatory issues raised by electronic commerce, which will inter alia address the following issues:
 - (a) the recognition of certificates of electronic signatures issued to the public and the facilitation of cross-border certification services;
 - (b) the liability of intermediary service providers with respect to the transmission, or storage of information;
 - (c) the treatment of unsolicited electronic commercial communications;
 - (d) the protection of consumers in the ambit of electronic commerce, and
 - (e) any other issue relevant for the development of electronic commerce.
2. Such cooperation can take the form of exchange of information on the Parties' respective legislation on those issues as well as on the implementation of such legislation.

Sub-section 2
Liability of intermediary service providers

Article 129

Use of intermediaries' services

1. The Parties recognise that the services of intermediaries can be used by third parties for infringing activities and shall provide the measures for intermediary service providers as laid down in this Sub-Section ⁽²²⁾.

2. For the purposes of Article 130 of this Agreement, 'service provider' means a provider of transmission, routing, or connections for digital online communication between or among points specified by the user, of material of the user's choosing without modification of its content. For the purposes of Articles 131 and 132 of this Agreement 'service provider' means a provider or operator of facilities for online services or network access.

Article 130

Liability of intermediary service providers: 'mere conduit'

1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network, each Party shall ensure that the service provider is not liable for the information transmitted, on condition that the provider:

- (a) does not initiate the transmission;
- (b) does not select the receiver of the transmission; and
- (c) does not select or modify the information contained in the transmission.

2. The acts of transmission and of provision of access referred to in paragraph 1 include the automatic, intermediate and transient storage of the information transmitted in so far as this takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission.

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement.

Article 131

Liability of intermediary service providers: 'caching'

1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, each Party shall ensure that the service provider is not liable for the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information's onward transmission to other recipients of the service upon their request, on condition that:

- (a) the provider does not modify the information;
 - (b) the provider complies with conditions on access to the information;
 - (c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;
 - (d) the provider does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information, and
 - (e) the provider acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge ⁽²³⁾ of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement.
2. This Article shall not affect the possibility for a court or administrative authority, in accordance with the Parties' legal systems, of requiring the service provider to terminate or prevent an infringement.

Article 132

Liability of intermediary service providers: 'hosting'

1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, each Party shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:
- (a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or
 - (b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.
2. Paragraph 1 shall not apply when the recipient of the service is acting under the authority or the control of the provider.
3. This Article shall not affect the possibility for a court or administrative authority, in accordance with the Parties' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for a Party of establishing procedures governing the removal or disabling of access to information.

Article 133

No general obligation to monitor

1. The Parties shall not impose a general obligation on providers, when providing the services covered by Articles 130, 131 and 132 of this Agreement, to monitor the information which they transmit or store, nor shall they impose a general obligation to actively seek facts or circumstances indicating illegal activity.

2. A Party may establish obligations for information society service providers promptly to inform the competent public authorities of alleged illegal activities undertaken or information provided by recipients of their service or obligations to communicate to the competent authorities, at their request, information enabling the identification of recipients of their service with whom they have storage agreements.

Section 7

Exceptions

Article 134

General exceptions

1. Without prejudice to general exceptions set in Article 415 of this Agreement, the provisions of this Chapter and of Annexes XIV-A and XIV-E, XIV-B and XIV-F, XIV-C and XIV-G, XIV-D and XIV-H to this Agreement are subject to the exceptions contained in this Article.

2. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on establishment or cross-border supply of services, nothing in this Chapter shall be construed to prevent the adoption or enforcement by any Party of measures:

- (a) necessary to protect public security or public morals or to maintain public order;
- (b) necessary to protect human, animal or plant life or health;
- (c) relating to the conservation of exhaustible natural resources if such measures are applied in conjunction with restrictions on domestic entrepreneurs or on the domestic supply or consumption of services;
- (d) necessary for the protection of national treasures of artistic, historic or archaeological value;
- (e) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter, including those relating to:
 - (i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;
 - (ii) the protection of the privacy of individuals in relation to the processing and

dissemination of personal data and the protection of confidentiality of individual records and accounts;

(iii) safety;

(f) inconsistent with Articles 79 and 85 of this Agreement, provided that the difference in treatment is aimed at ensuring the effective or equitable imposition or collection of direct taxes in respect of economic activities, entrepreneurs or services suppliers of the other Party⁽²⁴⁾.

3. The provisions of this Chapter and of Annexes XIV-A and XIV-E, XIV-B and XIV-F, XIV-C and XIV-G, XIV-D and XIV-H to this Agreement shall not apply to the Parties' respective social security systems or to activities in the territory of each Party, which are connected, even occasionally, with the exercise of official authority.

Article 135

Taxation measures

The most-favoured-nation treatment granted in accordance with the provisions of this Chapter shall not apply to the tax treatment that Parties are providing or will provide in future on the basis of agreements between the Parties designed to avoid double taxation.

Article 136

Security exceptions

1. Nothing in this Agreement shall be construed:

- (a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;
- (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests:
 - (i) connected with the production of or trade in arms, munitions or war matériel;
 - (ii) relating to economic activities carried out directly or indirectly for the purpose of provisioning a military establishment;
 - (iii) relating to fissionable and fusionable materials or the materials from which they are
 - (iv) taken in time of war or other emergency in international relations; or
- (c) to prevent any Party from taking any action in pursuance of obligations it has accepted for the purpose of maintaining international peace and security.

CHAPTER 7

Current payments and movement of capital

Article 137

Current payments

The Parties undertake to impose no restrictions and shall allow, in freely convertible currency, in accordance with the provisions of Article VIII of the Agreement of the International Monetary Fund, any payments and transfers on the current account of balance of payments between the Parties.

Article 138

Capital movements

1. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of this Agreement, the Parties shall ensure the free movement of capital relating to direct investments, including the acquisition of real estate, made in accordance with the laws of the host country, investments made in accordance with the provisions of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV (Trade and Trade-related Matters) of this Agreement and the liquidation or repatriation of invested capital and of any profit stemming therefrom.

2. With regard to transactions on the capital and financial account of balance of payments other than the transactions listed in paragraph 1 of this Article, from the entry into force of this Agreement, each Party shall ensure without prejudice to other provisions of this Agreement:

- (a) the free movement of capital relating to credits for commercial transactions or for the provision of services in which a resident of one of the Parties is participating;
- (b) the free movement of capital relating to portfolio investments, financial loans and credits by the investors of the other Party.

Article 139

Safeguard measures

Where, in exceptional circumstances, payments or movements of capital cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy, including serious balance of payments difficulties, in one or more Member States or in Georgia, the Parties concerned may take safeguard measures for a period not exceeding six months if such measures are strictly necessary. The Party adopting the safeguard measure shall inform the other Party forthwith of the adoption of any safeguard measure and, as soon as possible, of a time schedule for its removal.

Article 140

Facilitation and evolution provisions

1. The Parties shall consult with a view to facilitating the movement of capital between the Parties in order to promote the objectives of this Agreement.
2. During the first four years following the date of entry into force of this Agreement, the Parties shall take measures permitting the creation of the necessary conditions for further gradual application of the Union rules on the free movement of capital.
3. By the end of the fifth year following the date of entry into force of this Agreement, the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, shall review the measures taken and determine the modalities for further liberalisation.

CHAPTER 8

Public procurement

Article 141

Objectives

1. The Parties recognise the contribution of transparent, non-discriminatory, competitive and open tendering to sustainable economic development and set as their objective the effective, reciprocal and gradual opening of their respective procurement markets.
2. This Chapter envisages mutual access to public procurement markets on the basis of the principle of national treatment at national, regional and local level for public contracts and concessions in the traditional sector as well as in the utilities sector. It provides for a gradual approximation of the public procurement legislation in Georgia with the Union public procurement acquis based on the principles governing public procurement in the Union and the terms and definitions set out in Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (Directive 2004/18/EC) and Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (Directive 2004/17/EC).

Article 142

Scope

1. This Chapter applies to works, supplies and services public contracts, as well as works, supplies and services contracts in the utilities sectors and, if and where such contracts are used, to works and services concessions.
2. This Chapter applies to any contracting authority and any contracting entity which meets the definitions of the Union public procurement acquis (hereinafter referred to as ‘the contracting entities’). It covers also bodies governed by public law and public undertakings in the field of utilities such as state-owned enterprises carrying out the relevant activities and private undertakings operating on the basis of special and exclusive rights in the field of utilities ⁽²⁵⁾.
3. This Chapter applies to contracts above the value thresholds set out in Annex XVI-A to this Agreement.
4. The calculation of the estimated value of a public contract shall be based on the total amount payable, net of taxes on value added. When applying these thresholds, Georgia shall calculate and convert contract values into its national currency, using the conversion rate of its national bank.
5. Value thresholds shall be revised regularly every two years, beginning in the year of entry into force of this Agreement, based on the average daily value of the euro, expressed in Special Drawing Rights, over the 24 months terminating on the last day of August preceding the revision with effect from January 1. The value of the thresholds thus revised shall, where necessary, be rounded down to nearest thousand euro. The revision of the thresholds shall be adopted by the decision of the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.

Article 143

Institutional background

1. Each Party shall establish or maintain an appropriate institutional framework and mechanisms necessary for the proper functioning of the public procurement system and the implementation of the principles in this Chapter.
2. Georgia shall designate in particular:
 - (a) an executive body at central government level tasked with guaranteeing a coherent policy and its implementation in all areas related to public procurement. That body shall facilitate and coordinate the implementation of this Chapter and guide the process of gradual approximation to the Union acquis, as set out in Annex XVI-B to this Agreement;
 - (b) an impartial and independent body tasked with the review of decisions taken by contracting authorities or entities during the award of contracts. In this context, ‘independent’ means that that body shall be a public authority which is separate from all contracting entities and economic operators. There shall be a possibility to subject the decisions taken by this body to judicial review.

3. Each Party shall ensure that decisions taken by the authorities responsible for the review of complaints by economic operators concerning infringements of domestic law shall be effectively enforced.

Article 144

1. No later than three years from the entry into force of this Agreement, the Parties shall comply with a set of basic standards for the award of all contracts as stipulated in paragraphs 2 to 15 of this Article. These basic standards derive directly from the rules and principles of public procurement, as regulated in the Union public procurement acquis, including the principles of non-discrimination, equal treatment, transparency and proportionality.

2. Each Party shall ensure that all intended procurements are published in an appropriate media ⁽²⁶⁾ in a manner that is sufficient:

(a) to enable the market to be opened up to competition; and

(b) to allow any interested economic operator to have appropriate access to information regarding the intended procurement prior to the award of the contract and to express its interest in obtaining the contract.

3. The publication shall be appropriate to the economic interest of the contract to economic operators.

4. The publication shall contain at least the essential details of the contract to be awarded, the criteria for qualitative selection, the award method, the contract award criteria and any other additional information that the economic operators reasonably need to decide whether to express their interest in obtaining the contract.

5. All contracts shall be awarded through transparent and impartial award procedures that prevent corruptive practices. This impartiality shall be ensured in particular through the non-discriminatory description of the subject matter of the contract, equal access for all economic operators, appropriate time-limits and a transparent and objective approach.

6. When describing the characteristics of the required work, supply or service, the contracting entities shall use general descriptions of performance and functions and international, European or national standards.

7. The description of the characteristics required of a work, supply or service shall not refer to a specific make or source, or a particular process, or to trademarks, patents, types or a specific origin or production unless such a reference is justified by the subject matter of the contract and accompanied by the words 'or equivalent'. Preference shall be given to the use of general descriptions of performance or functions.

8. Contracting entities shall not impose conditions resulting in direct or indirect discrimination against the economic operators of the other Party, such as the requirement that economic operators interested in the contract must be established in the same country, region or territory as the contracting entity.

Notwithstanding the above, in cases where it is justified by the specific circumstances of the contract, the successful applicant may be required to establish certain business infrastructure at the place of performance.

9. The time-limits for expression of interest and for submission of offers shall be sufficiently long to allow economic operators from the other Party to make a meaningful assessment of the tender and prepare their offer.

10. All participants must be able to know the applicable rules, selection criteria and award criteria in advance. Those rules must apply equally to all participants.

11. Contracting entities may invite a limited number of applicants to submit an offer, provided that:

(a) this is done in a transparent and non-discriminatory manner; and

(b) the selection is based only on objective factors such as the experience of the applicants in the sector concerned, the size and infrastructure of their businesses or their technical and professional abilities.

In inviting a limited number of applicants to submit an offer, account shall be taken of the need to ensure adequate competition.

12. Contracting entities may use negotiated procedures only in exceptional and defined cases when the use of such a procedure effectively does not distort competition.

13. Contracting entities may use qualification systems only under the condition that the list of qualified operators is compiled by means of a sufficiently advertised, transparent and open procedure. Contracts falling within the scope of such a system shall be awarded also on a non-discriminatory basis.

14. Each Party shall ensure that contracts are awarded in a transparent manner to the applicant who has submitted the economically most advantageous offer or the offer with the lowest price, based on the tender criteria and the procedural rules established and communicated in advance. The final decisions shall be communicated to all applicants without undue delay. Upon request of an unsuccessful applicant, reasons must be provided in sufficient detail to allow the review of such a decision.

15. Each Party shall ensure that any person having or having had an interest in obtaining a particular contract and who has been, or risks, being harmed by an alleged infringement is entitled to effective, impartial judicial protection against any decision of the contracting entity related to the award of that contract. The decisions taken in the course and at the end of such review procedure shall be

made public in a manner that is sufficient to inform all interested economic operators.

Article 145

Planning of gradual approximation

1. Prior to the commencement of gradual approximation, Georgia shall submit to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, a comprehensive roadmap for the implementation of this Chapter with time schedules and milestones which shall include all reforms in terms of approximation to the Union acquis and institutional capacity building. This roadmap shall comply with the phases and time schedules set out in Annex XVI-B to this Agreement.
2. Following a favourable opinion by the Association Committee in Trade configuration, the roadmap shall be considered as the reference document for the implementation of this Chapter. The Union shall make its best efforts in assisting Georgia in the implementation of the roadmap.

Article 146

Gradual approximation

1. Georgia shall ensure that its legislation on public procurement will be gradually approximated to the Union's public procurement acquis.
2. Approximation to the Union acquis shall be carried out in consecutive phases as set out in the schedule in Annex XVI-B to this Agreement and further specified in Annexes XVI-C to XVI-F, XVI-H, XVI-I, and XVI-K thereto. Annexes XVI-G and XVI-J to this Agreement identify non-mandatory elements that need not be approximated, whereas Annexes XVI-L to XVI-O to this Agreement identify elements of the Union acquis that remain outside the scope of approximation. In this process, due account shall be taken of the corresponding case law of the Court of Justice of the European Union and the implementing measures adopted by the European Commission as well as, should it become necessary, of any modifications of the Union acquis occurring in the meantime. The implementation of each phase shall be evaluated by the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, and, following a positive assessment by that Committee, be linked to the reciprocal granting of market access as set out in Annex XVI-B to this Agreement. The European Commission shall notify Georgia without undue delay of any modifications of the Union acquis. It shall, upon request, provide appropriate advice and technical assistance for the purpose of implementing such modifications.
3. The Association Committee in Trade configuration shall only proceed to the evaluation of a next phase once the measures to implement the previous phase have

been carried out and approved in accordance with the modalities set out in paragraph 2.

4. Each Party shall ensure that those aspects and areas of public procurement which are not covered by this Article comply with the principles of transparency, non-discrimination and equal treatment as set out under Article 144 of this Agreement.

Article 147

Market access

1. The Parties agree that the effective and reciprocal opening of their respective markets shall be attained gradually and simultaneously. During the process of approximation, the extent of the market access mutually granted shall be linked to the progress made in this process as stipulated in Annex XVI-B to this Agreement.

2. The decision to proceed to a further phase of market opening shall be made on the basis of an assessment of the compliance of the legislation adopted with the Union *acquis* as well as its practical implementation. Such assessment shall be carried out regularly by the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.

3. In so far as a Party has, in accordance with Annex XVI-B to this Agreement, opened its procurement market to the other Party:

(a) the Union shall grant access to contract award procedures to Georgian companies, whether established or not in the Union, pursuant to the Union public procurement rules under treatment no less favourable than that accorded to Union companies;

(b) Georgia shall grant access to contract award procedures for Union companies, whether established or not in Georgia, pursuant to national procurement rules under treatment no less favourable than that accorded to Georgian companies.

4. After the implementation of the last phase in the process of approximation, the Parties will examine the possibility to mutually grant market access with regard to procurement below the value thresholds set out in Annex XVI-A to this Agreement.

5. Finland reserves its position with regard to the Åland Islands.

Article 148

Information

1. Each Party shall ensure that contracting entities and economic operators are appropriately informed about public procurement procedures, including through the publication of all relevant legislation and administrative rulings.

2. Each Party shall ensure the effective dissemination of information on tendering opportunities.

Article 149

Cooperation

1. The Parties shall enhance their cooperation through exchanges of experience and information relating to their best practices and regulatory frameworks.
2. The Union shall facilitate the implementation of this Chapter, including through technical assistance where appropriate. In line with the provisions on financial cooperation in Title VII (Financial Assistance, and Anti-fraud and Control Provisions) of this Agreement, specific decisions on financial assistance shall be taken through the relevant Union funding mechanisms and instruments.
3. An indicative list of issues for cooperation is included in Annex XVI-P to this Agreement.

CHAPTER 9

Intellectual property rights

Section 1

General provisions

Article 150

Objectives

The objectives of this Chapter are to:

- (a) facilitate the production and commercialisation of innovative and creative products between the Parties; and
- (b) achieve an adequate and effective level of protection and enforcement of intellectual property rights.

Article 151

Nature and scope of obligations

1. The Parties shall ensure the adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties including the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). The provisions of this Chapter shall complement and further specify the rights and obligations between the Parties under the TRIPS Agreement and other international treaties in the field of intellectual property.

2. For the purposes of this Agreement, the expression ‘intellectual property’ refers at least to all categories of intellectual property that are covered by Articles 153 to 189 of this Agreement.

3. Protection of intellectual property includes protection against unfair competition as referred to in Article 10bis of the Paris Convention for the Protection of Industrial Property of 1967 (Paris Convention).

Article 152

Exhaustion

Each Party shall provide for a regime of domestic or regional exhaustion of intellectual property rights.

Section 2

Standards concerning intellectual property rights

Sub-section 1

Copyright and related rights

Article 153

Protection granted

The Parties reaffirm their commitment to:

- (a) the rights and obligations set out in the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention);
- (b) the International Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations of 1961;
- (c) the TRIPS Agreement;
- (d) the WIPO Copyright Treaty;
- (e) the WIPO Performances and Phonograms Treaty.

Article 154

Authors

Each Party shall provide for authors the exclusive right to authorise or prohibit:

- (a) the direct or indirect, temporary or permanent reproduction by any means and in any form, in

- (b) any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof;
- (c) any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.

Article 155

Performers

Each Party shall provide for performers the exclusive right to:

- (a) authorise or prohibit the fixation ⁽²⁷⁾ of their performances;
- (b) authorise or prohibit the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of fixations of their performances;
- (c) make available to the public, by sale or otherwise, fixations of their performances;
- (d) authorise or prohibit the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, of fixations of their performances;
- (e) authorise or prohibit the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation.

Article 156

Producers of phonograms

Each Party shall provide for phonogram producers the exclusive right to:

- (a) authorise or prohibit the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of their phonograms;
- (b) make available to the public, by sale or otherwise, their phonograms, including copies
- (c) authorise or prohibit the making available of their phonograms to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

Article 157

Broadcasting organisations

Each Party shall provide for broadcasting organisations the exclusive right to authorise or prohibit:

- (a) the fixation of their broadcasts;
- (b) the reproduction of fixations of their broadcasts;
- (c) the making available to the public, by wire or wireless means, of fixations of their broadcasts;
and
- (d) the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

Article 158

Broadcasting and communication to the public

1. Each Party shall provide a right in order to ensure that a single equitable remuneration is paid by the user, if a phonogram published for commercial purposes, or a reproduction of such phonogram, is used for broadcasting by wireless means or for any communication to the public, and to ensure that this remuneration is shared between the relevant performers and phonogram producers.
2. Each Party may, in the absence of agreement between the performers and phonogram producers, lay down the conditions as to the sharing of this remuneration between them.

Article 159

Term of protection

1. The rights of an author of a literary or artistic work within the meaning of Article 2 of the Berne Convention shall run for the life of the author and for 70 years after his/her death, irrespective of the date when the work is lawfully made available to the public.
2. The term of protection of a musical composition with words shall expire 70 years after the death of the last of the following persons to survive, whether or not those persons are designated as co-authors: the author of the lyrics and the composer of the musical composition, provided that both contributions were specifically created for the respective musical composition with words.
3. The rights of performers shall expire no less than 50 years after the date of the performance. However:
 - (a) if a fixation of the performance otherwise than in a phonogram is lawfully published or lawfully communicated to the public within this period, the rights shall expire 50 years from the date of the first such publication or the first such communication to the public, whichever

is the earlier,

- (b) if a fixation of the performance in a phonogram is lawfully published or lawfully communicated to the public within this period, the rights shall expire 70 years from the date of the first such publication or the first such communication to the public, whichever is the earlier.

4. The rights of producers of phonograms shall expire no less than 50 years after the fixation is made. However:

- (a) if a phonogram has been lawfully published within this period, the said rights shall expire no less than 70 years from the date of the first lawful publication. If no lawful publication has taken place within the period mentioned in the first sentence, and if the phonogram has been lawfully communicated to the public within this period, the said rights shall expire not less than 70 years from the date of the first lawful communication to the public;
- (b) if 50 years after a phonogram is lawfully published or communicated to the public, the phonogram producer does not offer copies of the phonogram for sale in sufficient quantity, or does not make it available to the public, the performer may terminate the contract by which he/she has transferred or assigned his/her rights in the fixation of his/her

5. The rights of broadcasting organisations shall expire no less than 50 years after the first transmission of a broadcast, whether this broadcast is transmitted by wire or wireless means, including by cable or satellite.

6. The terms laid down in this Article shall be calculated from the first of January of the year following the event which gives rise to them.

Article 160

Protection of technological measures

1. Each Party shall provide adequate legal protection against the circumvention of any effective technological measures, which the person concerned carries out in the knowledge, or with reasonable grounds to know, that he or she is pursuing that objective.

2. Each Party shall provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes of devices, products or components, or the provision of services which:

- (a) are promoted, advertised or marketed for the purpose of circumvention of any effective
- (b) have only a limited commercially significant purpose or use other than to circumvent any effective technological measures, or

(c) are primarily designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of any effective technological measures.

3. For the purposes of this Agreement, the expression ‘technological measures’ means any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other protected subject matter, which are not authorised by the right holder of any copyright or related right as provided for by domestic law. Technological measures shall be deemed ‘effective’ where the use of a work or other protected subject matter is controlled by the right holders through application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject matter or a copy control mechanism, which achieves the protection objective.

Article 161

Protection of rights management information

1. Each Party shall provide adequate legal protection against any person performing without authority any of the following acts:

- (a) the removal or alteration of any electronic rights-management information, or
- (b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject matter protected under this Agreement from which electronic rights-management information has been removed or altered without authority,

if such person knows, or has reasonable grounds to know, that by so doing he/she is inducing, enabling, facilitating or concealing an infringement of any copyright or any related rights as provided by domestic law.

2. For the purposes of this Chapter, the expression ‘rights-management information’ means any information provided by a right holder that identifies the work or other subject matter that is the object of protection under this Chapter, the author or any other right holder, or information about the terms and conditions of use of the work or other subject matter, and any numbers or codes that represent such information. Paragraph 1 shall apply when any of these items of information is associated with a copy of, or appears in connection with the communication to the public of, a work or other subject matter that is the object of protection under this Chapter.

Article 162

Exceptions and limitations

1. In accordance with the conventions and international treaties to which they are Parties, each Party may provide for limitations or exceptions to the rights set out in

Articles 154 to 159 of this Agreement only in certain special cases which do not conflict with a normal exploitation of the protected subject matter and which do not unreasonably prejudice the legitimate interests of the right holders.

2. Each Party shall provide that temporary acts of reproduction referred to in Articles 155 to 158 of this Agreement, which are transient or incidental, which are an integral and essential part of a technological process and the sole purpose of which is to enable:

- (a) a transmission in a network between third parties by an intermediary, or
- (b) a lawful use of a work or other protected subject matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Articles 155 to 158 of this Agreement.

Article 163

Artists' resale right in works of art

1. Each Party shall provide, for the benefit of the author of an original work of art, a resale right, to be defined as an inalienable right, which cannot be waived, even in advance, to receive a royalty based on the sale price obtained for any resale of the work, subsequent to the first transfer of the work by the author.
2. The right referred to in paragraph 1 shall apply to all acts of resale involving as sellers, buyers or intermediaries art market professionals, such as salesrooms, art galleries and, in general, any dealers in works of art.
3. Each Party may provide that the right referred to in paragraph 1 shall not apply to acts of resale where the seller has acquired the work directly from the author less than three years before that resale and where the resale price does not exceed a certain minimum amount.
4. The royalty shall be payable by the seller. Each Party may provide that one of the natural or legal persons referred to in paragraph 2 other than the seller shall alone be liable or shall share liability with the seller for payment of the royalty.
5. The protection provided may be claimed to the extent permitted by the Party where this protection is claimed. The procedure for collection and the amounts shall be matters for determination by domestic law.

Article 164

Cooperation on collective management of rights

The Parties shall endeavour to promote dialogue and cooperation between their respective collective management societies for the purpose of promoting the availability of works and other protected subject matter and the transfer of royalties for the use of such works or other protected subject matter.

Sub-section 2 Trademarks

Article 165

International agreements

The Parties reaffirm their commitment to:

- (a) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, and
- (b) the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

Article 166

Registration procedure

1. Each Party shall provide for a system for the registration of trademarks in which each final negative decision taken by the relevant trademark administration shall be communicated to the applicant in writing and shall be duly reasoned.
2. Each Party shall provide for the possibility to oppose applications to register trademarks. Such opposition proceedings shall be adversarial.
3. The Parties shall provide a publicly available electronic database of applications and registrations of trademarks.

Article 167

Well-known trademarks

Each Party shall give effect to Article 6bis of the Paris Convention and Article 16(2) and (3) of the TRIPS Agreement concerning the protection of well-known trademarks, and may take into consideration the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organisation (WIPO) at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO (September 1999).

Article 168

Exceptions to the rights conferred by a trademark

Each Party shall provide for limited exceptions to the rights conferred by a trademark, such as the fair use of descriptive terms, the protection of geographical indications as provided for in Article 176, or other limited exceptions that take

account of the legitimate interests of the owner of the trademark and of third parties.

Sub-section 3

Geographical indications

Article 169

Scope

1. This Sub-Section applies to the recognition and protection of geographical indications which are originating in the territories of the Parties.
2. In order for a geographical indication of a Party to be protected by the other Party, it shall cover products within the scope of the legislation of that Party referred to in Article 170 of this Agreement.

Article 170

Established geographical indications

1. Having examined the Law of Georgia on appellations of origin and Geographical Indications of Goods, adopted on 22 August 1999, the Union concludes that that law meets the elements laid down in Annex XVII-A to this Agreement.
2. Having examined Council Regulation (EEC) No 1601/91 of 10 June 1991 laying down general rules on the definition, description and presentation of aromatised wines, aromatized wine-based drinks and aromatized wine-product cocktails, Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, with its implementing rules, for the registration, control and protection of geographical indications of agricultural products and foodstuffs in the European Union, Section I of Chapter I of Title II of Part II of Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) and Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks, Georgia concludes that those laws, rules and procedures meet the elements laid down in Annex XVII-A to this Agreement.
3. Georgia, after having completed an objection procedure in accordance with the criteria set in Annex XVII-B to this Agreement, having examined a summary of the specifications of the agricultural products and foodstuffs corresponding to the geographical indications of the Union listed in Annex XVII-C to this Agreement and the geographical indications for wines, aromatised wines and spirit drinks

listed in Annex XVII-D to this Agreement, which have been registered by the Union under the legislation referred to in paragraph 2 of this Article, shall protect those geographical indications according to the level of protection laid down in this Sub-section.

4. The Union, after having completed an objection procedure in accordance with the criteria set out in Annex XVII-B to this Agreement, having examined a summary of the specifications of the agricultural products and foodstuffs corresponding to the geographical indications of Georgia listed in Annex XVII-C to this Agreement and the geographical indications for wines, aromatised wines and spirit drinks listed in Annex XVII-D to this Agreement, which are registered by Georgia under the legislation referred to in paragraph 1, shall protect those geographical indications according to the level of protection laid down in this Sub-Section.

5. The decisions of the Joint Committee set up by Article 11 of the Agreement between the European Union and Georgia on protection of geographical indications of agricultural products and foodstuffs concerning the amendment of Annexes III and IV to that Agreement, which are taken before the entry into force of this Agreement, shall be deemed to be decisions of the Geographical Indications Sub-Committee, and the geographical indications added to Annexes III and IV to that Agreement shall be deemed to be part of Annexes XVII-C and XVII-D of this Agreement. Accordingly, the Parties shall protect those geographical indications as established geographical indications under this Agreement.

Article 171

Addition of new geographical indications

1. The Parties agree on the possibility to add new geographical indications to be protected in Annexes XVII-C and XVII-D to this Agreement in accordance with the procedure set out in Article 179(3) of this Agreement after having completed the objection procedure and after having examined a summary of the specifications as referred to in Article 170(3) and (4) of this Agreement to the satisfaction of both Parties.

2. A Party shall not be required to protect as a geographical indication a name that conflicts with the name of a plant variety or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product.

Article 172

Scope of protection of geographical indications

1. The geographical indications listed in Annexes XVII-C and XVII-D to this Agreement, as well as those added pursuant to Article 171 of this Agreement, shall be protected against:

- (a) any direct or indirect commercial use of a protected name:
 - (i) for comparable products not compliant with the product specification of the protected name, or
 - (ii) in so far as such use exploits the reputation of a geographical indication;
- (b) any misuse, imitation or evocation ⁽²⁸⁾, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation', 'flavour', 'like' or similar;
- (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- (d) any other practice liable to mislead the consumer as to the true origin of the product.

2. If geographical indications are wholly or partially homonymous, protection shall be granted to each indication provided that it has been used in good faith and with due regard for local and traditional usage and the actual risk of confusion. Without prejudice to Article 23 of the TRIPS Agreement, the Parties shall mutually decide the practical conditions of use under which the homonymous geographical indications will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled. A homonymous name which misleads the consumer into believing that products come from another territory shall not be registered even if the name is accurate as far as the actual territory, region or place of origin of the product in question is concerned.

3. Where a Party, in the context of negotiations with a third country, proposes to protect a geographical indication of that third country, and the name is homonymous with a geographical indication of the other Party, the latter shall be informed and be given the opportunity to comment before the name becomes protected.

4. Nothing in this Sub-Section shall oblige a Party to protect a geographical indication of the other Party which is not or ceases to be protected in its country of origin. The Parties shall notify each other if a geographical indication ceases to be protected in its country of origin.

Article 173

Protection of transcription of geographical indications

1. Geographical indications protected under this Sub-Section in the characters of the Georgian alphabet and other non-Latin alphabets officially used in the Member

States shall be protected together with their transcription in Latin characters. This transcription may also be used for labelling purposes for the products concerned.

2. Similarly, geographical indications protected under this Sub-Section in a Latin alphabet shall be protected together with their transcription in the characters of the Georgian alphabet and in the characters of other non-Latin alphabets officially used in the Member States. This transcription may also be used for labelling purposes for the products concerned.

Article 174

Right of use of geographical indications

1. A name protected under this Sub-Section may be used by any operator marketing agricultural products, foodstuffs, wines, aromatised wines or spirit drinks conforming to the corresponding specification.

2. Once a geographical indication is protected under this Sub-Section, the use of such protected name shall not be subject to any registration of users or further charges.

Article 175

Enforcement of protection

The Parties shall enforce the protection provided for in Articles 170 to 174 of this Agreement by appropriate administrative action by their public authorities. They shall also enforce such protection at the request of an interested party.

Article 176

Relationship with trademarks

1. The Parties shall refuse to register or shall invalidate, ex officio or at the request of any interested party in conformity with the legislation of each Party, a trademark that corresponds to any of the situations referred to in Article 172(1) of this Agreement in relation to a protected geographical indication for like products, provided an application to register the trademark is submitted after the date of application for protection of the geographical indication in the territory concerned.

2. For geographical indications referred to in Article 170 of this Agreement, the date of application for protection shall be 1 April 2012.

3. For geographical indications referred to in Article 171 of this Agreement, the date of application for protection shall be the date of the transmission of a request to the other Party to protect a geographical indication.

4. The Parties shall have no obligation to protect a geographical indication where, in the light of a reputed or well-known trademark, protection is liable to mislead consumers as to the true identity of the product.

5. Without prejudice to paragraph 4, the Parties shall protect geographical indications also where a prior trademark exists. A prior trademark shall mean a trademark the use of which corresponds to one of the situations referred to in Article 172(1) of this Agreement, which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in the territory of one of the Parties before the date on which the application for protection of the geographical indication is submitted by the other Party under this Sub-Section. Such trademark may continue to be used and renewed notwithstanding the protection of the geographical indication, provided that no grounds for the trademark's invalidity or revocation exist in the legislation on trademarks of the Parties.

Article 177

General rules

1. This Sub-Section shall apply without prejudice to the rights and obligations of the Parties under the WTO Agreement.
2. The import, export and marketing of any product referred to in Articles 170 and 171 of this Agreement shall be conducted in compliance with the laws and regulations applying in the territory of the importing Party.
3. Any matter arising from technical specifications of registered names shall be dealt with in the Sub-Committee established in Article 179 of this Agreement.
4. Geographical indications protected under this Sub-Section may only be cancelled by the Party in which the product originates.
5. A product specification referred to in this Sub-Section shall be that approved, including any amendments also approved, by the authorities of the Party in the territory of which the product originates.

Article 178

Cooperation and transparency

1. The Parties shall, either directly or through the Geographical Indications Sub-Committee established pursuant to Article 179 of this Agreement, maintain contact on all matters relating to the implementation and the functioning of this Sub-Section. In particular, a Party may request from the other Party information relating to product specifications and their modification, and contact points for control provisions.
2. Each Party may make publicly available the specifications or a summary thereof and contact points for control provisions corresponding to geographical indications of the other Party protected pursuant to this Article.

Article 179

Geographical Indications Sub-Committee

1. The Geographical Indications Sub-Committee is hereby established. It shall consist of representatives of the Union and of Georgia with the purpose of monitoring the development of this Sub-Section and of intensifying their cooperation and dialogue on geographical indications. It shall report to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.

2. The Geographical Indications Sub-Committee adopts its decisions by consensus. It shall determine its own rules of procedure. It shall meet at the request of either of the Parties, alternatively in the EU and in Georgia, at a time and a place and in a manner (which may include by videoconference) mutually determined by the Parties, but no later than 90 days after the request.

3. The Geographical Indications Sub-Committee shall also see to the proper functioning of this Sub-Section and may consider any matter related to its implementation and operation. In particular, it shall be responsible for:

- (a) amending Article 170(1) and (2) of this Agreement, as regards the references to the law applicable in the Parties;
- (b) modifying Annexes XVII–C and XVII–D to this Agreement as regards geographical indications;
- (c) exchanging information on legislative and policy developments on geographical indications and any other matter of mutual interest in the area of geographical indications;
- (d) exchanging information on geographical indications for the purpose of considering their protection in accordance with this Sub-Section.

Sub-section 4

Designs

Article 180

International agreements

The Parties reaffirm their commitment to the Geneva Act to the Hague Agreement Concerning the International Registration of Industrial Designs of 1999.

Article 181

Protection of registered designs

1. Each Party shall provide for the protection of independently created designs that are new and are original ⁽²⁹⁾. This protection shall be provided by registration, which shall confer an exclusive right upon the holder of a registered design in accordance with the provisions of this Article.

2. A design applied to or incorporated in a product which constitutes a component part of a complex product shall only be considered to be new and original:

(a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter, and

(b) to the extent that those visible features of the component part fulfil in themselves the requirements as to novelty and originality.

3. The expression 'normal use' in point (a) of paragraph 2 shall mean use by the end user, excluding maintenance, servicing or repair work.

4. The holder of a registered design shall have the right to prevent third parties not having the owner's consent from, at a minimum, making, offering for sale, selling, importing, exporting, stocking or using a product bearing or embodying the protected design when such acts are undertaken for commercial purposes, unduly prejudice the normal exploitation of the design, or are not compatible with fair trade practices.

5. The duration of protection available shall amount to 25 years, from the date of filing of the application for registration or from a date established in accordance with the Hague Agreement Concerning the International Deposit of Industrial Designs, without prejudice to the Paris Convention.

Article 182

Exceptions and exclusions

1. Each Party may provide limited exceptions to the protection of designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

2. Design protection shall not extend to designs dictated essentially by technical or functional considerations. In particular a design right shall not subsist in features of appearance of a product which are required to be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may perform its function.

Article 183

Relationship to copyright

A design shall also be eligible for protection under the law of copyright of a Party as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Party.

Sub-section 5

Patents

Article 184

International agreements

The Parties reaffirm their commitment to the WIPO Patent Cooperation Treaty.

Article 185

Patents and public health

1. The Parties recognise the importance of the Declaration of the Ministerial Conference of the WTO on the TRIPS Agreement and Public Health adopted on 14 November 2001.
2. The Parties shall respect the Decision of the WTO General Council of 30 August 2003 on paragraph 6 of the declaration referred to in paragraph 1 of this Article and shall contribute to its implementation.

Article 186

Supplementary protection certificate

1. The Parties recognise that medicinal and plant protection products protected by a patent on their respective territory may be subject to an administrative authorisation procedure before being put on their market. They recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on their respective market, as defined for that purpose by domestic law, may shorten the period of effective protection under the patent.
2. Each Party shall provide for a further period of protection for a medicinal or plant protection product which is protected by a patent and which has been subject to an administrative authorisation procedure, that period being equal to the period referred to in the second sentence of paragraph 1, reduced by a period of five years.
3. Notwithstanding paragraph 2, the duration of the further period of protection may not exceed five years.
4. In the case of medicinal products for which paediatric studies have been carried out, and provided that the results of those studies are reflected in the product information, the Parties shall provide for a further six months extension of the period of protection referred to in paragraph 2.

Article 187

Protection of data submitted to obtain a marketing authorisation for medicinal products ⁽³⁰⁾

1. The Parties shall implement a comprehensive system to guarantee the confidentiality, non-disclosure and non-reliance of data submitted for the purpose of obtaining an authorisation to put a medicinal product on the market.
2. Each Party shall ensure, in its law, that any information submitted to obtain an authorisation to put a medicinal product on the market remains confidential and undisclosed to third parties and benefits from protection against unfair commercial use.
3. For that purpose, each Party shall not, for a period of at least six years from the date of the first authorisation in one of the Parties, permit other applicants to market the same or a similar product, on the basis of the marketing authorisation granted to the applicant which had provided the test data or studies, unless the applicant which had provided the test data or studies has given his consent. During such period, the test data or studies submitted for the first authorisation shall not be used for the benefit of any subsequent applicant aiming to obtain a marketing authorisation for a medicinal product, except when the consent of the first applicant is provided.
4. The six year period referred to in paragraph 3 shall be extended to a maximum of seven years if, during the first six years after obtaining the initial authorisation, the holder obtains an authorisation for one or more new therapeutic indications which are considered of significant clinical benefit in comparison with existing therapies.
5. Georgia undertakes to align its legislation concerning data protection for medicinal products with that of the Union at a date to be decided by the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.

Article 188

Protection of data to obtain a marketing authorisation for plant protection products

1. Each Party shall determine safety and efficacy requirements before authorising the placing on the market of plant protection products.
2. Each Party shall ensure that data submitted for the first time by an applicant to obtain a marketing authorisation for a plant protection product benefits from protection against unfair commercial use and is not used for the benefit of any other person aiming to obtain a marketing authorisation, unless the proof of the explicit consent of the first holder is provided.
3. The test or study report submitted for the first time to obtain a marketing authorisation shall fulfil the following conditions:
 - (a) that it is for the authorisation, or for an amendment of an authorisation in order to allow the use on other crops, and

(b) that it is certified as compliant with the principles of good laboratory practice or of good experimental practice.

4. The period of protection of data shall be at least ten years starting from the date of the first marketing authorisation in the Party concerned.

Article 189

Plant varieties

The Parties shall protect plant varieties rights, in accordance with the International Convention for the Protection of New Varieties of Plants and shall cooperate to promote and enforce those rights.

Section 3

Enforcement of intellectual property rights

Article 190

General obligations

1. The Parties reaffirm their commitments under the TRIPS Agreement, and in particular Part III thereof, and shall provide for the complementary measures, procedures and remedies set out in this Section necessary to ensure the enforcement of intellectual property rights ⁽³¹⁾.

2. Those complementary measures, procedures and remedies shall be fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

3. Those complementary measures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Article 191

Entitled applicants

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this Section and in Part III of the TRIPS Agreement:

(a) the holders of intellectual property rights in accordance with the provisions of the applicable law,

(b) all other persons authorised to use those rights, in particular licencees, in so far as permitted by and in accordance with the provisions of the applicable law;

- (c) intellectual property collective rights management bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law,
- (d) professional defence bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law.

Sub-section 1

Civil enforcement

Article 192

Measures for preserving evidence

1. Each Party shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his/her claims that his/her intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information.
2. Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the alleged infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto. Those measures shall be taken, if necessary without the other party being heard, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.
3. Where measures to preserve evidence are adopted without the other party having been heard, the parties affected shall be given notice without delay and at the latest after the execution of the measures.

Article 193

Right of information

1. Each Party shall ensure that, in the context of proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:

- (a) was found in possession of the infringing goods on a commercial scale;
- (b) was found to be using the infringing services on a commercial scale;
- (c) was found to be providing on a commercial scale services used in infringing activities; or
- (d) was found to be producing, manufacturing or distributing infringing goods or to be providing services, through information provided by any person referred to in points (a), (b), or (c).

2. The information referred to in paragraph 1 shall, as appropriate, comprise:

- (a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers, and
- (b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

3. Paragraphs 1 and 2 shall apply without prejudice to other statutory provisions which:

- (a) grant the right holder rights to receive fuller information;
- (b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;
- (c) govern responsibility for misuse of the right of information;
- (d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit to his/her own participation or that of his/her close relatives in an infringement of an intellectual property right; or
- (e) govern the protection of confidentiality of information sources or the processing of personal

Article 194

Provisional measures

1. Each Party shall ensure that the judicial authorities may, at the request of the applicant, issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by domestic law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued, under the same conditions, against an

intermediary whose services are being used by a third party to infringe an intellectual property right.

2. An interlocutory injunction may also be issued to order the seizure or delivery up of goods suspected of infringing an intellectual property right, so as to prevent their entry into or movement within the channels of commerce.

3. In the case of an alleged infringement committed on a commercial scale, the Parties shall ensure that, if the applicant demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets. To that end, the competent authorities may order access, where appropriate, to banking, financial or commercial documents under the control of the alleged infringer.

Article 195

Measures resulting from a decision on the merits of the case

1. Each Party shall ensure that the competent judicial authorities may order, at the request of the applicant and without prejudice to any damages due to the right holder by reason of the infringement, and without compensation of any sort, at least the definitive removal from the channels of commerce, or the destruction, of goods that they have found to be infringing an intellectual property right. If appropriate, the competent judicial authorities may also order the destruction of materials and implements predominantly used in the creation or manufacture of those goods.

2. The Parties' judicial authorities shall have the power to order that those measures shall be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

3. Each Party shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer as well as against any intermediary whose services are used by a third party to infringe an intellectual property right an injunction aimed at prohibiting the continuation of the infringement.

4. The Parties may provide that, in appropriate cases and at the request of the person liable to be subject to the measures provided for in this Article, the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in this Article if that person acted unintentionally and without negligence, if execution of the measures in question would cause him/her disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

Article 196

Damages

1. Each Party shall ensure that the judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the right holder damages appropriate to the actual prejudice suffered by that right holder as a result of the infringement. When the judicial authorities set the damages:

- (a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as moral prejudice, caused to the right holder by the infringement; or
- (b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, the Parties may lay down that the judicial authorities may order in favour of the injured party the recovery of profits or the payment of damages which may be pre-established.

Article 197

Legal costs

Each Party shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall as a general rule be borne by the unsuccessful party, unless equity does not allow this and without prejudice to exceptions provided by domestic procedural rules.

Article 198

Publication of judicial decisions

Each Party shall ensure that, either in legal proceedings instituted for infringement of an industrial property right or in legal proceedings instituted for infringement of copyright, or in both cases, the judicial authorities may order at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part.

Article 199

Presumption of authorship or ownership

For the purposes of applying the measures, procedures and remedies provided for in this Sub-Section:

(a) for the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for his/her name to appear on the work in the usual manner;

(b) the provision under point (a) shall apply *mutatis mutandis* to the holders of rights related to copyright with regard to their protected subject matter.

Sub-section 2

Other provisions

Article 200

Border measures

1. Without prejudice to Article 75 of this Agreement and to Annex XIII to this Agreement, this Article establishes the general principles of this Agreement governing the enforcement of intellectual property rights by customs authorities and the obligations of the customs authorities of the Parties to engage in cooperation.

2. When implementing border measures for the enforcement of intellectual property rights the Parties shall ensure consistency with their obligations under GATT 1994 and the TRIPS Agreement.

3. The provisions on border measures in this Article are of procedural nature. They set out the conditions and procedures for action by the customs authorities where goods suspected of infringing an intellectual property right are, or should have been, under customs control. They shall not affect in any way the substantive law of the Parties on intellectual property.

4. To facilitate the effective enforcement of intellectual property rights, the customs authorities shall adopt a range of approaches to identify shipments containing goods suspected of infringing intellectual property rights. These approaches include risk analysis techniques based, *inter alia*, on information provided by rights holders, intelligence gathered and cargo inspections.

5. The Parties agree to effectively implement Article 69 of the TRIPS Agreement in respect of international trade in goods suspected of infringing intellectual property rights. For that purpose, the Parties shall establish and notify contact points in their customs administrations and shall be ready to exchange data and information on trade in such goods affecting both Parties. They shall, in particular, promote the exchange of information and cooperation between customs authorities with regard to trade in counterfeit trademark goods and pirated copyright goods. Without prejudice to the provisions of Protocol II on Mutual Administrative Assistance in Customs Matters to this Agreement customs authorities shall, where appropriate, exchange such information swiftly and with due respect to data protection laws of the Parties.

6. The customs authorities of each Party shall cooperate, upon request or upon their own initiative, to provide relevant available information to the customs authorities of the other Party, in particular for goods in transit through the territory of a Party destined for (or originating in) the other Party.

7. The Sub-Committee referred to in Article 74 of this Agreement shall establish the necessary practical arrangements concerning the exchange of data and information referred to in this Article.

8. Protocol II on Mutual Administrative Assistance in Customs Matters to this Agreement shall be applicable in respect to breaches of intellectual property rights, without prejudice to forms of cooperation resulting from the application of paragraphs 5 to 7 of this Article.

9. The Sub-Committee referred to in Article 74 of this Agreement shall act as the responsible Sub-Committee to ensure the proper functioning and implementation of this Article.

Article 201

Codes of conduct

The Parties shall encourage:

- (a) the development by trade or professional associations or organisations of codes of conduct aimed at contributing towards the enforcement of intellectual property rights.
- (b) the submission to their respective competent authorities of draft codes of conduct and of any evaluations of the application of those codes of conduct.

Article 202

Cooperation

1. The Parties agree to cooperate with a view to supporting the implementation of the commitments and obligations undertaken under this Chapter.

2. Areas of cooperation include, but are not limited to, the following activities:

- (a) exchange of information on the legal framework concerning intellectual property rights and relevant rules of protection and enforcement; exchange of experiences on legislative
- (b) exchange of experiences and information on the enforcement of intellectual property rights;
- (c) exchange of experiences on central and sub-central enforcement by customs, police, administrative and judiciary bodies; coordination to prevent exports of counterfeit goods,
- (d) capacity-building; exchange and training of personnel;

- (e) promotion and dissemination of information on intellectual property rights in, inter alia, business circles and civil society; public awareness of consumers and right holders;
- (f) enhancement of institutional cooperation, for example between intellectual property offices;
- (g) actively promoting awareness and education of the general public on policies concerning intellectual property rights: formulate effective strategies to identify key audiences and create communication programmes to increase consumer and media awareness on the impact of intellectual property violations, including the risk to health and safety and the connection to organised crime.

CHAPTER 10

Competition

Article 203

Principles

The Parties recognise the importance of free and undistorted competition in their trade relations. The Parties acknowledge that anti-competitive business practices and state interventions (including subsidies) have the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation.

Article 204

Antitrust and mergers legislation and its implementation

1. Each Party shall maintain in its respective territory comprehensive competition laws, which effectively address anti-competitive agreements, concerted practices and anti-competitive unilateral conduct of enterprises with dominant market power and which provide effective control of concentrations to avoid significant impediment to effective competition and abuse of dominant position.
2. Each Party shall maintain an authority responsible and appropriately equipped for the effective enforcement of the competition laws referred to in paragraph 1.
3. The Parties recognise the importance of applying their respective competition laws in a transparent and non-discriminatory manner, respecting the principles of procedural fairness and rights of defence of the enterprises concerned.

Article 205

State monopolies, state enterprises and enterprises entrusted with special or exclusive rights

1. Nothing in this Chapter prevents a Party from designating or maintaining state monopolies, state enterprises or to entrust enterprises with special or exclusive rights in accordance with its respective laws.

2. With regard to state monopolies of a commercial character, state enterprises and enterprises entrusted with special or exclusive rights, each Party shall ensure that such enterprises are subject to the competition laws referred to in Article 204(1), in so far as the application of those laws does not obstruct the performance, in law or in fact, of the particular tasks of public interest assigned to the enterprises in question.

Article 206

Subsidies

1. For the purpose of this Article, a ‘subsidy’ is a measure which fulfils the conditions of Article 1 of the SCM Agreement irrespective whether it is granted in relation to the production of goods or the supply of services and which is specific within the meaning of Article 2 of that Agreement.
2. Each Party shall ensure transparency in the area of subsidies. To that end, each Party shall report every two years to the other Party on the legal basis, the form, the amount or the budget and, where possible, the recipient of the subsidy granted by its government or a public body in relation to the production of goods. Such report is deemed to have been provided if the relevant information is made available by each Party on a publicly accessible website.
3. On request of a Party, the other Party shall promptly provide information and respond to questions pertaining to particular subsidies relating to the supply of services.

Article 207

Dispute settlement

The provisions on the dispute settlement mechanism in Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement shall not apply to Articles 203, 204 and 205 of this Agreement.

Article 208

Relationship with the WTO

The provisions of this Chapter are without prejudice to the rights and obligations of a Party under the WTO Agreement, in particular the SCM Agreement and the Dispute Settlement Understanding (DSU).

Article 209

Confidentiality

When exchanging information under this Chapter the Parties shall take into account the limitations imposed by the requirements of professional and business secrecy in their respective jurisdictions.

CHAPTER 11
Trade-related energy provisions

Article 210

Definitions

For the purposes of this Chapter:

- (a) 'energy goods' means crude oil (HS code 27.09), natural gas (HS code 27.11) and electrical energy (HS code 27.16);
- (b) 'energy transport facilities' means high-pressure natural gas transmission pipelines; high-voltage electricity transmission grids and lines, including interconnectors used to connect different gas or electricity transmission networks; crude oil transmission pipelines, railways and other fixed facilities handling the transit of energy goods.
- (c) 'transit' means the passage of energy goods across the territory of a Party, with or without trans-shipment, warehousing, breaking bulk, or change in the mode of transport, where such passage is only a portion of a complete journey beginning and terminating beyond the
- (d) 'unauthorised taking' means any activity consisting of the unlawful taking of energy goods from energy transport facilities.

Article 211

Transit

The Parties shall ensure transit, consistent with their international commitments in accordance with the provisions of GATT 1994 and the Energy Charter Treaty.

Article 212

Unauthorised taking of goods in transit

Each Party shall take all necessary measures to prohibit and address any unauthorised taking of energy goods in transit through its territory by any entity subject to that Party's control or jurisdiction.

Article 213

Uninterrupted transit

1. A Party shall not take from or interfere otherwise with the transit of energy goods through their territory, except where such taking or other interference is specifically provided for in a contract or other agreement governing such transit or where a continued operation of the energy transport facilities without prompt corrective action creates an unreasonable threat to public security, cultural heritage,

health, safety or the environment, subject to the requirement that such action is not carried out in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction of international trade.

2. In the event of a dispute over any matter involving the Parties or one or more entities subject to the control or jurisdiction of one of the Parties, a Party through the territory of which the transit of energy goods takes place shall not, prior to the conclusion of a dispute resolution procedure under the relevant contract or of an emergency procedure under Annex XVIII to this Agreement or under Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement, interrupt or reduce such transit, or permit any entity subject to its control or jurisdiction, including a state trading enterprise, to interrupt or reduce such transit, except under the circumstances provided in paragraph 1.

3. A Party shall not be held liable for an interruption or reduction of transit pursuant to this Article where that Party is unable to supply or to transit energy goods as a result of actions attributable to a third country or an entity under the control or jurisdiction of a third country.

Article 214

Transit obligation for operators

Each Party shall ensure that operators of energy transport facilities take the necessary measures to:

- (a) minimise the risk of accidental interruption or reduction of transit;
- (b) expeditiously restore the normal operation of such transit, which has been accidentally interrupted or reduced.

Article 215

Regulatory authorities

1. Each Party shall designate independent regulatory authorities empowered to regulate the gas and electricity markets. These regulatory authorities shall be legally distinct and functionally independent from any other public or private enterprise, market participant or operator.

2. The decisions of and the procedures used by a regulatory authority shall be impartial with respect to all market participants.

3. An operator affected by any decision of a regulatory authority shall have the right to appeal against that decision to an appeal body which is independent of the parties involved. Where the appeal body is not judicial in character, written reasons for its decision shall always be given and its decisions shall also be subject to review by an impartial and independent judicial authority. Decisions taken by appeal bodies shall be effectively enforced.

Article 216

Organisation of markets

1. The Parties shall ensure that energy markets are operated with a view to achieving competitive, secure and environmentally sustainable conditions and shall not discriminate between enterprises as regards rights or obligations.
2. Notwithstanding paragraph 1, a Party may impose on enterprises, in the general economic interest, obligations which may relate to security, including security of supply; regularity, quality and price of supplies; and environmental protection, including energy efficiency, energy from renewable sources and climate protection. Such obligations shall be clearly defined, transparent, proportionate and verifiable.
3. Where a Party regulates the price at which gas and electricity are sold on the domestic market, that Party shall ensure that the methodology underlying the calculation of the regulated price is published prior to the entry into force of the regulated price.

Article 217

Access to energy transport facilities

1. Each Party shall ensure on its territory the implementation of a system of third party access to energy transport facilities and Liquefied Natural Gas and storage facilities applicable to all users and applied in a transparent, objective and non-discriminatory manner.
2. Each Party shall ensure that the access tariff to energy transport facilities and all other conditions related to access to an energy transport facility are objective, reasonable, transparent and shall not discriminate on the basis of origin, ownership or destination of the energy good.
3. Each Party shall ensure that all technical and contracted capacity, both physical and virtual, is allocated through transparent and non-discriminatory criteria and procedures.
4. In case of refusal to grant third party access, the Parties shall ensure that, upon request, the energy transport facility operators provide a duly substantiated explanation to the requesting party, subject to legal redress.
5. A Party may exceptionally derogate from the provisions in paragraphs 1 to 4 according to objective criteria laid down in its legislation. In particular, a Party may implement in its legislation a possibility to grant, on a case-by-case basis, for a limited period of time, an exemption to the third party access rules for major new energy transport facilities.

Article 218 ⁽³²⁾

Relationship with the Energy Community Treaty

1. In the event of a conflict between the provisions of this Chapter and the provisions of the Energy Community Treaty or the provisions of the Union legislation made applicable under the Energy Community Treaty, the provisions of the Energy Community Treaty or the provisions of the Union legislation made applicable under the Energy Community Treaty shall prevail to the extent of such conflict.

2. In implementing this Chapter, preference shall be given to the adoption of legislation or other acts which are consistent with the Energy Community Treaty or are based on the legislation applicable in the Union. In the event of a dispute as regards this Chapter, legislation or other acts which meet these criteria shall be presumed to conform to this Chapter. In assessing whether the legislation or other acts meet these criteria, any relevant decision taken under Article 91 of the Energy Community Treaty shall be taken into account.

CHAPTER 12

Transparency

Article 219

Definitions

For the purposes of this Chapter:

- (a) 'measure of general application' includes laws, regulations, judicial decisions, procedures and administrative rulings that may have an impact on any matter covered by Title IV (Trade and Trade-related Matters) of this Agreement. It does not include measures that are addressed to a particular person or a group of persons;
- (b) 'interested person' means any natural or legal person established in the territory of a Party that may be directly affected by a measure of general application.

Article 220

Objective

Recognising the impact which regulatory environment may have on trade and investment between the Parties, the Parties shall provide a predictable regulatory environment for economic operators and efficient procedures, including for small and medium-sized enterprises, taking due account of the requirements of legal certainty and proportionality.

Article 221

Publication

1. Each Party shall ensure that measures of general application:

- (a) are promptly and readily available via an officially designated medium and where feasible, electronic means, in such a manner as to enable any person to become acquainted with them;
- (b) provide an explanation of the objective of, and the rationale for, such measures; and
- (c) allow for sufficient time between the publication and entry into force of such measures, except in duly justified cases including security or emergency issues.

2. Each Party shall:

- (a) endeavour to make publicly available at an appropriate early stage any proposal to adopt or to amend any measure of general application, including an explanation of the objective of, and rationale for such proposal;
- (b) provide reasonable opportunities for interested persons to comment on such proposal, allowing, in particular, for sufficient time for such opportunities; and
- (c) endeavour to take into consideration the comments received from interested persons with respect to such proposal.

Article 222

Enquiries and contact points

1. In order to facilitate the communication between the Parties on any matter covered by Title IV (Trade and Trade-related Matters) of this Agreement, each Party shall designate a contact point acting as coordinator.
2. Each Party shall establish or maintain appropriate mechanisms for responding to enquiries from any person regarding any measure of general application which is proposed or in force, and its application. Enquiries may be addressed through the contact point established under paragraph 1 or through any other mechanism, as appropriate.
3. The Parties recognise that any response provided for in paragraph 2 may not be definitive or legally binding but for information purposes only, unless otherwise provided for in their respective laws and regulations.
4. Upon request of a Party, the other Party shall promptly provide information and respond to questions pertaining to any measure of general application or any proposal to adopt or to amend any measure of general application that the requesting Party considers might affect the operation of Title IV (Trade and Trade-related Matters) of this Agreement, regardless of whether the requesting Party has been previously notified of that measure.

Article 223

Administration of measures of general application

1. Each Party shall administer in an objective, impartial and reasonable manner all measures of general application.

2. To that end, each Party, in applying such measures to particular persons, goods or services of the other Party in specific cases, shall:

(a) endeavour to provide interested persons, that are directly affected by an administrative proceeding, with a reasonable notice, in accordance with its procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any issues in controversy;

(b) afford such interested persons a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, in so far as the time, the nature of the proceeding and the public interest permit; and

(c) ensure that its procedures are based on and carried out in accordance with its law.

Article 224

Review and appeal

1. Each Party shall establish or maintain judicial, arbitral or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of administrative action relating to matters covered by Title IV (Trade and Trade-related Matters) of this Agreement. Such tribunals or procedures shall be impartial and independent of the office or authority entrusted with administrative enforcement and those responsible for them shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:

(a) a reasonable opportunity to support or defend their respective positions; and

(b) a decision based on the evidence and the submissions of record or, where required by its law,

3. Each Party shall ensure that, subject to appeal or further review as provided for in its law, such decision shall be implemented by, and shall govern the practice of, the office or the authority with respect to the administrative action at issue.

Article 225

Regulatory quality and performance and good administrative behaviour

1. The Parties agree to cooperate in promoting regulatory quality and performance, including through exchange of information and best practices on their respective regulatory policies and regulatory impact assessments.

2. The Parties recognise the importance of the principles of good administrative behaviour ⁽³³⁾ and agree to cooperate in promoting such principles, including through exchange of information and best practices.

Article 226

Specific rules

The provisions of this Chapter shall apply without prejudice to any specific rules on transparency established in other Chapters of Title IV (Trade and Trade-related Matters) of this Agreement.

CHAPTER 13

Trade and sustainable development

Article 227

Context and objectives

1. The Parties recall the Agenda 21 of the United Nations Conference on Environment and Development of 1992, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work of 1998, the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Ministerial Declaration of the United Nations Economic and Social Council on Generating Full and Productive Employment and Decent Work for All of 2006, and the ILO Declaration on Social Justice for a Fair Globalisation of 2008. The Parties reaffirm their commitment to promote the development of international trade in such a way as to contribute to the objective of sustainable development, for the welfare of present and future generations, and to ensure that this objective is integrated and reflected at every level of their trade relationship.

2. The Parties reaffirm their commitment to pursue sustainable development and recognise that economic development, social development and environmental protection are its interdependent and mutually reinforcing pillars. They underline the benefit of considering trade-related labour ⁽³⁴⁾ and environmental issues as part of a global approach to trade and sustainable development.

Article 228

Right to regulate and levels of protection

1. The Parties recognise the right of each Party to determine its sustainable development policies and priorities, to establish its own levels of domestic environmental and labour protection, and to adopt or modify accordingly its relevant law and policies, consistently with their commitment to the internationally recognised standards and agreements referred to in Articles 229 and 230 of this Agreement.

2. In that context, each Party shall strive to ensure that its law and policies provide for and encourage high levels of environmental and labour protection and shall strive to continue to improve its law and policies and the underlying levels of protection.

Article 229

Multilateral labour standards and agreements

1. The Parties recognise full and productive employment and decent work for all as key elements for managing globalisation, and reaffirm their commitment to promote the development of international trade in a way that is conducive to full and productive employment and decent work for all. In this context, the Parties commit to consulting and cooperating as appropriate on trade-related labour issues of mutual interest.

2. In accordance with their obligations as members of the ILO and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998, the Parties commit to respecting, promoting and realising in their law and practice and in their whole territory the internationally recognised core labour standards, as embodied in the fundamental ILO conventions, and in particular:

- (a) the freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

3. The Parties reaffirm their commitment to effectively implement in their law and practice the fundamental, the priority and other ILO conventions ratified by Georgia and the Member States respectively.

4. The Parties will also consider the ratification of the remaining priority and other conventions that are classified as up-to-date by the ILO. The Parties shall regularly exchange information on their respective situation and developments in this regard.

5. The Parties recognise that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes.

Article 230

Multilateral environmental governance and agreements

1. The Parties recognise the value of multilateral environmental governance and agreements as a response of the international community to global or regional environmental problems, and stress the need to enhance the mutual supportiveness

between trade and environmental policies. In this context, the Parties commit to consult and cooperate as appropriate with respect to negotiations on trade-related environmental issues and with respect to other trade-related environmental matters of mutual interest.

2. The Parties reaffirm their commitment to effectively implement in their law and practice the multilateral environmental agreements (MEAs) to which they are party.

3. The Parties shall regularly exchange information on their respective situation and advancements as regards ratifications of MEAs or amendments to such agreements.

4. The Parties reaffirm their commitment to reaching the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) and the Protocol thereto (Kyoto Protocol). They commit to cooperate on the development of the future international climate change framework under the UNFCCC and its related agreements and decisions.

5. Nothing in this Agreement shall prevent the Parties from adopting or maintaining measures to implement the MEAs to which they are party, provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties or a disguised restriction on trade.

Article 231

Trade and investment promoting sustainable development

The Parties reconfirm their commitment to enhance the contribution of trade to the goal of sustainable development in its economic, social and environmental dimensions. Accordingly:

- (a) the Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and they shall seek greater policy coherence between trade policies, on the one hand, and labour policies on the other;
- (b) the Parties shall strive to facilitate and promote trade and investment in environmental goods and services, including through addressing related non-tariff barriers;
- (c) the Parties shall strive to facilitate the removal of obstacles to trade or investment concerning goods and services of particular relevance to climate change mitigation, such as sustainable renewable energy and energy efficient products and services. This may include the adoption of appropriate technologies and the promotion of standards that respond to environmental and economic needs and minimise technical obstacles to trade;
- (d) the Parties agree to promote trade in goods that contribute to enhanced social conditions and environmentally sound practices, including goods that are the subject of voluntary

sustainability assurance schemes such as fair and ethical trade schemes and eco-labels;

- (e) the Parties agree to promote corporate social responsibility, including through exchange of information and best practices. In this regard, the Parties refer to the relevant internationally recognised principles and guidelines, especially the OECD Guidelines for Multinational Enterprises.

Article 232

Biological diversity

1. The Parties recognise the importance of ensuring the conservation and the sustainable use of biological diversity as a key element for the achievement of sustainable development, and reaffirm their commitment to conserve and sustainably use biological diversity, in accordance with the Convention on Biological Diversity and other relevant international instruments to which they are party.

2. To that end, the Parties commit to:

- (a) promoting trade in natural resource-based products obtained through a sustainable use of biological resources and contributing to the conservation of biodiversity;
- (b) exchanging information on actions on trade in natural resource-based products aimed at halting the loss of biological diversity and reducing pressures on biodiversity and, where relevant, cooperating to maximise the impact and ensure the mutual supportiveness of their respective policies;
- (c) promoting the listing of species under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) where the conservation status of those species is considered at risk; and
- (d) cooperating at the regional and global levels with the aim of promoting the conservation and the sustainable use of biological diversity in natural or agricultural ecosystems, including endangered species, their habitat, specially protected natural areas and genetic diversity; the restoration of ecosystems, and the elimination or the reduction of negative environmental

Article 233

Sustainable management of forests and trade in forest products

1. The Parties recognise the importance of ensuring the conservation and the sustainable management of forests and of forests' contribution to the Parties' economic, environmental and social objectives.

2. To that end, the Parties commit to:

- (a) promoting trade in forest products derived from sustainably managed forests, harvested in accordance with the domestic legislation of the country of harvest, which could include bilateral or regional agreements to that end;
- (b) exchanging information on measures to promote the consumption of timber and timber products from sustainably managed forests and, where relevant, cooperate to developing such measures;
- (c) adopting measures to promote the conservation of forest cover and combat illegal logging and related trade, including with respect to third countries, as appropriate;
- (d) exchanging information on actions for improving forest governance and where relevant cooperating to maximise the impact and ensure the mutual supportiveness of their respective policies aiming at excluding illegally harvested timber and timber products from trade flows;
- (e) promoting the listing of timber species under CITES where the conservation status of those species is considered at risk; and
- (f) cooperating at the regional and the global levels with the aim of promoting the conservation of forest cover and the sustainable management of all types of forests.

Article 234

Trade in fish products

Taking into account the importance of ensuring responsible management of fish stocks in a sustainable manner as well as promoting good governance in trade, the Parties commit to:

- (a) promoting best practices in fisheries management with a view to ensuring the conservation and the management of fish stocks in a sustainable manner, and based on the ecosystem approach;
- (b) taking effective measures to monitor and control fishing activities;
- (c) complying with long-term conservation measures and sustainable exploitation of marine living resources as defined in the main UN and FAO instruments relating to these issues;
- (d) promoting coordinated data collection schemes and scientific cooperation between the
- (e) cooperating with and within relevant Regional Fisheries Management Organisations as widely as possible; and
- (f) cooperating in the fight against illegal, unreported and unregulated (IUU) fishing and fishing related activities with comprehensive, effective and transparent measures. The Parties shall also implement policies and measures to exclude IUU products from trade flows and their

Article 235

Upholding levels of protection

1. The Parties recognise that it is inappropriate to encourage trade or investment by lowering the levels of protection afforded in domestic environmental or labour law.
2. A Party shall not waive or derogate from, or offer to waive or derogate from, its environmental or labour law as an encouragement for trade or the establishment, the acquisition, the expansion or the retention of an investment of an investor in its territory.
3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental and labour law, as an encouragement for trade or investment.

Article 236

Scientific information

When preparing and implementing measures aimed at protecting the environment or labour conditions that may affect trade or investment, the Parties shall take account of available scientific and technical information, and relevant international standards, guidelines or recommendations if they exist. In this regard, the Parties may also use the precautionary principle.

Article 237

Transparency

Each Party, in accordance with its domestic law and Chapter 12 (Transparency) of Title IV (Trade and Trade-related Matters) of this Agreement, shall ensure that any measure aimed at protecting the environment or labour conditions that may affect trade or investment is developed, introduced and implemented in a transparent manner, with due notice and public consultation, and with appropriate and timely communication to and consultation of non-state actors.

Article 238

Review of sustainability impacts

The Parties commit to reviewing, monitoring and assessing the impact of the implementation of Title IV (Trade and Trade-related Matters) of this Agreement on sustainable development through their respective participative processes and institutions, as well as those set up under this Agreement, for instance through trade-related sustainability impact assessments.

Article 239

Working together on trade and sustainable development

The Parties recognise the importance of working together on trade-related aspects of environmental and labour policies in order to achieve the objectives of Title IV (Trade and Trade-related Matters) of this Agreement. They may cooperate in, inter alia, the following areas:

- (a) labour or environmental aspects of trade and sustainable development in international fora, including in particular the WTO, the ILO, United Nations Environment Programme, and MEAs;
- (b) methodologies and indicators for trade sustainability impact assessments;
- (c) the impact of labour and environment regulations, norms and standards on trade, as well as the impact of trade and investment rules on labour and environmental law, including on the development of labour and environmental regulations and policy;
- (d) the positive and negative impacts of Title IV (Trade and Trade-related Matters) of this Agreement on sustainable development and ways to enhance, prevent or mitigate them, respectively, also taking into account the sustainability impact assessments carried out by either or both Parties;
- (e) exchanging views and best practices on promoting the ratification and the effective implementation of fundamental, priority and other up-to-date ILO conventions and MEAs of relevance in a trade context;
- (f) promoting private and public certification, traceability and labelling schemes, including eco-labelling;
- (g) promoting corporate social responsibility, for instance through actions concerning awareness raising, implementation and dissemination of internationally recognised guidelines and principles;
- (h) trade related aspects of the ILO Decent Work Agenda, including on the interlink between trade and full and productive employment, labour market adjustment, core labour standards, labour statistics, human resources development and lifelong learning, social protection and social inclusion, social dialogue and gender equality;
- (i) trade-related aspects of MEAs, including customs cooperation;
- (j) trade-related aspects of the current and future international climate change regime, including means to promote low-carbon technologies and energy efficiency;
- (k) trade-related measures to promote the conservation and the sustainable use of biological diversity;
- (l) trade-related measures to promote the conservation and sustainable management of forests,
- (m) trade-related measures to promote sustainable fishing practices and trade in sustainably managed fish products.

Article 240

Institutional set-up and overseeing mechanisms

1. Each Party shall designate a contact point within its administration that shall serve as the contact point with the other Party for purposes of implementing this Chapter.
2. The Trade and Sustainable Development Sub-Committee is hereby established. It shall report on its activities to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement. It shall comprise senior officials from within the administrations of each Party.
3. The Trade and Sustainable Development Sub-Committee shall meet within the first year after the date this Agreement enters into force, and thereafter as necessary, to oversee the implementation of this Chapter, including cooperative activities undertaken under Article 239 of this Agreement. That Sub-Committee shall establish its own rules of procedure.
4. Each Party shall convene new or consult existing domestic advisory group(s) on sustainable development with the task of advising on issues relating to this Chapter. Such group(s) may submit views or recommendations on the implementation of this Chapter, including on its (their) own initiative.
5. The domestic advisory group(s) shall comprise independent representative organisations of civil society in a balanced representation of economic, social, and environmental stakeholders, including, among others, employers and workers organisations, non-governmental organisations, business groups, as well as other relevant stakeholders.

Article 241

Joint Civil Society Dialogue Forum

1. The Parties shall facilitate a joint forum with civil society organisations established in their territories, including members of their domestic advisory group(s), and the public at large to conduct a dialogue on sustainable development aspects of this Agreement. The Parties shall promote a balanced representation of relevant interests, including independent representative organisations of employers, workers, environmental interests and business groups, as well as other relevant stakeholders, as appropriate.
2. The joint civil society dialogue forum shall be convened once a year unless otherwise agreed by the Parties. The Parties shall agree on the operation of the joint civil society dialogue forum no later than one year after the entry into force of this Agreement.
3. The Parties shall present an update on the implementation of this Chapter to the joint civil society dialogue forum. The views and the opinions of a joint civil

society dialogue forum shall be submitted to the Parties and shall be publicly available.

Article 242

Government consultations

1. For any matter arising under this Chapter the Parties shall only have recourse to the procedures established under this Article and Article 243 of this Agreement.
2. A Party may request consultations with the other Party regarding any matter arising under this Chapter by delivering a written request to the contact point of the other Party. The request shall present the matter clearly, identifying the problem at issue and providing a brief summary of the claims under this Chapter. Consultations shall start promptly after a Party delivers a request for consultations.
3. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter. The Parties shall take into account the activities of the ILO or relevant multilateral environmental organisations or bodies so as to promote greater cooperation and coherence between the work of the Parties and these organisations. Where relevant, the Parties may seek advice from these organisations or bodies, or any person or body they deem appropriate, in order to fully examine the matter.
4. If a Party considers that the matter needs further discussion, that Party may request that the Trade and Sustainable Development Sub-Committee be convened to consider the matter by delivering a written request to the contact point of the other Party. That Sub-Committee shall convene promptly and endeavour to agree on a resolution of the matter.
5. Where appropriate, that Sub-Committee may seek the advice of the domestic advisory group(s) of either or both Party(ies) or other expert assistance.
6. Any resolution reached by the consulting Parties on the matter shall be made publicly available.

Article 243

Panel of Experts

1. Each Party may, 90 days after the delivery of a request for consultations under Article 242(2) of this Agreement, request that a Panel of Experts be convened to examine a matter that has not been satisfactorily addressed through government consultations.
2. The provisions of Sub-Section 1 (Arbitration procedure) and Sub-Section 3 (Common provisions), of Section 3 (Dispute settlement procedures), and of Article 270 of Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement, as well as the Rules of Procedure in Annex XX to this Agreement and the Code of Conduct for Arbitrators and Mediators (“Code of

Conduct') set out in Annex XXI to this Agreement shall apply, except as otherwise provided in this Article.

3. At its first meeting after the entry into force of this Agreement, the Trade and Sustainable Development Sub-Committee shall establish a list of at least 15 individuals who are willing and able to serve as experts in panel procedures. Each Party shall propose at least five individuals to serve as experts. The Parties shall also select at least five individuals who are not nationals of either Party who may serve as chairperson to the Panel of Experts. The Trade and Sustainable Development Sub-Committee shall ensure that the list is always maintained at this level.

4. The list referred to in paragraph 3 of this Article shall comprise individuals with specialised knowledge or expertise in law, labour or environmental issues addressed in this Chapter, or the resolution of disputes arising under international agreements. They shall be independent, serve in their individual capacities and not take instructions from any organisation or government with regard to issues related to the matter at stake, or be affiliated with the government of any Party, and shall comply with Annex XXI to this Agreement.

5. For matters arising under this Chapter, the Panel of Experts shall be composed of experts from the list referred to in paragraph 3 of this Article, in accordance with Article 249 of this Agreement and rule 8 of the Rules of Procedure set out in Annex XX to this Agreement.

6. The Panel of Experts may seek information and advice from either Party, the domestic advisory group(s) or any other source it deems appropriate. In matters related to the respect of multilateral agreements as set out in Article 229 and 230 of this Agreement, the Panel of Experts should seek information and advice from the ILO or MEA bodies.

7. The Panel of Experts shall issue its report to the Parties, in accordance with the relevant procedures set out in Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement, setting out the findings of facts, the applicability of the relevant provisions and the basic rationale behind any findings and recommendations that it makes. The Parties shall make the report publicly available within 15 days of its issuance.

8. The Parties shall discuss appropriate measures to be implemented taking into account the Panel of Experts' report and recommendations. The Party concerned shall inform its advisory groups and the other Party of its decisions on any action or measure to be implemented no later than three months after the public release of the report. The follow-up to the report and the recommendations of the Panel of Experts shall be monitored by the Trade and Sustainable Development Sub-committee. The advisory bodies and the Joint Civil Society Dialogue Forum may submit observations to the Trade and Sustainable Development Sub-Committee in this regard.

CHAPTER 14
Dispute settlement

Section 1
Objective and scope

Article 244

Objective

The objective of this Chapter is to establish an effective and efficient mechanism for avoiding and settling any dispute between the Parties concerning the interpretation and application of Title IV (Trade and Trade-related Matters) of this Agreement with a view to arriving at, where possible, a mutually agreed solution.

Article 245

Scope of application

This Chapter shall apply with respect to any dispute concerning the interpretation and application of the provisions of Title IV (Trade and Trade-related Matters) of this Agreement, except as otherwise provided.

Section 2
Consultations and mediation

Article 246

Consultations

1. The Parties shall endeavour to resolve any dispute referred to in Article 245 of this Agreement by entering into consultations in good faith with the aim of reaching a mutually agreed solution.
2. A Party shall seek consultations by means of a written request to the other Party, copied to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, giving reasons for the request, including by identifying the measure at issue and the provisions referred to in Article 245 of this Agreement that it considers applicable.
3. Consultations shall be held within 30 days of the date of receipt of the request and take place, unless the Parties agree otherwise, in the territory of the Party to which the request is made. The consultations shall be deemed concluded within 30 days of the date of receipt of the request, unless both Parties agree to continue consultations. Consultations, in particular all information disclosed and positions taken by the Parties during the consultations, shall be confidential, and without prejudice to the rights of either Party in any further proceedings.

4. Consultations on matters of urgency, including those regarding perishable goods or seasonal goods or services shall be held within 15 days of the date of receipt of the request by the requested Party, and shall be deemed concluded within those 15 days unless both Parties agree to continue consultations.

5. If the Party to which the request is made does not respond to the request for consultations within ten days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 of this Article respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article 248 of this Agreement.

6. During the consultations each Party shall deliver sufficient factual information, so as to allow a complete examination of the manner in which the measure at issue could affect the operation and the application of this Agreement.

7. Where consultations concern the transport of energy goods through networks and one Party views the resolution of the dispute as urgent because of an interruption, in full or in part, of transport of natural gas, oil or electricity between the Parties the consultations shall be held within three days of the date of submission of the request, and shall be deemed concluded three days after the date of submission of the request unless both Parties agree to continue consultations.

Article 247

Mediation

Any Party may request the other Party to enter into a mediation procedure pursuant to Annex XIX to this Agreement with respect to any measure adversely affecting its trade interests.

Section 3

Dispute settlement procedures

Sub-section 1

Arbitration procedure

Article 248

Initiation of the arbitration procedure

1. Where the Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 246 of this Agreement, the Party that sought consultations may request the establishment of an arbitration panel in accordance with this Article.

2. The request for the establishment of an arbitration panel shall be made in writing to the other Party and the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement. The complaining Party shall identify in its request the measure at issue, and it shall explain how such measure is inconsistent with the provisions referred to in Article 245 of this Agreement in a manner sufficient to present the legal basis for the complaint clearly.

Article 249

Establishment of the arbitration panel

1. An arbitration panel shall be composed of three arbitrators.
2. Upon receipt of the request for the establishment of an arbitration panel, the Parties shall consult promptly and shall endeavour to reach an agreement on the composition of the arbitration panel. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may at any time before the establishment of the arbitration panel decide to compose the arbitration panel by mutual agreement.
3. Either Party may request to apply the procedure for panel composition laid down in this paragraph after five days from the request for the establishment of a panel, if no agreement has been found on the composition of the arbitration panel. Each Party may appoint an arbitrator from the list established under Article 268 of this Agreement within ten days from the date of request to apply the procedure in this paragraph. If any of the Parties fails to appoint the arbitrator, the arbitrator shall, upon request of the other Party, be selected by lot by the chair or co-chairs of the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, or their delegates, from the sub-list of that Party contained in the list established under Article 268 of this Agreement. Unless the Parties have reached an agreement concerning the chairperson of the arbitration panel, upon request of any of the Parties, the chair or co-chairs of the Association Committee in Trade configuration or their delegates, shall select by lot the chairperson of the arbitration panel from the sub-list of chairpersons contained in the list established under Article 268 of this Agreement.
4. In the event of selection by lot of one or more arbitrators, the draw shall take place within five days of the request to select by lot referred to in paragraph 3.
5. The date of establishment of the arbitration panel shall be the date on which the last of the three selected arbitrators accepted the appointment in accordance with the Rules of Procedure in Annex XX to this Agreement.
6. Should any of the lists provided for in Article 268 of this Agreement not be established or not contain sufficient names at the time a request is made pursuant to paragraph 3, the arbitrators shall be drawn by lot. The draw shall take place from the individuals who have been formally proposed by each of the Parties or, in case one Party has failed to make such proposal, the draw shall be made from the individuals proposed by the other Party.

7. Unless the Parties agree otherwise, in respect of a dispute concerning Chapter 11 (Trade-related energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be urgent because of an interruption, in full or in part, of any transport of natural gas, oil, or electricity or a threat thereof between the Parties, the procedure of selection by lot envisaged in paragraph 3 of this Article shall apply without recourse to the first sentence of paragraph 2 of this Article or to the other steps provided for in paragraph 3 of this Article, and the period referred to in paragraph 4 of this Article shall be two days.

Article 250

Preliminary ruling on urgency

If a Party so requests, the arbitration panel shall, within ten days of the date of its establishment, give a preliminary ruling on whether it deems the case to be urgent.

Article 251

Arbitration panel report

1. The arbitration panel shall notify an interim report to the Parties setting out the findings of fact, the applicability of relevant provisions and the basic rationale behind any findings and recommendations that it makes, no later than 90 days after the date of establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, in writing, stating the reasons for the delay and the date on which the panel plans to notify its interim report. Under no circumstances should the interim report be notified later than 120 days after the date of establishment of the arbitration panel. The interim report shall not be made public.
2. A Party may submit a written request to the arbitration panel to review precise aspects of the interim report within 14 days of its notification.
3. In cases of urgency, including those involving perishable goods or seasonal goods or services, the arbitration panel shall make every effort to notify its interim report within 45 days and, in any case, no later than 60 days after the date of establishment of the arbitration panel. A Party may submit a written request to the arbitration panel to review precise aspects of the interim report, within 7 days of the notification of the interim report.
4. After considering any written comments by the Parties on the interim report, the arbitration panel may modify its report and make any further examination it considers appropriate. The findings of the final panel ruling shall include a sufficient discussion of the arguments made at the interim review stage, and shall answer clearly to the questions and observations of the two Parties.
5. In respect of a dispute concerning Chapter 11 (Trade-related energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be

urgent because of an interruption, in full or in part, of any transport of natural gas, oil or electricity or a threat thereof, between the Parties, the interim report shall be notified 20 days after the date of establishment of the arbitration panel, and any request pursuant to paragraph 2 of this Article shall be made within five days of the notification of the written report. The arbitration panel may also decide to dispense with the interim report.

Article 252

Conciliation for urgent energy disputes

1. In respect of a dispute concerning Chapter 11 (Trade-related energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be urgent because of an interruption, in full or in part, of any transport of natural gas, oil, or electricity or a threat thereof between the Parties, either Party may request the chairperson of the arbitration panel to act as a conciliator concerning any matter related to the dispute by making a request to the notified panel.
2. The conciliator shall seek an agreed resolution of the dispute or seek to agree a procedure to achieve such resolution. If within 15 days of his/her appointment he/she has failed to secure such agreement, he/she shall recommend a resolution to the dispute or a procedure to achieve such resolution and shall decide on the terms and conditions to be observed from a date which he/she shall specify until the dispute is resolved.
3. The Parties and the entities under their control or jurisdiction shall respect recommendations made under paragraph 2 on the terms and conditions for three months following the conciliator's decision or until resolution of the dispute, whichever is earlier.
4. The conciliator shall respect the Code of Conduct set out in Annex XXI to this Agreement.

Article 253

Notification of the ruling of the arbitration panel

1. The arbitration panel shall notify its final ruling to the Parties and to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, within 120 days from the date of establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Association Committee in Trade configuration in writing, stating the reasons for the delay and the date on which the panel plans to notify its ruling. Under no circumstances should the ruling be notified later than 150 days after the date of establishment of the arbitration panel.
2. In cases of urgency, including those involving perishable goods or seasonal goods or services, the arbitration panel shall make every effort to notify its ruling

within 60 days from the date of its establishment. Under no circumstances should the ruling be notified later than 75 days after the date of its establishment.

3. In respect of a dispute concerning Chapter 11 (Trade-related Energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be urgent because of an interruption, in full or in part, of any transport of natural gas, oil or electricity or a threat thereof between the Parties, the arbitration panel shall notify its ruling within 40 days from the date of its establishment.

Sub-section 2 Compliance

Article 254

Compliance with the arbitration panel ruling

The Party complained against shall take any measure necessary to comply promptly and in good faith with the arbitration panel ruling.

Article 255

Reasonable period of time for compliance

1. If immediate compliance is not possible, the Parties shall endeavour to agree on the period of time to comply with the ruling. In such a case, the Party complained against shall, no later than 30 days after the receipt of the notification of the arbitration panel ruling to the Parties, notify the complaining Party and the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, of the time it will require for compliance ('reasonable period of time').
2. If there is disagreement between the Parties on the reasonable period of time to comply with the arbitration panel ruling, the complaining Party shall, within 20 days of the date of receipt of the notification made under paragraph 1 by the Party complained against, request in writing the original arbitration panel to determine the length of the reasonable period of time. Such request shall be notified simultaneously to the other Party and to the Association Committee in Trade configuration. The original arbitration panel shall notify its ruling to the Parties and to the Association Committee in Trade configuration within 20 days from the date of submission of the request.
3. The Party complained against shall inform the complaining Party in writing of its progress to comply with the arbitration panel ruling at least one month before the expiry of the reasonable period of time.
4. The reasonable period of time may be extended by mutual agreement of the Parties.

Article 256

Review of any measure taken to comply with the arbitration panel ruling

1. The Party complained against shall notify the complaining Party and the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, before the end of the reasonable period of time of any measure that it has taken to comply with the arbitration panel ruling.
2. In the event that there is disagreement between the Parties concerning the existence or the consistency of any measure under paragraph 1, taken to comply with the provisions referred to in Article 245 of this Agreement, the complaining Party may request in writing the original arbitration panel to rule on the matter. Such request shall identify the specific measure at issue and explain how such measure is inconsistent with the provisions referred to in Article 245 of this Agreement, in a manner sufficient to present the legal basis for the complaint clearly. The original arbitration panel shall notify its ruling to the Parties and to the Association Committee in Trade configuration within 45 days of the date of submission of the request.

Article 257

Temporary remedies in case of non-compliance

1. If the Party complained against fails to notify any measure taken to comply with the arbitration panel ruling before the expiry of the reasonable period of time, or if the arbitration panel rules that no measure taken to comply exists or that the measure notified under Article 256(1) of this Agreement, is inconsistent with that Party's obligations under the provisions referred to in Article 245 of this Agreement, the Party complained against shall, if so requested by the complaining Party and after consultations with that Party, present an offer for temporary compensation.
2. If the complaining Party decides not to request an offer for temporary compensation under paragraph 1 of this Article, or, in case such request is made, if no agreement on compensation is reached within 30 days after the end of the reasonable period of time or of the notification of the arbitration panel ruling under Article 256 of this Agreement that no measure taken to comply exists or that a measure taken to comply is inconsistent with the provisions referred to in Article 245 of this Agreement, the complaining Party shall be entitled, upon notification to the other Party and to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, to suspend obligations arising from any provision referred to in Article 245 of this Agreement, at an adequate level, equivalent to the nullification or impairment caused by the violation. The notification shall specify the level of suspension of obligations. The complaining Party may implement the suspension at any moment after the expiry of ten days after the date of receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration under paragraph 4 of this Article.

3. In suspending obligations, the complaining Party may choose to increase its tariff rates to the level applied to other WTO Members on a volume of trade to be determined in such a way that the volume of trade multiplied by the increase of the tariff rates equals the value of the nullification or impairment caused by the violation.

4. If the Party complained against considers that the level of suspension is not equivalent to the nullification or impairment caused by the violation, it may request in writing the original arbitration panel to rule on the matter. Such request shall be notified to the complaining Party and to the Association Committee in Trade configuration before the expiry of the ten day period referred to in paragraph 2. The original arbitration panel shall notify its ruling on the level of the suspension of obligations to the Parties and to the Association Committee in Trade configuration within 30 days of the date of submission of the request. Obligations shall not be suspended until the original arbitration panel has notified its ruling, and any suspension shall be consistent with the arbitration panel ruling.

5. The suspension of obligations and the compensation foreseen in this Article shall be temporary and shall not be applied after:

- (a) the Parties have reached a mutually agreed solution pursuant to Article 262 of this Agreement; or
- (b) the Parties have agreed that the measure notified under Article 256(1) of this Agreement brings the Party complained against into conformity with the provisions referred to in Article 245 of this Agreement; or
- (c) any measure found to be inconsistent with the provisions referred to in Article 245 has been withdrawn or amended so as to bring it into conformity with those provisions, as ruled under Article 256(2) of this Agreement.

Article 258

Remedies for urgent energy disputes

1. In respect of a dispute concerning Chapter 11 (Trade-related Energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be urgent because of an interruption, in full or in part, of any transport of natural gas, oil, or electricity or a threat thereof between the Parties, the provisions of this Article on remedies shall apply.

2. By way of derogation from Articles 255, 256 and 257 of this Agreement, the complaining Party may suspend obligations arising under Title IV (Trade and Trade-related Matters) of this Agreement to an adequate level, equivalent to the nullification or impairment caused by the Party failing to bring itself into compliance with the arbitration panel ruling within 15 days of its notification. That suspension may take effect immediately. Such suspension may be maintained as

long as the Party complained against has not complied with the arbitration panel ruling.

3. Should the Party complained against dispute the existence of a failure to comply or the level of the suspension due to the failure to comply, it may initiate proceedings under Articles 257(4) and 259 of this Agreement which shall be examined expeditiously. The complaining Party shall be required to remove or adjust the suspension only once the Panel has ruled on the matter, and may maintain the suspension pending the proceedings.

Article 259

Review of any measure taken to comply after the adoption of temporary remedies for non-compliance

1. The Party complained against shall notify the complaining Party and the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, of the measure it has taken to comply with the ruling of the arbitration panel following the suspension of concessions or following the application of temporary compensation, as the case may be. With the exception of cases under paragraph 2 of this Article, the complaining Party shall terminate the suspension of concessions within 30 days from the receipt of the notification. In cases where compensation has been applied, and with the exception of cases under paragraph 2 of this Article, the Party complained against may terminate the application of such compensation within 30 days from its notification that it has complied with the ruling of the arbitration panel.

2. If the Parties do not reach an agreement on whether the notified measure brings the Party complained against into conformity with the provisions referred to in Article 245 of this Agreement, within 30 days of the date of receipt of the notification, the complaining Party shall request in writing the original arbitration panel to rule on the matter. Such a request shall be notified simultaneously to the other Party and to the Association Committee in Trade configuration. The arbitration panel ruling shall be notified to the Parties and to the Association Committee in Trade configuration within 45 days of the date of submission of the request. If the arbitration panel rules that the measure taken to comply is in accordance with the provisions referred to in Article 245 of this Agreement, the suspension of obligations or compensation, as the case may be, shall be terminated. Where relevant, the complaining Party shall adapt the level of suspension of concessions to the level determined by the arbitration panel.

Article 260

Replacement of arbitrators

If in an arbitration proceeding under this Chapter, the original panel, or some of its members, are unable to participate, withdraw, or need to be replaced because they do not comply with the requirements of the Code of Conduct set out in Annex XXI

to this Agreement, the procedure set out in Article 249 of this Agreement shall apply. The time-limit for the notification of the arbitration panel ruling shall be extended by 20 days with the exception of the urgent disputes referred to in paragraph 7 of Article 249, for which the time-limit shall be extended by five days.

Sub-section 3 Common provisions

Article 261

Suspension and termination of arbitration and compliance procedures

The arbitration panel shall, at the written request of both Parties, suspend its work at any time for a period agreed by the Parties not exceeding 12 consecutive months. The arbitration panel shall resume its work before the end of that period at the written request of both Parties or at the end of this period at the written request of any Party. The requesting Party shall inform the chair or co-chairs of the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, and the other Party, accordingly. If a Party does not request the resumption of the arbitration panel's work at the expiry of the agreed suspension period, the procedure shall be terminated. The suspension and termination of the arbitration panel's work are without prejudice to the rights of either Party in another proceeding subject to Article 269 of this Agreement.

Article 262

Mutually agreed solution

The Parties may reach a mutually agreed solution to a dispute under Title IV (Trade and Trade-related Matters) of this Agreement at any time. They shall jointly notify the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, and the chairperson of the arbitration panel, where applicable, of any such solution. If the solution requires approval pursuant to the relevant domestic procedures of either Party, the notification shall refer to this requirement, and the dispute settlement procedure shall be suspended. If such approval is not required, or if the completion of any such domestic procedures is notified, the dispute settlement procedure shall be terminated.

Article 263

Rules of procedure

1. Dispute settlement procedures under this Chapter shall be governed by the Rules of Procedure set out in Annex XX to this Agreement and by the Code of Conduct set out in Annex XXI to this Agreement.

2. Any hearing of the arbitration panel shall be open to the public unless otherwise provided for in the Rules of Procedure.

Article 264

Information and technical advice

At the request of a Party, or upon its own initiative, the arbitration panel may obtain any information it deems appropriate for the arbitration panel proceeding from any source, including the Parties involved in the dispute. The arbitration panel also has the right to seek the opinion of experts as it deems appropriate. The arbitration panel shall consult the Parties before choosing such experts. Natural or legal persons established in the territory of a Party may submit amicus curiae briefs to the arbitration panel in accordance with the Rules of Procedure. Any information obtained under this Article shall be disclosed to each of the Parties and submitted for their comments.

Article 265

Rules of interpretation

The arbitration panel shall interpret the provisions referred to in Article 245 of this Agreement, in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention on the Law of Treaties of 1969. The panel shall also take into account relevant interpretations established in reports of panels and the Appellate Body adopted by the WTO Dispute Settlement Body (DSB). The rulings of the arbitration panel cannot add to or diminish the rights and obligations of the Parties provided under this Agreement.

Article 266

Decisions and rulings of the arbitration panel

1. The arbitration panel shall make every effort to take any decision by consensus. Where, nevertheless, a decision cannot be arrived at by consensus, the matter at issue shall be decided by majority vote. The deliberations of the panel shall be confidential and dissenting opinions shall not be issued.

2. The rulings of the arbitration panel shall be unconditionally accepted by the Parties. They shall not create any rights or obligations for natural or legal persons. The rulings shall set out the findings of fact, the applicability of the relevant provisions referred to in Article 245 of this Agreement and the basic rationale behind any findings and conclusions that they make. The Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, shall make the rulings of the arbitration panel publicly available in their entirety within ten days of their notification, unless it decides not to do so in order to ensure the

confidentiality of information that is designated as confidential by the Party that provided it, on the basis of its legislation.

Article 267

Referrals to the Court of Justice of the European Union

1. The procedures set out in this Article shall apply to disputes concerning the interpretation and application of a provision of this Agreement which imposes upon a Party an obligation defined by reference to a provision of Union law.
2. Where a dispute raises a question of interpretation of a provision of Union law referred to in paragraph 1, the arbitration panel shall not decide the question, but request the Court of Justice of the European Union to give a ruling on the question. In such cases, the deadlines applying to the rulings of the arbitration panel shall be suspended until the Court of Justice of the European Union has given its ruling. The ruling of the Court of Justice of the European Union shall be binding on the arbitration panel.

Section 4

General provisions

Article 268

Lists of arbitrators

1. The Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, shall, no later than six months after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: one sub-list for each Party and one sub-list of individuals that are not nationals of either Party and who may serve as chairperson to the arbitration panel. Each sub-list shall include at least five individuals. The Association Committee in Trade configuration shall ensure that the list is always maintained at that level.
2. Arbitrators shall have specialised knowledge and experience of law and international trade. They shall be independent, serve in their individual capacities and not take instructions from any organisation or government, or be affiliated with the government of any of the Parties, and shall comply with the Code of Conduct set out in Annex XXI to this Agreement.
3. The Association Committee in Trade configuration may establish additional lists of 12 individuals with knowledge and experience in specific sectors covered by this Agreement. Subject to the agreement of the Parties, such additional lists shall be used to compose the arbitration panel in accordance with the procedure set out in Article 249 of this Agreement.

Article 269

Relation with WTO obligations

1. Recourse to the dispute settlement provisions of this Chapter shall be without prejudice to any action in the WTO framework, including dispute settlement proceedings.

2. However, where a Party has, with regard to a particular measure, initiated a dispute settlement proceeding, either under this Chapter or under the WTO Agreement, it may not institute a dispute settlement proceeding regarding the same measure in the other forum until the first proceeding has been concluded. In addition, a Party shall not seek redress of an obligation which is identical under this Agreement and under the WTO Agreement in the two fora. In such case, once a dispute settlement proceeding has been initiated, the Parties shall use the selected forum to the exclusion of the other, unless the forum selected fails for procedural or jurisdictional reasons to make findings on the claim seeking redress of that obligation.

3. For the purposes of paragraph 2 of this Article:

- (a) dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes contained in Annex 2 to the WTO Agreement (DSU) and are deemed to be concluded when the DSB adopts that panel's report, and the Appellate Body's report as the case may be, under Articles 16 and 17.14 of the DSU; and
- (b) dispute settlement proceedings under this Chapter are deemed to be initiated by a Party's request for the establishment of an arbitration panel under Article 248 of this Agreement and are deemed to be concluded when the arbitration panel notifies its ruling under Article 253 of this Agreement to the Parties and to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement.

4. Nothing in this Agreement shall preclude a Party from implementing the suspension of obligations authorised by the DSB. The WTO Agreement shall not be invoked to preclude a Party from suspending obligations under this Chapter.

Article 270

Time-limits

1. All time-limits laid down in this Chapter, including the time-limits for an arbitration panel to notify its ruling, shall be counted in calendar days from the day following the act or fact to which they refer, unless otherwise specified.

2. Any time-limit referred to in this Chapter may be modified by mutual agreement of the Parties to the dispute. The arbitration panel may at any time propose to the

Parties to modify any time-limit referred to in this Chapter, stating the reasons for that proposal.

CHAPTER 15

General provisions on approximation under title iv

Article 271

Progress in approximation in trade-related areas

1. For the purposes of facilitating the assessment of the approximation, referred to in Article 419 of this Agreement, of Georgian law to Union law in the trade-related areas of Title IV (Trade and Trade-related Matters) of this Agreement, the Parties shall regularly, and at least once a year, discuss the progress in approximation according to the agreed timeframes provided for in Chapters 3, 4, 5, 6 and 8 of Title IV (Trade and Trade-related Matters) of this Agreement in the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, or one of its Sub-Committees established under this Agreement.
2. Upon request by the Union, and for the purposes of such discussion, Georgia shall submit to the Association Committee in Trade configuration or one of its Sub-Committees, as appropriate, information in writing on progress in approximation and on the effective implementation and enforcement of approximated domestic law, in relation to the relevant Chapters of Title IV (Trade and Trade-related Matters) of this Agreement.
3. Georgia shall inform the Union when it considers that it has completed the approximation provided for in any of the Chapters referred to in paragraph 1.

Article 272

Repeal of inconsistent domestic law

As part of the approximation, Georgia shall repeal provisions of its domestic law or remove administrative practices which are inconsistent with Union law that is the object of approximation provisions under Title IV (Trade and Trade-related Matters) of this Agreement or with its domestic law approximated to the Union law accordingly.

Article 273

Assessment of approximation in trade-related areas

1. The assessment of approximation by the Union referred to in Title IV (Trade and Trade-related Matters) of this Agreement shall start after Georgia has informed the Union pursuant to Article 271(3) of this Agreement, unless otherwise provided for in Chapters 4 and 8 of Title IV (Trade and Trade-related Matters) of this Agreement.

2. The Union shall assess whether the law of Georgia has been approximated to Union law and whether it is implemented and enforced effectively. Georgia shall provide the Union with all necessary information to enable such assessment, in a language to be mutually agreed.
3. The assessment by the Union pursuant to paragraph 2 shall take into account the existence and operation of relevant infrastructure, bodies and procedures in Georgia necessary for the effective implementation and enforcement of the law of Georgia.
4. The assessment by the Union pursuant to paragraph 2 shall take account of the existence of any provisions of domestic law or administrative practices that are inconsistent with Union law that is the object of approximation provisions under Title IV (Trade and Trade-related Matters) of this Agreement or with the domestic law approximated to the Union law accordingly.
5. The Union shall inform Georgia within a timeframe to be determined in accordance with Article 276(1) of this Agreement about the results of its assessment, unless otherwise provided. The Parties may discuss the assessment in the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, or its relevant Sub-Committees in accordance with Article 419(4) of this Agreement, unless otherwise provided.

Article 274

Developments relevant to approximation

1. Georgia shall ensure the effective implementation of the domestic law approximated under Title IV (Trade and Trade-related Matters) of this Agreement and undertake any action necessary to reflect the developments in Union law in its domestic law, in accordance with Article 418 of this Agreement.
2. The Union shall inform Georgia about any final Commission proposals to adopt or amend Union law relevant to approximation obligations incumbent on Georgia under Title IV (Trade and Trade-related Matters) of this Agreement.
3. Georgia shall inform the Union of actions, including legislative proposals and administrative practices, which may affect the fulfilment of its approximation obligations under Title IV (Trade and Trade-related Matters) of this Agreement.
4. Upon request, the Parties shall discuss the impact of any proposals or actions referred to under paragraphs 2 and 3 on the law of Georgia or on the compliance with the obligations under Title IV (Trade and Trade-related Matters) of this Agreement.
5. If, after an assessment has been made under Article 273 of this Agreement, Georgia modifies its domestic law to take account of changes on approximation in Chapters 3, 4, 5, 6 and 8 of Title IV (Trade and Trade-related Matters) of this Agreement, a new assessment by the Union shall be conducted pursuant to Article 273 of this Agreement. If Georgia takes any other action that could have an effect

on the implementation and enforcement of the approximated domestic law, a new assessment by the Union may be conducted pursuant to Article 273 of this Agreement.

6. If the circumstances so require, particular benefits accorded by the Union based on an assessment that the law of Georgia had been approximated to Union law and was implemented and enforced effectively may be temporarily suspended, if Georgia does not approximate its domestic law to take account of changes to Title IV (Trade and Trade-related Matters) of this Agreement concerning approximation, if the assessment referred to in paragraph 5 of this Article shows that the law of Georgia is no longer approximated to the Union law, or if the Association Council fails to take a decision to update Title IV (Trade and Trade-related Matters) of this Agreement in line with developments in Union law.

7. If the Union intends to implement any such suspension, it shall promptly notify Georgia. Georgia may refer the matter to the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, within three months of the notification, providing a statement of reasons in writing. The Association Committee in Trade configuration shall discuss the matter within three months from the referral. If the matter is not referred to the Association Committee in Trade configuration, or if it cannot be resolved by this Committee within three months from the referral, the Union may implement the suspension of benefits. The suspension shall be promptly lifted if the Association Committee in Trade configuration subsequently resolves the matter.

Article 275

Exchange of information

The exchange of information in relation to approximation under Title IV (Trade and Trade-related Matters) of this Agreement shall take place through the contact points established in Article 222(1) of this Agreement.

Article 276

General provision

1. The Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, shall adopt procedures to facilitate the assessment of the approximation and to ensure the effective exchange of information pertaining to approximation, including the timeframes for assessment and the form, content and language of the exchanged information.

2. Any reference to a specific Union act in Title IV (Trade and Trade-related Matters) of this Agreement covers amendments, supplements and replacement measures published in the *Official Journal of the European Union* before 29 November 2013.

3. The provisions of Chapters 3, 4, 5, 6 and 8 of Title IV (Trade and Trade-related Matters) of this Agreement shall prevail over the provisions set out in this Chapter to the extent that there is a conflict.

4. Claims of violation of the provisions of this Chapter shall not be pursued under Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement.

TITLE V ECONOMIC COOPERATION

CHAPTER 1 Economic dialogue

Article 277

1. The EU and Georgia shall facilitate the process of economic reform by improving the understanding of the fundamentals of their respective economies and the formulation and implementation of economic policies.

2. Georgia shall strive to establish a functioning market economy and to gradually approximate its economic and financial regulations to those of the EU, while ensuring sound macroeconomic policies.

Article 278

To that end, the Parties agree to conduct a regular economic dialogue aimed at:

- (a) exchanging information on macroeconomic trends and policies, as well as on structural reforms, including strategies for economic development;
- (b) exchanging expertise and best practices in areas such as public finance, monetary and exchange rate policy frameworks, financial sector policy and economic statistics;
- (c) exchanging information and experiences on regional economic integration, including the functioning of the European economic and monetary union;
- (d) reviewing status of bilateral cooperation in the economic, financial and statistical fields.

CHAPTER 2 Management of public finances and financial control

Article 279

The Parties shall cooperate in the area of public internal financial control (PIFC) and external audit with the following objectives:

- (a) further development and implementation of the PIFC system based on the principle of managerial accountability, and including a functionally independent internal audit function in the entire public sector, by means of harmonisation with generally accepted international standards and methodologies and EU good practices, on the basis of the PIFC policy paper approved by the Government of Georgia;
- (b) to reflect in the PIFC policy paper if and under which conditions a financial inspection system may be implemented, in which case such function will be complaint driven and will
- (c) effective cooperation between the actors defined by the PIFC policy paper to foster the development of governance;
- (d) supporting the Central Harmonisation Unit for PIFC and strengthening its competences;
- (e) further strengthening of the State Audit Office of Georgia as a supreme audit institution of Georgia in terms of its independence, organisational and audit capacity, financial and human resources and implementation of internationally accepted external audit (INTOSAI) standards by the supreme audit institution; and
- (f) exchange of information, experiences and good practices through inter alia personnel

CHAPTER 3

Taxation

Article 280

The Parties shall cooperate to enhance good governance in the tax area, with a view to the further improvement of economic relations, trade, investment and fair competition.

Article 281

With reference to Article 280 of this Agreement, the Parties recognise and commit themselves to implement the principles of good governance in the tax area, i.e. the principles of transparency, exchange of information and fair tax competition, as subscribed to by Member States at EU level. To that effect, without prejudice to EU and Member States competences, the Parties will improve international cooperation in the tax area, facilitate the collection of legitimate tax revenues, and develop measures for the effective implementation of the above mentioned principles.

Article 282

The Parties shall also enhance and strengthen their cooperation aimed at the development of the Georgia's tax system and administration, including the enhancement of collection and control capacity, ensure effective tax collection and reinforce the fight against tax fraud and tax avoidance. The Parties shall strive to enhance cooperation and sharing of experiences in combating tax fraud, in particular carousel fraud.

Article 283

The Parties shall develop their cooperation and harmonise policies in counteracting and fighting fraud and smuggling of excisable products. This cooperation will include, inter alia, the gradual approximation of excise rates on tobacco products, as far as possible, taking into account the constraints of the regional context, and in line with the World Health Organisation Framework Convention on Tobacco Control. To that end, the Parties will look to strengthen their cooperation within the regional context.

Article 284

A regular dialogue will take place on the issues covered by this Chapter.

Article 285

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXII to this Agreement in accordance with the provisions of that Annex.

CHAPTER 4

Statistics

Article 286

The Parties shall develop and strengthen their cooperation on statistical issues, thereby contributing to the long-term objective of providing timely, internationally comparable and reliable statistical data. It is expected that a sustainable, efficient and professionally independent national statistical system shall produce information relevant for citizens, businesses and decision-makers in Georgia and in the EU, enabling them to take informed decisions on this basis. The national statistical system should respect the UN Fundamental Principles of Official Statistics, taking into account the EU acquis in statistics, including the European Statistics Code of Practice, in order to align the national statistical system with the European norms and standards.

Article 287

Cooperation shall aim at:

- (a) further strengthening the capacity of the national statistical system, focusing on the sound legal basis, production of adequate data and metadata, dissemination policy and user friendliness, taking into account various groups of users, in particular public and private sectors, academic community and other users;
- (b) progressive alignment of the statistical system of Georgia with the European Statistical System;
- (c) fine-tuning of data provision to the EU, taking into account the application of relevant international and European methodologies, including classifications;
- (d) enhancing the professional and management capacity of the national statistical staff to development of the Georgian statistical system;
- (e) exchanging experience between the Parties on the development of statistical know-how, and
- (f) promoting total quality management of all statistical production processes and dissemination.

Article 288

The Parties shall cooperate within the framework of the European Statistical System in which Eurostat is the European statistical authority. The cooperation shall include a focus on the areas of:

- (a) macroeconomic statistics, including national accounts, foreign trade statistics, balance of
- (b) demographic statistics, including censuses and social statistics;
- (c) agricultural statistics, including agricultural censuses and environment statistics;
- (d) business statistics, including business registers and use of administrative sources for statistical purposes;
- (e) energy statistics, including balances;
- (f) regional statistics;
- (g) horizontal activities, including statistical classifications, quality management, training, dissemination, use of modern information technologies, and
- (h) other relevant areas.

Article 289

The Parties shall, inter alia, exchange information and expertise and shall develop their cooperation, taking into account the already accumulated experience in the reform of the statistical system launched within the framework of various assistance programmes. Efforts shall be directed towards further alignment with the EU acquis in statistics, on the basis of the national strategy for the development of the Georgian statistical system, and taking into account the development of the European Statistical System. The emphasis in the statistical data production process shall be the further development of sample surveys and use of administrative records, while taking into account the need to reduce the response burden. The data shall be relevant for the designing and monitoring of policies in key areas of social and economic life.

Article 290

A regular dialogue shall take place on the issues covered by this Chapter. To the extent possible, the activities undertaken within the European Statistical System, including training, should be open for Georgian participation.

Article 291

Gradual approximation of Georgian legislation wherever relevant and applicable to the EU acquis in statistics shall be carried out in accordance with the annually updated Statistical Requirements Compendium which is considered by the Parties as annexed to this Agreement (Annex XXIII).

**TITLE VI
OTHER COOPERATION POLICIES**

***CHAPTER 1
Transport***

Article 292

The Parties shall:

- (a) expand and strengthen their transport cooperation in order to contribute to the development of sustainable transport systems;
- (b) promote efficient, safe and secure transport operations as well as intermodality and interoperability of transport systems, and
- (c) endeavour to enhance the main transport links between their territories.

Article 293

This cooperation shall cover, inter alia the following areas:

- (a) development of a sustainable national transport policy covering all modes of transport, particularly with a view to ensuring environmentally friendly, efficient, safe and secure transport systems and promoting the integration of these considerations in the sphere of transport into other policy areas;
- (b) development of sector strategies in light of the national transport policy, including legal requirements for the upgrading of technical equipment and transport fleets to meet rail, aviation, maritime transport, and intermodality, including timetables and milestones for implementation, administrative responsibilities as well as financing plans;
- (c) strengthening of the infrastructure policy in order to better identify and evaluate infrastructure projects in the various modes of transport;
- (d) development of funding policies focusing on maintenance, capacity constraints and missing link infrastructure as well as activating and promoting the participation of the private sector in transport projects;
- (e) accession to relevant international transport organisations and agreements including procedures for ensuring strict implementation and effective enforcement of international transport agreements and conventions;
- (f) scientific and technical cooperation and exchange of information for the development and
- (g) promotion of the use of intelligent transport systems and information technology in managing and operating all relevant modes of transport as well as supporting intermodality and cooperation in the use of space systems and commercial applications facilitating transport.

Article 294

1. Cooperation shall also aim at improving the movement of passengers and goods, increasing fluidity of transport flows between Georgia, the EU and third countries in the region, by removing administrative, technical and other obstacles, improving transport networks and upgrading the infrastructure in particular on the main networks connecting the Parties. This cooperation shall include actions to facilitate border-crossings.

2. Cooperation shall include information exchange and joint activities:

- (a) at regional level, in particular taking into consideration and integrating progress achieved under various regional transport cooperation arrangements such as Eastern Partnership Transport Panel, the Transport Corridor Europe–Caucasus–Asia (TRACECA), the Baku process and other transport initiatives;

- (b) at international level, including with regard to international transport organisations and international agreements and conventions ratified by the Parties, and
- (c) in the framework of the various transport agencies of the EU.

Article 295

A regular dialogue will take place on the issues covered by this Chapter.

Article 296

Georgia shall carry out approximation of its legislation to the EU acts and international instruments referred to in Annexes XXIV and XV-D to this Agreement in accordance with the provisions of those Annexes.

CHAPTER 2

Energy cooperation

Article 297

The cooperation should be based on the principles of partnership, mutual interest, transparency and predictability and shall aim at market integration and regulatory convergence in the energy sector, taking into account the need to ensure access to secure, environmentally friendly and affordable energy.

Article 298

The cooperation should cover, inter alia the following areas:

- (a) energy strategies and policies;
- (b) the development of competitive, transparent and efficient energy markets allowing third parties with non-discriminatory access to networks and consumers following EU standards, including the development of the relevant regulatory framework, as required;
- (c) cooperation on regional energy issues and the possible accession of Georgia to the Energy Community Treaty in respect of which Georgia has a status of observer at present;
- (d) development of an attractive and stable investment climate by addressing institutional, legal, fiscal and other conditions;
- (e) energy infrastructures of common interest, in order to diversify energy sources, suppliers and
- (f) enhancement of security of energy supply, increasing market integration and gradual regulatory approximation towards key elements of the EU acquis;

- (g) enhancement and strengthening of long-term stability and security of energy trade, transit and transport, and pricing policies, including a general cost based system for the transmission of energy resources, on a mutually beneficial and non-discriminatory basis in accordance with international rules, including the Energy Charter Treaty;
- (h) promotion of energy efficiency and energy savings in economic and environmentally sound manner;
- (i) development and support of renewable energies with a primary focus on hydro resources and promotion of bilateral and regional integration in this field;
- (j) scientific and technical cooperation and exchange of information for the development and improvement of technologies in energy production, transportation, supply and end use with
- (k) cooperation on nuclear safety, security and radiation protection, in accordance with the principles and standards of the International Atomic Energy Agency (IAEA) and the relevant international treaties and conventions concluded within the framework of the IAEA as well as in compliance with the Treaty establishing the European Atomic Energy Community where applicable.

Article 299

A regular dialogue will take place on the issues covered by this Chapter.

Article 300

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in the Annex XXV to this Agreement in accordance with the provisions of that Annex.

CHAPTER 3

Environment

Article 301

The Parties shall develop and strengthen their cooperation on environmental issues, thereby contributing to the long-term objective of sustainable development and greening the economy. It is expected that enhanced environment protection will bring benefits to citizens and businesses in Georgia and in the EU, including through improved public health, preserved natural resources, increased economic and environmental efficiency, as well as use of modern, cleaner technologies contributing to more sustainable production patterns. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account the interdependence existing between

the Parties in the field of environment protection, and multilateral agreements in the field.

Article 302

1. Cooperation shall aim at preserving, protecting, improving and rehabilitating the quality of the environment, protecting human health, sustainable utilisation of natural resources and promoting measures at international level to deal with regional or global environmental problems, including in the areas of:

- (a) environmental governance and horizontal issues, including strategic planning, environmental impact assessment and strategic environmental assessment, education and training, monitoring and environmental information systems, inspection and enforcement, environmental liability, combating environmental crime, transboundary cooperation, public access to environmental information, decision-making processes and effective administrative and judicial review procedures;
- (b) air quality;
- (c) water quality and resource management, including flood risk management, water scarcity and droughts as well as marine environment;
- (d) waste management;
- (e) nature protection, including forestry and conservation of biological diversity;
- (f) industrial pollution and industrial hazards, and
- (g) chemicals management.

2. Cooperation shall also aim at integrating environment into policy areas other than environment policy.

Article 303

The Parties shall, inter alia, exchange information and expertise; cooperate at bilateral, regional, including through the existing structures of cooperation in South Caucasus, and international levels, especially with regard to multilateral environment agreements ratified by the Parties, and cooperate in the framework of relevant agencies, as appropriate.

Article 304

1. The cooperation shall cover, inter alia the following objective:

- (a) the development of a National Environment Action Plan (NEAP) covering the overall national and sector-related strategic directions of the environment in Georgia as well as institutional and administrative issues;

- (b) the promotion of integration of the environment into other policy areas, and
 - (c) the identification of the necessary human and financial resources.
2. The NEAP will be periodically updated and adopted in accordance with Georgian legislation.

Article 305

A regular dialogue will take place on the issues covered by this Chapter.

Article 306

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXVI to this Agreement in accordance with the provisions of that Annex.

CHAPTER 4
Climate action

Article 307

The Parties shall develop and strengthen their cooperation to combat climate change. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit and taking into account the interdependence existing between bilateral and multilateral commitments in this area.

Article 308

Cooperation shall aim at mitigating and adapting to climate change, as well as promoting measures at international level, including in the areas of:

- (a) mitigation of climate change;
- (b) adaptation to climate change;
- (c) carbon trading;
- (d) research, development, demonstration, deployment and diffusion of safe and sustainable low carbon and adaptation technologies, and
- (e) mainstreaming of climate considerations into sector policies.

Article 309

The Parties shall, inter alia, exchange information and expertise; implement joint research activities and exchange of information on cleaner technologies; implement joint activities at regional and international level, including with regard to multilateral environment agreements ratified by the Parties and joint activities in the framework of relevant agencies as appropriate. The Parties shall pay special attention to transboundary issues and regional cooperation.

Article 310

Based on mutual interests, the cooperation shall cover, inter alia, the development and implementation of:

- (a) national Adaptation Plan of Action (NAPA);
- (b) Low Emissions Development Strategy (LEDS), including nationally appropriate mitigation actions;
- (c) measures to promote technology transfer on the basis of technology needs assessment;
- (d) measures related to ozone-depleting substances and fluorinated greenhouse gases.

Article 311

A regular dialogue will take place on the issues covered by this Chapter.

Article 312

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXVII to this Agreement in accordance with the provisions of that Annex.

CHAPTER 5

Industrial and enterprise policy and mining

Article 313

The Parties shall develop and strengthen their cooperation on industrial and enterprise policy, thereby improving the business environment for all economic operators, but with particular emphasis on small and medium-sized enterprises (SMEs) as they are defined in the EU and Georgian legislation respectively. Enhanced cooperation should improve the administrative and regulatory framework for both EU and Georgian businesses operating in the EU and Georgia, and should be based on the EU's SME and industrial policies, taking into account internationally recognised principles and practices in this field.

Article 314

To these ends, the Parties shall cooperate in order to:

- (a) implement policies for SME development, based on the principles of the Small Business Act, and monitoring of the implementation process through regular dialogue. This cooperation will also include a focus on micro- and craft enterprises, which are extremely important for both the EU and Georgian economies;
- (b) create better framework conditions, via the exchange of information and good practices, thereby contributing to improving competitiveness. This cooperation will include the management of structural issues (restructuring) such as environment and energy;
- (c) simplify and rationalise regulations and regulatory practice, with specific focus on exchange of good practices on regulatory techniques, including the EU's principles;
- (d) encourage the development of innovation policy, via the exchange of information and good practices regarding the commercialisation of research and development (including support instruments for technology-based business start-ups, cluster development and access to finance);
- (e) encourage greater contacts between EU and Georgian businesses and between these businesses and the authorities in the EU and Georgia;
- (f) encourage export promotion activities between the EU and Georgia;
- (g) facilitate the modernisation and restructuring of the EU and Georgian industry in sectors, where appropriate;
- (h) develop and strengthen the cooperation in the area of mining industries, and production of raw materials, with the objectives of promoting mutual understanding, improvement of the business environment, and information exchange and cooperation in the area of non-energy mining, in particular metallic ores and industrial minerals. The exchange of information will cover developments in mining and raw materials sector, trade in raw materials, best practices in relation to sustainable development of mining industries as well as training, skills and

Article 315

A regular dialogue will take place on the issues covered by this Chapter. This will also involve representatives of EU and Georgian businesses.

CHAPTER 6

Company law, accounting and auditing and corporate governance

Article 316

Recognising the importance of an effective set of rules and practices in the areas of company law and corporate governance, as well as in accounting and auditing, for creating a fully-functioning market economy and for fostering trade, the Parties agree to cooperate:

- (a) on the protection of shareholders, creditors and other stakeholders in line with EU rules in this area;
- (b) on the implementation of relevant international standards at national level and gradual approximation with the EU rules in the field of accounting and auditing, and
- (c) on further development of corporate governance policy in line with international standards, as well as gradual approximation with the EU rules and recommendations in this area.

Article 317

The Parties will aim at sharing information and expertise on both existing systems and relevant new developments in these areas. In addition, the Parties will seek to ensure effective information exchange between business registers of EU Member States and the national register of companies of Georgia.

Article 318

A regular dialogue will take place on the issues covered by this Chapter.

Article 319

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXVIII to this Agreement in accordance with the provisions of that Annex.

CHAPTER 7

Financial services

Article 320

Recognising the relevance of an effective set of rules and practices in the areas of financial services to establish a fully-functioning market economy and in order to foster trade exchanges among both Parties, the Parties agree to cooperate in the area of financial services in line with the following objectives:

- (a) supporting the process of adapting financial services regulation to the needs of an open market economy;
- (b) ensuring effective and adequate protection of investors and other consumers of financial services;

- (c) ensuring the stability and integrity of the Georgian financial system in its entirety;
- (d) promoting cooperation between different actors of the financial system, including regulators and supervisors, and
- (e) ensuring independent and effective supervision.

Article 321

1. The Parties shall encourage cooperation between relevant regulatory and supervisory authorities, including information exchange, sharing of expertise on financial markets and other such measures.
2. Special attention shall be paid to the development of administrative capacity of such authorities, including through personnel exchange and joint training.

Article 322

A regular dialogue will take place on the issues covered by this Chapter.

Article 323

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XV-A to this Agreement in accordance with the provisions of that Annex.

CHAPTER 8

Cooperation in the field of information society

Article 324

The Parties shall promote cooperation on the development of the Information Society to benefit citizens and businesses through the widespread availability of information and communication technologies (ICT) and through better quality of services at affordable prices. This cooperation should aim at facilitating access to electronic communications markets, encourage competition and investment in the sector.

Article 325

Cooperation will cover, inter alia, the following subjects:

- (a) exchange of information and best practices on the implementation of national information society initiatives, including, inter alia, those aiming at promoting broadband access, improving network security and developing public online services, and

- (b) exchange of information, best practices and experience to promote the development of a comprehensive regulatory framework for electronic communications, and in particular strengthen the administrative capacity of the national independent regulator, foster a better use of spectrum resources and promote interoperability of networks in Georgia, and between Georgia and the EU.

Article 326

The Parties shall promote cooperation between EU regulators and the national regulatory authorities in the field of electronic communications of Georgia.

Article 327

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XV-B to this Agreement in accordance with the provisions of that Annex.

CHAPTER 9

Tourism

Article 328

The Parties shall cooperate in the field of tourism, with the aim of strengthening the development of a competitive and sustainable tourism industry as a generator of economic growth and empowerment, employment and international exchange.

Article 329

Cooperation at bilateral and European level shall be based on the following principles:

- (a) respect for the integrity and interests of local communities, particularly in rural areas, bearing in mind local development needs and priorities;
- (b) the importance of cultural heritage, and
- (c) positive interaction between tourism and environmental preservation.

Article 330

The cooperation shall focus on the following topics:

- (a) exchange of information, best practices, experience and 'know-how';
- (b) maintenance of partnership between public, private and community interests in order to

ensure the sustainable development of tourism;

- (c) promotion and development of tourism flows, products and markets, infrastructure, human resources and institutional structures;
- (d) development and implementation of efficient policies;
- (e) tourism training and capacity building in order to improve service standards, and
- (f) development and promotion of, inter alia, community-based tourism.

Article 331

A regular dialogue will take place on the issues covered by this Chapter.

CHAPTER 10

Agriculture and rural development

Article 332

The Parties shall cooperate to promote agricultural and rural development, in particular through progressive convergence of policies and legislation.

Article 333

Cooperation between the Parties in the field of agriculture and rural development shall cover, inter alia, the following areas:

- (a) facilitating the mutual understanding of agricultural and rural development policies;
- (b) enhancing the administrative capacities at central and local level to plan, evaluate, implement and enforce policies in accordance with EU regulations and best practices;
- (c) promoting the modernisation and the sustainability of the agricultural production;
- (d) sharing knowledge and best practices of rural development policies to promote economic well-being for rural communities;
- (e) improving the competitiveness of the agricultural sector and the efficiency and transparency for all stakeholders in the markets;
- (f) promoting quality policies and their control mechanisms, including geographical indications
- (g) wine production and agro tourism;
- (h) disseminating knowledge and promoting extension services to agricultural producers, and

- (i) striving for the harmonisation of issues dealt within the framework of international organisations of which both Parties are members.

Article 334

A regular dialogue will take place on the issues covered by this Chapter.

CHAPTER 11

Fisheries and maritime governance

Section 1

Fisheries Policy

Article 335

1. The Parties shall cooperate on the following mutually beneficial areas of common interest in the fisheries sector, including conservation and management of living aquatic resources, inspection and control, data collection, and the fight against illegal, unreported and unregulated (IUU) fishing as defined in the FAO International Plan of Action (IPOA) of 2001 to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing.
2. That cooperation will respect the international obligations of the Parties concerning management and conservation of living aquatic resources.

Article 336

The Parties shall take joint actions, exchange information and provide support to each other in order to promote:

- (a) good governance and best practices in fisheries management with a view to ensuring conservation and management of fish stocks in a sustainable manner, and based on the principle of ecosystem approach;
- (b) responsible fishing and fisheries management consistent with the principles of sustainable
- (c) regional cooperation, including through Regional Fisheries Management Organisations, as appropriate.

Article 337

With reference to Article 336 of this Agreement, and taking into account the best scientific advice, the Parties shall strengthen the cooperation and coordination of their activities in the field of management and conservation of living aquatic

resources in the Black Sea. Both Parties will promote regional cooperation in the Black Sea and relations with relevant Regional Fisheries Management Organisations, as appropriate.

Article 338

The Parties will support initiatives, such as mutual exchange of experience and providing support, in order to ensure the implementation of a policy ensuring sustainable fisheries, based on the EU acquis and priority areas of interest for the Parties in this field, including:

- (a) management of living aquatic resources, fishing effort and technical measures;
- (b) inspection and control of fishing activities, using the necessary surveillance equipment, including electronic monitoring devices and traceability tools, as well as ensuring enforceable legislation and control mechanisms;
- (c) harmonised collection of compatible catch, landing, fleet, biological and economic data;
- (d) management of fishing capacity, including a functioning fishing fleet register;
- (e) market efficiency, in particular by promoting producer organisations, providing information to consumers and through marketing standards and traceability, and
- (f) development of a structural policy for the fisheries sector providing sustainability in

Section 2 Maritime Policy

Article 339

Taking into account their cooperation in the spheres of fisheries, sea-related transport, environment and other policies, and in accordance with the relevant international agreements on the law of the sea based on United Nations Convention on the Law of the Sea, the Parties shall also develop cooperation on an integrated maritime policy, in particular:

- (a) promoting an integrated approach to maritime affairs, good governance and exchange of best practices in the use of the marine space;
- (b) promoting maritime spatial planning as a tool contributing to improved decision-making for arbitrating between competing human activities, in line with the ecosystem approach;
- (c) promoting integrated coastal zone management, in line with the ecosystem approach, to

coastal risks including the impacts of climate change;

- (d) promoting innovation and resource efficiency in maritime industries as a generator of economic growth and employment, including through the exchange of best practices;
- (e) promoting strategic alliances between maritime industries, services and scientific institutions specialising in marine and maritime research;
- (f) endeavouring to enhance cross-border and cross-sectoral maritime surveillance in order to address the increasing risks related to intensive maritime traffic, operational discharges of vessels, maritime accidents and illegal activities at sea, and
- (g) establishing a regular dialogue and promoting different networks between maritime stakeholders.

Article 340

This cooperation shall include:

- (a) exchange of information, best practices, experience and maritime 'know-how' transfer,
- (b) exchange of information and best practices on financing options for projects, including public-private partnerships, and
- (c) enhancing cooperation between the Parties in the relevant international maritime fora.

Article 341

A regular dialogue between the Parties will take place on the issues covered by this Chapter.

CHAPTER 12

Cooperation in research, technological development and demonstration

Article 342

The Parties shall promote cooperation in all areas of civil scientific research and technological development and demonstration (RTD) on the basis of mutual benefit and subject to appropriate and effective levels of protection of intellectual property rights.

Article 343

Cooperation in RTD shall cover:

- (a) policy dialogue and the exchange of scientific and technological information;
- (b) facilitating adequate access to the respective programmes of the Parties;
- (c) increasing research capacity and the participation of Georgian research entities in the research Framework Programme of the EU;
- (d) the promotion of joint projects for research in all areas of RTD;
- (e) training activities and mobility programmes for scientists, researchers and other research staff engaged in RTD activities of the Parties;
- (f) facilitating, within the framework of applicable legislation, the free movement of research workers participating in the activities covered by this Agreement and the cross-border movement of goods intended for use in such activities, and
- (g) other forms of cooperation in RTD on the basis of mutual agreement.

Article 344

In carrying out such cooperation activities, synergies should be sought with the other activities carried out within the framework of financial cooperation between the EU and Georgia as stipulated in Title VII (Financial Assistance, and Anti-Fraud and Control Provisions) of this Agreement.

CHAPTER 13 **Consumer policy**

Article 345

The Parties shall cooperate in order to ensure a high level of consumer protection and to achieve compatibility between their systems of consumer protection.

Article 346

In order to achieve these objectives the cooperation may comprise, when appropriate:

- (a) aiming at approximation of consumer legislation while avoiding barriers to trade;
- (b) promoting exchange of information on consumer protection systems, including consumer legislation and its enforcement, consumer product safety, information exchange systems,
- (c) training activities for administration officials and other consumer interest representatives, and

- (d) fostering the activity of independent consumer associations and contacts between consumer representatives.

Article 347

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXIX to this Agreement in accordance with the provisions of that Annex.

CHAPTER 14

Employment, social policy and equal opportunities

Article 348

The Parties shall strengthen their dialogue and cooperation on promoting the Decent Work Agenda, employment policy, health and safety at work, social dialogue, social protection, social inclusion, gender equality and anti-discrimination, and corporate social responsibility and thereby contribute to the promotion of more and better jobs, poverty reduction, enhanced social cohesion, sustainable development and improved quality of life.

Article 349

Cooperation, based on exchange of information and best practices, may cover a selected number of issues to be identified among the following areas:

- (a) poverty reduction and the enhancement of social cohesion;
- (b) employment policy, aiming at more and better jobs with decent working conditions, including with a view to reduce the informal economy and informal employment;
- (c) promoting active labour market measures and efficient employment services, as appropriate, to modernise the labour markets and to adapt to labour market needs of the Parties;
- (d) fostering more inclusive labour markets and social safety systems that integrate
- (e) equal opportunities and anti-discrimination, aiming at enhancing gender equality and ensuring equal opportunities between men and women, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
- (f) social policy, aiming at enhancing the level of social protection and the social protection
- (g) enhancing the participation of social partners and promoting social dialogue, including through strengthening the capacity of all relevant stakeholders;

- (h) promoting health and safety at work, and
- (i) awareness and dialogue in the field of corporate social responsibility.

Article 350

The Parties shall encourage the involvement of all relevant stakeholders, including civil society organisations and in particular social partners, in policy development and reforms and in the cooperation between the Parties as provided for in the relevant part of Title VIII (Institutional, General and Final Provisions) of this Agreement.

Article 351

The Parties shall aim at enhancing cooperation on employment and social policy matters in all relevant regional, multilateral and international fora and organisations.

Article 352

The Parties shall promote corporate social responsibility and accountability and encourage responsible business practices, such as those promoted by a number of international corporate social responsibility guidelines and especially the OECD Guidelines for Multinational Enterprises.

Article 353

A regular dialogue will take place on the issues covered by this Chapter.

Article 354

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXX to this Agreement in accordance with the provisions of that Annex.

CHAPTER 15

Public health

Article 355

The Parties agree to develop their cooperation in the field of public health, with a view to raising the level of public health safety and protection of human health as an essential component for sustainable development and economic growth.

Article 356

The cooperation shall cover the following areas, in particular:

- (a) strengthening of the public health system of Georgia, in particular through continuing health sector reform, ensuring high-quality healthcare, development of human resources for health, improving health governance and healthcare financing;
- (b) epidemiological surveillance and control of communicable diseases, such as for example HIV/AIDS, viral hepatitis, tuberculosis as well as antimicrobial resistance, as well as increased preparedness for public health threats and emergencies;
- (c) prevention and control of non-communicable diseases, mainly through exchange of information and best practices, promoting healthy lifestyles, physical activity and addressing major health determinants, such as nutrition, addiction to alcohol, drugs and tobacco;
- (d) quality and safety of substances of human origin;
- (e) health information and knowledge, and
- (f) effective implementation of international health agreements to which the Parties are party, in particular the International Health Regulations and the Framework Convention on Tobacco Control.

Article 357

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXXI to this Agreement in accordance with the provisions of that Annex.

CHAPTER 16

Education, training and youth

Article 358

The Parties shall cooperate in the field of education and training to intensify cooperation and dialogue, including dialogue on policy issues, seeking approximation to relevant EU policies and practices. The Parties shall cooperate to promote lifelong learning, encourage cooperation and transparency at all levels of education and training, with a special focus on higher education.

Article 359

This cooperation in the field of education and training shall focus, inter alia, on the following areas:

- (a) promoting lifelong learning, which is a key to growth and jobs, and can allow citizens to

- (b) modernising education and training systems, enhancing quality, relevance and access throughout the education ladder from early childhood education and care to tertiary education;
- (c) promoting quality in higher education in a manner which is consistent with the EU Modernisation Agenda for Higher Education and the Bologna process;
- (d) reinforcing international academic cooperation, participation in EU cooperation programmes, increasing student and teacher mobility;
- (e) encouraging the learning of foreign languages;
- (f) promoting progress towards recognition of qualifications and competences and ensuring transparency in the area;
- (g) promoting cooperation in vocational education and training, taking into consideration the relevant EU good practices, and
- (h) reinforcing understanding and knowledge on the European integration process, the academic dialogue on EU–Eastern Partnership relations, and participation in relevant EU programmes.

Article 360

The Parties agree to cooperate in the field of youth to:

- (a) reinforce cooperation and exchanges in the field of youth policy and non-formal education
- (b) support young people and youth workers' mobility as a means to promote intercultural dialogue and the acquisition of knowledge, skills and competences outside the formal educational systems, including through volunteering;
- (c) promote cooperation between youth organisations.

Article 361

Georgia will conduct and develop policy consistent with the framework of EU policies and practices with reference to documents in Annex XXXII to this Agreement in accordance with the provisions of that Annex.

CHAPTER 17

Cooperation in the cultural field

Article 362

The Parties will promote cultural cooperation taking duly into account the principles enshrined in the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005. The Parties will seek a regular policy dialogue in areas of mutual interest, including the development of cultural industries in the EU and Georgia. Cooperation between the Parties will foster intercultural dialogue, including through the participation of the culture sector and civil society from the EU and Georgia.

Article 363

The Parties shall concentrate their cooperation in a number of fields:

- (a) cultural cooperation and cultural exchanges;
- (b) mobility of art and artists and strengthening of the capacity of the cultural sector;
- (c) intercultural dialogue;
- (d) dialogue on cultural policy, and
- (e) cooperation in international fora such as UNESCO and the Council of Europe, inter alia, in order to foster cultural diversity, and preserve and valorise cultural and historical heritage.

CHAPTER 18

Cooperation in the audiovisual and media fields

Article 364

The Parties will promote cooperation in the audio-visual field. Cooperation shall strengthen the audio-visual industries in the EU and Georgia in particular through training of professionals, exchange of information and encouragement of co-productions in the fields of cinema and television.

Article 365

1. The Parties shall develop a regular dialogue in the field of audio-visual and media policies and cooperate to reinforce independence and professionalism of the media as well as links with EU media in compliance with relevant European standards, including standards of the Council of Europe and the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005.
2. Cooperation could include, inter alia, the issue of the training of journalists and other media professionals.

Article 366

The Parties shall concentrate their cooperation on a number of fields:

- (a) dialogue on audio-visual and media policies;
- (b) dialogue in international fora (such as UNESCO and WTO), and
- (c) audio-visual and media cooperation including cooperation in the field of cinema.

Article 367

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXXIII to this Agreement in accordance with the provisions of that Annex.

CHAPTER 19

Cooperation in the field of sport and physical activity

Article 368

The Parties shall promote cooperation in the field of sport and physical activity through the exchange of information and good practices in order to promote a healthy lifestyle and the social and educational values of sport, mobility in sport and in order to fight global threats to sport such as doping, racism and violence.

CHAPTER 20

Civil society cooperation

Article 369

The Parties shall enhance a dialogue on civil society cooperation, with the following objectives:

- (a) to strengthen contacts and exchange of information and experience between all sectors of civil society in the EU and in Georgia;
- (b) to ensure a better knowledge and understanding of Georgia, including its history and culture, in the EU and in particular among civil society organisations based in the Member States, thus allowing for a better awareness of the opportunities and challenges for future relations;
- (c) reciprocally, to ensure a better knowledge and understanding of the EU in Georgia and in particular among Georgian civil society organisations, with a non-exclusive focus on the

Article 370

The Parties shall promote dialogue and cooperation between civil society stakeholders from both sides as an integral part of the relations between the EU and Georgia. The aims of such a dialogue and such cooperation are:

- (a) to ensure involvement of civil society in EU–Georgia relations, in particular in the implementation of the provisions of this Agreement;
- (b) to enhance civil society participation in the public decision–making process, particularly by maintaining an open, transparent and regular dialogue between the public institutions and representative associations and civil society;
- (c) to facilitate an enabling environment for the institution–building and development of civil society organisations in various ways, including inter alia advocacy support, informal and formal networking, mutual visits and workshops enabling legal framework for civil society, and
- (d) to enable civil society representatives from each side to become acquainted with the processes of consultation and dialogue between civil society, including social partners, and public authorities in particular with a view to strengthen civil society in the public policy–making process.

Article 371

A regular dialogue will take place between the Parties on the issues covered by this Chapter.

CHAPTER 21

Regional development, cross-border and regional level cooperation

Article 372

1. The Parties shall promote mutual understanding and bilateral cooperation in the field of regional development policy, including methods of formulation and implementation of regional policies, multi-level governance and partnership, with special emphasis on the development of disadvantaged areas and territorial cooperation, with the objective of establishing channels of communication and enhancing exchange of information and experience between national and local authorities, socio-economic actors and civil society.

2. The Parties shall in particular cooperate with a view to aligning the Georgian practices with the following principles:

- (a) strengthening multi–level governance as it affects both the central level and municipal

stakeholders;

- (b) consolidation of the partnership between all the parties involved in regional development, and
- (c) co-financing through financial contribution by those involved in the implementation of regional development programmes and projects.

Article 373

1. The Parties shall support and strengthen the involvement of local level authorities in regional policy cooperation including cross-border cooperation and the related management structures, enhance cooperation through the establishment of an enabling reciprocal legislative framework, sustain and develop capacity building measures and promote the strengthening of cross-border and regional economic and business networks.

2. The Parties will cooperate to consolidate the institutional and operational capacities of Georgian institutions in the fields of regional development and land use planning by, inter alia:

- (a) improving inter-institutional coordination in particular the mechanism of vertical and horizontal interaction of central and local public authorities in the process of development and implementation of regional policies;
- (b) developing the capacity of local public authorities to promote reciprocal cross-border cooperation in compliance with EU principles and practices;
- (c) sharing knowledge, information and best practices on regional development policies to promote economic well-being for local communities and uniform development of regions.

Article 374

1. The Parties shall strengthen and encourage development of cross-border cooperation in other areas covered by this Agreement such as, inter alia, transport, energy, communication networks, culture, education, tourism, and health.

2. The Parties shall intensify cooperation between their regions in the form of transnational and inter-regional programmes, encouraging the participation of Georgian regions in European regional structures and organizations and promoting their economic and institutional development by implementing projects of common interest.

3. These activities will take place in the context of:

- (a) continuing territorial cooperation with European regions, including through trans-national and cross-border cooperation programmes;

- (b) cooperation within the framework of the Eastern Partnership, with EU bodies including the Committee of the Regions and participation in various European regional projects and initiatives;
- (c) cooperation with, inter alia, the European Economic and Social Committee, and the European Spatial Planning Observation Network.

Article 375

A regular dialogue will take place on the issues covered by this Chapter.

CHAPTER 22
Civil protection

Article 376

The Parties shall develop and strengthen their cooperation on natural and man-made disasters. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account the interdependence existing between the Parties and multilateral activities in the field.

Article 377

Cooperation shall aim at improving the prevention of, preparation for and response to natural and man-made disasters.

Article 378

The Parties shall, inter alia, exchange information and expertise and implement joint activities on bilateral basis and/or within the framework of multilateral programmes. Cooperation can take place, inter alia, through the implementation of specific agreements and/or administrative arrangements in this field concluded between the Parties.

Article 379

The cooperation may cover the following objectives:

- (a) exchange and regularly update contact details in order to ensure continuity of dialogue and
- (b) facilitating mutual assistance in case of major emergencies, as appropriate and subject to the availability of sufficient resources;
- (c) exchanging on a 24-hour basis early warnings and updated information on large scale

- emergencies affecting the EU or Georgia, including requests for and offers of assistance;
- (d) exchanging information on the provision of assistance by the Parties to third countries for emergencies where the EU Civil Protection Mechanism is activated;
 - (e) cooperating on Host Nation Support when requesting/providing assistance;
 - (f) exchange of best practices and guidelines in the field of disaster prevention, preparedness and response;
 - (g) cooperating on Disaster Risk Reduction by addressing, inter alia, institutional linkages and advocacy; information, education and communication; best practices aiming at preventing or mitigating the impact of natural hazards;
 - (h) cooperating on improving the knowledge base on disasters and on hazard and risk assessment for disaster management;
 - (i) cooperating on the assessment of the environmental and public health impact of disasters;
 - (j) inviting experts to specific technical workshops and symposia on civil protection issues;
 - (k) inviting, on a case-by-case basis, observers to specific exercises and trainings organised by the EU and/or Georgia, and
 - (l) strengthening cooperation on the most effective use of available civil protection capabilities.

CHAPTER 23

Participation in european union agencies and programmes

Article 380

Georgia shall be allowed to participate in all agencies of the Union open to the participation of Georgia in accordance with the relevant provisions establishing those agencies. Georgia shall enter into separate agreements with the EU to enable its participation in each such agency including the amount of its financial contribution.

Article 381

Georgia shall be allowed to participate in all current and future programmes of the Union opened to the participation of Georgia in accordance with the relevant provisions adopting those programmes. Georgia's participation in the programmes of the Union shall be in accordance with the provisions laid down in Protocol III to this Agreement on a Framework Agreement between the European Union and Georgia on the general principles for the participation of Georgia in Union programmes.

Article 382

The Parties will conduct a regular dialogue on the participation of Georgia in EU programmes and agencies. In particular, the EU shall inform Georgia in the case of establishment of new EU agencies and new programmes of the Union, as well as regarding changes in the terms of participation in the programmes of the Union and agencies, mentioned in Articles 380 and 381 of this Agreement.

TITLE VII FINANCIAL ASSISTANCE, AND ANTI-FRAUD AND CONTROL PROVISIONS

CHAPTER 1

Financial assistance

Article 383

Georgia shall benefit from financial assistance through the relevant EU funding mechanisms and instruments. Georgia may also benefit from cooperation with the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD) and other international financial institutions. The financial assistance will contribute to achieving the objectives of this Agreement and will be provided in accordance with this Chapter.

Article 384

The main principles of financial assistance shall be set out in the relevant EU financial instruments' regulations.

Article 385

The priority areas of the EU financial assistance agreed by the Parties shall be laid down in annual action programmes based, whenever applicable on multi-annual frameworks which reflect agreed policy priorities. The amounts of assistance established in those programmes shall take into account Georgia's needs, sector capacities and progress with reforms, in particular in areas covered by this Agreement.

Article 386

In order to ensure optimum use of the resources available, the Parties shall endeavour to ensure that EU assistance is implemented in close cooperation and coordination with other donor countries, donor organisations and international financial institutions, and in line with international principles of aid effectiveness.

Article 387

The fundamental legal, administrative and technical basis of financial assistance is established within the framework of relevant agreements between the Parties.

Article 388

The Association Council shall be informed of the progress and implementation of financial assistance and its impact upon pursuing the objectives of this Agreement. To that end, the relevant bodies of the Parties shall provide relevant monitoring and evaluation information on a mutual and continuous basis.

Article 389

The Parties shall implement assistance in accordance with the principles of sound financial management and cooperate in the protection of the financial interests of the EU and of Georgia in accordance with Chapter 2 (Anti-Fraud and Control Provisions) of this Title.

CHAPTER 2

Anti-fraud and control provisions

Article 390

Definitions

For the purposes of this Chapter, the definitions set out in Protocol IV to this Agreement shall apply.

Article 391

Scope

This Chapter shall be applicable to any further agreement or financing instrument to be concluded between the Parties, and any other EU financing instrument to which Georgia may be associated, without prejudice to any other additional clauses covering audits, on-the-spot checks, inspections, controls, and anti-fraud measures, including those conducted by the European Court of Auditors and the European Anti-Fraud Office (OLAF).

Article 392

Measures to prevent and fight fraud, corruption and any other illegal activities

The Parties shall take effective measures to prevent and fight fraud, corruption and any other illegal activities in connection with the implementation of EU funds,

inter alia by means of mutual administrative assistance and mutual legal assistance in the fields covered by this Agreement.

Article 393

Exchange of information and further cooperation at operational level

1. For the purposes of proper implementation of this Chapter, the competent Georgian and EU authorities shall regularly exchange information and, at the request of one of the Parties, shall conduct consultations.
2. OLAF may agree with competent Georgian counterparts in accordance with Georgian legislation on further cooperation in the field of anti-fraud, including operational arrangements with the Georgian authorities.
3. For the transfer and processing of personal data, Article 14 of Title III (Freedom, Security and Justice) of this Agreement shall apply.

Article 394

Prevention of fraud, corruption and irregularities

1. The EU and Georgian authorities shall check regularly that the operations financed with EU funds have been properly implemented. They shall take any appropriate measures to prevent and remedy irregularities and fraud.
2. The EU and Georgian authorities shall take any appropriate measures to prevent and remedy any active or passive corruption practices and exclude conflict of interest at any stage of the procedures related to the implementation of EU funds.
3. The Georgian authorities shall inform the European Commission of any prevention measures taken.
4. The European Commission shall be entitled to obtain evidence in accordance with Article 56 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities.
5. In particular, it shall also be entitled to obtain evidence that procedures on procurement and grants satisfy the principles of transparency, equal treatment and non-discrimination, prevent any conflict of interest, offer guarantees equivalent to internationally accepted standards and ensure compliance with the provisions of sound financial management.
6. In accordance with their own procedures, the Parties will provide each other with any information related to the implementation of EU funds and shall inform each other without delay of any substantial change in their procedures or systems.

Article 395

Legal proceedings, investigation and prosecution

The Georgian authorities shall bring legal proceedings, including, if appropriate, investigation and prosecution of suspected and actual cases of fraud, corruption or any other irregularity, including conflict of interest, following national or EU controls. Where appropriate OLAF may assist the competent Georgian authorities in this task.

Article 396

Communication of fraud, corruption and irregularities

1. The Georgian authorities shall transmit to the European Commission without delay any information which has come to their notice of actual cases of fraud or corruption and shall inform the European Commission without delay of any other irregularity, including conflict of interest, in connection with the implementation of EU funds. In case of suspicion of fraud and corruption, OLAF and the European Commission shall also be informed.
2. The Georgian authorities shall also report on all measures taken in connection with facts communicated under this Article. Should there be no fraud, corruption, or any other irregularity to report, the Georgian authorities shall inform the European Commission following the end of each calendar year.

Article 397

Audits

1. The European Commission and the European Court of Auditors are entitled to examine whether all expenditure related to the implementation of EU funds has been incurred in a lawful and regular manner and whether the financial management has been sound.
2. Audits shall be carried out on the basis both of commitments undertaken and payments made. They shall be based on records and, if necessary, performed on-the-spot on the premises of any entity which manages or takes part in the implementation of EU funds. Those audits may be carried out before the closure of the accounts for the financial year in question and for a period of five years from the date of payment of the balance.
3. European Commission inspectors or other persons mandated by the European Commission or the European Court of Auditors may conduct documentary or on-the-spot checks and audits on the premises of any entity which manages or takes part in the implementation of EU funds and of their subcontractors in Georgia.
4. The European Commission's inspectors or other persons mandated by the European Commission or the European Court of Auditors shall have appropriate access to sites, works and documents in order to carry out such audits, including in electronic form. That right of access should be communicated to all public institutions of Georgia and shall be stated explicitly in the contracts concluded to implement the instruments referred to in this Agreement.

5. The checks and audits described above are applicable to all contractors and subcontractors who have received EU funds. In the performance of their tasks, the European Court of Auditors and the Georgian audit bodies shall cooperate in a spirit of trust while maintaining their independence.

Article 398

On-the-spot checks

1. Within the framework of this Agreement, OLAF shall be authorised to carry out on-the-spot checks and inspections in order to protect the EU's financial interests in accordance with the provisions of Council Regulation (EC, Euratom) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.
2. On-the-spot checks and inspections shall be prepared and conducted by OLAF in close cooperation with the competent Georgian authorities taking into account relevant Georgian legislation.
3. The Georgian authorities shall be notified in good time of the object, purpose and legal basis of the checks and inspections, so that they can provide all the requisite help. To that end, officials of the competent Georgian authorities may participate in the on-the-spot checks and inspections.
4. If the Georgian authorities concerned express their interest, the on-the-spot checks and inspections shall be carried out jointly by OLAF and them.
5. Where an economic operator resists an on-the-spot check or inspection, the Georgian authorities, acting in accordance with national legislation, shall give OLAF such assistance, as it needs to allow it to discharge its duty in carrying out an on-the-spot check or inspection.

Article 399

Administrative measures and penalties

Without prejudice of the Georgian legislation, administrative measures and penalties may be imposed by the European Commission in accordance with Regulation (EC, Euratom) No 1605/2002 and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests.

Article 400

Recovery

1. The Georgian authorities shall take any appropriate measure to implement the provisions mentioned below regarding the recovery of EU funds unduly paid to the financing governmental agency.

2. Where the Georgian authorities are entrusted with the implementation of EU funds the European Commission is entitled to recover EU funds unduly paid, in particular through financial corrections. The European Commission shall take into account the measures taken by the Georgian authorities to prevent the loss of the EU funds concerned.

3. The European Commission shall consult with Georgia on the matter before taking any decision on recovery. Disputes on recovery will be discussed in the Association Council.

4. Where the European Commission implements EU funds directly or indirectly by entrusting budget implementation tasks to third parties, decisions taken by the European Commission within the scope of this Title, which impose pecuniary obligation on persons other than States, shall be enforceable in Georgia in accordance with the following principles:

(a) Enforcement shall be governed by the rules of civil procedure in force in Georgia. The order for its enforcement shall be appended to the decision, without other formality than verification of the authenticity of the decision, by the national authority which the government of Georgia shall designate for this purpose and shall make known to the European Commission and to the Court of Justice of the European Union.

(b) When those formalities have been completed on application by the party concerned, the latter may proceed to enforcement in accordance with Georgian law, by bringing the matter directly before the competent authority.

(c) Enforcement may be suspended only by a decision of the Court of Justice of the European Union. However, the courts of Georgia concerned shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.

5. The enforcement order shall be issued, without any further control than verification of the authenticity of the act, by the authorities designated by the Georgian government. Enforcement shall take place in accordance with Georgian rules of procedure. The legality of the enforcement decision of the pertinent EU authorities shall be subject to control by the Court of Justice of the European Union.

6. Judgments given by the Court of Justice of the European Union pursuant to an arbitration clause in a contract within the scope of this Chapter shall be enforceable on the same terms.

Article 401

Confidentiality

Information communicated or acquired in any form under this Chapter shall be covered by professional secrecy and protected in the same way as similar information is protected by Georgian law and by the corresponding provisions applicable to the EU institutions. Such information may not be communicated to persons other than those in the EU institutions, in the Member States or in Georgia whose functions require them to know it, nor may it be used for purposes other than to ensure effective protection of the Parties' financial interests.

Article 402

Approximation of legislation

Georgia will carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXXIV to this Agreement in accordance with the provisions of that Annex.

TITLE VIII

INSTITUTIONAL, GENERAL, AND FINAL PROVISIONS

CHAPTER 1

Institutional framework

Article 403

Political and policy dialogue between the Parties, including on issues related to sectoral cooperation, may take place at any level. Periodic high-level policy dialogue shall take place within the Association Council established in Article 404 and within the framework of regular meetings between representatives of both Parties at ministerial level by mutual agreement.

Association Council

Article 404

1. An Association Council is hereby established. It shall supervise and monitor the application and implementation of this Agreement and periodically review the functioning of this Agreement in the light of its objectives.
2. The Association Council shall meet at ministerial level and at regular intervals, at least once a year, and when circumstances require. The Association Council may meet in any configuration, by mutual agreement.
3. In addition to supervising and monitoring the application and implementation of this Agreement, the Association Council shall examine any major issues arising

within the framework of this Agreement, and any other bilateral or international issues of mutual interest.

Article 405

1. The Association Council shall consist of members of the Council of the European Union and members of the European Commission, on the one hand, and of members of the Government of Georgia, on the other.
2. The Association Council shall establish its own rules of procedure.
3. The Association Council shall be chaired in turn by a representative of the Union and a representative of Georgia.
4. Where appropriate, and by mutual agreement, representatives of other bodies of the Parties may take part as observers in the work of the Association Council.

Article 406

1. For the purpose of attaining the objectives of this Agreement, the Association Council shall have the power to take decisions within the scope of this Agreement. The decisions shall be binding upon the Parties, which shall take appropriate measures, including if necessary action by bodies established under this Agreement, in line with provisions of this Agreement to implement the decisions taken. The Association Council may also make recommendations. It shall adopt its decisions and recommendations by agreement between the Parties following the completion of the respective internal procedures of the Parties, as appropriate.
2. In line with the objective of the gradual approximation of Georgia's legislation to that of the EU laid down in this Agreement, the Association Council will be a forum for exchange of information on selected European Union and Georgia legislative acts both under preparation and in force, and on implementation, enforcement and compliance measures.
3. In accordance with paragraph 1 of this Article, the Association Council shall have the power to update or amend the Annexes to this Agreement, without prejudice to any specific provisions under Title IV (Trade and Trade-related Matters) of this Agreement.

Association Committee

Article 407

1. An Association Committee is hereby established. It shall assist the Association Council in the performance of its duties and functions.
2. The Association Committee shall be composed of representatives of the Parties, in principle at senior civil servant level.

3. The Association Committee shall be chaired in turn by a representative of the EU and a representative of Georgia.

Article 408

1. The Association Council shall determine in its rules of procedure the duties and functioning of the Association Committee, whose responsibilities shall include the preparation of meetings of the Association Council. The Association Committee shall meet at least once a year and when the Parties agree that circumstances so require.

2. The Association Council may delegate to the Association Committee any of its powers, including the power to take binding decisions.

3. The Association Committee shall have the power to adopt decisions in the cases provided for in this Agreement and in areas in which the Association Council has delegated powers to it and as stipulated in Article 406(1) of this Agreement. These decisions shall be binding upon the Parties, which shall take appropriate measures to implement them. The Association Committee shall adopt its decisions by agreement between the Parties, taking into account the respective internal procedures.

4. The Association Committee shall meet in a specific configuration to address all issues related to Title IV (Trade and Trade-related Matters) of this Agreement. The Association Committee shall meet in that configuration at least once a year.

Article 409

Special committees, sub-committees and bodies

1. The Association Committee shall be assisted by sub-committees established under this Agreement.

2. The Association Council may decide to set up any special committee or body in specific areas necessary for the implementation of this Agreement, and shall determine the composition, duties and functioning of such special committees or bodies. In addition, such special committees or bodies may hold discussions on any matter that they consider relevant without prejudice to any of the specific provisions of Title IV (Trade and Trade-related Matters) of this Agreement.

3. The Association Committee may also create sub-committees, including to take stock of progress achieved in the regular dialogues referred to in Title V (Economic cooperation) and Title VI (Other Cooperation Policies) of this Agreement.

4. The sub-committees shall have the powers to take decisions in the cases provided for in this Agreement. They shall report on their activities to the Association Committee regularly, as required.

5. The sub-committees established under Title IV (Trade and Trade-related Matters) of this Agreement shall inform the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, of the date and agenda of their meetings sufficiently in advance of their meetings. They shall report on their activities at each regular meeting of the Association Committee in Trade configuration.

6. The existence of any of the sub-committees shall not prevent either Party from bringing any matter directly to the Association Committee, including in its Trade configuration.

Parliamentary Association Committee

Article 410

1. A Parliamentary Association Committee is hereby established. It shall be a forum for Members of the European Parliament and of the Parliament of Georgia to meet and exchange views. It shall meet at intervals which it shall itself determine.

2. The Parliamentary Association Committee shall consist of Members of the European Parliament, on the one hand, and of Members of the Parliament of Georgia, on the other.

3. The Parliamentary Association Committee shall establish its own rules of procedure.

4. The Parliamentary Association Committee shall be chaired in turn by a representative of the European Parliament and a representative of the Georgian Parliament respectively, in accordance with the provisions to be laid down in its rules of procedure.

Article 411

1. The Parliamentary Association Committee may request relevant information regarding the implementation of this Agreement from the Association Council, which shall then supply the Parliamentary Association Committee with the requested information.

2. The Parliamentary Association Committee shall be informed of the decisions and recommendations of the Association Council.

3. The Parliamentary Association Committee may make recommendations to the Association Council.

4. The Parliamentary Association Committee may create Parliamentary Association sub-committees.

Civil Society Platform

Article 412

1. The Parties shall also promote regular meetings of representatives of their civil societies, in order to keep them informed of, and gather their input for, the implementation of this Agreement.
2. An EU-Georgia Civil Society Platform is hereby established. It shall be a forum to meet and exchange views for, and consist of, representatives of civil society on the side of the EU, including Members of the European Economic and Social Committee, and representatives of civil society on the side of Georgia, including representatives of the national platform of the Eastern Partnership Civil Society Forum. It shall meet at intervals which it shall itself determine.
3. The Civil Society Platform shall establish its own rules of procedure.
4. The Civil Society Platform shall be chaired in turn by a representative of the European Economic and Social Committee and representatives of civil society on the side of Georgia respectively, in accordance with the provisions to be laid down in its rules of procedure.

Article 413

1. The Civil Society Platform shall be informed of the decisions and recommendations of the Association Council.
2. The Civil Society Platform may make recommendations to the Association Council.
3. The Association Committee and Parliamentary Association Committee shall organise regular contacts with representatives of the Civil Society Platform, in order to obtain their views on the attainment of the objectives of this Agreement.

CHAPTER 2

General and final provisions

Article 414

Access to courts and administrative organs

Within the scope of this Agreement, the Parties undertake 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, including property rights.

Article 415

Security exceptions

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

- (a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- (b) which relate to the production of, or trade in, arms, munitions or war matériel 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
- (c) which it considers essential to its own security, 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.

Article 416

Non-discrimination

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:

- (a) the arrangements applied by Georgia in respect of the EU or the Member States shall not give rise to any discrimination between the Member States, their nationals, companies or firms;
- (b) the arrangements applied by the EU or the Member States in respect of Georgia shall not give

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

Article 417

Gradual approximation

Georgia shall carry out gradual approximation of its legislation to EU law as referred to in the Annexes to this Agreement, based on commitments identified in this Agreement, and in accordance with the provisions of those Annexes. This provision shall be without prejudice to any specific principles and obligations on approximation under Title IV (Trade and Trade-related Matters) of this Agreement.

Article 418

Dynamic approximation

In line with the goal of gradual approximation by Georgia to EU law, the Association Council shall periodically revise and update Annexes to this

Agreement, including in order to reflect the evolution of EU law and applicable standards set out in international instruments deemed relevant by the Parties, and following the completion of the respective internal procedures of the Parties, as appropriate. This provision shall be without prejudice to any specific provisions under Title IV (Trade and Trade-related Matters) of this Agreement.

Article 419

Monitoring of approximation

1. Monitoring shall mean the continuous appraisal of progress in implementing and enforcing measures covered by this Agreement.
2. Monitoring shall include assessments by the EU of the approximation of Georgian law to EU law as defined in this Agreement, including aspects of implementation and enforcement. These assessments may be conducted by the EU individually on its own initiative as specified in Title IV (Trade and Trade-related Matters) of this Agreement, by the EU in agreement with Georgia, or jointly by the Parties. To facilitate the assessment process, Georgia shall report to the EU on progress in approximation, where appropriate before the end of the transitional periods set out in this Agreement in relation to EU legal acts. The reporting and assessment process, including modalities and frequency of assessments, shall take into account specific modalities defined in this Agreement or decisions by the institutional bodies established by this Agreement.
3. Monitoring may include on-the-spot missions, with the participation of EU institutions, bodies and agencies, non-governmental bodies, supervisory authorities, independent experts and others as needed.
4. The results of monitoring activities, including the assessments of approximation set out in paragraph 2 of this Article, shall be discussed in all relevant bodies established under this Agreement. Such bodies may adopt joint recommendations, which shall be submitted to the Association Council.
5. If the Parties agree that necessary measures covered by Title IV (Trade and Trade-related Matters) of this Agreement have been implemented and are being enforced, the Association Council, under the powers conferred to it in Articles 406 and 408 of this Agreement, shall decide on further market opening where provided for in Title IV (Trade and Trade-related Matters) of this Agreement.
6. A joint recommendation as referred to in paragraph 4 of this Article submitted to the Association Council, or the failure to reach such a recommendation, shall not be subject to dispute settlement as defined in Title IV (Trade and Trade-related Matters) of this Agreement. A decision taken by the relevant institutional body, or the failure to take such a decision, shall not be subject to dispute settlement as defined in Title IV (Trade and Trade-related Matters) of this Agreement.

Article 420

Fulfilment of obligations

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall ensure that the objectives set out in this Agreement are attained.
2. The Parties agree to consult promptly through appropriate channels at the request of either Party, to discuss any matter concerning the interpretation, implementation or the application in good faith of this Agreement and other relevant aspects of the relations between the Parties.
3. The Parties shall refer to the Association Council any dispute related to the interpretation, implementation or the application in good faith of this Agreement in accordance with Article 421. The Association Council may settle a dispute by means of a binding decision.

Article 421

Dispute settlement

1. When a dispute arises between the Parties concerning the interpretation, implementation or the application in good faith of this Agreement, any Party shall submit to the other Party and the Association Council a formal request that the matter in dispute be resolved. By way of derogation, disputes concerning the interpretation, implementation or the application in good faith of Title IV (Trade and Trade-related Matters) of this Agreement shall be governed exclusively by Chapter 14 (Dispute Settlement) of that Title.
2. The Parties shall endeavour to resolve the dispute by entering into good faith consultations within the Association Council and other relevant bodies referred to in Articles 407 and 409 of this Agreement, with the aim of reaching a mutually acceptable solution in the shortest time possible.
3. The Parties shall provide the Association Council and other relevant bodies with all information required for a thorough examination of the situation.
4. As long as a dispute is not resolved, it shall be discussed at every meeting of the Association Council. A dispute shall be deemed to be resolved when the Association Council has taken a binding decision to settle the matter as provided for in paragraph 3 of Article 420 of this Agreement, or when it has declared that the dispute is at an end. Consultations on a dispute can also be held at any meeting of the Association Committee or any other relevant body set up on the basis of Articles 407 and 409 of this Agreement, as agreed between the Parties or at the request of either of the Parties. Consultations may also be held in writing.
5. All information disclosed during the consultations shall remain confidential.

Article 422

Appropriate measures in case of non-fulfilment of obligations

1. A Party may take appropriate measures, if the matter is not resolved within three months of the date of notification of a formal request for dispute settlement in accordance with Article 421 of this Agreement and if the complaining Party continues to consider that the other Party has failed to fulfil an obligation under this Agreement. The requirement for a three month consultation period may be waived by mutual agreement of the Parties and shall not apply to exceptional cases set out in paragraph 3 of this Article.

2. In the selection of appropriate measures, priority shall be given to those which least disturb the functioning of this Agreement. Except in cases described in paragraph 3 of this Article, such measures may not include the suspension of any rights or obligations provided for under provisions of this Agreement set out in Title IV (Trade and Trade-related Matters). The measures taken under paragraph 1 of this Article shall be notified immediately to the Association Council and shall be the subject of consultations in accordance with Article 420(2) of this Agreement, and of dispute settlement in accordance with Article 420(3) and Article 421 of this Agreement.

3. The exceptions referred to in paragraphs 1 and 2 of this Article shall concern:

- (a) denunciation of this Agreement not sanctioned by the general rules of international law, or
- (b) violation by the other Party of any of the essential elements of this Agreement, referred to in Article 2 of Title I (General Principles) of this Agreement.

Article 423

Relation to other agreements

1. The Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Georgia, of the other part, signed in Luxembourg on 22 April 1996 and which entered into effect on 1 July 1999 is hereby repealed.

2. This Agreement replaces the agreement referred to in paragraph 1. References thereto in all other agreements between the Parties shall be construed as referring to this Agreement.

3. This Agreement replaces the Agreement between the European Union and Georgia on protection of geographical indications of agricultural products and foodstuffs, signed on 14 July 2011 in Brussels and which entered into force on 1 April 2012.

Article 424

1. This Agreement shall not, until equivalent rights for natural and legal persons have been achieved under this Agreement, affect rights ensured to them through

existing agreements which are binding upon one or more Member States, on the one hand, and Georgia on the other hand.

2. Existing agreements relating to specific areas of cooperation falling within the scope of this Agreement shall be considered part of the overall bilateral relations as governed by this Agreement and as forming part of a common institutional framework.

Article 425

1. The Parties may complement this Agreement by concluding specific agreements in any area falling within its scope. Such specific agreements shall be an integral part of the overall bilateral relations as governed by this Agreement and shall form part of a common institutional framework.

2. Without prejudice to the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union, neither this Agreement nor action taken hereunder shall in any way affect the powers of the Member States to undertake bilateral cooperation activities with Georgia or to conclude, where appropriate, new cooperation agreements with Georgia.

Article 426

Annexes and Protocols

The Annexes and Protocols to this Agreement shall form an integral part thereof.

Article 427

Duration

1. This Agreement is concluded for an unlimited period.

2. Either Party may denounce this Agreement by notifying the other Party. This Agreement shall terminate six months from the date of receipt of such notification.

Article 428

Definition of the Parties

For the purposes of this Agreement, the term ‘the Parties’ shall mean the EU or its Member States, or the EU and its Member States, in accordance with their respective powers as derived from the Treaty on European Union and the Treaty on the Functioning of the European Union and, where relevant, it shall also refer to Euratom, in accordance with its powers under the Treaty establishing the European Atomic Energy Community, of the one part, and Georgia of the other part.

Article 429

Territorial application

1. This Agreement shall apply, of the one part, to the territories in which the Treaty on European Union, the Treaty on the Functioning of the European Union and the Treaty establishing the European Atomic Energy Community are applied and under the conditions laid down in those Treaties, and of the other part, to the territory of Georgia.

2. The application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, in relation to Georgia's regions of Abkhazia and Tskhinvali region/South Ossetia over which the Government of Georgia does not exercise effective control, shall commence once Georgia ensures the full implementation and enforcement of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, on its entire territory.

3. The Association Council shall adopt a decision on when the full implementation and enforcement of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, on the entire territory of Georgia, is ensured.

4. Should a Party consider that the full implementation and enforcement of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, is no longer ensured in the regions of Georgia referred to in paragraph 2 of this Article, that Party may request the Association Council to reconsider the continued application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, in relation to the regions concerned. The Association Council shall examine the situation and adopt a decision on the continued application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, within three months of the request. If the Association Council does not adopt a decision within three months of the request, the application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, shall be suspended in relation to the regions concerned until the Association Council adopts a decision.

5. Decisions of the Association Council under this Article on the application of Title IV (Trade and Trade-related Matters) of this Agreement shall cover the entirety of that Title and cannot only cover parts of that title.

Article 430

Depositary of this Agreement

The General Secretariat of the Council of the European Union shall be the depositary of this Agreement.

Article 431

Entry into force and provisional application

1. The Parties shall ratify or approve this Agreement in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union.

2. This Agreement shall enter into force on the first day of the second month following the date of the deposit of the last instrument of ratification or approval.

3. Notwithstanding paragraph 2 of this Article, the Union and Georgia agree to provisionally apply this Agreement in part, as specified by the Union, as set out in paragraph 4 of this Article, and in accordance with their respective internal procedures and legislation as applicable.

4. The provisional application shall be effective from the first day of the second month following the date of receipt by the depositary of this Agreement of the following:

(a) the Union's notification on the completion of the procedures necessary for this purpose, indicating the parts of this Agreement that shall be provisionally applied; and

(b) Georgia's deposit of the instrument of ratification in accordance with its procedures and applicable legislation.

5. For the purpose of the relevant provisions of this Agreement, including the respective Annexes and Protocols hereto, any reference in such provisions to the 'date of entry into force of this Agreement' shall be understood to the 'date from which this Agreement is provisionally applied' in accordance with paragraph 3 of this Article.

6. During the period of the provisional application, in so far as the provisions of the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Georgia, of the other part, signed in Luxembourg on 22 April 1996 and which entered into effect on 1 July 1999, are not covered by the provisional application of this Agreement, they continue to apply.

7. Either Party may give written notification to the depositary of this Agreement of its intention to terminate the provisional application of this Agreement. Termination of provisional application shall take effect six months after receipt of the notification by the depositary of this Agreement.

Article 432

Authentic texts

This Agreement shall be drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Georgian languages, each text being equally authentic.

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

Съставено в Брюксел на двадесет и седми юни две хиляди и четиринадесета година.

Hecho en Bruselas, el veintisiete de junio de dos mil catorce.

V Bruselu dne dvacátého sedmého června dva tisíce čtrnáct.

Udfærdiget i Bruxelles den syvogtyvende juni to tusind og fjorten.

Geschehen zu Brüssel am siebenundzwanzigsten Juni zweitausendvierzehn.

Kahe tuhande neljateistkümnenda aasta juunikuu kahekümne seitsmendal päeval Brüsselis.

Έγινε στις Βρυξέλλες, στις είκοσι εφτά Ιουνίου δύο χιλιάδες δεκατέσσερα.

Done at Brussels on the twenty-seventh day of June in the year two thousand and fourteen.

Fait à Bruxelles, le vingt-sept juin deux mille quatorze.

Sastavljeno u Bruxellesu dvadeset sedmog lipnja dvije tisuće četnaeste.

Fatto a Bruxelles, addì ventisette giugno duemilaquattordici.

Briselē, divi tūkstoši četrpadsmitā gada divdesmit septītajā jūnijā.

Priimta du tūkstančiai keturioliktą metų birželio dvidešimt septintą dieną Briuselyje.

Kelt Brüsszelben, a kétezer-tizenegyedik év június havának huszonhetedik napján.

Magħmul fi Brussell, fis-sebgha u ghoxrin jum ta' Ġunju tas-sena elfejn u erbatax.

Gedaan te Brussel, de zevenentwintigste juni tweeduizend veertien.

Sporządzono w Brukseli dnia dwudziestego siódmego czerwca roku dwa tysiące czternastego.

Feito em Bruxelas, em vinte e sete de junho de dois mil e catorze.

Întocmit la Bruxelles la douăzeci □i □apte iunie două mii paisprezece.

V Bruseli dvadsiateho siedmeho júna dvetisícštrnást'.

V Bruslju, dne sedemindvajsetega junija leta dva tisoč štirinajst.

Tehty Brysselissä kahdentenäkymmenentenäseitsemäntenä päivänä kesäkuuta vuonna kaksituhattaneljätoista.

Som skedde i Bryssel den tjugosjunde juni tjugohundrafjorton.

შესრულებულია ქ. ბრიუსელში, ორიათას ოთხმეტი წლის ოცდაშვიდ ივნისს.

Voor het Koninkrijk België
Pour le Royaume de Belgique
Für das Königreich Belgien

Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franse Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brussels Hoofdstedelijk Gewest.

Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.

Diese Unterschrift bindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

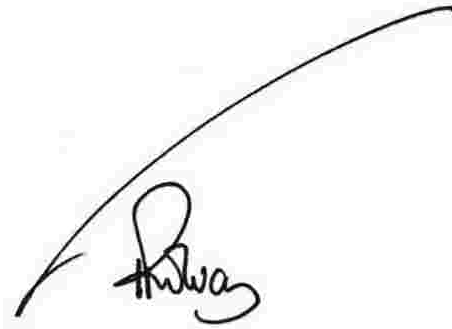
За Република България

Za Českou republiku

For Kongeriget Danmark

Für die Bundesrepublik Deutschland

Eesti Vabariigi nimel



Thar cheann Na hÉireann
For Ireland



Taviseach.

Για την Ελληνική Δημοκρατία



Por el Reino de España



Pour la République française

Hollende

Manuel Daes,

Laurent Fabius

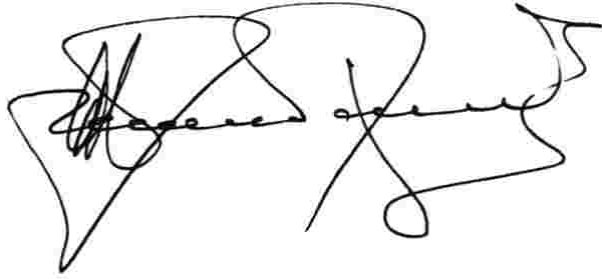
Za Republiku Hrvatsku



Per la Repubblica italiana



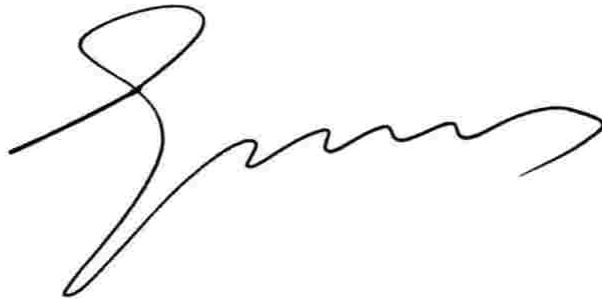
Για την Κυπριακή Δημοκρατία



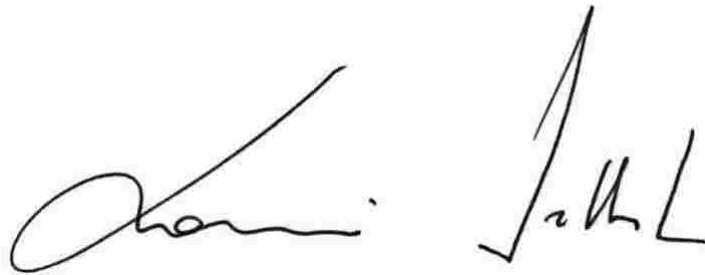
Latvijas Republikas vārdā –



Lietuvos Respublikos vardu



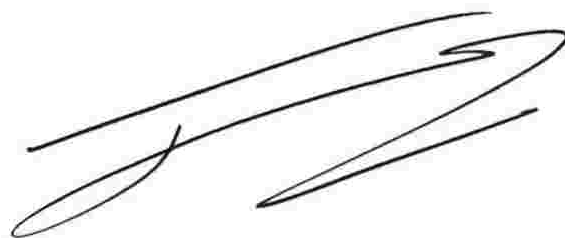
Pour le Grand-Duché de Luxembourg



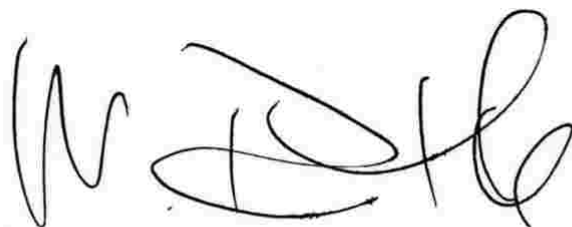
Magyarország részéről



Għar-Repubblika ta' Malta



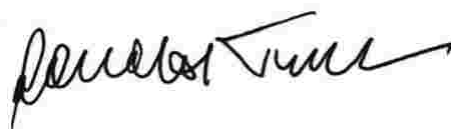
Voor het Koninkrijk der Nederlanden



Für die Republik Österreich



W imieniu Rzeczypospolitej Polskiej



Pela República Portuguesa



Pentru România



Za Republiko Slovenijo



Za Slovenskú republiku



Suomen tasavallan puolesta
För Republiken Finland



För Konungariket Sverige



For the United Kingdom of Great Britain and Northern Ireland

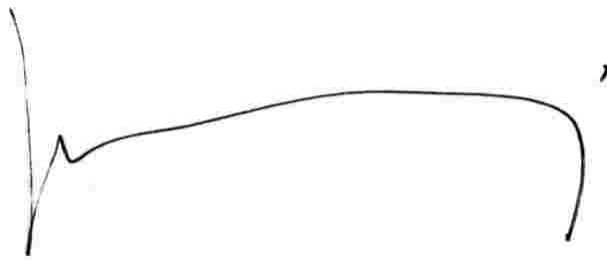


За Европейския съюз
Por la Unión Europea
Za Evropskou unii
For Den Europæiske Union
Für die Europäische Union
Euroopa Liidu nimel
Για την Ευρωπαϊκή Ένωση
For the European Union
Pour l'Union européenne
Za Europsku uniju
Per l'Unione europea
Eiropas Savienības vārdā –
Europos Sąjungos vardu
Az Európai Unió részéről
Għall-Unjoni Ewropea
Voor de Europese Unie
W imieniu Unii Europejskiej
Pela União Europeia
Pentru Uniunea Europeană
Za Európsku úniu
Za Evropsko unijo
Euroopan unionin puolesta
För Europeiska unionen

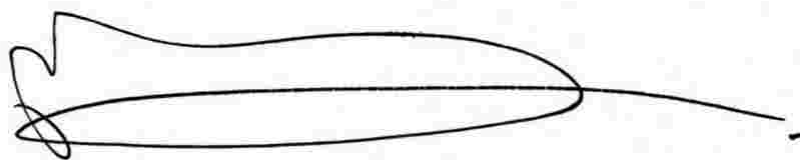
A handwritten signature in black ink, consisting of a large, stylized initial 'P' followed by a long horizontal line that curves downwards at the end.

За Европейската общност за атомна енергия
Por la Comunidad Europea de la Energía Atómica
Za Evropské společenství pro atomovou energii
For Det Europæiske Atomenergifællesskab
Für die Europäische Atomgemeinschaft
Euroopa Aatomienergiaühenduse nimel
Για την Ευρωπαϊκή Κοινότητα Ατομικής Ενέργειας
For the European Atomic Energy Community
Pour la Communauté européenne de l'énergie atomique

Za Europsku zajednicu za atomsku energiju
Per la Comunità europea dell'energia atomica
Eiropas Atomenerģijas Kopienas vārdā –
Europos atominės energijos bendrijos vardu
Az Európai Atomenergia-közösség részéről
F'isem il-Komunità Ewropea tal-Energija Atomika
Voor de Europese Gemeenschap voor Atoomenergie
W imieniu Europejskiej Wspólnoty Energii Atomowej
Pela Comunidade Europeia da Energia Atómica
Pentru Comunitatea Europeană a Energiei Atomice
Za Európske spoločenstvo pre atómovú energiu
Za Evropsko skupnost za atomsko energijo
Euroopan atominienergijärjestön puolesta
För Europeiska atomenergigemenskapen



საქართველოს სახელით



(1) For the purposes of this Agreement, 'goods' means products as understood in GATT 1994 unless otherwise provided in this Agreement. Goods falling under the scope of the WTO Agreement on Agriculture are referred to in this Chapter as 'agricultural products' or 'products'.

(2) Convention of 20 May 1987 on a common transit procedure.

(3) The sole fact of requiring a visa for natural persons of certain countries and not for those of other countries shall not be regarded as nullifying or impairing benefits under a specific commitment.

(4) For greater certainty, that territory shall include the exclusive economic zone and continental shelf, as provided for in the United Nations Convention on the Law of the Sea (UNCLOS).

(5) A juridical person is controlled by another juridical person if the latter has the power to name a majority of its directors or otherwise to legally direct its actions.

(6) For greater certainty, processing of nuclear materials includes all the activities contained in UN ISIC Rev.3.1 code 2330.

(7) Without prejudice to the scope of activities which may be considered as cabotage under the relevant domestic legislation, national maritime cabotage under this Chapter covers transportation of passengers or goods between a port or point located in Georgia or a Member State of the EU and another port or point located in Georgia or Member State of the EU, including on its continental shelf, as provided in the UNCLOS and traffic originating and terminating in the same port or point located in Georgia or a Member State of the EU.

(8) The conditions of mutual market access in air transport are dealt with by the Agreement between the EU and its Member States and Georgia on the establishment of a Common Aviation Area.

(9) This obligation does not extend to the investment protection provisions not covered by this Chapter, including provisions relating to investor-to-state dispute settlement procedures, as found in other agreements.

(10) This obligation does not extend to the investment protection provisions not covered by this Chapter, including provisions relating to investor-to-state dispute settlement procedures, as found in other agreements.

(11) Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, national maritime cabotage under this Chapter covers transportation of passengers or goods between a port or point located in Georgia or a Member State of the EU and another port or point located in Georgia or Member State of the EU, including on its continental shelf, as provided in the UNCLOS and traffic originating and terminating in the same port or point located in Georgia or a Member State of the EU.

(12) The conditions of mutual market access in air transport are dealt with by the Agreement between the EU and its Member States and Georgia on the establishment of a Common Aviation Area.

(13) The reference to other than a 'non-profit organisation' only applies for Belgium, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Finland and United Kingdom.

(14) The recipient establishment may be required to submit a training programme covering the duration of the stay for prior approval, demonstrating that the purpose of the stay is for training. For Czech Republic, Germany, Spain, France, Hungary and Austria, training must be linked to the university degree which has been obtained.

(15) United Kingdom: the category of business sellers is only recognised for services sellers.

(16) Obtained after having reached the age of majority, as defined under applicable domestic legislation.

(17) Where the degree or qualification has not been obtained in the Party where the service is supplied, that Party may evaluate whether this is equivalent to a university degree in its territory.

(18) Where the degree or qualification has not been obtained in the Party where the service is supplied, that Party may evaluate whether this is equivalent to a university degree required in its territory.

(19) Licencing fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

(20) CPC means the Central Products Classification as set out in Statistical Office of the UN, Statistical Papers, Series M, N° 77, CPC prov, 1991.

(21) Licence fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

(²²) Georgia shall implement the provisions of this Sub-Section within two years from the date of entry into force of this Agreement.

(²³) For the purposes of this Sub-Section, the term ‘actual knowledge’ shall be interpreted in accordance with each Party's domestic law.

(²⁴) Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which:

(a) apply to non-resident entrepreneurs and services suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory;

(b) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory;

(c) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures;

(d) apply to consumers of services supplied in or from the territory of another Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory;

(e) distinguish entrepreneurs and service suppliers subject to tax on worldwide taxable items from other entrepreneurs and service suppliers, in recognition of the difference in the nature of the tax base between them; or

(f) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to

Tax terms or concepts in point (f) of this provision and in this footnote are determined in accordance with tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

(²⁵) The expression ‘private undertakings operating on the basis of special and exclusive rights’ shall be interpreted in accordance with the European Commission's Explanatory Note CC/2004/33 of 18 June 2004.

(²⁶) Wherever Union legislation that is subject to the process of approximation under this Chapter makes reference to publication in the Official Journal of the European Union, it is understood that in Georgia such publication shall be in the official means of publication of Georgia.

(²⁷) For the purposes of this Chapter, ‘fixation’ means the embodiment of sounds or images, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device.

(²⁸) The term ‘evocation’ means, in particular, the use in any way for products falling under heading 20.09 of the HS, although only in so far as they are referred to as wines falling under heading 22.04, aromatised wines falling under heading 22.05 and spirit drinks falling under heading 22.08 of that system.

(²⁹) For the purposes of this Article, a Party may consider that a design having individual character is original.

(³⁰) This Article shall be without prejudice to Georgian Governmental Regulation No 188 of 22 October 2009 on the establishment of the list of countries and relevant authorities eligible for the simplified regime of registration of medicinal products in Georgia. The list established by the above Regulation refers to the following countries/authorities: EMA - European Medicines Agency; Australia; Austria; Belgium; Bulgaria; Canada; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Italy; Japan; Korea; Latvia; Lithuania; Luxemburg; Malta; Netherlands; New Zealand; Norway; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden; Switzerland; UK; USA.

(³¹) For the purposes of this Section the notion of ‘intellectual property rights’ includes at least the following rights: copyright; rights related to copyright; sui generis right of a database maker; rights of the creator of the topographies of a semi-conductor product; trademark rights; design rights; patent rights, including rights derived from supplementary protection certificates; geographical indications; utility model rights; plant variety rights; trade names in so far as these are protected as exclusive rights by domestic law.

(³²) For the purposes of the implementation of this Chapter by Georgia, this Article shall apply only if and when Georgia has become a party to the Energy Community Treaty and to the extent the specific provisions of the Energy Community Treaty or of the Union legislation made applicable under the Energy Community Treaty are applicable to Georgia.

(³³) As expressed in the Council of Europe's Recommendation of the Committee of Ministers to Member States on good administration, CM/Rec(2007)7 of 20 June 2007.

(³⁴) When labour is referred to in this Chapter, it includes the issues relevant to the strategic objectives of the ILO, through which the Decent Work Agenda is expressed, as agreed on in the ILO 2008 Declaration on Social Justice for a Fair Globalisation.

ANNEX I

FREEDOM, SECURITY AND JUSTICE

Each Party shall, in the context of the implementation of this or other Agreements, ensure a legal level of data protection which at least corresponds to that set out in Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, as well as the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, signed on 28 January 1981 (ETS No. 108) and the Additional Protocol thereto, regarding Supervisory Authorities and Transborder Data Flows, signed on 8 November 2001 (ETS No. 181). Where relevant, each party shall take into account Council Framework Decision 2008/977/JHA of 27 November 2008 on the protection of personal data processed in the framework of police and judicial cooperation in criminal matters, and Recommendation No R (87)15 of 17

September 1987 of the Committee of Ministers of the Council of Europe Regulating the Use of Personal Data in the Police Sector.

ANNEX II

ELIMINATION OF CUSTOMS DUTIES

ANNEX II-A

PRODUCTS SUBJECT TO ANNUAL DUTY-FREE TARIFF-RATE QUOTAS (UNION)

CN code 2012	Product description	Volume (tonnes)
0703 20 00	Garlic, fresh or chilled	220

ANNEX II-B

PRODUCTS SUBJECT TO ENTRY PRICE (1)

for which the ad valorem component of the import duty is exempted (UNION)

CN code 2012	Product description
0702 00 00	Tomatoes, fresh or chilled
0707 00 05	Cucumbers, fresh or chilled
0709 91 00	Globe artichokes, fresh or chilled
0709 93 10	Courgettes, fresh or chilled
0805 10 20	Sweet oranges, fresh
0805 20 10	Clementines
0805 20 30	Monreales and satsumas

0805 20 50	Mandarins and wilkings
0805 20 70	Tangerines
0805 20 90	Tangelos, ortaniques, malaquinas and similar citrus hybrids (excl. clementines, monreales, satsumas, mandarins, wilkings and tangerines)
0805 50 10	Lemons 'Citrus limon, Citrus limonum'
0806 10 10	Table grapes, fresh
0808 10 80	Apples, fresh (excl. cider apples, in bulk, from 16 September to 15 December)
0808 30 90	Pears, fresh (excl. perry pears in bulk from 1 August to 31 December)
0809 10 00	Apricots, fresh
0809 21 00	Sour cherries 'Prunus cerasus', fresh
0809 29 00	Cherries (excl. sour cherries), fresh
0809 30 10	Nectarines, fresh
0809 30 90	Peaches (excl. nectarines), fresh
0809 40 05	Plums, fresh
2009 61 10	Grape juice, incl. grape must, unfermented, Brix value ≤ 30 at 20 °C, value of $> \text{EUR } 18$ per 100 kg, whether or not containing added sugar or other sweetening matter (excl. containing spirit)
2009 69 19	Grape juice, incl. grape must, unfermented, Brix value > 67 at 20 °C, value of $> \text{EUR } 22$ per 100 kg, whether or not containing added sugar or other sweetening matter (excl. containing spirit)
2009 69 51	Concentrated grape juice, incl. grape must, unfermented, Brix value > 30 but ≤ 67 at 20 °C, value of $> \text{EUR } 18$ per 100 kg, whether or not containing added sugar or other sweetening matter (excl. containing spirit)
2009	Grape juice, incl. grape must, unfermented, Brix value > 30 but ≤ 67 at 20 °C, value of $> \text{EUR}$

69 59	18 per 100 kg, whether or not containing added sugar or other sweetening matter (excl. concentrated or containing spirit)
2204 30 92	Grape must, unfermented, concentrated within the meaning of Additional Note 7 to chapter 22, of a density $\leq 1,33 \text{ g/cm}^3$ at 20 °C and of an actual alcoholic strength $\leq 1 \text{ % vol}$ but $> 0,5 \text{ % vol}$ (excl. grape must whose fermentation has been arrested by the addition of alcohol)
2204 30 94	Grape must, unfermented, non-concentrated, of a density $\leq 1,33 \text{ g/cm}^3$ at 20 °C and of an actual alcoholic strength $\leq 1 \text{ % vol}$ but $> 0,5 \text{ % vol}$ (excl. grape must whose fermentation has been arrested by the addition of alcohol)
2204 30 96	Grape must, unfermented, concentrated within the meaning of Additional Note 7 to chapter 22, of a density $> 1,33 \text{ g/cm}^3$ at 20 °C and of an actual alcoholic strength $\leq 1 \text{ % vol}$ but $> 0,5 \text{ % vol}$ (excl. grape must whose fermentation has been arrested by the addition of alcohol)
2204 30 98	Grape must, unfermented, non-concentrated, of a density $> 1,33 \text{ g/cm}^3$ at 20 °C and of an actual alcoholic strength $\leq 1 \text{ % vol}$ but $> 0,5 \text{ % vol}$ (excl. grape must whose fermentation has been arrested by the addition of alcohol)

(¹) See Annex 2 to Commission Implementing Regulation (EU) 927/2012 of 9 October 2012 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

ANNEX II-C

PRODUCTS SUBJECT TO ANTI-CIRCUMVENTION MECHANISM (UNION)

Product category	CN code 2012	Product description	Trigger volume (tonnes)
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Agricultural products

1 Beef, pork and sheep meat	0201 10 00	Carcases or half-carcases of bovine animals, fresh or chilled	4 400
	0201 20 20	Compensated quarters of bovine animals with bone in, fresh or chilled	
	0201 20 30	Unseparated or separated forequarters of bovine animals, with bone in, fresh or chilled	
	0201 20 50	Unseparated or separated hindquarters of bovine animals, with bone in, fresh or chilled	
	0201	Fresh or chilled bovine cuts, with bone in (excl. carcasses and	

20 90	half-carcases, 'compensated quarters', forequarters and hindquarters)
0201 30 00	Fresh or chilled bovine meat, boneless
0202 10 00	Frozen bovine carcases and half-carcases
0202 20 10	Frozen 'compensated' bovine quarters, with bone in
0202 20 30	Frozen unseparated or separated bovine forequarters, with bone in
0202 20 50	Frozen unseparated or separated bovine hindquarters, with bone in
0202 20 90	Frozen bovine cuts, with bone in (excl. carcases and half-carcases, 'compensated' quarters, forequarters and hindquarters)
0202 30 10	Frozen bovine boneless forequarters, whole or cut in max. 5 pieces, each quarter in 1 block; 'compensated' quarters in 2 blocks, one containing the forequarter, whole or cut in max. 5 pieces, and the other the whole hindquarter, excl. the tenderloin, in one piece
0202 30 50	Frozen bovine boneless crop, chuck and blade and brisket cuts
0202 30 90	Frozen bovine boneless meat (excl. forequarters, whole or cut into a maximum of five pieces, each quarter being in a single block 'compensated' quarters in two blocks, one of which contains the forequarter, whole or cut into a maximum of five pieces, and the other, the hindquarter, excl. the tenderloin, in one piece, crop, chuck and blade and brisket cuts)
0203 11 10	Fresh or chilled domestic swine carcases and half-carcases
0203 12 11	Fresh or chilled with bone in, domestic swine hams and cuts thereof
0203 12 19	Fresh or chilled with bone in, domestic swine shoulders and cuts thereof
0203 19 11	Fresh or chilled fore-ends and cuts thereof of domestic swine

0203 19 13	Fresh or chilled loins and cuts thereof of domestic swine
0203 19 15	Fresh or chilled bellies 'streaky' and cuts thereof of domestic swine
0203 19 55	Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)
0203 19 59	Fresh or chilled meat of domestic swine, with bone in (excl. fore-ends, loins, bellies and cuts thereof)
0203 21 10	Frozen domestic swine carcasses and half-carcasses
0203 22 11	Frozen hams and cuts thereof of domestic swine, with bone in
0203 22 19	Frozen shoulders and cuts thereof of domestic swine, with bone in
0203 29 11	Frozen fore-ends and cuts thereof of domestic swine
0203 29 13	Frozen loins and cuts thereof of domestic swine, with bone in
0203 29 15	Frozen bellies 'streaky' and cuts thereof of domestic swine
0203 29 55	Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)
0203 29 59	Frozen meat of domestic swine, with bone in (excl. carcasses and half-carcasses, hams, shoulders and cuts thereof, and fore-ends, loins, bellies and cuts thereof)
0204 22 50	Fresh or chilled sheep legs
0204 22 90	Fresh or chilled cuts of sheep, with bone in (excl. short forequarters, chines and/or best ends, and legs)
0204 23 00	Fresh or chilled boneless cuts of sheep
0204 42 30	Frozen sheep chines and/or best ends
0204	Frozen sheep legs

	42 50		
	0204 42 90	Frozen cuts of sheep, with bone in (excl. carcasses and half-carcasses, short forequarters, chines and/or best ends, and legs)	
	0204 43 10	Frozen meat of lambs, boneless	
	0204 43 90	Frozen meat of sheep, boneless (excl. lamb)	
2 Poultry meat	0207 11 30	Fresh or chilled, plucked and drawn fowls of species Gallus domesticus, without heads and feet but with necks, hearts, livers and gizzards, known as '70 % chickens'	550
	0207 11 90	Fresh or chilled, plucked and drawn fowls of species Gallus domesticus, without heads, feet, necks, hearts, livers and gizzards, known as '65 % chickens', and other forms of fresh or chilled fowl, not cut in pieces (excl. '83 % and 70 % chickens')	
	0207 12 10	Frozen fowls of species Gallus domesticus, plucked and drawn, without heads and feet but with necks, hearts, livers and gizzards, known as '70 % chickens'	
	0207 12 90	Frozen fowls of species Gallus domesticus, plucked and drawn, without heads, feet, necks, hearts, livers and gizzards, known as '65 % chickens', and other forms of fowl, not cut in pieces (excl. '70 % chickens')	
	0207 13 10	Fresh or chilled boneless cuts of fowls of the species Gallus domesticus	
	0207 13 20	Fresh or chilled halves or quarters of fowls of the species Gallus domesticus	
	0207 13 30	Fresh or chilled whole wings, with or without tips, of fowls of the species Gallus domesticus	
	0207 13 50	Fresh or chilled breasts and cuts thereof of fowls of the species Gallus domesticus, with bone in	
	0207 13 60	Fresh or chilled legs and cuts thereof of fowls of the species Gallus domesticus, with bone in	
	0207 13 99	Fresh or chilled edible offal of fowls of the species Gallus domesticus (excl. livers)	

0207 14 10	Frozen boneless cuts of fowls of the species Gallus domesticus
0207 14 20	Frozen halves or quarters of fowls of the species Gallus domesticus
0207 14 30	Frozen whole wings, with or without tips, of fowls of the species Gallus domesticus
0207 14 50	Frozen breasts and cuts thereof of fowls of the species Gallus domesticus, with bone in
0207 14 60	Frozen legs and cuts thereof of fowls of the species Gallus domesticus, with bone in
0207 14 99	Frozen edible offal of fowls of the species Gallus domesticus (excl. livers)
0207 24 10	Fresh or chilled, plucked and drawn turkeys of the species domesticus, without heads and feet but with necks, hearts, livers and gizzards, known as '80 % turkeys'
0207 24 90	Fresh or chilled, plucked and drawn turkeys of the species domesticus, without heads, feet, necks, hearts, livers and gizzards, known as '73 % turkeys', and other forms of fresh or chilled turkeys, not cut in pieces (excl. '80 % turkeys')
0207 25 10	Frozen turkeys of the species domesticus, plucked and drawn, without heads and feet but with necks, hearts, livers and gizzards, known as '80 % turkeys'
0207 25 90	Frozen turkeys of the species domesticus, plucked and drawn, without heads, feet, necks, hearts, livers and gizzards, known as '73 % turkeys', and other forms of turkeys, not cut in pieces (excl. '80 % turkeys')
0207 26 10	Fresh or chilled boneless cuts of turkeys of the species domesticus
0207 26 20	Fresh or chilled halves or quarters of turkeys of the species domesticus
0207 26 30	Fresh or chilled whole wings, with or without tips, of turkeys of the species domesticus
0207 26 50	Fresh or chilled breasts and cuts thereof of turkeys of the species domesticus, with bone in
0207	Fresh or chilled drumsticks and cuts thereof of turkeys of the

26 60	species domesticus, with bone in
0207 26 70	Fresh or chilled legs and cuts thereof of turkeys of the species domesticus, with bone in (excl. drumsticks)
0207 26 80	Fresh or chilled cuts of turkeys of the species domesticus, with bone in (excl. halves or quarters, whole wings, with or without tips, backs, necks, backs with necks attached, rumps and wing-tips, breasts, legs and cuts thereof)
0207 26 99	Fresh or chilled edible offal of turkeys of the species domesticus (excl. livers)
0207 27 10	Frozen boneless cuts of turkeys of the species domesticus
0207 27 20	Frozen halves and quarters of turkeys of the species domesticus
0207 27 30	Frozen whole wings, with or without tips, of turkeys of the species domesticus
0207 27 50	Frozen breasts and cuts thereof of turkeys of the species domesticus, with bone in
0207 27 60	Frozen drumsticks and cuts thereof of turkeys of the species domesticus, with bone in
0207 27 70	Frozen legs and cuts thereof of turkeys of the species domesticus, with bone in (excl. drumsticks)
0207 27 80	Frozen cuts of turkeys of the species domesticus, with bone in (excl. halves or quarters, whole wings, with or without tips, backs, necks, backs with necks attached, rumps and wing-tips, breasts, legs and cuts thereof)
0207 27 99	Frozen edible offal of turkeys of the species domesticus (excl. livers)
0207 41 30	Fresh or chilled domestic ducks, not cut in pieces, plucked and drawn, without heads and feet but with necks, hearts, livers and gizzards '70 % ducks'
0207 41 80	Fresh or chilled domestic ducks, not cut in pieces, plucked and drawn, without heads and feet and without necks, hearts, livers and gizzards, '63 % ducks' or otherwise presented
0207 42 30	Frozen domestic ducks, not cut in pieces, plucked and drawn, without heads and feet but with necks, hearts, livers and

		gizzards '70 % ducks'
0207 42 80		Frozen domestic ducks, not cut in pieces, plucked and drawn, without heads and feet and without necks, hearts, livers and gizzards, '63 % ducks' or otherwise presented
0207 44 10		Fresh or chilled cuts of domestic ducks, boneless
0207 44 21		Fresh or chilled halves or quarters of domestic ducks
0207 44 31		Fresh or chilled whole wings of domestic ducks
0207 44 41		Fresh or chilled backs, necks, backs with necks attached, rumps and wing-tips of domestic ducks
0207 44 51		Fresh or chilled breasts and cuts thereof, of domestic ducks, with bone in
0207 44 61		Fresh or chilled legs and cuts thereof, of domestic ducks, with bone in
0207 44 71		Fresh or chilled paletots of domestic ducks, with bone in
0207 44 81		Fresh or chilled cuts of domestic ducks, with bone in, n.e.s.
0207 44 99		Fresh or chilled edible offal of domestic ducks (excl. livers)
0207 45 10		Frozen cuts of domestic ducks, boneless
0207 45 21		Frozen halves or quarters of domestic ducks
0207 45 31		Frozen whole wings of domestic ducks
0207 45 41		Frozen backs, necks, backs with necks attached, rumps and wing-tips of domestic ducks
0207 45 51		Frozen breasts and cuts thereof, of domestic ducks, with bone in
0207 45 61		Frozen legs and cuts thereof, of domestic ducks, with bone in

0207 45 81	Frozen cuts of domestic ducks, with bone in, n.e.s.
0207 45 99	Frozen edible offal of domestic ducks (excl. livers)
0207 51 10	Fresh or chilled domestic geese, not cut in pieces, plucked, bled, not drawn, with heads and feet '82 % geese'
0207 51 90	Fresh or chilled domestic geese, not cut in pieces, plucked and drawn, without heads and feet, with or without hearts and gizzards, '75 % geese' or otherwise presented
0207 52 90	Frozen domestic geese, not cut in pieces, plucked and drawn, without heads and feet, with or without hearts and gizzards, '75 % geese' or otherwise presented
0207 54 10	Fresh or chilled cuts of domestic geese, boneless
0207 54 21	Fresh or chilled halves or quarters of domestic geese
0207 54 31	Fresh or chilled whole wings of domestic geese
0207 54 41	Fresh or chilled backs, necks, backs with necks attached, rumps and wing-tips of domestic geese
0207 54 51	Fresh or chilled breasts and cuts thereof, of domestic geese, with bone in
0207 54 61	Fresh or chilled legs and cuts thereof, of domestic geese, with bone in
0207 54 71	Fresh or chilled paletots of domestic geese, with bone in
0207 54 81	Fresh or chilled cuts of domestic geese, with bone in, n.e.s.
0207 54 99	Fresh or chilled edible offal of domestic geese (excl. livers)
0207 55 10	Frozen cuts of domestic geese, boneless
0207 55 21	Frozen halves or quarters of domestic geese

0207 55 31	Frozen whole wings of domestic geese
0207 55 41	Frozen backs, necks, backs with necks attached, rumps and wing-tips of domestic geese
0207 55 51	Frozen breasts and cuts thereof, of domestic geese, with bone in
0207 55 61	Frozen legs and cuts thereof, of domestic geese, with bone in
0207 55 81	Frozen cuts of domestic geese, with bone in, n.e.s.
0207 55 99	Frozen edible offal of domestic geese (excl. livers)
0207 60 05	Fresh, chilled or frozen domestic guinea fowls, not cut in pieces
0207 60 10	Fresh, chilled or frozen cuts of domestic guinea fowls, boneless
0207 60 31	Fresh, chilled or frozen whole wings of domestic guinea fowls
0207 60 41	Fresh, chilled or frozen backs, necks, backs with necks attached, rumps and wing-tips of domestic guinea fowls
0207 60 51	Fresh, chilled or frozen breasts and cuts thereof, of domestic guinea fowls, with bone in
0207 60 61	Fresh, chilled or frozen legs and cuts thereof, of domestic guinea fowls, with bone in
0207 60 81	Fresh, chilled or frozen cuts of domestic guinea fowls, with bone in, n.e.s.
0207 60 99	Fresh, chilled or frozen edible offal of domestic guinea fowls (excl. livers)
1602 31 11	Preparations containing exclusively uncooked turkey meat (excl. sausages and similar products)
1602 31 19	Meat or offal of turkeys 'poultry', prepared or preserved, containing ≥ 57 % by weight of meat or offal of poultry (excl. containing exclusively uncooked turkey meat, sausages and similar products, finely homogenised preparations put up for

		retail sale as infant food or for dietetic purposes, in containers of a net weight of ≤ 250 g, preparations of liver and meat extracts)	
	1602 31 80	Meat or offal of domestic turkeys, prepared or preserved, containing < 57 % by weight 'excl. bones' of meat or offal of poultry (excl. sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net weight of ≤ 250 g, preparations of liver and meat extracts)	
	1602 32 11	Uncooked, prepared or preserved meat or meat offal of fowls of the species <i>Gallus domesticus</i> containing ≥ 57 % meat or offal of poultry (excl. sausages and similar products, and preparations of liver)	
	1602 32 19	Cooked, prepared or preserved meat or meat offal of fowls of the species <i>Gallus domesticus</i> containing ≥ 57 % meat or offal of poultry (excl. sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net weight of ≤ 250 g, preparations of liver and meat extracts)	
	1602 32 30	Prepared or preserved meat or meat offal of fowls of the species <i>Gallus domesticus</i> containing ≥ 25 % but < 57 % of poultry meat or offal (excl. sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes dietetic purposes, in containers of a net weight of ≤ 250 g, preparations of liver and meat extracts)	
	1602 32 90	Prepared or preserved meat or meat offal of fowls of the species <i>Gallus domesticus</i> (excl. that containing ≥ 25 % meat or offal of poultry, meat or offal of turkeys or guinea fowl, sausages and similar products, finely homogenised preparations put up for retail sale as infant food or for dietetic purposes, in containers of a net weight of ≤ 250 g, preparations of liver and meat extracts and juices)	
	1602 39 21	Uncooked, prepared or preserved meat or meat offal of ducks, geese and guinea fowl of the species domesticus, containing ≥ 57 % meat or offal of poultry (excl. sausages and similar products, and preparations of liver)	
3 Dairy	0402 10 11	Milk and cream in solid forms, of a fat content by weight of $\leq 1,5$ %, unsweetened, in immediate packings of $\leq 2,5$ kg	1 650

products	0402 10 19	Milk and cream in solid forms, of a fat content by weight of \leq 1,5 %, unsweetened, in immediate packings of $>$ 2,5 kg	
	0402 10 91	Milk and cream in solid forms, of a fat content by weight of \leq 1,5 %, sweetened, in immediate packings of \leq 2,5 kg	
	0402 10 99	Milk and cream in solid forms, of a fat content by weight of \leq 1,5 %, sweetened, in immediate packings of $>$ 2,5 kg	
	0405 10 11	Natural butter of a fat content, by weight, of \geq 80 % but \leq 85 %, in immediate packings of a net content of \leq 1 kg (excl. dehydrated butter and ghee)	
	0405 10 19	Natural butter of a fat content, by weight, of \geq 80 % but \leq 85 % (excl. in immediate packings of a net content of \leq 1 kg, and dehydrated butter and ghee)	
	0405 10 30	Recombined butter of a fat content, by weight, of \geq 80 % but \leq 85 % (excl. dehydrated butter and ghee)	
	0405 10 50	Whey butter of a fat content, by weight, of \geq 80 % but \leq 85 % (excl. dehydrated butter and ghee)	
	0405 10 90	Butter of a fat content, by weight, of $>$ 85 % but \leq 95 % (excl. dehydrated butter and ghee)	
4 Eggs in shell	0407 21 00	Fresh eggs of domestic fowls, in shell (excl. fertilised for incubation)	6 600 (†)
	0407 29 10	Fresh poultry eggs, in shell (excl. of fowls, and fertilised for incubation)	
	0407 90 10	Poultry eggs, in shell, preserved or cooked	
5 Eggs and albumins	0408 11 80	Egg yolks, dried, for human consumption, whether or not containing added sugar or other sweetening matter	330
	0408 19 81	Egg yolks, liquid, suitable for human consumption, whether or not containing added sugar or other sweetening matter	
	0408 19 89	Egg yolks (other than liquid), frozen or otherwise preserved, suitable for human consumption, whether or not containing added sugar or other sweetening matter (excl. dried)	
	0408 91 80	Dried birds' eggs, not in shell, whether or not containing added sugar or other sweetening matter, suitable for human consumption (excl. egg yolks)	

	0408 99 80	Birds' eggs, not in shell, fresh, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter, suitable for human consumption (excl. dried and egg yolks)	
	3502 11 90	Egg albumin, dried 'e.g. in sheets, scales, flakes, powder', fit for human consumption	
	3502 19 90	Egg albumin, fit for human consumption (excl. dried (e.g. in sheets, flakes, crystals, powder))	
	3502 20 91	Milk albumin 'lactalbumin', incl. concentrates of two or more whey proteins, containing by weight > 80 % whey proteins, calculated on the dry matter, fit for human consumption, dried (e.g. in sheets, scales, flakes, powder)	
	3502 20 99	Milk albumin 'lactalbumin', incl. concentrates of two or more whey proteins, containing by weight > 80 % whey proteins, calculated on the dry matter, fit for human consumption (excl. dried (e.g. in sheets, flakes, crystals, powder))	
6 Mushrooms	0711 51 00	Mushrooms of the genus 'Agaricus', provisionally preserved, e.g., by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	220
	2003 10 20	Mushrooms of the genus 'Agaricus', provisionally preserved otherwise than by vinegar or acetic acid, completely cooked	
	2003 10 30	Mushrooms of the genus 'Agaricus', prepared or preserved otherwise than by vinegar or acetic acid (excl. completely cooked mushrooms and provisionally preserved mushrooms)	
7 Cereals	1001 91 90	Wheat seed for sowing (excl. durum, common wheat and spelt)	200 000
	1001 99 00	Wheat and meslin (excl. seed for sowing, and durum wheat)	
	1003 90 00	Barley (excl. seed for sowing)	
	1004 10 00	Oats seed for sowing	
	1004 90 00	Oats (excl. seed for sowing)	

1005 90 00	Maize (excl. seed for sowing)
1101 00 15	Flour of common wheat and spelt
1101 00 90	Meslin flour
1102 20 10	Maize flour, with fat content of $\leq 1,5$ % by weight
1102 20 90	Maize flour, with fat content of $> 1,5$ % by weight
1102 90 10	Barley flour
1102 90 90	Cereal flours (excl. wheat, meslin, rye, maize, rice, barley and oat)
1103 11 90	Common wheat and spelt groats and meal
1103 13 10	Groats and meal of maize, 'corn', with a fat content, by weight, of $\leq 1,5$ %
1103 13 90	Groats and meal of maize, 'corn', with a fat content, by weight, of $> 1,5$ %
1103 19 20	Groats and meal of rye or barley
1103 19 90	Groats and meal of cereals (excl. wheat, oats, maize, rice, rye and barley)
1103 20 25	Pellets of rye or barley
1103 20 40	Maize pellets
1103 20 60	Wheat pellets
1103 20 90	Cereal pellets (excl. rye, barley, oats, maize, rice and wheat)
1104 19 10	Rolled or flaked wheat grains

1104 19 50	Rolled or flaked maize grains
1104 19 61	Rolled barley grains
1104 19 69	Flaked barley grains
1104 23 40	Hulled maize grains, even sliced or kibbled; pearled maize grains
1104 23 98	Sliced, kibbled or otherwise worked maize grains (excl. rolled, flaked, hulled, pearled, and pellets and flour)
1104 29 04	Hulled, even sliced or kibbled barley grains
1104 29 05	Pearled barley grains
1104 29 08	Sliced, kibbled or otherwise worked barley grains (excl. rolled, flaked, hulled, pearled, and pellets and flour)
1104 29 17	Hulled, even sliced or kibbled cereal grains (excl. rice, oats, maize and barley)
1104 29 30	Pearled cereal grains (excl. barley, oats, maize or rice)
1104 29 51	Cereal grains of wheat, not otherwise worked than kibbled
1104 29 59	Cereal grains, not otherwise worked than kibbled (other than barley, oats, maize, wheat and rye)
1104 29 81	Wheat grains, sliced, kibbled or otherwise worked (excl. rolled, flaked, flour, pellets, hulled, pearled, and not otherwise worked than kibbled)
1104 29 89	Cereal grains, sliced, kibbled or otherwise worked (excl. barley, oats, maize, wheat and rye, and rolled, flaked, flour, pellets, hulled, pearled, not otherwise worked than kibbled, and semi- or wholly milled rice and broken rice)
1104 30 10	Wheat germ, whole, rolled, flaked or ground
1104	Cereal germ, whole, rolled, flaked or ground (excl. wheat)

	30 90		
8 Malt and wheat gluten	1107 10 11	Wheat malt in flour form (excl. roasted)	330
	1107 10 19	Wheat malt (excl. flour and roasted)	
	1107 10 91	Malt in flour form (excl. roasted and wheat)	
	1107 10 99	Malt (excl. roasted, wheat and flour)	
	1107 20 00	Roasted malt	
	1109 00 00	Wheat gluten, whether or not dried	
9 Starches	1108 11 00	Wheat starch	550
	1108 12 00	Maize starch	
	1108 13 00	Potato starch	
10 Sugars	1701 12 10	Raw beet sugar, for refining (excl. added flavouring or colouring)	8 000
	1701 12 90	Raw beet sugar (excl. for refining and added flavouring or colouring)	
	1701 91 00	Refined cane or beet sugar, containing added flavouring or colouring, in solid form	
	1701 99 10	White sugar, containing in dry state $\geq 99,5$ % sucrose (excl. flavoured or coloured)	
	1701 99 90	Cane or beet sugar and chemically pure sucrose, in solid form (excl. cane and beet sugar containing added flavouring or colouring, raw sugar and white sugar)	
	1702 20 10	Maple sugar, in solid form, flavoured or coloured	
	1702 30 10	Isoglucose in solid form, not containing fructose or containing in the dry state < 20 % by weight of fructose	

1702 30 50	Glucose 'dextrose' in the form of white crystalline powder, whether or not agglomerated, not containing fructose or containing in the dry state < 20 % by weight of glucose (excl. isoglucose)
1702 30 90	Glucose in solid form and glucose syrup, not containing added flavouring or colouring matter and not containing fructose or containing in the dry state < 20 % by weight of fructose (excl. isoglucose and glucose 'dextrose' in the form of white crystalline powder, whether or not agglomerated)
1702 40 10	Isoglucose in solid form, containing in the dry state \geq 20 % and < 50 % by weight of fructose (excl. invert sugar)
1702 40 90	Glucose in solid form and glucose syrup, not containing added flavouring or colouring matter, and containing in the dry state \geq 20 % and < 50 % by weight of fructose (excl. isoglucose and invert sugar)
1702 60 10	Isoglucose in solid form, containing in the dry state > 50 % by weight of fructose (excl. chemically pure fructose and invert sugar)
1702 60 80	Inulin syrup obtained directly by hydrolysis of inulin or oligofructoses, containing in the dry state > 50 % by weight of fructose in free form or as sucrose
1702 60 95	Fructose in solid form and fructose syrup not containing added flavouring or colouring matter and containing in the dry state > 50 % by weight of fructose (excl. isoglucose, inulin syrup, chemically pure fructose and invert sugar)
1702 90 30	Isoglucose in solid form, containing in the dry state 50 % by weight of fructose, obtained from glucose polymers
1702 90 50	Maltodextrine in solid form and maltodextrine syrup (excl. flavoured or coloured)
1702 90 71	Sugar and molasses, caramelised, containing in the dry state \geq 50 % by weight of sucrose
1702 90 75	Sugar and molasses, caramelised, containing in the dry state < 50 % by weight of sucrose, in powder form, whether or not agglomerated
1702 90 79	Sugar and molasses, caramelised, containing in the dry state < 50 % by weight of sucrose (excl. sugar and molasses in powder form, whether or not agglomerated)

	1702 90 80	Inulin syrup, obtained directly by hydrolysis of inulin or oligofructoses, containing in the dry state $\geq 10\%$ but $\leq 50\%$ by weight of fructose in free form or as sucrose	
	1702 90 95	Sugars in solid form, incl. invert sugar, and sugar and sugar syrup blends containing in the dry state 50% by weight of fructose, not containing added flavouring or colouring matter (excl. cane or beet sugar, chemically pure sucrose and maltose, lactose, maple sugar, glucose, fructose, maltodextrine, and syrups thereof, isoglucose, inulin syrup and caramel)	
	2106 90 30	Flavoured or coloured isoglucose syrups	
	2106 90 55	Flavoured or coloured glucose and maltodextrine syrups	
	2106 90 59	Flavoured or coloured sugar syrups (excl. isoglucose, lactose, glucose and maltodextrine syrups)	
11 Bran, sharps and other residues	2302 10 10	Bran, sharps and other residues of maize, whether or not in the form of pellets, derived from sifting, milling or other working, with starch content of $\leq 35\%$	2 200
	2302 10 90	Bran, sharps and other residues of maize, whether or not in the form of pellets, derived from sifting, milling or other working, with starch content of $> 35\%$	
	2302 30 10	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of wheat, with a starch content of $\leq 28\%$ by weight, and of which the proportion that passes through a sieve with an aperture of 0,2 mm is $\leq 10\%$ by weight or alternatively the proportion that passes through the sieve has an ash content, calculated on the dry product, of $\geq 1,5\%$ by weight	
	2302 30 90	Bran, sharps and other residues of wheat, whether or not in the form of pellets, derived from sifting, milling or other working (excl. those with starch content of $\leq 28\%$, provided that either $\leq 10\%$ passes through a sieve with an aperture of 0,2 mm or if $> 10\%$ passes through, the proportion that passes through the sieve has an ash content, calculated on the dry product, of $\geq 1,5\%$ by weight)	
	2302 40 10	Bran, sharps and other residues, in the form of pellets or not, derived from the sifting, milling or other working of cereals, with a starch content $\leq 28\%$ by weight, and of which $\leq 10\%$	

		% by weight passes through a sieve with an aperture of 0,2 mm or, if > 10 % passes through, the proportion that passes through the sieve has an ash content, calculated on the dry product, of $\geq 1,5$ % by weight (excl. bran, sharps and other residues of maize, rice or wheat)	
	2302 40 90	Bran, sharps and other residues of cereals, whether or not in the form of pellets, derived from sifting, milling or other working (excl. those of maize, rice and wheat and those with a starch content of ≤ 28 %, provided that either ≤ 10 % passes through a sieve with an aperture of 0,2 mm or, if > 10 % passes through, the proportion that passes through has an ash content of $\geq 1,5$ %)	
	2303 10 11	Residues from the manufacture of starch from maize, of a protein content, calculated on the dry product, of > 40 % by weight (excl. concentrated steeping liquors)	

Processed agricultural products

12 Sweet corn	0710 40 00	Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen	1 500
	0711 90 30	Sweetcorn provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions, but unsuitable in that state for immediate consumption	
	2001 90 30	Sweetcorn 'Zea Mays var. Saccharata', prepared or preserved by vinegar or acetic acid	
	2004 90 10	Sweetcorn 'Zea Mays var. Zaccharata', prepared or preserved otherwise than by vinegar or acetic acid, frozen	
	2005 80 00	Sweetcorn 'Zea Mays var. Saccharata', prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)	
13 Sugar processed	1302 20 10	Dry pectic substances, pectinates and pectates in powder form	6 000
	1302 20 90	Liquid pectic substances, pectinates and pectates	
	1702 50 00	Chemically pure fructose in solid form	
	1702 90 10	Chemically pure maltose, in solid form	
	1704	Pastes, marzipan, nougat and other prepared sugar	

90 99	confectionery, not containing cocoa (excl. chewing gum, white chocolate, throat pastilles and cough drops, gum and jelly confectionery incl. fruit pastes in the form of sugar confectionery, boiled sweets, toffees, caramels and similar sweets, compressed tablets, and pastes incl. marzipan in immediate packings of ≥ 1 kg)
1806 10 30	Sweetened cocoa powder, containing $\geq 65\%$ but $< 80\%$ sucrose, incl. inverted sugar expressed as sucrose or isoglucose expressed as sucrose
1806 10 90	Sweetened cocoa powder, containing $\geq 80\%$ sucrose, incl. inverted sugar expressed as sucrose or isoglucose expressed as sucrose
1806 20 95	Chocolate and other food preparations containing cocoa, in blocks, slabs or bars weighing > 2 kg or in liquid, paste, powder, granular or other bulk form, in containers or immediate packings of a content > 2 kg, containing $< 18\%$ by weight of cocoa butter (excl. cocoa powder, chocolate flavour coating and chocolate milk crumb)
1901 90 99	Food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing cocoa in a proportion by weight of $< 40\%$, calculated on a totally defatted basis, and food preparations of milk, cream, butter milk, sour milk, sour cream, whey, yogurt, kephir or similar goods in heading 0401 to 0404, not containing cocoa or containing cocoa in a proportion by weight of $< 5\%$, calculated on a totally defatted basis, n.e.s. (excl. malt extract and preparations for infant food, put up for retail sale, mixes and doughs for preparation of bakers' wares and goods in subheading 1901 90 91)
2101 12 98	Preparations with a basis of coffee
2101 20 98	Preparations with a basis of tea or maté
2106 90 98	Food preparations, n.e.s., containing, by weight, $\geq 1,5\%$ milkfat, $\geq 5\%$ sucrose or isoglucose, $\geq 5\%$ glucose or $\geq 5\%$ starch
3302 10 29	Preparations based on odoriferous substances, containing all flavouring agents characterizing a beverage, containing, by weight, $\geq 1,5\%$ milkfat, $\geq 5\%$ sucrose or isoglucose, ≥ 5

		% glucose or ≥ 5 % starch, of a kind used in the drink industries (excl. of an actual alcoholic strength of $> 0,5$ % vol)	
14 Cereal processed	1904 30 00	Bulgur wheat in the form of worked grains, obtained by cooking hard wheat grains	3 300
	2207 10 00	Undenatured ethyl alcohol, of actual alcoholic strength of ≥ 80 %	
	2207 20 00	Denatured ethyl alcohol and other spirits of any strength	
	2208 90 91	Undenatured ethyl alcohol, of an alcoholic strength of < 80 % vol, in containers holding ≤ 2 l	
	2208 90 99	Undenatured ethyl alcohol, of an alcoholic strength of < 80 % vol, in containers holding > 2 l	
	2905 43 00	Mannitol	
	2905 44 11	D-glucitol 'sorbitol', in aqueous solution containing ≤ 2 % by weight of d-mannitol, calculated on the d-glucitol content	
	2905 44 19	D-glucitol 'sorbitol' in aqueous solution (excl. containing ≤ 2 % by weight of d-mannitol, calculated on the d-glucitol content)	
	2905 44 91	D-glucitol 'sorbitol', containing ≤ 2 % by weight of d-mannitol, calculated on the d-glucitol content (excl. in aqueous solution)	
	2905 44 99	D-glucitol 'sorbitol' (excl. in aqueous solution and containing ≤ 2 % by weight of d-mannitol, calculated on the d-glucitol content)	
	3505 10 10	Dextrins	
	3505 10 50	Starches, etherified or esterified (excl. dextrins)	
	3505 10 90	Modified starches (excl. etherified starches, esterified starches and dextrins)	
	3505 20 30	Glues containing ≥ 25 % but < 55 % starches, dextrins or other modified starches by weight (excl. those put up for retail sale and weighing net ≤ 1 kg)	
3505	Glues containing ≥ 55 % but < 80 % starches, dextrins or		

20 50	other modified starches by weight (excl. those put up for retail sale and weighing net \leq 1 kg)
3505 20 90	Glues containing \geq 80 % starches, dextrans or other modified starches by weight (excl. those put up for retail sale and weighing net \leq 1 kg)
3809 10 10	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations such as dressings and mordants of a kind used in the textile, paper, leather or like industries, n.e.s., with a basis of amylaceous substances, containing $<$ 55 % of these substances by weight
3809 10 30	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations such as dressings and mordants of a kind used in the textile, paper, leather or like industries, n.e.s., with a basis of amylaceous substances, containing \geq 55 % to $<$ 70 % of these substances by weight
3809 10 50	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations such as dressings and mordants of a kind used in the textile, paper, leather or like industries, n.e.s., with a basis of amylaceous substances, containing \geq 70 % to $<$ 83 % of these substances by weight
3809 10 90	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations such as dressings and mordants of a kind used in the textile, paper, leather or like industries, n.e.s., with a basis of amylaceous substances, containing \geq 83 % of these substances by weight
3824 60 11	Sorbitol in aqueous solution, containing \leq 2 % by weight of d-mannitol, calculated on the d-glucitol content (excl. d-glucitol [sorbitol])
3824 60 19	Sorbitol in aqueous solution, containing $>$ 2 % by weight of D-mannitol, calculated on the d-glucitol content (excl. d-glucitol [sorbitol])
3824 60 91	Sorbitol containing \leq 2 % by weight of D-mannitol, calculated on the d-glucitol content (excl. sorbitol in aqueous solution and d-glucitol [sorbitol])
3824 60 99	Sorbitol containing $>$ 2 % by weight of d-mannitol, calculated on the d-glucitol content (excl. sorbitol in aqueous solution

		and d-glucitol [sorbitol])	
15 Cigarettes	2402 10 00	Cigars, cheroots and cigarillos containing tobacco	500
	2402 20 90	Cigarettes, containing tobacco (excl. containing cloves)	

(1)

ANNEX III

APPROXIMATION

ANNEX III-A

LIST OF SECTORAL LEGISLATION FOR APPROXIMATION

The below list reflects Georgia's priorities with regard to approximation of EU's New Approach and Global Approach Directives as included in the Government of Georgia's Strategy in Standardisation, Accreditation, Conformity Assessment, Technical Regulation and Metrology and Programme on Legislative Reform and Adoption of Technical Regulations, of March 2010.

1. Directive 2000/9/EC of the European Parliament and of the Council of 20 March 2000 relating to cableway installations designed to carry persons

Timetable: approximated in 2011

2. European Parliament and Council Directive 95/16/EC of 29 June 1995 on the approximation of the laws of the Member States relating to lifts

Timetable: approximated in 2011

3. Directive 97/23/EC of the European Parliament and of the Council of 29 May 1997 on the approximation of the laws of the Member States concerning pressure equipment

Timetable: during 2013

4. Council Directive 92/42/EEC of 21 May 1992 on efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels

Timetable: during 2013

5. Directive 2009/105/EC of the European Parliament and of the Council of 16 September 2009 relating to simple pressure vessels

Timetable: during 2013

6. Directive 94/25/EC of the European Parliament and of the Council of 16 June 1994 on the approximation of the laws, regulations and administrative provisions of the Member States relating to recreational craft

Timetable: during 2013

7. Commission Directive 2008/43/EC of 4 April 2008 setting up, pursuant to Council Directive 93/15/EEC, a system for the identification and traceability of explosives for civil uses

Timetable: within five years after the entry into force of this Agreement

8. Directive 94/9/EC of the European Parliament and the Council of 23 March 1994 on the approximation of the laws of the Member States concerning equipment and protective systems intended for use in potentially explosive atmospheres

Timetable: within four years after the entry into force of this Agreement

9. Directive 1999/5/EC of the European Parliament and of the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity

Timetable: within four years after the entry into force of this Agreement

10. Directive 2004/108/EC of the European Parliament and of the Council of 15 December 2004 on the approximation of the laws of the Member States relating to electromagnetic compatibility

Timetable: within eight years after the entry into force of this Agreement

11. Directive 2006/95/EC of the European Parliament and of the Council of 12 December 2006 on the harmonisation of the laws of Member States relating to electrical equipment designed for use within certain voltage limits

Timetable: within eight years after the entry into force of this Agreement

12. Council Directive 93/42/EEC of 14 June 1993 concerning medical devices

Timetable: within five years after the entry into force of this Agreement

13. Directive 98/79/EC of the European Parliament and of the Council of 27 October 1998 on in vitro diagnostic medical devices

Timetable: within five years after the entry into force of this Agreement

14. Council Directive 90/385/EEC of 20 June 1990 on the approximation of the laws of the Member States relating to active implantable medical devices

Timetable: within five years after the entry into force of this Agreement

15. Directive 2009/142/EC of the European Parliament and of the Council of 30 November 2009 relating to appliances burning gaseous fuels

Timetable: within five years after the entry into force of this Agreement

16. Council Directive 89/686/EEC of 21 December 1989 on the approximation of the laws of the Member States relating to personal protective equipment

Timetable: within five years after the entry into force of this Agreement

17. Directive 98/37/EC of the European Parliament and of the Council of 22 June 1998 on the approximation of the laws of the Member States relating to machinery

Timetable: within five years after the entry into force of this Agreement

18. Directive 2009/48/EC of the European Parliament and of the Council of 18 June 2009 on the safety of toys

Timetable: within five years after the entry into force of this Agreement

19. Regulation (EU) No 305/2011 of the European Parliament and of the Council of 9 March 2011 laying down harmonized conditions for the marketing of construction products

Timetable: within eight years after the entry into force of this Agreement

20. Directive 2009/23/EC of the European Parliament and of the Council of 23 April 2009 on non-automatic weighing instruments

Timetable: within eight years after the entry into force of this Agreement

21. Directive 2004/22/EC of the European Parliament and of the Council of 31 March 2004 on measuring instruments

Timetable: within eight years after the entry into force of this Agreement

ANNEX III-B

INDICATIVE LIST OF HORIZONTAL LEGISLATION

The below list outlines the horizontal ‘principles and practice laid down in relevant Union *acquis*’ referred to in Article 47(1) of this Agreement. It aims to serve as a non-exhaustive guidance for Georgia for the purpose of approximation of horizontal measures of the Union.

1. Decision 768/2008/EC of the European Parliament and of the Council of 9 July 2008 on a common framework for the marketing of products

2. Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products
3. Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety
4. Council Directive 80/181/EEC of 20 December 1979 on the approximation of the laws of the Member States relating to units of measurement, as amended by Directive 2009/3/EC of the European Parliament and of the Council
5. Regulation (EU) No 1025/2012 of the European Parliament and of the Council on European
6. Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products

ANNEX IV

COVERAGE

ANNEX IV-A

SPS MEASURES

PART 1

Measures applicable to main live animal categories

- I. *Equidae* (including zebras) or asinine species or the offspring of crossing of those species
- II. Bovine animals (including *Bubalus bubalis* and *Bison*)
- III. Ovine and caprine animals
- IV. Porcine animals
- V. Poultry (including fowl, turkeys, guinea fowl, ducks, geese)
- VI. Live fish
- VII. Crustaceans
- VIII. Molluscs
- IX. Eggs and gametes of live fish

- X. Hatching eggs
- XI. Semen, ova, embryos
- XII. Other mammals
- XIII. Other birds
- XIV. Reptiles
- XV. Amphibians
- XVI. Other vertebrates
- XVII. Bees

PART 2

Measures applicable to animal products

I. Main product categories of animal products for human consumption

1. Fresh meat of domestic ungulates, poultry and lagomorphs, farm and wild game, including offal
2. Minced meat, meat preparations, mechanically separated meat (MSM), meat products
3. Live bivalve molluscs
4. Fishery products
5. Raw milk, colostrum, dairy products and colostrum-based products
6. Eggs and eggs products
7. Frogs' legs and snails
8. Rendered animal fats and greaves
9. Treated stomachs, bladders and intestines
10. Gelatine, raw material for the production of gelatine for human consumption
11. Collagen
12. Honey and apicultural products

II. Main product categories of animal by-products

In slaughterhouses	Animal by-products to be fed to fur animals
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	Animal by-products for the manufacture of pet food
	Blood and blood products from equidae to be used outside the feed chain
	Fresh or chilled hides and skins of ungulates
	Animal by-products for the manufacture of derived products for uses outside the feed chain
In dairy plants	Milk, milk-based products and milk-derived products
	Colostrum and colostrum products
In other facilities for the collection or handling of animal by-products (i.e. unprocessed/ untreated materials)	Blood and blood products from equidae to be used outside the feed chain
	Untreated blood products, excluding of equidae, for derived products for purposes outside the feed chain for farmed animals
	Treated blood products, excluding of equidae, for the manufacture of derived products for purposes outside the feed chain for farmed animals
	Fresh or chilled hides and skins of ungulates
	Pig bristles from third countries or regions thereof that are free from African swine fever
	Bones and bone products (excluding bone meal), horns and horn products (excluding horn meal) and hooves and hoof products (excluding hoof meal) for uses other than as feed material, organic fertiliser or soil improvers
	Horns and horn products, excluding horn meal, and hooves and hoof products, excluding hoof meal, for the production of organic fertilisers or soil improvers
	Gelatine not intended for human consumption to be used by the photographic industry
	Wool and hair
	Treated feathers, parts of feathers and down
In processing plants	Processed animal protein, including mixtures and products other than pet food containing such protein
	Blood products that could be used as feed material

	Treated hides and skins of ungulates
	Treated hides and skins of ruminants and of equidae (21 days)
	Pig bristles from third countries or regions thereof that are not free of African swine fever
	Fish oil to be used as feed material or for purposes outside the feed chain
	Rendered fats to be used as feed materials
	Rendered fats for certain purposes outside the feed chain for farmed animals
	Gelatine or collagen to be used as feed material or for purposes outside the feed chain
	Hydrolysed protein, dicalcium phosphate or tricalcium phosphate to be used as feed material or for purposes outside the feed chain
	Apiculture by-products intended exclusively for use in apiculture
	Fat derivatives to be used outside the feed chain
	Fat derivatives to be used as feed or outside the feed chain
	Egg products that could be used as feed material
In pet food plants (including plants manufacturing dog chews and flavouring innards)	Canned pet food
	Processed pet food other than canned pet food
	Dog chews
	Raw pet food for direct sale
	Flavouring innards for use in the manufacture of pet food
In game trophies plants	Treated game trophies and other preparations of birds and ungulates, being solely bones, horns, hooves, claws, antlers, teeth, hides or skins
	Game trophies or other preparations of birds and ungulates consisting of entire parts not having been treated
In plants or establishments manufacturing intermediate products	Intermediate products
Fertiliser and soil improvers	Processed animal protein including mixtures and products other

	than pet food containing such protein
	Processed manure, derived products from processed manure and guano from bats
In storage of derived products	All derived products

III. Pathogenic agents

PART 3

Plants, plant products and other objects

Plants, plant products and other objects ⁽¹⁾ which are potential carriers of pests that, by their nature or that of their processing, may create a risk for the introduction and spread of pests.

PART 4

Measures applicable to food and feed additives

Food:

1. food additives (all food additives and colours);
2. processing aids;
3. food flavourings;
4. food enzymes;

Feed ⁽²⁾:

5. feed additives;
6. feed materials;
7. compound feed and pet food except if covered by Part 2(II);
8. undesirable substances in feed.

⁽¹⁾ Packaging, conveyances, containers, soil and growing mediums and any other organisms, object or material capable of harbouring or spreading pests.

⁽²⁾ Only animal by-products originated from animals or parts of animals, declared as fit for human consumption may enter into the feed chain of farmed animals.

ANNEX IV-B

ANIMAL WELFARE STANDARDS

Animal welfare standards concerning:

1. stunning and slaughter of animals;
2. transport of animals and related operations;
3. farming animals.

ANNEX IV-C

OTHER MEASURES COVERED BY CHAPTER 4 OF TITLE IV

1. Chemicals originating from the migration of substances from packaging materials
2. Composite products
3. Genetically Modified Organisms (GMOs)
4. Growth promoting hormones, thyreostatics, certain hormones and B-agonists

Georgia shall approximate its GMO legislation to that of the Union included into the approximation list as laid down in Article 55(4) of this Agreement.

ANNEX IV-D

MEASURES TO BE INCLUDED AFTER THE APPROXIMATION OF THE UNION LEGISLATION

1. Chemicals for decontamination of food
2. Clones
3. Irradiation (ionization)

ANNEX V

LIST OF NOTIFIABLE ANIMAL AND AQUACULTURE DISEASES AND REGULATED PESTS FOR WHICH REGIONAL FREEDOM CAN BE RECOGNISED

ANNEX V-A

ANIMAL AND FISH DISEASES SUBJECT TO NOTIFICATION, FOR WHICH THE STATUS OF THE PARTIES IS RECOGNISED AND FOR WHICH REGIONALISATION DECISIONS MAY BE TAKEN

1. Foot-and-mouth disease
2. Swine vesicular disease
3. Vesicular stomatitis
4. African horse sickness
5. African swine fever
6. Bluetongue
7. Pathogenic Avian influenza
8. Newcastle disease (NCD)
9. Rinderpest
10. Classical swine fever
11. Contagious bovine pleuro-pneumonia
12. Ovine rinderpest (peste des petits ruminants)
13. Sheep and goat pox
14. Rift Valley fever
15. Lumpy skin disease
16. Venezuelan equine encephalomyelitis
17. Glanders
18. Dourine
19. Enterovirus encephalomyelitis
20. Infectious haematopoietic necrosis (IHN)
21. Viral haemorrhagic septicaemia (VHS)
22. Infectious Salmon Anaemia (ISA)
23. *Bonamia ostreae*
24. *Marteilia refringens*

ANNEX V-B

RECOGNITION OF THE PEST STATUS, PEST FREE AREAS OR PROTECTED ZONES

A. Recognition of pest status

Each Party shall establish and communicate a list of regulated pests based on the following principles:

1. pests not known to occur within any part of its own territory;
2. pests known to occur within any part of its own territory and under official control;
3. pests known to occur within any part of its own territory, under official control and for which pest free areas or protected zones are established.

Any change to the list of pest status shall be immediately notified to the other Party unless otherwise notified to the relevant international organisation.

B. Recognition of pest free areas and protected zones

The Parties recognise the protected zones and the concept of pest free areas and its application in respect of relevant International Standards for Phytosanitary Measures (ISPMs).

ANNEX VI

REGIONALISATION/ZONING, PEST-FREE AREAS AND PROTECTED ZONES

A. Animal and aquaculture diseases

1. Animal diseases

The basis for recognition of the animal disease status of the territory or of a region of a Party shall be the Terrestrial Animal Health Code of the World Organisation for Animal Health (OIE).

The basis for regionalisation decisions for an animal disease shall be the Terrestrial Animal Health Code of the OIE.

2. Aquaculture diseases

The basis for regionalisation decisions for aquaculture diseases shall be the Aquatic Animal Health Code of the OIE.

B. Pests

The criteria for the establishment of pest free areas or protected zones for certain pests shall comply with the provisions of either:

- the FAO International Standard for Phytosanitary Measures No 4 on Requirements for the establishment of pest free areas and the definitions of the relevant ISPMs, or

- Article 2(1)(h) of Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community.

C. Criteria for the recognition of the special status for animal diseases of the territory or a region of a Party

1. Where the importing Party considers that its territory or part of its territory is free from an animal disease other than a disease listed in Annex V-A to this Agreement, it shall present to the exporting Party appropriate supporting documentation, setting out in particular the following criteria:
 - the nature of the disease and the history of its occurrence in its territory;
 - the results of surveillance testing based on serological, microbiological, pathological or epidemiological investigation and on the fact that the disease must by law be notified to the competent authorities;
 - the period over which the surveillance was carried out;
 - where applicable, the period during which vaccination against the disease has been prohibited and the geographical area concerned by the prohibition;
 - the arrangements for verifying the absence of the disease.
2. The additional guarantees, general or specific, which may be required by the importing Party,
3. The Parties shall notify each other of any change in the criteria specified in paragraph 1 of point C of this Annex which relate to the disease. The additional guarantees defined in accordance with paragraph 2 of point C of this Annex may, in light of such notification, be amended or withdrawn by the SPS Sub-Committee.

ANNEX VII

PROVISIONAL APPROVAL OF ESTABLISHMENTS

Conditions and provisions for provisional approval of establishments

1. Provisional approval of establishments means that for the purpose of import the importing Party approves provisionally the establishments in the exporting Party on the basis of appropriate guarantees provided by that Party without prior inspection by the importing Party of the individual establishments in accordance with the provisions of paragraph 4 of this Annex. The procedure and conditions set out in paragraph 4 of this Annex shall be used for modifying or completing the lists provided for in paragraph 2 of this Annex to take account of new applications and

guarantees received. Only as regards the initial list of establishments verification may be part of the procedure in accordance with the provisions of point (d) of paragraph 4.

2. The provisional approval shall initially be applied to the following categories of establishments:

2.1. Establishments for products of animal origin for human consumption:

- slaughterhouses for fresh meat of domestic ungulates, poultry, lagomorphs and farm game (Annex IV–A, Part 1);
- game handling establishments;
- cutting plants;
- establishments for minced meat, meat preparation, mechanically separated meat and
- purification centres and dispatching centres for live bivalve molluscs;
- establishments for:
 - eggs products,
 - dairy products,
 - fishery products,
 - treated stomachs, bladders and intestines,
 - gelatine and collagen,
 - fish oil,
 - factory vessels,
 - freezer vessels.

2.2. Approved or registered establishments producing animal by-products and main categories of animal by-products not for human consumption

Type of approved or registered establishment and plants	Product
Slaughterhouses	Animal by-products to be fed to fur animals
	Animal by-products for the manufacture of pet food
	Blood and blood products from equidae to be used outside the feed chain

	Fresh or chilled hides and skins of ungulates
	Animal by-products for the manufacture of derived products for uses outside the feed chain
Dairy plants	Milk, milk-based products and milk-derived products
	Colostrum and colostrum products
Other facilities for the collection or handling of animal by-products (i.e. unprocessed/ untreated materials)	Blood and blood products from equidae to be used outside the feed chain
	Untreated blood products, excluding of equidae, for derived products for purposes outside the feed chain for farmed animals
	Treated blood products, excluding of equidae, for the manufacture of derived products for purposes outside the feed chain for farmed animals
	Fresh or chilled hides and skins of ungulates
	Pig bristles from third countries or regions thereof that are free from African swine fever
	Bones and bone products (excluding bone meal), horns and horn products (excluding horn meal) and hooves and hoof products (excluding hoof meal) for uses other than as feed material, organic fertiliser or soil improvers
	Horns and horn products, excluding horn meal, and hooves and hoof products, excluding hoof meal, for the production of organic fertilisers or soil improvers
	Gelatine not intended for human consumption to be used by the photographic industry
	Wool and hair
	Treated feathers, parts of feathers and down
Processing plants	Processed animal protein, including mixtures and products other than petfood containing such protein
	Blood products that could be used as feed material
	Treated hides and skins of ungulates
	Treated hides and skins of ruminants and of equidae (21 days)

	Pig bristles from third countries or regions thereof that are not free of African swine fever
	Fish oil to be used as feed material or for purposes outside the feed chain
	Rendered fats to be used as feed materials
	Rendered fats for certain purposes outside the feed chain for farmed animals
	Gelatine or collagen to be used as feed material or for purposes outside the feed chain
	Hydrolysed protein, dicalcium phosphate or tricalcium phosphate to be used as feed material or for purposes outside the feed chain
	Apiculture by-products intended exclusively for use in apiculture
	Fat derivatives to be used outside the feed chain
	Fat derivatives to be used as feed or outside the feed chain
	Egg products that could be used as feed material
Pet food plants (including plants manufacturing dog chews and flavouring innards)	Canned pet food
	Processed pet food other than canned pet food
	Dog chews
	Raw pet food for direct sale
	Flavouring innards for use in the manufacture of pet food
Game trophies plants	Treated game trophies and other preparations of birds and ungulates, being solely bones, horns, hooves, claws, antlers, teeth, hides or skins
	Game trophies or other preparations of birds and ungulates consisting of entire parts not having been treated
Plants or establishments manufacturing intermediate products	Intermediate products
Fertiliser and soil improvers	Processed animal protein including mixtures and products other than pet food containing such protein
	Processed manure, derived products from processed manure

	and guano from bats
Storage of derived products	All derived products

3. The importing Party shall draw up lists of provisionally approved establishments as referred to in paragraphs 2.1 and 2.2 and shall make these lists publicly available.

4. Conditions and procedures for provisional approval:

- (a) if import of the animal product concerned from the exporting Party has been authorised by the importing Party and the relevant import conditions and certification requirements for the products concerned have been established;
- (b) if the competent authority of the exporting Party has provided the importing Party with satisfactory guarantees that the establishments appearing on its list or lists meet the relevant health requirements for the products processed of the importing Party and has officially approved the establishments appearing on the lists for exportation to the importing Party;
- (c) in the event of non-compliance with the said guarantees the competent authority of the exporting Party must have a real power to suspend the activities of exportation to the
- (d) verification in accordance with the provisions of Article 62 of this Agreement by the importing Party may be part of the provisional approval procedure. That verification concerns the structure and the organisation of the competent authority responsible for the approval of the establishment as well as the powers available to that competent authority and the guarantees that it can provide with regard to the implementation of the importing Party's rules. That verification may include on the spot inspection of a certain representative number of establishments appearing on the list or lists provided by the exporting Party.

Taking into account the specific structure and division of competence within the European Union, such verification in the European Union may concern individual Member States;

- (e) based on the results of the verification provided for in point (d) of this paragraph, the

ANNEX VIII

PROCESS OF RECOGNITION OF EQUIVALENCE

1. Principles:

- (a) equivalence can be determined for an individual measure, a group of measures or a system related to a certain commodity or a category of commodities or all of them;

- (b) the examination by the importing Party of a request for recognition of equivalence of measures pertaining to a certain commodity of the exporting Party shall not be a reason to disrupt trade or suspend on-going imports from the exporting Party of the commodity in question;
- (c) the process of recognition of equivalence is an interactive process between the exporting Party and the importing Party. The process consists of an objective demonstration of equivalence of individual measures by the exporting Party and an objective assessment of the equivalence with a view to the possible recognition of equivalence by the importing Party;
- (d) the final recognition of equivalence of the relevant measures of the exporting Party rests solely with the importing Party.

2. Preconditions:

- (a) the process depends on the health or pest status, the law and the effectiveness of the inspection and control system related to the commodity in the exporting Party. To this end the law in the sector concerned shall be taken into account, as well as the structure of the competent authority of the exporting Party, the command chain, the authority, the regards inspection and control systems, including the level of enforcement related to the commodity and the regularity and the rapidity of information flow to the importing Party in case of identified hazards. This recognition may be supported by documentation, verification and document, reports and information related to past experiences, assessments and verifications earlier documented;
- (b) the Parties shall initiate the process of recognition of equivalence pursuant to Article 57 of this Agreement after the successful completion of the approximation of a measure, a group of measures or a system included in the approximation list set out in Article 55(4) of this Agreement;
- (c) the exporting Party shall initiate the process only when no safeguard measures imposed by the importing Party apply to the exporting Party as regards the commodity.

3. The process:

- (a) the exporting Party initiates the process by submitting to the importing Party a request for recognition of equivalence of an individual measure or a group of measures or a system for a
- (b) when appropriate, this request includes also the request and the required documentation for approval by the importing Party on the basis of equivalence of any programme or plan of the exporting Party required by the importing Party and/or the status of approximation as laid down in Annex XI of this Agreement regarding the measures or systems described in point (a) of this paragraph as a condition for allowing import of that commodity or a categories of

commodities;

(c) with this request, the exporting Party:

- (i) explains the importance for trade of that commodity or categories of commodities;
- (ii) identifies the individual measure(s) with which it can comply from all the measures expressed in the import conditions of the importing Party applicable to that commodity or category of commodities;
- (iii) identifies the individual measure(s) for which it seeks equivalence out of the total of the measures expressed in the import conditions of the importing Party, applicable to that commodity or categories of commodities;

(d) in reply to this request the importing Party explains the overall and individual objective and the rationale behind its measure(s), including the identification of the risk;

(e) with this explanation, the importing Party informs the exporting Party on the relationship of its domestic measures and the import conditions for that commodity or categories of commodities;

(f) the exporting Party objectively demonstrates to the importing Party that the measures that it has identified are equivalent to the import conditions for that commodity or category of commodities;

(g) the importing Party objectively assesses the demonstration of equivalence by the exporting Party;

(h) the importing Party concludes whether equivalence is achieved or not;

(i) the importing Party provides to the exporting Party full explanation and supporting data for its determination and decision if so required by the exporting Party.

4. Demonstration of equivalence of measures by the exporting party and assessment of this demonstration by the importing Party:

(a) the exporting Party shall objectively demonstrate equivalence for each of the identified measures of the importing Party expressed in its import conditions. When appropriate,

(b) objective demonstration and assessment in this context should be based, as far as possible, on:

- (i) internationally recognised standards; and/or
- (ii) standards based on proper scientific evidence; and/or

- (iii) risk assessment; and/or
- (iv) documents, reports and information related to past experiences, assessments and/or
- (v) verifications; and
- (vi) legal status or level of administrative status of the measures; and
- (vii) level of implementation and enforcement on the basis of, in particular:
 - corresponding and relevant results of surveillance and monitoring programmes;
 - inspection results of the exporting Party;
 - results of analysis with recognised analysis methods;
 - verification and import check results by the importing Party;
 - the performance of the competent authorities of the exporting Party; and
 - earlier experiences.

5. Conclusion of the importing Party

The process may include an inspection or verification;

In case the importing Party arrives at a negative conclusion, it shall provide the exporting Party with a detailed and reasoned explanation.

6. For plants and plant products, equivalence concerning phytosanitary measures, shall be based on the conditions referred to in Article 57(6) of this Agreement.

ANNEX IX

IMPORT CHECKS AND INSPECTION FEES

A. Principles of import checks

Import checks consist of documentary checks, identity checks and physical checks.

As regards animals and animal products, the physical checks and their frequency shall be based on the level of the risk associated with such imports.

In carrying out the checks for plant health purposes, the importing Party shall ensure that the plants, plant products and other objects shall be meticulously inspected on an official basis, either in their entirety or by inspecting a representative sample, in order to make sure, that they are not contaminated by pests.

In the event that the checks reveal non-conformity with the relevant standards and/or requirements, the importing Party shall take measures proportionate to the risk involved. Wherever possible, the importer or his representative shall be given access to the consignment and the opportunity to provide any relevant information to assist the importing Party in taking a final decision concerning the consignment. Such decision shall be proportional to the level of the risk associated with such imports.

B. Frequencies of physical checks

B.1. Import of animals and animal products from Georgia to the European Union and from the European Union to Georgia

Type of frontier check	Frequency rate
1. Documentary checks	100 %
2. Identity checks	100 %
3. Physical checks	
Live animals 100 %	100 %
<p>Category I products</p> <p>Fresh meat including offal, and products of the bovine, ovine, caprine, porcine and equine species defined in Council Directive 64/433/EEC of 26 June 1964 on health conditions for the production and marketing of fresh meat, as amended</p> <p>Fish products in hermetically sealed containers intended to render them stable at ambient temperatures, fresh and frozen fish and dry and/or salted fisheries products</p> <p>Whole eggs</p> <p>Lard and rendered fats</p> <p>Animal casings</p> <p>Hatching eggs</p>	20 %
<p>Category II products</p> <p>Poultry meat and poultry meat products</p> <p>Rabbit meat, game meat (wild/farmed) and products thereof</p>	50 %

<p>Milk and milk products for human consumption</p> <p>Egg products</p> <p>Processed animal protein for human consumption (100 % for the first six bulked consignments Council Directive 92/118/EEC of 17 December 1992 laying down animal health and public health requirements governing trade in and imports into the Community of products not subject to the said requirements laid down in specific Community rules referred to in Annex A (I) to Council Directive 89/662/EEC and, as regards pathogens, to Council Directive 90/425/EEC, as amended.</p> <p>Other fish products than those mentioned under the Commission Decision 2006/766/EC of 6 November 2006 establishing the lists of third countries and territories from which imports of bivalve molluscs, echinoderms, tunicates, marine gastropods and fishery products are permitted (notified under document number C(2006) 5171), as amended.</p> <p>Bivalve molluscs</p> <p>Honey</p>	
<p>Category III products</p> <p>Semen</p> <p>Embryos</p> <p>Manure</p> <p>Milk and milk products (not for human consumption)</p> <p>Gelatine</p> <p>Frog's legs and snails</p> <p>Bones and bone products</p> <p>Hides and skins</p> <p>Bristles, wool, hair and feathers</p> <p>Horns, horn products, hooves and hoof products</p> <p>Apiculture products</p> <p>Game trophies</p> <p>Processed pet food</p>	<p>Minimum of 1 %</p> <p>Maximum of 10 %</p>

Raw material for the manufacture of pet food Raw material, blood, blood products, glands and organs for pharmaceutical or technical use Hay and straw Pathogens Processed animal protein (packaged)	
Processed animal protein not for human consumption (bulked)	100 % for the first six consignments (points 10 and 11 of Chapter II of Annex VII to Regulation (EC) No 1774/2002 of the European Parliament and of the Council of 3 October 2002 laying down health rules concerning animal by-products not intended for human consumption, as amended.

B.2. Import of non-animal food from Georgia to the European Union and from the European Union to Georgia

— Chilli (<i>Capsicum annuum</i>), crushed or ground — ex 0904 20 90 — Chilli products (curry) — 0910 91 05 — Curcuma longa (turmeric) — 0910 30 00 (Food — dried spices) — Red palm oil — ex 1511 10 90	10 % for Sudan dyes
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B.3. Import to the European Union or to Georgia of plants, plant products and other objects

For plants, plant products and other objects listed in Part B of Annex V to Directive 2000/29/EC:

The importing Party carries out checks in order to verify the phytosanitary status of the consignment(s).

The Parties shall assess the necessity of plant health import checks in bilateral trade for commodities referred to in the above Annex as originating in non-EU countries.

A reduced frequency of plant health import checks could be set up for regulated commodities with the exception of plants, plant product and other objects defined in accordance with Commission Regulation (EC) No 1756/2004 of 11 October 2004 specifying the detailed conditions for the evidence required and the criteria for the type and level of the reduction of the plant health checks of certain plants,

plant products or other objects listed in Part B of Annex V to Council Directive 2000/29/EC.

ANNEX X

CERTIFICATION

A. Principles of certification

Plants and plant products and other objects:

In respect of certification of plants and plant products and other objects, the competent authorities shall apply the principles laid down in the relevant ISPMs.

Animals and animal products:

1. The competent authorities of the Parties shall ensure that certifying officers have a satisfactory knowledge of the veterinary law as regards the animals or animal products to be certified and, in general, are informed about the rules to be followed for drawing up and issuing of the certificates and, if necessary, as to the nature and extent of the enquiries, tests or examinations which should be carried out before certification.
2. Certifying officers must not certify data of which they have no personal knowledge or which cannot be ascertained by them.
3. Certifying officers must not sign blank or incomplete certificates, or certificates relating to animals or animal products, which they have not inspected or which have passed out of their control. Where a certificate is signed on the basis of another certificate or attestation, the certifying officer shall be in possession of the latter document before signing.
4. A certifying officer may certify data which have been:
 - (a) ascertained on the basis of paragraphs 1, 2 and 3 of this Annex by another person
 - (b) obtained, within the context of monitoring programmes, by reference to officially recognised quality assurance schemes or by means of an epidemiological surveillance system where this is authorised under the relevant veterinary law.
5. The competent authorities of the Parties shall take all necessary steps to ensure the integrity of certification. In particular they shall ensure that certifying officers designated by them:
 - (a) have a status which ensures their impartiality and have no direct commercial interest in the animals or products being certified or in the holdings or establishments in which they originate; and
 - (b) are fully aware of the significance of the contents of each certificate which they sign.

6. Certificates shall be drawn up in order to ensure that a specific certificate refers to a specific consignment in a language understood by the certifying officer and in at least one of the official languages of the importing Party as set out in Part C of this Annex.
7. Each competent authority shall be in a position to link a certificate with the relevant certifying officer and ensure that a copy of all certificates issued is available for a period to be determined by that competent authority.
8. Each Party shall introduce the checks and the controls necessary to prevent the issuing of false or misleading certifications and the fraudulent use of certificates purported to be issued for the purposes set out in the veterinary law.
9. Without prejudice to any judicial proceedings or penalties, the competent authorities shall carry out investigations or checks and take appropriate measures to penalise any instances of false or misleading certification, which are brought to their attention. Such measures may include the temporary suspension of the certifying officers from their duties until the investigation is over. In particular:
 - (a) if in the course of the checks it is found that a certifying officer has knowingly issued a fraudulent certificate, the competent authority shall take all necessary steps to ensure, as far as is possible, that the person concerned cannot repeat the offence;
 - (b) if in the course of the checks it is found that an individual or an undertaking has made fraudulent use of or has altered an official certificate, the competent authority shall take all necessary measures to ensure, as far as possible, that the individual or the

B. Certificate referred to in Article 60(2)(a) of this Agreement

The health attestation in the certificate reflects the status of equivalence of the commodity concerned. The health attestation states compliance with the production standards of the exporting Party recognised as equivalent by the importing Party.

C. Official languages for certification

1. Import into the European Union

For plants, plant products and other objects:

The certificates shall be drawn up in a language understood by the certifying officer and in at least one of the official languages of the importing Party.

For animals and animal products:

The health certificate must be drawn up in at least one of the official languages of the EU Member State of destination and in one of those of the EU Member State in which the import checks provided for in Article 63 of this Agreement are carried

out. However, an EU Member State may consent to the use of an official Union language other than its own.

2. Import into Georgia

The health certificate must be drawn up in Georgian, and in at least one of the official languages of the certifying EU Member State.

ANNEX XI

APPROXIMATION

ANNEX XI-A

PRINCIPLES FOR THE EVALUATION OF PROGRESS IN THE APPROXIMATION PROCESS FOR THE PURPOSE OF RECOGNITION OF EQUIVALENCE

PART I

Gradual approximation

1. General rules

The sanitary, phytosanitary and animal welfare law of Georgia shall be gradually approximated to that of the Union, based on the approximation list of the EU sanitary, phytosanitary and animal welfare law. That list shall be divided into priority areas that relate to measures, as defined in Annex IV to this Agreement. For this reason Georgia shall identify its trade priority areas.

Georgia shall approximate domestic rules to the EU acquis by either:

- (a) implementing and enforcing through the adoption of additional domestic rules or procedures the rules in relevant EU acquis, or
- (b) by amending relevant domestic rules or procedures to incorporate the rules in relevant EU acquis.

In either case, Georgia shall:

- (a) eliminate any laws, regulations or any other measures inconsistent with the approximated domestic legislation;
- (b) ensure the effective implementation of approximated domestic legislation.

Georgia shall document such approximation in tables of correspondence according to a model indicating the date on which domestic rules enter into force and the official journal in which the rules were published. The model of the tables of

correspondence for the preparation and evaluation is provided in Part II of this Annex. If the approximation is not complete, reviewers ⁽¹⁾ shall describe the shortcomings in the column provided for comments.

Irrespective of the priority area identified, Georgia shall prepare specific tables of correspondence demonstrating the approximation for other general and specific legislation, including, in particular, the general rules related to:

(a) control systems:

- domestic market,
- imports;

(b) animal health and welfare:

- the identification and the registration of animals and the registration of their
- the control measures for animal diseases,
- domestic trade with live animals, semen, ova and embryos,
- animal welfare on farms, during transport and slaughter;

(c) food safety:

- placing on the market of food and feed,
- labelling, presentation and advertising of food including nutritional and health claims,
- residues controls,
- specific rules for feed;

(d) animal by-products;

(e) plant health:

- harmful organisms,
- plant protection products;

(f) genetically modified organisms:

- released into the environment,
- genetically modified food and feed.

PART II

Evaluation

1. Procedure and method

Georgia's sanitary, phytosanitary and animal welfare law covered by Chapter 4 (Sanitary and Phytosanitary Measures) of Title IV (Trade and Trade-related Matters) of this Agreement shall be gradually approximated to that of the Union and shall be effectively enforced ⁽²⁾.

Tables of correspondence shall be prepared according to the model as laid down in point (2) of this Annex for each single approximated act and submitted in English for review by the reviewers.

If the result of the evaluation is positive for an individual measure, a group of measures, a system applicable to a sector, sub-sector, a commodity or a group of commodities, the conditions of Article 57(4) of this Agreement shall apply.

2. Tables of correspondence

2.1. When preparing tables of correspondence, the following shall be taken into consideration:

The EU acts shall serve as a basis for preparation of a table of correspondence. To this end the version in force at the time of approximation shall be used. Particular attention shall be paid to precise translation into the national language, as linguistic imprecisions may lead to misinterpretation, in particular if they concern the scope of the law ⁽³⁾.

2.2. Model of table of correspondence:

Table of correspondence

BETWEEN

Title of the EU act, latest amendments incorporated:

AND

Title of the national act

(Published in)

Date of publication:

Date of implementation:

EU Act	National legislation	Remarks (from Georgia)	Reviewer's comments
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Legend:

EU act: its articles, paragraphs, sub-paragraphs etc. shall be mentioned with full title and

reference ⁽⁴⁾ in the left column of the table of correspondence.

National legislation: the provisions of the national legislation corresponding to the Union provisions of the left column shall be mentioned with their full title and reference. Their content shall be described in the second column in detail.

Remarks from Georgia: in this column Georgia shall indicate the reference or other provisions associated with this article, paragraphs, sub-paragraphs etc. especially when the text of the provision is not approximated. The relevant reason for absence of approximation shall be explained.

Reviewer's comments: in case reviewers consider that approximation is not achieved, they shall

⁽¹⁾ Reviewers shall be experts appointed by the European Commission.

⁽²⁾ For this occasion, it may be supported by the EU Member States' experts separately or in the margin of the CIB programs (twinning projects, TAIEX etc.).

⁽³⁾ To facilitate the approximation process, consolidated versions of certain pieces of Union legislation are available at the EUR-LEX web page under:

http://eur-lex.europa.eu/RECH_menu.do?ihmlang=en

⁽⁴⁾ For example, as indicated on the EUR-LEX web page:

http://eur-lex.europa.eu/RECH_menu.do?ihmlang=en

ANNEX XI-B

LIST OF THE EU LEGISLATION TO BE APPROXIMATED BY GEORGIA

The approximation list established in Article 55(4) of this Agreement shall be submitted by Georgia within six months after the entry into force of this Agreement.

ANNEX XII

STATUS OF EQUIVALENCE

ANNEX XIII

APPROXIMATION OF CUSTOMS LEGISLATION

Customs Code

Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code

Timetable: the approximation with the provisions of the above mentioned Regulation, with the exception of Articles 1 to 3, 8(1) first indent, 18, 19, 94(1), 97, 113, 117(c), 129, 163 to 165, 174, 179, 209, 210, 211, 215(4), 247 to 253 shall be carried out within four years following the entry into force of this Agreement.

The Parties shall revisit the approximation of Articles 84, 130-136 referring to the processing under customs control before the expiry of timeframe for approximation as set out above.

Approximation with Articles 173, 221(3) and 236(2) shall take place on a best endeavour basis.

Common Transit and SAD

Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods

Convention of 20 May 1987 on a common transit procedure

Timetable: The approximation with the provisions of the above mentioned Conventions, including through a possible accession to those Conventions by Georgia, shall be carried out within four years following the entry into force of this Agreement.

Reliefs from customs duty

Council Regulation (EC) No 1186/2009 of 16 November 2009 setting-up a Community system of reliefs from customs duty

Timetable: the approximation with Titles I and II of the above mentioned Regulation shall be carried out within four years following the entry into force of this Agreement.

Intellectual property rights protection

Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights

Timetable: the approximation with the provisions of the above mentioned Regulation, with the exception of Article 26, shall be carried out within three years following the entry into force of this Agreement. The obligation on approximation to Regulation No 608/2013 in itself does not create any obligation on Georgia to apply measures where a right in intellectual property is not protected under its substantive intellectual property laws and regulations.

ANNEX XIV

LIST OF RESERVATIONS ON ESTABLISHMENT; LIST OF COMMITMENTS ON CROSS-BORDER SUPPLY OF SERVICES; LIST

OF RESERVATIONS ON KEY PERSONNEL, GRADUATE TRAINEES AND BUSINESS SELLERS; LIST OF RESERVATIONS ON CONTRACTUAL SERVICES SUPPLIERS AND INDEPENDENT PROFESSIONALS

Union

1. List of reservations on establishment: Annex XIV-A
2. List of commitments on cross-border supply of services: Annex XIV-B
3. List of reservations on key personnel, graduate trainees and business sellers: Annex XIV-C
4. List of reservations on contractual services suppliers and independent professionals: Annex

Georgia

5. List of reservations on establishment: Annex XIV-E
6. List of commitments on cross-border supply of services: Annex XIV-F
7. List of reservations on key personnel, graduate trainees and business sellers: Annex XIV-G
8. List of reservations on contractual services suppliers and independent professionals: Annex XIV-H

The following abbreviations are used for the purpose of Annexes XIV-A, XIV-B, XIV-C and XIV-D:

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EU	European Union, including all its Member States
ES	Spain
EE	Estonia
FI	Finland

FR	France
EL	Greece
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LV	Latvia
LT	Lithuania
LU	Luxembourg
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SK	Slovak Republic
SI	Slovenia
SE	Sweden
UK	United Kingdom

The following abbreviation is used for the purpose of Annexes XIV-E, XIV-F, XIV-G and XIV-H:

GE	Georgia
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ANNEX XIV-A

LIST OF RESERVATIONS ON ESTABLISHMENT (UNION)

1. The list of reservations below indicates the economic activities where reservations to national treatment or most favoured treatment by the Union pursuant to Article 79(2) of this Agreement apply to establishments and entrepreneurs of Georgia.

The list is composed of the following elements:

- (a) a list of horizontal reservations applying to all sectors or sub-sectors;
- (b) a list of sector or sub-sector specific reservations indicating the sector or sub-sector concerned along with the reservation(s) applying.

A reservation corresponding to an activity which is not liberalised (Unbound) is expressed as follows: 'No national treatment and most favoured nation treatment obligations'.

When a reservation under (a) or (b) includes only Member State-specific reservations, Member States not mentioned therein undertake the obligations of Article 79(2) of this Agreement in the sector concerned without reservations (the absence of Member State-specific reservations in a given sector is without prejudice to horizontal reservations or to sectoral Union-broad reservations that may apply).

2. In accordance with Article 76(3) of this Agreement, the list below does not include measures concerning subsidies granted by the Parties.
3. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.
4. In accordance with Article 79 of this Agreement, non-discriminatory requirements, such as those concerning the legal form or the obligation to obtain licences or permits applicable to all providers operating on the territory without distinction based on nationality, residency or
5. Where the Union maintains a reservation that requires that a service supplier be a national, permanent resident or resident of its territory as a condition to the supply of a service in its territory, a reservation listed in Annex XIV-C to this Agreement shall operate as a reservation with respect to establishment under this Annex, to the extent applicable.

Horizontal reservations

Public utilities

EU: Economic activities considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators ⁽¹⁾.

Types of establishment

EU: Treatment accorded to subsidiaries (of Georgian companies) formed in accordance with the law of the Member States and having their registered office, central administration or principal place of business within the Union is not extended to branches or agencies established in the Member States by Georgian companies ⁽²⁾.

AT: Managing directors of branches of juridical persons must be resident in Austria; natural persons responsible within a juridical person or a branch for the observance of the Austrian Trade Act must have a domicile in Austria.

EE: At least half of the members of the management board shall have their residence in the EU.

FI: A foreigner carrying on trade as a private entrepreneur and at least one of the partners in a general partnership or of general partners in a limited partnership have to be permanently resident in the European Economic Area (EEA). For all sectors, EEA residency is required for at least one of the ordinary and deputy members of the board of directors and the managing director; however exemptions may be granted to certain companies. If a Georgian organisation intends to carry on business or trade by establishing a branch in Finland, a trade permit is required.

HU: No national treatment and most favoured nation treatment obligations for the acquisition of state owned properties.

IT: Access to industrial, commercial and artisanal activities may be subject to a residence permit.

PL: Georgian entrepreneurs can undertake and conduct economic activity only in the form of a limited partnership, limited joint-stock partnership, limited liability company, and joint-stock company (in the case of legal services only in the form of registered partnership and limited partnership).

RO: The sole administrator or the chairman of the board of administration as well as half of the total number of administrators of the commercial companies shall be Romanian citizens unless otherwise stipulated in the company contract or its statutes. The majority of the commercial companies' auditors and their deputies shall be Romanian citizens.

SE: A foreign company, which has not established a legal entity in Sweden or is conducting its business through a commercial agent, shall conduct its commercial operations through a branch, registered in Sweden, with independent management and separate accounts. The managing director of the branch, and the vice-managing director, if appointed, must reside in the EEA. A natural person not resident in the EEA, who conducts commercial operations in Sweden, shall appoint and register a resident representative responsible for the operations in Sweden. Separate accounts shall be kept for the operations in Sweden. The competent authority may in individual cases grant exemptions from the branch and residency requirements. Building projects with duration of less than a year - conducted by a company located or a natural person residing outside the EEA - are exempted from the requirements of establishing a branch or appointing a resident representative. A Swedish limited liability company may be established by a natural person resident within the EEA, by a Swedish juridical person or by a juridical person that has been formed according to the legislation in a state within the EEA and that has its registered office, headquarters or principal place of business within the EEA. A partnership may be a founder, only if all owners with unlimited personal liability are resident within the EEA. Founders outside the EEA may apply for permission from the competent authority. For limited liability companies and co-operative economic associations, at least 50 % of the members of the board of directors, at

least 50 % of the deputy board members, the managing director, the vice-managing director and at least one of the persons authorised to sign for the company, if any, must reside within the EEA. The competent authority may grant exemptions from this requirement. If none of the company's/society's representatives reside in Sweden, the board must appoint and register a person resident in Sweden, who has been authorised to receive services on behalf of the company/society. Corresponding conditions prevail for establishment of all other types of legal entities.

SK: A Georgian natural person whose name is to be registered in the Commercial Register as a person authorised to act on behalf of the entrepreneur is required to submit residence permit for Slovakia.

Investment

ES: Investment in Spain by foreign governments and foreign public entities (which tends to affect, besides economic, also non-economic interests of the State), directly or through companies or other entities controlled directly or indirectly by foreign governments, needs prior authorisation by the government.

BG: Foreign investors cannot participate in privatisation. Foreign investors and Bulgarian juridical persons with controlling Georgian participation require permission for:

- (a) prospecting, development or extraction of natural resources from the territorial seas, the continental shelf or the exclusive economic zone and
- (b) acquisition of a controlling equity interests in companies engaged in any of the activities specified under point (a).

FR: Georgian purchases exceeding 33,33 % of the shares of capital or voting rights in existing French enterprises, or 20 % in publicly quoted French companies, are subject to the following regulations:

- investments of less than 7,6 million euros in French enterprises with a turnover not exceeding 76 million euros are free, after a delay of 15 days following prior notification and verification that these amounts are met;
- after a period of one month following prior notification, authorisation is tacitly granted for other investments unless the Minister of Economic Affairs has, in exceptional circumstances, exercised its right to postpone the investment.

Foreign participation in newly privatised companies may be limited to a variable amount, determined by the government of France on a case-by-case basis, of the equity offered to the public. For establishing in certain commercial, industrial or artisanal activities, a specific authorisation is needed if the managing director is not a holder of a permanent residence permit.

HU: No national treatment and most favoured nation treatment obligations with regards to Georgian participation in newly privatised companies.

IT: The Government can exercise certain special powers in enterprises operating in the areas of defence and national security (in relation to all juridical persons carrying out activities considered of strategic importance in the areas of defence and national security), and in certain activities of strategic importance in the areas of energy, transport and communications.

PL: Acquisition of real estate, direct and indirect, by foreigners (a natural or foreign juridical persons) requires permission. Unbound in relation to acquisition of state-owned property, i.e. the regulations governing the privatisation process.

Real estate

The acquisition of land and real estate is subject to the following limitations ⁽³⁾:

AT: The acquisition, purchase as well as rent or lease of real estate by foreign natural persons and juridical persons requires an authorisation by the competent regional authorities (Länder) which will consider whether important economic, social or cultural interests are affected or not.

BG: Foreign natural and juridical persons (incl. through a branch) cannot acquire ownership of land. Bulgarian juridical persons with foreign participation cannot acquire ownership of agricultural land. Foreign juridical persons and foreign citizens with permanent residence abroad can acquire ownership of buildings and limited property rights (right to use, right to build, right to raise a superstructure and servitudes) of real estate.

CZ: Agricultural and forest land can be acquired only by foreign natural persons having permanent residence in the Czech Republic and enterprises established as juridical persons with permanent residence in the Czech Republic. Specific rules apply to the agricultural and forest land in the state ownership. State agricultural land can be acquired only by Czech nationals, by municipalities and by public universities (for training and research). Juridical persons (regardless of the form or place of residence) can acquire state agricultural land from the state only if a building, which they already own, is built on it or if this land is indispensable for the use of such building. Only municipalities and public universities can acquire state forests.

CY: No national treatment and most favoured nation treatment obligations.

DK: Limitations on real estate purchase by non-resident physical and legal entities. Limitations on agricultural estate purchased by foreign physical and legal entities.

HU: Subject to the exceptions included in legislation on arable land, foreign natural and juridical persons are not allowed to acquire arable land. The purchase of real estate by foreigners is subject to obtaining permission from the country public administration agency competent on the basis of the location of real estate.

EL: According to Law No 1892/90, permission from the Ministry of Defence is needed for acquisition of land in areas near borders. According to administrative practices, permission is easily granted for direct investment.

HR: Unbound in relation to acquisition of real estate by services suppliers not established and incorporated in Croatia. Acquisition of real estate necessary for the supply of services by companies established and incorporated in Croatia as juridical persons is allowed. Acquisition of real estate necessary for the supply of services by branches requires the approval of the Ministry of Justice. Agricultural land cannot be acquired by foreign natural or juridical persons.

IE: Prior written consent of the Land Commission is necessary for the acquisition of any interest in Irish land by domestic or foreign companies or foreign nationals. Where such land is for industrial use (other than agricultural industry), this requirement is waived subject to certification to this effect from the Minister for Enterprise, Trade and Employment. This law does not apply to land within the boundaries of cities and towns.

IT: The purchase of real estate by foreign natural and juridical persons is subject to a condition of reciprocity.

LT: Acquisition into ownership of land, internal waters and forests shall be permitted to foreign natural and juridical persons meeting the criteria of European and transatlantic integration. The land plot acquisition procedure, terms and conditions, as well as restrictions shall be established by the constitutional law.

LV: Limitations on the acquisition of land in rural areas and land in cities or urban areas; land lease not exceeding 99 years permitted.

PL: The acquisition of real estate, direct and indirect requires a permit. A permit is issued through an administrative decision by a minister competent in internal affairs, with the consent of the Minister of National Defence, and in the case of agricultural real estate, also with the consent of the Minister of Agriculture and Rural Development.

RO: Natural persons not having Romanian citizenship and residence in Romania, as well as juridical persons not having Romanian nationality and their headquarters in Romania, cannot acquire ownership over any kind of land plots, through inter vivos acts.

SI: Branches established in the Republic of Slovenia by foreign persons may only acquire real estate, except land, necessary for the conduct of the economic activities for which they are established.

SK: Agricultural and forest land cannot be acquired by foreign natural or juridical persons. Specific rules apply to certain other real estate categories. Foreign entities may acquire real property through establishment of Slovak legal entities or participation in joint ventures. Acquisition of the land by foreign entities is subject to authorisation (for modes 3 and 4).

Sectoral reservations

A. Agriculture, Hunting, Forestry and Logging

FR: The establishment of agricultural enterprises by non-EU companies and the acquisition of vineyards by non-EU entrepreneurs are subject to authorisation.

AT, HU, MT, RO: No national treatment and most favoured nation treatment obligations for agricultural activities.

CY: The participation of investors is allowed only up to 49 %.

IE: Establishment by Georgian residents in flour milling activities is subject to authorisation.

BG: No national treatment and most favoured nation treatment obligations for logging activities.

B. Fishing and Aquaculture

EU: Access to and use of the biological resources and fishing grounds situated in the maritime waters coming under the sovereignty or within the jurisdiction of Member States may be restricted to fishing vessels flying the flag of a EU territory unless otherwise provided for.

SE: A ship shall be deemed Swedish and can carry the Swedish flag if more than half is owned by Swedish citizens or juridical persons. The Government may permit foreign vessels to fly the Swedish flag if their operations are under Swedish control or the owner has permanent residence in Sweden. Vessels which are 50 % owned by EEA nationals or companies having their registered office, central administration or principal place of business in the EEA and whose operation is controlled from Sweden, may also be registered in the Swedish register. A professional fishing license, needed for professional fishing, is only given if the fishing has a connection to the Swedish fishing industry. Connection can for example be landing half the catch during a calendar year (in value) in Sweden, half the fishing trips departs from a Swedish harbour or half of the fishermen in the fleet are domiciled in Sweden. For vessels over five meters, a vessel permit is needed together with the professional fishing license. A permit is granted if, among other things, the vessel is registered in the national registry and the vessel have a real economic connection to Sweden.

UK: No national treatment and most favoured nation obligations for the acquisition of UK flagged vessels, unless the investment is at least 75 % owned by British citizens and/or by companies which are at least 75 % owned by British citizens, in all cases resident and domiciled in the UK. Vessels must be managed, directed and controlled from within the UK.

C. Mining and quarrying

EU: No national treatment and most favoured nation treatment obligations for juridical persons controlled ⁽⁴⁾ by natural or juridical persons of a non-EU country which accounts for more than 5 % of the EU's oil or natural gas imports. No national treatment and most favoured nation treatment obligations for direct branching (incorporation is required).

D. Manufacturing

EU: No national treatment and most favoured national obligations for juridical persons controlled ⁽⁵⁾ by natural or juridical persons of a non-EU country which accounts for more than 5 % of the EU's oil or natural gas imports. No national treatment and most favoured nation treatment obligations for direct branching (incorporation is required).

HR: Residence requirement for publishing, printing and reproduction of recorded media.

IT: Owners of publishing and printing company and publishers must be citizens of a Member State. Companies must have their headquarters in a Member State.

SE: Owners of periodicals that are printed and published in Sweden, who are natural persons, must reside in Sweden or be citizens of the EEA. Owners of such periodicals who are juridical persons must be established in the EEA. Periodicals that are printed and published in Sweden, and technical recordings must have a responsible editor, who must be domiciled in Sweden.

For production, transmission and distribution on own account of electricity, gas, steam and hot water ⁽⁶⁾ (excluding nuclear based electricity generation)

EU: No national treatment and most favoured nation obligations for production of electricity, transmission and distribution of electricity on own account and manufacture of gas, distribution of gaseous fuels.

For production, transmission and distribution of steam and hot water

EU: No national treatment and most favoured national obligations for juridical persons controlled ⁽⁷⁾ by natural or juridical persons of a non-EU country which accounts for more than 5 % of the EU's oil, electricity or natural gas imports. Unbound for direct branching (incorporation is required).

FI: No national treatment and most favoured nation obligations for production, transmission and distribution of steam and hot water.

1. Business services

Professional services

EU: No national treatment and most favoured nation treatment obligations with respect to legal advisory and legal documentations and certification services provided by legal professionals entrusted with public functions, such as notaries,

‘huissiers de justice’ or other ‘officiers publics et ministériels’, and with respect to services provided by bailiffs who are appointed by an official act of government.

EU: Full admission to the Bar required for the practice of domestic (EU and Member State) law, which is subject to a nationality condition and/or residency requirement.

AT: With respect to legal services, foreign lawyers' (who must be fully qualified in their home country) equity participation and shares in the operating result of any law firm may not exceed 25 %. They may not have decisive influence in decision-making. For foreign minority investors, or its qualified personnel, provision of legal services is only authorised in respect of public international law and the law of the jurisdiction where they are qualified to practice as a lawyer; provision of legal services in respect of domestic (EU and Member State) law including representation before courts requires full admission to the bar, which is subject to a nationality condition.

With respect to accounting, bookkeeping, auditing and taxation advisory services, equity participation and voting rights of persons entitled to exercise the profession according to foreign law may not exceed 25 %.

No national treatment and most favoured nation treatment obligations for medical (except for dental services and for psychologists and psychotherapists) and veterinary services.

BG: With respect to legal services, some types of legal form (‘advokatsko sadrujue’ and ‘advokatsko drujestvo’) are reserved to lawyers fully admitted to the Bar in the Republic of Bulgaria. For mediation services permanent residence is required. With respect to taxation services EU nationality condition applies. With respect to architectural services, urban planning and landscape architectural services, engineering and integrated engineering services foreign natural and juridical persons, possessing recognised licensed designer competence under their national legislation, may survey and design works in Bulgaria independently only after winning a competitive procedure and when selected as contractors under the terms and according to the procedure established by the Public Procurement Act; for projects of national or regional significance, Georgian entrepreneurs must act in partnership with or, as subcontractors of, local entrepreneurs. With respect to urban planning and landscape architectural services, nationality condition applies. No national treatment and most favoured national treatment obligation for midwives services and services provided by nurses, physiotherapists and paramedical personnel.

DK: Foreign auditors may enter into partnerships with Danish State authorised accountants after obtaining permission from the Danish Commerce and Companies Agency.

FI: No national treatment and most favoured nation treatment obligations with respect to services related to publicly or privately funded health and social services

(i.e. Medical, including Psychologists, and Dental services; Midwives services; Physiotherapists and Paramedical Personnel).

FI: With respect to auditing services, residency requirement for at least one of the auditors of a Finnish Liability company.

FR: With respect to legal services, some types of legal form ('association d'avocats' and 'société en participation d'avocat') are reserved to lawyers fully admitted to the Bar in FR. With respect to architectural services, medical (including psychologists) and dental services, midwife services and services provided by nurses, physiotherapists and paramedical personnel foreign entrepreneurs only have access to the legal forms of 'société d'exercice libéral' (sociétés anonymes, sociétés à responsabilité limitée ou sociétés en commandite par actions) and 'société civile professionnelle'. Nationality condition and reciprocity apply with respect to veterinary services.

EL: No national and most favoured nation treatment with respect to dental technicians. EU nationality is required to obtain a licence to be a statutory auditor and in veterinary services.

ES: Statutory auditors and industrial property attorneys are subject to an EU nationality condition.

HR: Unbound except for consultancy on home country, foreign and international law. Representation of parties before courts can be practised only by the members of the Bar Council of Croatia (Croatian title 'odvjetnici'). Citizenship requirement for membership in the Bar Council. In proceedings involving international elements, parties can be represented before arbitration courts – ad hoc courts by lawyers who are members of bar associations of other countries.

A licence is required to provide audit services. Natural and juridical persons may supply architectural and engineering services upon approval of the Croatian Chamber of Architects and Croatian Chamber of Engineers respectively.

HU: Establishment should take the form of partnership with a Hungarian barrister (ügyvéd) or a barrister's office (ügyvédi iroda), or representative office. Residency requirement for non EEA national in veterinary services.

LV: In a commercial company of sworn auditors more than 50 % of the voting capital shares shall be owned by sworn auditors or commercial companies of sworn auditors of the EU or the EEA.

LT: With respect to auditing services, at least three-quarters of the shares of an audit company must belong to auditors or auditing companies of EU or EEA.

PL: While other types of legal form are available for EU lawyers, foreign lawyers only have access to the legal forms of registered partnership and limited partnership. EU nationality condition applies to provide veterinary services.

SK: Residency is required to provide architectural, engineering services, veterinary services.

SE: For legal services, admission to the Bar, necessary only for the use of the Swedish title ‘advokat’, is subject to a residency requirement. There is a residency requirement for liquidators. The competent authority may grant exemption from this requirement. There are EEA requirements connected to the appointing of a certifier of an economic plan. EEA residency requirement for auditing services.

Research and Development services

EU: For publicly funded Research and Development services, exclusive rights and/or authorisations may only be granted to EU nationals and to EU juridical persons having their headquarters in the EU.

Rental/Leasing without Operators

A. Relating to ships:

LT: Ships must be owned by Lithuanian natural persons or companies established in Lithuania.

SE: In the case of Georgian ownership interests in a ship, proof of dominating Swedish operating influence must be shown to fly the Swedish flag.

B. Relating to aircraft

EU: With respect to rental and leasing relating to aircraft, although waivers can be granted for short term lease contracts, aircraft must be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control (including nationality of directors).

Other business services

EU, except HU and SE: No national treatment and most favoured nation treatment obligations for supply services of domestic help personnel, other commercial or industrial workers, nursing and other personnel. Residency or commercial presence is required and nationality requirements may exist.

EU except BE, DK, EL, ES, FR, HU, IE, IT, LU, NL, SE and UK: Nationality conditions and residency requirement for placement services and supply services of personnel.

EU except AT and SE: For investigation services, no national treatment and most favoured treatment obligations. Residency or commercial presence is required and nationality requirements may exist.

AT: Regarding placement services and labour leasing agencies, an authorisation can only be granted to juridical persons having their headquarter in the EEA and members of the management board or managing partners/shareholders entitled to represent the juridical person have to be EEA-citizens and have to be domiciled in the EEA.

BE: A company having its head office outside the EEA has to prove that it supplies placement services in its country of origin. With respect to security services, EU citizenship and residence are required for managers.

BG: Nationality is required for activities in aerial photography and for geodesy, cadastral surveying and cartography. No national treatment and most favoured national treatment obligations for placement and supply services of personnel, placement services; supply services of office support personnel; investigation services; security services; technical testing and analysis services; services on contract basis for repair and dismantling of equipment in oil and gas fields. No national treatment and most favoured national treatment obligations for official translation and interpretation.

DE: Nationality condition for sworn interpreters.

DK: With respect to security services, residency requirement and nationality condition for majority of members of the board and for managers. No national treatment and most favoured nation treatment obligations for the supply of airport guard services.

EE: No national treatment and most favoured nation treatment obligations for security services. EU citizenship required for sworn translators.

FI: EEA residency is required for certified translators.

FR: No national treatment obligation and most favoured nation treatment obligations with respect to the attribution of rights in the area of placement services.

FR: Foreign entrepreneurs are required to have a specific authorisation for exploration and prospection services for scientific and technical consulting services.

HR: No national treatment and most favoured nation treatment obligations for placement services; investigation and security services.

IT: Italian or EU nationality and residency requirement in order to obtain the necessary authorisation to supply security guard services. Owners of publishing and printing company and publishers must be citizens of a Member State. Companies must have their headquarters in a Member State. No national treatment and MFN obligation for collection agency and credit reporting services.

LV: With respect to investigations services, only detective companies whose head and every person who has an office in the administration thereof is a national of the EU or the EEA are entitled to obtain a license. With respect to security services at least half of the equity capital should be possessed by physical and juridical persons of the EU or the EEA to obtain a license.

LT: The activity of security services, may only be undertaken by persons with the citizenship of the EEA or a NATO country.

PL: With respect to investigation services, the professional license can be granted to a person holding Polish citizenship or to a citizen of another Member State, EEA or Switzerland. With respect to security service, a professional license may be granted only to a person holding Polish citizenship or to a citizen of another Member State, EEA or Switzerland. EU nationality condition for sworn translators. Polish nationality condition to provide aerial photographic services and for the editor-in chief of newspapers and journals.

PT: No national treatment and most favoured nation treatment obligations for investigation services. An EU nationality condition for entrepreneurs to provide collection agency services and credit reporting services. Nationality requirement for specialised personnel for security services.

SE: Residency requirement for publisher and owner of publishing and printing companies. Only Sami people may own and exercise reindeer husbandry.

SK: With respect to investigation services and security services, licences may be granted only if there is no security risk and if all managers are citizens of the EU, EEA or Switzerland.

4. Distribution services

EU: No national treatment and most favoured nation treatment obligations with respect to distribution of arms, munitions and explosives.

EU: Nationality condition and residency requirement applies in some countries to operate a pharmacy and operate as a tobacconist.

FR: No national treatment and most favoured nation treatment obligations with respect to granting of exclusive rights in the area of tobacco retail.

FI: No national treatment and most favoured nation treatment obligations with respect to distribution of alcohol and pharmaceuticals.

AT: No national treatment and most favoured nation treatment obligations with respect to distribution of pharmaceuticals

BG: No national treatment and most favoured nation treatment obligations with respect to distribution of alcoholic beverages, chemical products, tobacco and tobacco products, pharmaceuticals, medical and orthopaedic goods; weapons, munitions and military equipment; petroleum and petroleum products, gas, precious metals, precious stones.

DE: Only natural persons are permitted to provide retail services of pharmaceuticals and specific medical goods to the public. Residency is required in order to obtain a licence as a pharmacist and/or to open a pharmacy for the retail of pharmaceuticals and certain medical goods to the public. Nationals of other countries or persons who have not passed the German pharmacy exam may only obtain a licence to take over a pharmacy which has already existed during the preceding three years.

HR: No national treatment and most favoured nation treatment obligations with respect to distribution of tobacco products.

6. Environmental services

EU: No national treatment and most favoured nation treatment obligations in respect of the provision of services relating to the collection, purification and distribution of water to household, industrial, commercial or other users, including the provision of drinking water, and water management.

7. Financial services ⁽⁸⁾

EU: Only firms having their registered office in the EU can act as depositories of the assets of investment funds. The establishment of a specialised management company, having its head office and registered office in the same Member State, is required to perform the activities of management of unit trusts and investment companies.

AT: The licence for a branch office of foreign insurers shall be denied if the foreign insurer does not have a legal form corresponding or comparable to a joint stock company or a mutual insurance association. The management of a branch office must consist of two natural persons resident in Austria.

BG: Pension insurance shall be implemented through participation in incorporated pension insurance companies. Permanent residence in Bulgaria is required for the chairperson of the management board and the chairperson of the board of directors. Before establishing a branch or agency to provide certain classes of insurance, a foreign insurer must have been authorised to operate in the same classes of insurance in its country of origin.

CY: Only members (brokers) of the Cyprus Stock Exchange can undertake business pertaining to securities brokerage in Cyprus. A brokerage firm may only be registered as a member of the Cyprus Stock Exchange if it has been established and registered in accordance with the Companies Law of Cyprus (no branches).

EL: The right of establishment does not cover the creation of representative offices or other permanent presence of insurance companies, except where such offices are established as agencies, branches or head offices.

ES: Before establishing a branch or agency to provide certain classes of insurance, a foreign insurer must have been authorised to operate in the same classes of insurance in its country of origin.

HU: Branches of foreign institutions are not allowed to provide asset management services for private pension funds or management of venture capital. The board of a financial institution should include at least two members, who are Hungarian citizens, residents in the meaning of the relevant foreign exchange regulations and have permanent residency in Hungary for at least one year.

IE: In the case of collective investment schemes constituted as unit trusts and variable capital companies (other than undertakings for collective investment in transferable securities, UCITS) the trustee/depository and management company is required to be incorporated in Ireland or in another Member State (no branches). In the case of an investment limited partnership, at least one general partner must be incorporated in Ireland. To become a member of a stock exchange in Ireland, an entity must either:

- (a) be authorised in Ireland, which requires that it be incorporated or be a partnership, with a head/registered office in Ireland, or
- (b) be authorised in another Member State.

PT: Pension fund management may be provided only by specialized companies incorporated in Portugal for that purpose and by insurance companies established in Portugal and authorised to take up the life insurance business or by entities authorised to pension fund management in other Member States.

In order to establish a branch in Portugal, foreign insurance companies need to demonstrate prior operational experience of at least five years. Direct branching is not permitted for insurance intermediation, which is reserved to companies formed in accordance with the law of a Member State.

FI: For insurance companies providing statutory pension insurance: at least one half of the promoters and members of the board of directors and the supervisory board shall have their place of residence in the EU, unless the competent authorities have granted an exemption.

Other insurance companies than those providing statutory pension insurance: residency requirement for at least one member of the board of directors and supervisory board and the managing director.

The general agent of a Georgian insurance company must have his place of residence in Finland, unless the company has its head office in the EU.

Foreign insurers cannot get a licence in Finland as a branch to carry on statutory pension insurance.

For banking services: residency requirement for at least one of the founders, one member of the board of directors and supervisory board, the managing director and the person entitled to sign in the name of a credit institution.

IT: In order to be authorised to manage the securities settlement system with an establishment in Italy, a company is required to be incorporated in Italy (no branches). In order to be authorised to manage central securities depository services with an establishment in Italy, companies are required to be incorporated in Italy (no branches). In the case of collective investment schemes other than UCITS harmonised with the legislation of the EU, the trustee/depository is required to be incorporated in Italy or in another Member State and established

through a branch in Italy. Management companies of UCITS not harmonised under the legislations of the EU are also required to be incorporated in Italy (no branches). Only banks, insurance companies, investment firms, and companies managing UCITS harmonised under the legislations of the EU, having their legal head office in the EU, as well as UCITS incorporated in Italy may carry out activity of pension fund resources management. In providing the activity of door-to-door selling, intermediaries must utilise authorised financial salesmen listed in the Italian register. Representative offices of foreign intermediaries cannot carry out activities aimed at providing investment services.

LT: For the purpose of asset management, incorporation as a specialized management company (no branches) is required.

Only firms having their registered office or branch in Lithuania can act as depositories of pension funds.

Only banks having their registered office or branch in Lithuania and authorised to provide investment services in a Member State or in an EEA State may act as the depositories of the assets of pension funds.

PL: Local incorporation (no branches) required for insurance intermediaries.

SK: Foreign nationals may establish an insurance company in the form of a joint stock company or may conduct insurance business through their subsidiaries with registered office in Slovakia (no branches).

Investment services in Slovakia can be provided by banks, investment companies, investment funds and security dealers which have a legal form of joint-stock company with equity capital according to the law (no branches).

SE: Insurance broking undertakings not incorporated in Sweden may be established only through a branch. A founder of a savings bank shall be a natural person resident in the EU.

8. Health, Social and Education services

EU: No national treatment and most favoured nation treatment obligations with respect to publicly funded health, social and education services.

EU: No national treatment and most favoured nation treatment obligations with respect to privately funded other human health services.

EU: With respect to privately funded education services, nationality conditions may apply for majority of members of the Board.

EU (except for NL, SE and SK): No national treatment and most favoured nation treatment obligations with respect to the provision of privately funded other education services, which means other than those classified as being primary, secondary, higher and adult education services.

BE, CY, CZ, DK, FR, DE, EL, HU, IT, ES, PT and UK: No national treatment and most favoured nation treatment obligations with respect to the provision of

privately funded social services other than services relating to Convalescent and Rest Houses and Old People's Homes.

FI: No national treatment and most favoured nation treatment obligations with respect to privately funded health and social services.

BG: Foreign high schools cannot open their divisions on the territory of Bulgaria. Foreign high schools can open faculties, departments, institutes and colleges in Bulgaria only within the structure of the Bulgarian high schools and in cooperation with them.

EL: With respect to higher education services, no national or most favoured nation treatment obligations for establishment of education institutions granting recognised State diplomas. EU nationality condition for owners and majority of members of the Board, teachers in privately founded primary and secondary schools.

HR: No national treatment and most favorable nation treatment obligations with respect to primary education.

SE: reserves the right to adopt and maintain any measure with respect to educational services suppliers that are approved by public authorities to provide education. This reservation applies to publicly funded and privately funded educational services suppliers with some form of State support, inter alia educational service suppliers recognised by the State, educational services suppliers under State supervision or education which entitles to study support.

UK: No national treatment and most favoured nation treatment obligations with respect to the provision of privately-funded ambulance services or privately-funded residential health services other than hospital services.

9. Tourism and travel related services

BG, CY, EL, ES and FR: Nationality condition for tourist guides.

BG: For hotel, restaurant and catering services (excluding catering in air transport services) incorporation is required (no branching).

IT: Tourist guides from non-EU countries need to obtain a specific licence.

10. Recreational cultural and sporting services

News and Press Agencies Services

FR: Foreign participation in existing companies publishing publications in French language may not exceed 20 % of the capital or of the voting rights in the company. With respect to press agencies, national treatment for the establishment of juridical persons is subject to reciprocity.

Sporting and other recreational services

EU: No national treatment and most favoured nation treatment obligations with respect to gambling and betting services. For legal certainty it is clarified that no market access is granted.

AT: With respect to ski schools and mountain guide services, management directors of juridical persons have to be citizens of the EEA.

Libraries, archives, museums and other cultural services

BE, FR, HR and IT: No national treatment and most favoured nation treatment with respect to libraries, archives, museum and other cultural services.

11. Transport

Maritime transport

EU: No national treatment and most favoured treatment obligations for the establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment.

FI: For services auxiliary to maritime transport, services can be provided only by ships operating under the Finnish flag.

HR: For services auxiliary to maritime transport foreign juridical person is required to establish a company in Croatia which should be granted a concession by the port authority, following a public tendering procedure. The number of service suppliers may be limited reflecting limitations in port capacity.

Internal Waterways Transport (°)

EU: No national treatment and most favoured nation treatment obligations with respect to national cabotage transport. Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine-Main-Danube link) reserve some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. Subject to regulations implementing the Mannheim Convention on Rhine Shipping.

AT and HU: No national treatment and most favoured nation treatment obligations for the establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment.

AT: With respect to internal waterways a concession is only granted to EEA juridical persons and more than 50 % of the capital share, the voting rights and the majority in the governing boards are reserved to citizens of the EEA.

HR: No national treatment and most favoured nation treatment obligations for internal waterways transport.

Air transport services

EU: The conditions of mutual market access in air transport shall be dealt with by the Common Aviation Area Agreement between the European Union and its Member States, of the one part, and Georgia, of the other part.

EU: Aircraft used by an air carrier of the EU have to be registered in the Member State licensing the carrier or elsewhere in the EU. With respect to rental of aircraft with crew, aircraft must be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control. Aircraft must be operated by air carriers owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control.

EU: With respect to computer reservation systems (CRS) services, where air carriers of the EU are not accorded equivalent treatment ⁽¹⁰⁾ to that provided in the EU by CRS services suppliers outside the EU, or where CRS services suppliers of the EU are not accorded equivalent treatment to that provided in the EU by non-EU air carriers, measures may be taken to accord equivalent treatment, respectively, to the non-EU air carriers by the CRS services suppliers in the EU, or to the non-EU CRS services suppliers by the air carriers in the EU.

Rail transport

HR: No national treatment and most favoured nation treatment obligations for passenger and freight transportation and for pushing and towing services.

Road transport

EU: Incorporation (no branches) is required for cabotage operations. Residency is required for the transport manager.

AT: For passenger and freight transportation, exclusive rights and/or authorisations may only be granted to nationals of the Member States of the EU and to juridical persons of the EU having their headquarters in the EU.

BG: For passenger and freight transportation, exclusive rights and/or authorisations may only be granted to nationals of the Member States of the EU and to juridical persons of the EU having their headquarters in the EU. Incorporation is required. Condition of EU nationality for natural persons.

EL: In order to engage in the occupation of road freight transport operator a Hellenic licence is needed. Licences are granted on non-discriminatory terms. Road freight transport operations established in Greece may only use vehicles that are registered in Greece.

FI: Authorisation is required to provide road transport services, which is not extended to foreign registered vehicles.

FR: Foreign entrepreneurs are not allowed to provide intercity bussing services.

LV: For passenger and freight transportation services, an authorisation is required, which is not extended to foreign registered vehicles. Established entities are required to use nationally registered vehicles.

RO: In order to obtain a licence, road haulage and road passenger transport operators may only use vehicles that are registered in Romania, owned and used according to the Government Ordinance provisions.

SE: In order to engage in the occupation of road transport operator, a Swedish licence is needed. Criteria for receiving a taxi licence include that the company has appointed a natural person to act as the transport manager (a de facto residency requirement – see the Swedish reservation on types of establishment). Criteria for receiving a licence for other road transport operators require that the company is established in the EU, has an establishment situated in Sweden and has appointed a natural person to act as the transport manager, who must be resident in the EU. Licences are granted on non-discriminatory terms, except that operators of road haulage and road passenger transport services may as a general rule only use vehicles that are registered in the national road traffic registry. If a vehicle is registered abroad, owned by a natural or juridical person whose principal residence is abroad and is brought to Sweden for temporary use, the vehicle may be temporarily used in Sweden. Temporary use is usually defined by the Swedish Transport Agency as meaning not more than one year.

14. Energy services

EU: No national treatment and most favoured treatment obligations with respect to juridical persons of Georgia controlled ⁽¹¹⁾ by natural or juridical persons of a country which accounts for more than 5 % of the EU's oil or natural gas imports ⁽¹²⁾, unless the EU provides comprehensive access to this sector to natural or juridical persons of this country, in the context of an economic integration agreement concluded with that country.

EU: No national treatment and most favoured nation treatment obligations for nuclear-based electricity generation and with respect to processing of nuclear fuel.

EU: Certification of a transmission system operator which is controlled by a natural or juridical person or persons from a third country or third countries may be refused where the operator has not demonstrated that granting certification will not put at risk the security of energy supply in a Member State and/or the EU, in accordance with Article 11 of Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and Article 11 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas.

AT, BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, IE, IT, LV, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: No national treatment and most favoured nation

treatment obligations with respect to pipeline transportation of fuels services, other than consultancy services.

BE and LV: No national treatment and most favoured nation treatment obligations with respect to pipeline transportation of natural gas, other than consultancy services.

AT, BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, IE, HU, IT, LU, LT, MT, NL, PL, PT, RO, SK, SE and UK: No national treatment and most favoured nation treatment obligations with respect to services incidental to energy distribution, other than consultancy services.

SI: No national treatment and most favoured nation treatment obligations with respect to services incidental to energy distribution, other than services incidental to the distribution of gas.

CY: Reserves the right to require reciprocity for licensing in relation to the activities of prospecting, exploration and exploitation of hydrocarbons.

15. Other services not included elsewhere

PT: No national treatment and most favoured nation treatment obligations with respect to services related to the sale of equipment or to the assignment of a patent.

SE: No national treatment and most favoured nation treatment obligations with respect to funeral, cremation and undertaking services.

(¹) Public utilities exist in sectors such as related scientific and technical consulting services, R&D services on social sciences and humanities, technical testing and analysis services, environmental services, health services, transport services and services auxiliary to all modes of transport. Exclusive rights on such services are often granted to private operators, for instance operators with concessions from public authorities, subject to specific service obligations. Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical. This reservation does not apply to telecommunications and to computer and related services.

(²) In accordance with Article 54 of the TFEU these subsidiaries are considered as juridical persons of the EU. To the extent that they have a continuous and effective link with the economy of the EU, they are beneficiaries of the Union's Internal Market, which includes, inter alia, the freedom to establish and to provide services in all Member States of the EU.

(³) As regards services sectors, those limitations do not go beyond the limitations reflected in the existing commitments under GATS.

(⁴) A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular, ownership of more than 50 % of the equity interests in a juridical person shall be deemed to constitute control.

(⁵) A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular,

ownership of more than 50 % of the equity interests in a juridical person shall be deemed to constitute control.

(⁶) The horizontal limitation on public utilities applies.

(⁷) A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular, ownership of more than 50 % of the equity interests in a juridical person shall be deemed to constitute control.

(⁸) The horizontal limitation on the difference in treatment between branches and subsidiaries applies. Foreign branches may only receive an authorisation to operate in the territory of a Member State under the conditions provided for in the relevant legislation of that Member State and may therefore be required to satisfy a number of specific prudential requirements.

(⁹) Including Services auxiliary to internal waterways transport.

(¹⁰) Equivalent treatment implies non-discriminatory treatment of Union air carriers and Union CRS services suppliers.

(¹¹) A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular, ownership of more than 50 % of the equity interest in a juridical person shall be deemed to constitute control.

(¹²) Based on figures published by the Directorate General in charge of Energy in the latest EU energy statistical pocketbook: crude oil imports expressed in weight, gas imports in calorific value.

ANNEX XIV-B

LIST OF COMMITMENTS ON CROSS-BORDER SUPPLY OF SERVICES (UNION)

1. The list of commitments below indicates the economic activities liberalised by the Union pursuant to Article 86 of this Agreement and, by means of reservations, the market access and national treatment limitations that apply to services and service suppliers of Georgia in those activities. The lists are composed of the following elements:

(a) a first column indicating the sector or sub-sector in which the commitment is assumed by the Party, and the scope of liberalisation to which the reservations apply;

(b) a second column describing the applicable reservations.

When the column referred to under point (b) only includes Member State-specific reservations, Member States not mentioned therein undertake commitments in the sector concerned without reservations (the absence of Member State-specific reservations in a given sector is without prejudice to horizontal reservations or to sectoral Union-broad reservations that may apply).

Sectors or sub-sectors not mentioned in the list below are not committed.

2. In identifying individual sectors and sub-sectors:

(a) 'CPC' means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC prov, 1991.

(b) 'CPC ver. 1.0' means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC ver 1.0, 1998.

3. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a market access or a national treatment limitation within the meaning of Articles 84 and 85 of this Agreement. Those measures (e.g. need to obtain a license, universal service obligations, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, non-discriminatory requirement that certain activities may not be carried out in environmental protected zones or areas of the other Party.
4. The list below is without prejudice to the feasibility of Mode 1 in certain services sectors and sub-sectors and without prejudice to the existence of public monopolies and exclusive rights as described in the list of commitments on establishment.
5. In accordance with Article 76(3) of this Agreement, the list below does not include measures
6. The rights and obligations arising from this list of commitments shall have no self-executing effect and thus confer no rights directly to individual natural persons or juridical persons.
7. Mode 1 and Mode 2 refer to the means of the supply of services as described in points (a) and (b) of Article 77(14) of this Agreement respectively.

Sector or sub-sector	Description of reservations
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1.

BUSINESS SERVICES

A. Professional Services	
a) Legal Services (CPC 861) ⁽ⁱ⁾ (excluding legal advisory and legal documentations and certification services provided by legal professionals entrusted with public functions, such as notaries, huissiers de justice or other officiers publics et ministériels)	For Modes 1 and 2 AT, CY, ES, EL, LT and MT: Full admission to the Bar, required for the practice of domestic (EU and Member State) law, is subject to a nationality condition BE: Full admission to the Bar, required for legal representation services, is subject to a nationality condition, coupled with residency requirements. Quotas apply for

	<p>appearing before the ‘Cour de cassation’ in non-criminal cases</p> <p>BG: Foreign lawyers can only provide legal representation services of a national of their home country and subject to reciprocity and cooperation with a Bulgarian lawyer. For legal mediation services permanent residence is required</p> <p>FR: Lawyers' access to the profession of ‘avocat auprès de la Cour de Cassation’ et ‘avocat auprès du Conseil d'Etat’ is subject to quotas and to a nationality condition</p> <p>HU: For foreign lawyers the scope of legal activities is limited to the provision of legal advice</p> <p>LV: Nationality requirement for sworn advocates, to whom legal representation in criminal proceedings is reserved</p> <p>DK: Marketing of legal advice activities is restricted to lawyers with a Danish licence to practice and law firms registered in Denmark. Requirement of a Danish legal examination in order to obtain a Danish licence</p> <p>SE: Admission to the Bar, necessary only for the use of the Swedish title ‘advokat’, is subject to a residency requirement</p> <p>For Mode 1</p> <p>HR: None for consultancy on foreign and international law. Unbound for practicing of Croatian law</p>
<p>b) 1. Accounting and Bookkeeping Services (CPC 86212 other than ‘auditing services’, CPC 86213, CPC 86219 and CPC 86220)</p>	<p>For Mode 1</p> <p>FR, HU, IT, MT, RO and SI: Unbound</p> <p>AT: Nationality condition for representation before competent authorities</p> <p>For Mode 2</p> <p>All Member States: None</p>

<p>b) 2. Auditing services (CPC 86211 and 86212 other than accounting services)</p>	<p>For Mode 1</p> <p>BE, BG, CY, DE, ES, FI, FR, EL, HU, IE, IT, LU, MT, NL, PT, RO, SI and UK: Unbound</p> <p>AT: Nationality condition for representation before competent authorities and for performing audits provided for in specific Austrian laws (e.g. joint stock companies law, stock exchange law, banking law, etc.)</p> <p>HR: Foreign audit firms may provide audit services on the Croatian territory where they have established a branch, in accordance with the provisions of the Company Act</p> <p>SE: Only auditors approved in Sweden may perform statutory auditing services in certain legal entities, among others in all limited companies, and in relation to natural persons. Only such persons and registered public accounting firms may be shareowners or form partnerships in companies which practice qualified auditing (for official purposes). Residency within the EEA or Switzerland required for approval. The titles of 'approved auditor' and 'authorised auditor' may only be used by auditors approved or authorised in Sweden. Auditors of cooperative economic associations and certain other enterprises who are not certified or approved accountants must be resident within the EEA, unless the Government or a Government authority appointed by the Government in a separate case allows otherwise</p> <p>For Mode 2</p> <p>None</p>
<p>c) Taxation Advisory Services (CPC 863) ⁽²⁾</p>	<p>For Mode 1</p> <p>AT: Nationality condition for representation before competent authorities</p>

	<p>CY: Tax agents must be duly authorised by the Minister of Finance. Authorisation is subject to an economic needs test. The criteria used are analogous to those for granting permission for foreign investment (listed in horizontal section), as they apply to this sub-sector, always taking into consideration the employment situation in the sub-sector</p> <p>BG, MT, RO and SI: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>d) Architectural services</p> <p>And</p> <p>e) Urban planning and landscape architectural services</p> <p>(CPC 8671 and CPC 8674)</p>	<p>For Mode 1</p> <p>AT: Unbound except for planning services.</p> <p>BE, CY, EL, IT, MT, PL, PT and SI: Unbound</p> <p>DE: Application of the national rules on fees and emoluments for all services which are performed from abroad</p> <p>HR: Architectural services: Natural and juridical persons may supply these services upon approval of the Croatian Chamber of Architects. A design or project elaborated abroad must be recognised (validated) by an authorised natural or juridical person in Croatia with regard to its compliance with Croatian Law. Authorisation for recognition (validation) is issued by the Ministry of Construction and Physical Planning</p> <p>Urban planning: Natural and juridical persons may provide these services after receiving the approval of the Ministry of Construction and Physical Planning</p> <p>HU and RO: Unbound for landscape architectural services</p> <p>For Mode 2</p> <p>None</p>

<p>f) Engineering services; and</p> <p>g) Integrated engineering services (CPC 8672 and CPC 8673)</p>	<p>For Mode 1</p> <p>AT, SI: Unbound except for pure planning services.</p> <p>CY, EL, IT, MT and PT: Unbound</p> <p>HR: Natural and juridical persons may supply these services upon approval of the Croatian Chamber of Engineers. A design or project elaborated abroad must be recognised (validated) by an authorised natural or juridical person in Croatia with regard to its compliance with Croatian Law. Authorisation for recognition (validation) is issued by the Ministry of Construction and Physical Planning</p> <p>For Mode 2</p> <p>None</p>
<p>h) Medical (including Psychologists), and Dental services (CPC 9312 and part of CPC 85201)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, DE, DK, EE, ES, FI, FR, EL, IE, IT, LU, MT, NL, PT, RO, SK and UK: Unbound</p> <p>HR: Unbound, except for telemedicine where: None</p> <p>SI: Unbound for social medicine, sanitary, epidemiological, medical/ecological services, the supply of blood, blood preparations and transplants and autopsy</p> <p>For Mode 2</p> <p>None</p>
<p>i) Veterinary services (CPC 932)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, CZ, DE, DK, EE, ES, FR, EL, HU, IE, IT, LV, MT, NL, PT, RO, SI and SK: Unbound</p> <p>UK: Unbound except for veterinary laboratory and technical services supplied to veterinary surgeons, general advice, guidance and information e.g.: nutritional,</p>

	<p>behaviour and pet care</p> <p>For Mode 2</p> <p>None</p>
<p>j) 1. Midwives services (part of CPC 93191)</p> <p>j) Services provided by Nurses, 2. Physiotherapists and Paramedical Personnel (part of CPC 93191)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, CZ, DE, DK, EE, ES, FR, EL, HU, IE, IT, LV, LT, LU, MT, NL, PT, RO, SI, SK and UK: Unbound</p> <p>FI and PL: Unbound except for nurses</p> <p>HR: Unbound, except for telemedicine: None</p> <p>For Mode 2</p> <p>None</p>
<p>k) Retail sales of pharmaceuticals and retail sales of medical and orthopaedical goods (CPC 63211) and other services supplied by pharmacists ⁽³⁾</p>	<p>For Mode 1</p> <p>AT, BE, BG, CZ, DE, CY, DK, ES, FI, FR, EL, IE, IT, LU, MT, NL, PL, PT, RO, SK, SE, SI and UK: Unbound</p> <p>LV and LT: Unbound except for mail order</p> <p>HU: Unbound except for CPC 63211</p> <p>For Mode 2</p> <p>None</p>
<p>B. Computer and Related Services (CPC 84)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>C. Research and Development Services</p>	
<p>a) R&D services on Social Sciences and Humanities (CPC 852 excluding psychologists services) ⁽⁴⁾</p> <p>b) R&D services on natural sciences (CPC 851) and</p> <p>c) Interdisciplinary R&D services (CPC 853)</p>	<p>For Modes 1 and 2</p> <p>EU: For publicly funded R&D services, exclusive rights and/or authorisations can only be granted to nationals of the Member States and to juridical persons of the EU having their headquarters in the EU</p>
<p>D. Real Estate Services ⁽⁵⁾</p>	

<p>a) Involving Own or Leased Property (CPC 821)</p>	<p>For Mode 1 BG, CY, CZ, EE, HU, IE, LV, LT, MT, PL, RO, SK and SI: Unbound HR: Commercial presence required.</p> <p>For Mode 2 None</p>
<p>b) On a Fee or Contract Basis (CPC 822)</p>	<p>For Mode 1 BG, CY, CZ, EE, HU, IE, LV, LT, MT, PL, RO, SK and SI: Unbound HR: Commercial presence required.</p> <p>For Mode 2 None</p>
<p>E. Rental/Leasing Services without Operators</p>	
<p>a) Relating to Ships (CPC 83103)</p>	<p>For Mode 1 BG, CY, DE, HU, MT and RO: Unbound</p> <p>For Mode 2 None</p>
<p>b) Relating to Aircraft (CPC 83104)</p>	<p>For Mode 1 BG, CY, CZ, HU, LV, MT, PL, RO and SK: Unbound</p> <p>For Mode 2 BG, CY, CZ, LV, MT, PL, RO and SK: Unbound</p> <p>AT, BE, DE, DK, ES, EE, FI, FR, EL, HU, IE, IT, LT, LU, NL, PT, SI, SE and UK: Aircraft used by an air carrier of the EU have to be registered in the Member State licensing the air carrier or elsewhere in the EU. Waivers can be granted for short term lease contracts or under exceptional circumstances</p>

c) Relating to Other Transport Equipment (CPC 83101, CPC 83102 and CPC 83105)	For Mode 1 BG, CY, HU, LV, MT, PL, RO and SI: Unbound For Mode 2 None
d) Relating to Other Machinery and Equipment (CPC 83106, CPC 83107, CPC 83108 and CPC 83109)	For Mode 1 BG, CY, CZ, HU, MT, PL, RO and SK: Unbound For Mode 2 None
e) Relating to personal and household goods (CPC 832)	For Modes 1 and 2 AT, BE, BG, CY, CZ, DE, DK, ES, FI, FR, EL, HU, IE, IT, LU, MT, NL, PL, PT, RO, SI, SE, SK and UK: Unbound
f) Telecommunications equipment rental (CPC 7541)	For Modes 1 and 2 None
F. Other Business Services	
a) Advertising (CPC 871)	For Modes 1 and 2 None
b) Market Research and Opinion Polling (CPC 864)	For Modes 1 and 2 None
c) Management Consulting Services (CPC 865)	For Modes 1 and 2 None
d) Services Related to Management Consulting (CPC 866)	For Modes 1 and 2 HU: Unbound for arbitration and conciliation services (CPC 86602)
e) Technical Testing and Analysis Services (CPC 8676)	For Mode 1 IT: Unbound for the profession of biologist and chemical analyst

	<p>BG, CY, CZ, MT, PL, RO, SK and SE: Unbound</p> <p>For Mode 2</p> <p>CY, CZ, MT, PL, RO, SK and SE: Unbound</p>
<p>f) Advisory and Consulting services incidental to Agriculture, Hunting and Forestry (part of CPC 881)</p>	<p>For Mode 1</p> <p>IT: Unbound for activities reserved to agronomist and 'periti agrari'</p> <p>EE, MT, RO and SI: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>g) Advisory and Consulting Services Relating to Fishing (part of CPC 882)</p>	<p>For Mode 1</p> <p>LV, MT, RO and SI: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>h) Advisory and Consulting Services incidental to Manufacturing (part of CPC 884 and part of CPC 885)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>i) Placement and Supply Services of Personnel</p>	
<p>i) 1. Executive search (CPC 87201)</p>	<p>For Mode 1</p> <p>AT, BG, CY, CZ, DE, EE, ES, FI, HR, IE, LV, LT, MT, PL, PT, RO, SK, SI and SE: Unbound</p> <p>For Mode 2</p> <p>AT, BG, CY, CZ, EE, FI, HR, LV, LT, MT, PL, RO, SK and SI: Unbound</p>
<p>i) 2. Placement Services (CPC 87202)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, CZ, DE, DK, EE, ES, EL, FI, FR, HR, IE, IT, LU, LV, LT, MT, NL, PL, PT, RO, SI, SE, SK and UK: Unbound</p> <p>For Mode 2</p> <p>AT, BG, CY, CZ, EE, FI, HR, LV, LT, MT, PL,</p>

	RO, SI and SK: Unbound
i) Supply Services of office support 3. personnel (CPC 87203)	For Mode 1 AT, BG, CY, CZ, DE, EE, FI, FR, HR, IT, IE, LV, LT, MT, NL, PL, PT, RO, SE, SK and SI: Unbound For Mode 2 AT, BG, CY, CZ, EE, FI, HR, LV, LT, MT, PL, RO, SK and SI: Unbound
i) Supply services of domestic help 4. personnel, other commercial or industrial workers, nursing and other personnel (CPC 87204, CPC 87205, CPC 87206 and CPC 87209)	For Modes 1 and 2 All Member States except HU: Unbound HU: None
j) 1. Investigation Services (CPC 87301)	For Modes 1 and 2 BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI and UK: Unbound
j) 2. Security Services (CPC 87302, CPC 87303, CPC 87304 and CPC 87305)	For Mode 1 HU: Unbound for CPC 87304 and CPC 87305 BE, BG, CY, CZ, ES, EE, FI, FR, HR, IT, LV, LT, MT, PT, PL, RO, SI and SK: Unbound For Mode 2 HU: Unbound for CPC 87304 and CPC 87305 BG, CY, CZ, EE, HR, LV, LT, MT, PL, RO, SI and SK: Unbound
k) Related Scientific and Technical Consulting Services (CPC 8675)	For Mode 1 BE, BG, CY, DE, DK, ES, FR, EL, IE, IT, LU, MT, NL, PL, PT, RO, SI and UK: Unbound for exploration services HR: None, except that services of basic geological, geodetic and mining research as

	<p>well as related environmental protection research services on the territory of Croatia can be carried out only jointly with/or through domestic juridical persons</p> <p>For Mode 2</p> <p>None</p>
<p>l) 1. Maintenance and repair of vessels (part of CPC 8868)</p>	<p>For Mode 1</p> <p>For maritime transport vessels: BE, BG, DE, DK, EL, ES, FI, FR, HR, IE, IT, LU, NL, PT, SI and UK: Unbound.</p> <p>For internal waterways transport vessels: EU except EE, HU, LV and PL: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>l) Maintenance and Repair of Rail Transport 2. Equipment (part of CPC 8868)</p>	<p>For Mode 1</p> <p>AT, BE, BG, DE, CY, CZ, DK, ES, FI, FR, EL, HR, IE, IT, LT, LV, LU, MT, NL, PL, PT, RO, SE, SI, SK and UK: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>l) Maintenance and Repair of motor vehicles, 3. motorcycles, snowmobiles and road transport Equipment (CPC 6112, CPC 6122, part of CPC 8867 and part of CPC 8868)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>l) Maintenance and Repair of Aircraft and 4. parts thereof (part of CPC 8868)</p>	<p>For Mode 1</p> <p>BE, BG, CY, CZ, DE, DK, ES, FI, FR, EL, HR, IE, IT, LT, LU, MT, NL, PT, RO, SK, SI, SE and UK: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>l) Maintenance and Repair services of metal</p>	<p>For Modes 1 and 2</p>

<p>5. products, of (non office) machinery, of (non transport and non office) equipment and of personal and household goods ⁽⁶⁾</p> <p>(CPC 633, CPC 7545, CPC 8861, CPC 8862, CPC 8864, CPC 8865 and CPC 8866)</p>	None
<p>m) Building–Cleaning Services</p> <p>(CPC 874)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, IE, IT, LU, LV, MT, NL, PL, PT, RO, SI, SE, SK and UK: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>n) Photographic Services</p> <p>(CPC 875)</p>	<p>For Mode 1</p> <p>BG, EE, MT and PL: Unbound for the supply of aerial photographic services</p> <p>HR, LV: Unbound for specialty photographic services (CPC 87504)</p> <p>For Mode 2</p> <p>None</p>
<p>o) Packaging Services</p> <p>(CPC 876)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>p) Printing and Publishing</p> <p>(CPC 88442)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>q) Convention Services</p> <p>(part of CPC 87909)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>r) Other</p>	
<p>r) 1. Translation and Interpretation Services</p> <p>(CPC 87905)</p>	<p>For Mode 1</p> <p>PL: Unbound for services of sworn translators and interpreters</p> <p>HU, SK: Unbound for official translation and interpretation</p>

	<p>HR: Unbound for official documents</p> <p>For Mode 2</p> <p>None</p>
<p>r) Interior design and other specialty design 2. services (CPC 87907)</p>	<p>For Mode 1</p> <p>DE: Application of the national rules on fees and emoluments for all services which are performed from abroad</p> <p>HR: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>r) 3. Collection Agency Services (CPC 87902)</p>	<p>For Modes 1 and 2</p> <p>BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, HU, IE, IT, LT, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound</p>
<p>r) 4. Credit reporting services (CPC 87901)</p>	<p>For Modes 1 and 2</p> <p>BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, HU, IE, IT, LT, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound</p>
<p>r) 5. Duplicating services (CPC 87904) (?)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, HU, IE, IT, LT, LU, MT, NL, PL, PT, RO, SI, SE, SK and UK: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>r) 6. Telecommunications consulting services (CPC 7544)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>r) 7. Telephone answering services (CPC 87903)</p>	<p>For Modes 1 and 2</p> <p>None</p>

2.

COMMUNICATION SERVICES

<p>A. Postal and Courier Services</p> <p>(Services relating to the handling ⁽⁸⁾ of postal items ⁽⁹⁾ according to the following list of sub-sectors, whether for domestic or foreign destinations:</p>	
<p>(i) Handling of addressed written communications on any kind of physical medium ⁽¹⁰⁾, including Hybrid mail service and Direct mail,</p> <p>(ii) Handling of addressed parcels and packages ⁽¹¹⁾,</p> <p>(iii) Handling of addressed press products ⁽¹²⁾,</p> <p>(iv) Handling of items referred to in (i) to (iii) above as registered or insured mail,</p> <p>(v) Express delivery services ⁽¹⁴⁾ for items referred to in (i) to (iii) above,</p> <p>(vi) Handling of non-addressed items,</p> <p>(vii) Document exchange ⁽¹⁵⁾</p> <p>Sub-sectors (i), (iv) and (v) are however excluded when they fall into the scope of the services which may be reserved, which is: for items of correspondence the price of which is less than 5 times the public basic tariff, provided that they weigh less than 350 grams ⁽¹⁶⁾, plus the registered mail service used in the course of judicial or administrative procedures.)</p> <p>(part of CPC 751, part of CPC 71235 ⁽¹⁷⁾ and part of CPC 73210 ⁽¹⁸⁾)</p>	<p>For Modes 1 and 2</p> <p>None ⁽¹³⁾</p>
<p>B. Telecommunications Services</p> <p>(These services do not cover the economic activity consisting of the provision of content which requires telecommunications services for its transport)</p>	
<p>a) All services consisting of the transmission and reception of signals by any electromagnetic means ⁽¹⁹⁾, excluding broadcasting ⁽²⁰⁾</p>	<p>For Modes 1 and 2</p> <p>None</p>

<p>b) Satellite broadcast transmission services (²¹)</p>	<p>For Modes 1 and 2</p> <p>EU: None except that service providers in this sector may be subject to obligations to safeguard general interest objectives related to the conveyance of content through their network in line with the EU regulatory framework for electronic communications</p> <p>BE: Unbound</p>
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3.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

<p>Construction and related engineering services (CPC 511, CPC 512, CPC 513, CPC 514, CPC 515, CPC 516, CPC 517 and CPC 518)</p>	<p>For Modes 1 and 2</p> <p>None</p>
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4.

DISTRIBUTION SERVICES

(excluding distribution of arms, munitions, explosives and other war material)

<p>A. Commission Agents' Services</p> <p>a) Commission Agents' Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof (part of CPC 61111, part of CPC 6113 and part of CPC 6121)</p> <p>b) Other Commission Agents' Services (CPC 621)</p>	<p>For Modes 1 and 2</p> <p>EU except AT, SI, SE and FI: Unbound for distribution of chemical products, and of precious metals (and stones).</p> <p>AT: Unbound for distribution of pyrotechnical goods, of ignitable articles and blasting devices and of toxic substances.</p>
<p>B. Wholesale Trade Services</p> <p>a) Wholesale Trade Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof (part of CPC 61111, part of CPC 6113 and part of CPC 6121)</p> <p>b) Wholesale Trade Services of telecommunication terminal equipment (part of CPC 7542)</p>	<p>AT, BG: Unbound for distribution of products for medical use such as medical and surgical devices, medical substances and objects for medical use</p> <p>HR: Unbound for distribution of tobacco products.</p> <p>For Mode 1</p> <p>AT, BG, FR, PL and RO: Unbound for distribution of tobacco and tobacco products</p>

<p>c) Other wholesale trade services (CPC 622 excluding wholesale trade services of energy products ⁽²²⁾)</p>	<p>BG, FI, PL and RO: Unbound for distribution of alcoholic beverages SE: Unbound for retail distribution of alcoholic beverages AT, BG, CZ, FI, RO, SK and SI: Unbound for distribution of pharmaceuticals</p>
<p>C. Retailing Services ⁽²³⁾ Retailing Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof (CPC 61112, part of CPC 6113 and part of CPC 6121) Retailing Services of telecommunication terminal equipment (part of CPC 7542) Food retailing services (CPC 631) Retailing services of other (non-energy) goods, except retail sales of pharmaceutical, medical and orthopaedic goods ⁽²⁴⁾ (CPC 632 excluding CPC 63211 and 63297)</p> <p>D. Franchising (CPC 8929)</p>	<p>BG, HU and PL: Unbound for commodity brokers' services. FR: For commission agents' services, unbound for traders and brokers working in 17 markets of national interest on fresh food products. Unbound for wholesale of pharmaceuticals MT: Unbound for commission agents' services BE, BG, CY, DE, DK, ES, FR, EL, IE, IT, LU, MT, NL, PL, PT, SK and UK: For retailing services, unbound except for mail order</p>

5.

EDUCATIONAL SERVICES

(only privately-funded services)

<p>A. Primary Education Services (CPC 921)</p>	<p>For Mode 1 BG, CY, FI, HR, MT, RO, SE and SI: Unbound FR: Nationality condition. However, foreign nationals can have authorisation from competent authorities to establish and direct an education institution, and to teach IT: Nationality condition for service providers to be authorised to issue State recognised diplomas</p> <p>For Mode 2 CY, FI, HR, MT, RO, SE and SI: Unbound</p>
<p>B. Secondary Education Services (CPC 922)</p>	<p>For Mode 1 BG, CY, FI, HR, MT, RO and SE: Unbound FR: Nationality condition. However, foreign nationals can have authorisation from competent authorities to establish and direct an education institution, and to teach IT: Nationality condition for service providers to be authorised to issue State recognised diplomas</p> <p>For Mode 2 CY, FI, MT, RO and SE: Unbound For Modes 1 and 2 LV: Unbound for education services relating to technical and vocational secondary school-type education services for handicapped students (CPC 9224)</p>
<p>C. Higher Education Services (CPC 923)</p>	<p>For Mode 1 AT, BG, CY, FI, MT, RO and SE: Unbound FR: Nationality condition. However, foreign nationals can have authorisation from competent authorities to establish and direct an education institution, and to teach IT: Nationality condition for service</p>

	<p>providers to be authorised to issue State recognised diplomas</p> <p>For Mode 2</p> <p>AT, BG, CY, FI, MT, RO and SE: Unbound</p> <p>For Modes 1 and 2</p> <p>CZ and SK: Unbound for higher education services, except post-secondary technical and vocational education services (CPC 92310)</p>
<p>D. Adult Education Services (CPC 924)</p>	<p>For Modes 1 and 2</p> <p>CY, FI, MT, RO and SE: Unbound</p> <p>AT: Unbound for adult education services by means of radio or television broadcasting</p>
<p>E. Other education services (CPC 929)</p>	<p>For Modes 1 and 2</p> <p>AT, BE, BG, CY, DE, DK, ES, EE, FI, FR, EL, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SI, SE and UK: Unbound.</p> <p>For Mode 1:</p> <p>HR: None for correspondence education or education via telecommunication</p>

6.

ENVIRONMENTAL SERVICES

<p>A. Waste Water Services (CPC 9401) ⁽²⁵⁾</p>	<p>For Mode 1</p> <p>EU, except EE, LT and LV: Unbound except for consulting services</p> <p>EE, LT and LV: None</p> <p>For Mode 2</p> <p>None</p>
<p>B. Solid/hazardous waste management, excluding cross-border transport of hazardous waste</p>	<p>For Mode 1</p> <p>EU, except EE and HU: Unbound except for consulting services</p>

<p>a) Refuse Disposal Services (CPC 9402)</p>	<p>EE and HU: None</p> <p>For Mode 2</p> <p>None</p>
<p>b) Sanitation and Similar Services (CPC 9403)</p>	<p>For Mode 1</p> <p>EU, except EE, HU and LT: Unbound except for consulting services</p> <p>EE, HU and LT: None</p> <p>For Mode 2</p> <p>None</p>
<p>C. Protection of ambient air and climate (CPC 9404) ⁽²⁶⁾</p>	<p>For Mode 1</p> <p>EU, except EE, FI, LT, PL and RO: Unbound except for consulting services</p> <p>EE, FI, LT, PL, RO: None</p> <p>For Mode 2</p> <p>None</p>
<p>D. Remediation and clean-up of soil and waters</p> <p>a) Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060) ⁽²⁷⁾</p>	<p>For Mode 1</p> <p>EU, except EE, FI and RO: Unbound except for consulting services</p> <p>EE, FI, RO: None</p> <p>For Mode 2</p> <p>None</p>
<p>E. Noise and vibration abatement (CPC 9405)</p>	<p>For Mode 1</p> <p>EU, except EE, FI, LT, PL and RO: Unbound except for consulting services</p> <p>EE, FI, LT, PL and RO: None</p> <p>For Mode 2</p> <p>None</p>
<p>F. Protection of biodiversity and landscape</p> <p>a) Nature and landscape protection services</p>	<p>For Mode 1</p> <p>EU, except EE, FI and RO: Unbound except</p>

(part of CPC 9406)	<p>for consulting services</p> <p>EE, FI and RO: None</p> <p>For Mode 2</p> <p>None</p>
<p>G. Other environmental and ancillary services (CPC 94090)</p>	<p>For Mode 1</p> <p>EU, except EE, FI and RO: Unbound except for consulting services</p> <p>EE, FI and RO: None</p> <p>For Mode 2</p> <p>None</p>

7.

FINANCIAL SERVICES

A. Insurance and insurance-related services	<p>For Modes 1 and 2</p> <p>AT, BE, CZ, DE, DK, ES, FI, FR, EL, HU, IE, IT, LU, NL, PL, PT, RO, SK, SE, SI and UK: Unbound for direct insurance services except for insurance of risks relating to:</p> <p>i) Maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and</p> <p>ii) goods in international transit</p> <p>AT: Promotional activity and intermediation on behalf of a subsidiary not established in the Union or of a branch not established in Austria (except for reinsurance and retrocession) are prohibited. Compulsory air insurance, except for insurance of international commercial air transport, can be underwritten only by a subsidiary established in the Union or by a branch established in Austria</p>
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	<p>DK: Compulsory air transport insurance can be underwritten only by firms established in the Union. No persons or companies (including insurance companies) may for business purposes in Denmark assist in effecting direct insurance for persons resident in Denmark, for Danish ships or for property in Denmark, other than insurance companies licensed by Danish law or by Danish competent authorities</p> <p>DE: Compulsory air insurance policies can be underwritten only by a subsidiary established in the Union or by a branch established in Germany. If a foreign insurance company has established a branch in Germany, it may conclude insurance contracts in Germany relating to international transport only through the branch established in Germany</p> <p>FR: Insurance of risks relating to ground transport may be carried out only by</p> <p>PL: Unbound for reinsurance and retrocession except for risks relating to goods in international trade</p> <p>PT: Air and maritime transport insurance, covering goods, aircraft, hull and liability can be underwritten only by firms established in the EU; only persons or companies established in the EU may act as intermediaries for such insurance business in Portugal</p> <p>For Mode 1</p> <p>AT, BE, CZ, DE, DK, ES, FI, FR, EL, HU, IE, IT, LU, NL, PT, RO, SK, SE, SI and UK: Unbound for direct insurance intermediation services except for insurance of risks relating to:</p> <p>i) Maritime shipping and commercial freight (including satellites), with such</p>
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	<p>insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and</p> <p>ii) goods in international transit</p> <p>BG: Unbound for direct insurance, except for services supplied by foreign suppliers to foreign persons in the territory of the Republic of Bulgaria. Transport insurance, covering goods, insurance of vehicles as such and liability insurance regarding risks located in the Republic of Bulgaria may not be underwritten by foreign insurance companies directly. A foreign insurance company may conclude insurance contracts only through a branch. Unbound for deposit insurance and similar compensations schemes, as well as mandatory insurance schemes</p>
<p>B. Banking and other financial services (excluding insurance)</p>	<p>CY, LV and MT: Unbound for direct insurance services except for insurance of risks relating to:</p> <p>i) Maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising herefrom; and</p> <p>ii) goods in international transit</p> <p>LT: Unbound for direct insurance services except for insurance of risks relating to:</p> <p>i) Maritime shipping and commercial aviation and space launching and</p> <p>insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and</p> <p>ii) goods in international transit, except</p>

	<p>related to land transport where the risk is located in Lithuania</p> <p>BG, LV, LT and PL: Unbound for insurance intermediation</p> <p>ES: For actuarial services, residence requirement and three-years relevant experience</p> <p>FI: Only insurers having their head-office in the EU or having their branch in Finland may offer direct insurance (including co-insurance) services. The supply of insurance broker services is subject to a permanent place of business in the EU</p> <p>HR: Unbound for direct insurance and direct insurance intermediation services, except</p> <p>a) life insurance: for the supply of life insurance to foreign persons residing in Croatia;</p> <p>b) non-life insurance: for the supply of non-life insurance to foreign persons residing in Croatia other than</p> <p>c) marine, aviation, transport</p> <p>HU: The supply of direct insurance in the territory of Hungary by insurance companies not established in the EU is allowed only through a branch office registered in Hungary</p> <p>IT: Unbound for the actuarial profession. Transport insurance of goods, insurance of vehicles as such and liability insurance regarding risks located in Italy may be underwritten only by insurance companies established in the Union. This reservation does not apply for international transport involving imports into Italy</p> <p>SE: The supply of direct insurance is allowed only through an insurance service supplier authorised in Sweden, provided that the foreign service supplier and the Swedish insurance company belong to the same group of companies or have an agreement of cooperation between them</p>
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	<p>For Mode 2</p> <p>AT, BE, BG, CZ, CY, DE, DK, ES, FI, FR, EL, HU, IE, IT, LU, MT, NL, PL, PT, RO, SK, SE, SI and UK: Unbound for intermediation</p> <p>BG: For direct insurance, Bulgarian natural and juridical persons, as well as foreign persons who conduct business activity in the territory of the Republic of Bulgaria, can conclude insurance contracts only with suppliers with respect to their activity in Bulgaria, which are licensed to conduct insurance activity in Bulgaria. Insurance compensation resulting from these</p> <p>for deposit insurance and similar compensations schemes, as well as mandatory insurance schemes</p> <p>HR: Unbound for direct insurance and direct insurance intermediation services, except</p> <p>a) life insurance: for the ability of foreign persons residing in Croatia to obtain life insurance;</p> <p>b) non-life insurance:</p> <p>(i) for the ability of foreign persons residing in Croatia to obtain non-automobile liability;</p> <p>(ii) – personal or property risk insurance that is not available in the Republic of Croatia; – companies purchasing insurance abroad in connection with investment works abroad including the equipment for those works; – for ensuring the return of foreign loans (collateral insurance); – personal and property insurance of wholly-owned enterprises and joint</p>
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	<p>ventures which perform an economic activity in a foreign country, if it is in accordance with the regulations of that country or it is required by its registration; – ships under construction and overhaul if it is stipulated by the contract concluded with the foreign client (buyer);</p> <p>c) marine, aviation, transport</p> <p>IT: Transport insurance of goods, insurance of vehicles as such and liability insurance regarding risks located in Italy may be underwritten only by insurance companies established in the Union. This reservation does not apply for international transport involving imports into Italy</p> <p>For Mode 1</p> <p>AT, BE, BG, CZ, DE, DK, ES, FI, FR, EL, HU, IE, IT, LU, NL, PL, PT, SK, SE and UK: Unbound except for provision of financial information and financial data processing and for advisory and other auxiliary services excluding intermediation</p> <p>CY: Unbound except for trading of transferable securities, for provision of financial information and financial data processing and for advisory and other auxiliary services excluding intermediation</p> <p>BE: Establishment in Belgium is required for the provision of investment advisory services</p> <p>BG: Limitations and conditions relating to the use of telecommunications network may apply</p> <p>EE: For acceptance of deposits, requirement of authorisation by Estonian Financial Supervision Authority and registration under Estonian Law as a joint-stock</p>
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	<p>company, a subsidiary or a branch</p> <p>The establishment of a specialised management company is required to perform the activities of management of investment funds, and only firms having their registered office in the Union can act as depositories of the assets of investment funds</p> <p>HR: Unbound except for lending, financial leasing, payment and money transmission services, guarantees and commitments, money broking, provision and transfer of financial information and advisory and other axillary financial services excluding intermediation</p> <p>LT: The establishment of a specialized management company is required to perform the activities of management of investment funds, and only firms having their registered office or branch in Lithuania can act as depositories of the assets of investment funds</p> <p>IE: The provision of investment services or investment advice requires either (I)</p> <p>requires that the entity be incorporated or be a partnership or a sole trader, in each case with a head/registered office in Ireland (authorisation may not be required in certain cases, e.g. where a third country service provider has no commercial presence in Ireland and the service is not</p> <p>accordance with the EU Investment Services Directive</p> <p>IT: Unbound for 'promotori di servizi finanziari' (financial salesmen)</p> <p>LV: Unbound except for provision of financial information and for advisory and other auxiliary services excluding</p>
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	<p>intermediation</p> <p>LT: Commercial presence is required for pension fund management</p> <p>MT: Unbound except for acceptance of deposits, for lending of all types, for provision of financial information and financial data processing and for advisory and other auxiliary services excluding intermediation</p> <p>PL: For the provision and transfer of financial information, and financial data processing and related software: Requirement to use the public telecommunication network, or the network of other authorised operator</p> <p>RO: Unbound for financial leasing, for trading of money market instruments, foreign exchange, derivative products, instruments, transferable securities and other negotiable instruments and financial assets, for participation in issues of all kinds of securities, for asset management and for settlement and clearing services for financial assets. Payments and money transmission services are allowed only through a resident bank</p> <p>SI:</p> <p>(i) Participation in issues of Treasury bonds, pension fund management: Unbound</p> <p>(ii) All other sub sectors, except provision and transfer of Financial information, accepting credits (borrowing of all types), and accepting guarantees and commitments from foreign credit institutions by domestic legal entities and sole proprietors, and advisory and other auxiliary financial services: Unbound. Members of the Slovenian</p>
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	<p>Stock Exchange must be incorporated in the Republic of Slovenia or be branches of foreign investment firms</p> <p>For Mode 2</p> <p>BG: Limitations and conditions relating to the use of telecommunications network may apply</p> <p>PL: For the provision and transfer of financial information, and financial data processing and related software: Requirement to use the public telecommunication network, or the network of another authorised operator</p>
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8.

HEALTH SERVICES AND SOCIAL SERVICES

(only privately-funded services)

<p>A. Hospital Services (CPC 9311)</p>	<p>For Mode 1</p> <p>AT, BE, BG, DE, CY, CZ, DK, ES, EE, FI, FR, EL, IE, IT, LV, LT, MT, LU, NL, PL, PT, RO, SI, SE, SK and UK: Unbound</p> <p>HR: Unbound, except for telemedicine</p>
<p>C. Residential health facilities other than hospital services (CPC 93193)</p>	<p>For Mode 2</p> <p>None</p>
<p>D. Social Services (CPC 933)</p>	<p>For Mode 1</p> <p>AT, BE, BG, CY, CZ, DE, DK, EE, ES, EL, FI, FR, HU, IE, IT, LU, MT, NL, PL, PT, RO, SE, SI, SK and UK: Unbound</p> <p>For Mode 2</p> <p>BE: Unbound for social services other than convalescent and rest houses and old people's homes</p>

9.

TOURISM AND TRAVEL RELATED SERVICES

<p>A. Hotel, Restaurants and Catering (CPC 641, CPC 642 and CPC 643) excluding catering in air transport services ⁽²⁸⁾</p>	<p>For Mode 1 AT, BE, BG, CY, CZ, DE, DK, ES, FR, EL, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound except for catering HR: Unbound</p> <p>For Mode 2 None</p>
<p>B. Travel Agencies and Tour Operators Services (including tour managers) (CPC 7471)</p>	<p>For Mode 1 BG, HU: Unbound</p> <p>For Mode 2 None</p>
<p>C. Tourist Guides Services (CPC 7472)</p>	<p>For Mode 1 BG, CY, CZ, HU, IT, LT, MT, PL, SK and SI: Unbound.</p> <p>For Mode 2 None</p>

10.

RECREATIONAL, CULTURAL AND SPORTING SERVICES

(other than audio-visual services)

<p>A. Entertainment Services (including Theatre, Live Bands, Circus and Discotheque Services) (CPC 9619)</p>	<p>For Mode 1 BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI and UK: Unbound</p> <p>For Mode 2 CY, CZ, FI, HR, MT, PL, RO, SK and SI: Unbound</p> <p>BG: Unbound, except for theatrical producer, singer group, band and orchestra entertainment services (CPC 96191); services provided by authors, composers, sculptors, entertainers and other individual artists (CPC 96192); ancillary theatrical</p>
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	<p>services (CPC 96193)</p> <p>EE: Unbound for other entertainment services (CPC 96199), except for cinema theatre services</p> <p>LT and LV: Unbound, except for cinema theatre operation services (part of CPC 96199)</p>
<p>B. News and Press Agencies Services (CPC 962)</p>	<p>For Modes 1 and 2</p> <p>None</p>
<p>C. Libraries, archives museums and other cultural services (CPC 963)</p>	<p>For Mode 1</p> <p>BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, HR, HU, IE, IT, LT, LV, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound</p> <p>For Mode 2</p> <p>BE, BG, CY, CZ, DE, DK, ES, FI, FR, EL, HR, HU, IE, IT, LT, LV, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound</p>
<p>D. Sporting services (CPC 9641)</p>	<p>For Modes 1 and 2</p> <p>AT: Unbound for ski school services and mountain guide services.</p> <p>BG, CZ, LV, MT, PL, RO and SK: Unbound</p> <p>For Mode 1</p> <p>CY, EE and HR: Unbound</p>
<p>E. Recreation park and beach Services (CPC 96491)</p>	<p>For Modes 1 and 2</p> <p>None</p>

11.

TRANSPORT SERVICES

<p>A. Maritime transport</p> <p>a) International passenger transportation (CPC 7211 less national cabotage transport ⁽²⁹⁾).</p> <p>b) International freight transportation</p>	<p>For Modes 1 and 2</p> <p>BG, CY, DE, EE, ES, FR, FI, EL, IT, LT, MT, PT, RO, SI and SE: Feeder services by authorisation</p>
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(CPC 7212 less national cabotage transport) ⁽³⁰⁾	
<p>B. Internal Waterways Transport</p> <p>a) Passenger transportation (CPC 7221 less national cabotage transport)</p> <p>b) Freight transportation (CPC 7222 less national cabotage transport)</p>	<p>For Modes 1 and 2</p> <p>EU: Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine–Main–Danube link) reserve some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. Subject to regulations implementing the Mannheim Convention on Rhine Shipping and the Belgrade Convention on Danube Navigation</p> <p>AT: Registered company or permanent establishment in Austria is required</p> <p>BG, CY, EE, FI, HR, HU, LT, MT, RO, SE and SI: Unbound</p> <p>CZ and SK: Unbound for mode 1 only</p>
<p>C. Rail Transport</p> <p>a) Passenger transportation (CPC 7111)</p> <p>b) Freight transportation (CPC 7112)</p>	<p>For Mode 1</p> <p>EU: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>D. Road Transport</p> <p>a) Passenger Transportation (CPC 7121 and CPC 7122)</p> <p>b) Freight Transportation (CPC 7123, excluding transportation of mail on own account ⁽³¹⁾).</p>	<p>For Mode 1</p> <p>EU: Unbound</p> <p>For Mode 2</p> <p>None</p>
<p>E. Pipeline transport of goods other than fuel ⁽³²⁾ (CPC 7139)</p>	<p>For Mode 1</p> <p>EU: Unbound</p> <p>For Mode 2</p> <p>AT, BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR,</p>

	EL, IE, IT, LV, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound
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12.

SERVICES AUXILIARY TO TRANSPORT ⁽³³⁾

<p>A. Services auxiliary to Maritime Transport</p> <p>a) Maritime Cargo Handling Services</p> <p>b) Storage and warehousing Services (part of CPC 742)</p> <p>c) Customs Clearance Services</p> <p>d) Container Station and Depot Services</p> <p>e) Maritime Agency Services</p> <p>f) Maritime freight forwarding Services</p> <p>g) Rental of Vessels with Crew (CPC 7213)</p> <p>h) Pushing and towing services (CPC 7214)</p> <p>i) Supporting services for maritime transport (part of CPC 745)</p> <p>j) Other supporting and auxiliary services (part of CPC 749)</p>	<p>For Mode 1</p> <p>EU: Unbound for maritime cargo handling services, pushing and towing services, customs clearance services and for container station and depot services</p> <p>AT, BG, CY, CZ, DE, EE, HU, LT, MT, PL, RO, SK, SI and SE: Unbound for rental of vessels with crew</p> <p>BG: Unbound</p> <p>AT, BE, BG, CY, CZ, DE, DK, ES, FI, FR, EL, IE, IT, LT, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound for storage and warehousing services</p> <p>HR: Unbound except for freight transport agency services</p> <p>For Mode 2</p> <p>None</p>
<p>B. Services auxiliary to internal waterways transport</p> <p>a) Cargo-handling services (part of CPC 741)</p> <p>b) Storage and warehouse services (part of CPC 742)</p> <p>c) Freight transport agency services (part of CPC 748)</p> <p>d) Rental of Vessels with Crew</p>	<p>For Modes 1 and 2</p> <p>EU: Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine–Main–Danube link) reserving some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. Subject to regulations implementing the Mannheim Convention on Rhine Shipping</p> <p>EU: Unbound for pushing and towing services, except for CZ, LV and SK for mode</p>

<p>(CPC 7223)</p> <p>e) Pushing and towing services</p> <p>(CPC 7224)</p> <p>f) Supporting services for internal waterway transport</p> <p>(part of CPC 745)</p> <p>g) Other supporting and auxiliary services</p> <p>(part of CPC 749)</p>	<p>2 only, where: None</p> <p>HR: Unbound except for freight transport agency services</p> <p>For Mode 1</p> <p>AT, BG, CY, CZ, DE, EE, FI, HU, LV, LT, MT, RO, SK, SI and SE: Unbound for rental of vessels with crew</p>
<p>C. Services auxiliary to rail transport</p> <p>a) Cargo-handling services</p> <p>(part of CPC 741)</p> <p>b) Storage and warehouse services</p> <p>(part of CPC 742)</p> <p>c) Freight transport agency services</p> <p>(part of CPC 748)</p> <p>d) Pushing and towing services</p> <p>(CPC 7113)</p> <p>e) Supporting services for rail transport services</p> <p>(CPC 743)</p> <p>f) Other supporting and auxiliary services</p> <p>(part of CPC 749)</p>	<p>For Mode 1</p> <p>EU: Unbound for pushing and towing services</p> <p>HR: Unbound except for freight transport agency services</p> <p>For Mode 2</p> <p>None</p>
<p>D. Services auxiliary to road transport</p> <p>a) Cargo-handling services</p> <p>(part of CPC 741)</p> <p>b) Storage and warehouse services</p> <p>(part of CPC 742)</p> <p>c) Freight transport agency services</p> <p>(part of CPC 748)</p>	<p>For Mode 1</p> <p>AT, BG, CY, CZ, EE, HU, LV, LT, MT, PL, RO, SK, SI and SE: Unbound for Rental of Commercial Road Vehicles with Operators</p> <p>HR: Unbound except for freight transport agency services and supporting services for road transport that are subject to permit</p> <p>For Mode 2</p>

<p>d) Rental of Commercial Road Vehicles with Operators (CPC 7124)</p> <p>e) Supporting services for road transport (CPC 744)</p> <p>f) Other supporting and auxiliary services (part of CPC 749)</p>	None
E. Services auxiliary to air transport services	
<p>a) Ground-handling services (including catering services)</p>	<p>For Mode 1 EU: Unbound except for catering.</p> <p>For Mode 2 BG, CY, CZ, HR, HU, MT, PL, RO, SK and SI: Unbound</p>
<p>b) Storage and warehouse services (part of CPC 742)</p>	<p>For Modes 1 and 2 None</p>
<p>c) Freight transport agency services (part of CPC 748)</p>	<p>For Modes 1 and 2 None</p>
<p>d) Rental of aircraft with crew (CPC 734)</p>	<p>For Modes 1 and 2</p> <p>EU: Aircraft used by Union air carriers have to be registered in the Member States licensing the air carrier or elsewhere in the Union.</p> <p>To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control</p> <p>By exception, aircraft registered outside EU may be leased by a foreign air carrier to an air carrier of the European Union in specific circumstances for the air carrier of the European Union's exceptional needs,</p>

	seasonal capacity needs, or needs to overcome operational difficulties, which cannot reasonably be satisfied through leasing aircraft registered within the European Union, and subject to obtaining the approval of a limited duration from the Member State of the European Union licensing the air carrier of the European Union
e) Sales and Marketing f) Computer Reservations System	For Modes 1 and 2 EU: Where air carriers of the European Union are not accorded equivalent treatment ⁽³⁴⁾ to that provided in the European Union by CRS services suppliers outside EU, or where CRS services suppliers of the European Union are not accorded equivalent treatment to that provided in the European Union by non-EU air carriers, measures may be taken to accord equivalent treatment, respectively, to the non-EU air carriers by the CRS services suppliers in the European Union, or to the non-EU CRS services suppliers by the air carriers in the European Union
g) Airport management	For Mode 1 EU: Unbound For Mode 2 None
F. Services auxiliary to pipeline transport of goods other than fuel ⁽³⁵⁾ a) Storage and warehouse services of goods other than fuel transported by pipelines, (part of CPC 742)	For Mode 1 AT, BE, BG, CY, CZ, DE, DK, ES, FI, FR, EL, HR, IE, IT, LT, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound For Mode 2 None

13.

OTHER TRANSPORT SERVICES

Provision of Combined Transport Service	BE, DE, DK, EL, ES, FI, FR, IE, IT, LU, NL, PT and UK: None, without prejudice to the limitations inscribed in this List of Commitments affecting any given mode of transport AT, BG, CY, CZ, EE, HR, HU, LT, LV, MT, PL, RO, SE, SI and SK: Unbound
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14.

ENERGY SERVICES

A. Services Incidental to Mining (CPC 883) ⁽³⁶⁾	For Modes 1 and 2 None
B. Pipeline Transportation of fuels (CPC 7131)	For Mode 1 EU: Unbound For Mode 2 AT, BE, BG, CY, CZ, DE, DK, ES, EE, FI, FR, EL, IE, IT, LV, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound
C. Storage and warehouse services of fuels transported through pipelines (part of CPC 742)	For Mode 1 AT, BE, BG, CY, CZ, DE, DK, ES, FI, FR, EL, HR, IE, IT, LT, LU, MT, NL, PL, PT, RO, SK, SI, SE and UK: Unbound For Mode 2 None
D. Wholesale trade services of solid, liquid and gaseous fuels and related products (CPC 62271) and wholesale trade services of electricity, steam and hot water	For Mode 1 EU: Unbound for wholesale trade services of electricity, steam and hot water For Mode 2 None
E. Retailing Services of motor fuel (CPC 613)	For Mode 1 EU: Unbound For Mode 2 None

<p>F. Retail sales of fuel oil, bottled gas, coal and wood (CPC 63297) and retailing services of electricity, (non bottled) gas, steam and hot water</p>	<p>For Mode 1 EU: Unbound for retailing services of electricity, (non bottled) gas, steam and hot water BE, BG, CY, CZ, DE, DK, ES, FR, EL, IE, IT, LU, MT, NL, PL, PT, SK and UK: For Retail sales of fuel oil, bottled gas, coal and wood, unbound except for mail order where: None</p> <p>For Mode 2 None</p>
<p>G. Services incidental to energy distribution (CPC 887)</p>	<p>For Mode 1 EU: Unbound except for consultancy services where: None</p> <p>For Mode 2 None</p>

15.

OTHER SERVICES NOT INCLUDED ELSEWHERE

<p>a) Washing, Cleaning and Dyeing services (CPC 9701)</p>	<p>For Mode 1 EU: Unbound</p> <p>For Mode 2 None</p>
<p>b) Hairdressing services (CPC 97021)</p>	<p>For Mode 1 EU: Unbound</p> <p>For Mode 2 None</p>
<p>c) Cosmetic treatment, manicuring and pedicure services (CPC 97022)</p>	<p>For Mode 1 EU: Unbound</p> <p>For Mode 2 None</p>

d) Other beauty treatment services n.e.c (CPC 97029)	For Mode 1 EU: Unbound For Mode 2 None
e) Spa services and non therapeutical massages, to the extent that they are provided as relaxation physical well-being services and not for medical or rehabilitation purposes ⁽³⁷⁾ (CPC ver. 1.0 97230)	For Mode 1 EU: Unbound For Mode 2 None
g) Telecommunications connection services (CPC 7543)	For Modes 1 and 2 None

(¹) Includes legal advisory, legal representational, legal arbitration and conciliation/mediation, and legal documentation and certification services. Provision of legal services is only authorised in respect of public international law, EU law and the law of any jurisdiction where the service supplier or its personnel is qualified to practice as a lawyer, and, like the provision of other services, is subject to licensing requirements and procedures applicable in Member States of the European Union. For lawyers providing legal services in respect of public international law and foreign law, these may take inter alia the form of compliance with local codes of ethics, use of home title (unless recognition with the host title has been obtained) insurance requirements, simple registration with the host country Bar or a simplified admission to the host country Bar through an aptitude test and a legal or professional domicile in the host country. Legal services in respect of EU law shall in principle be carried out by or through a fully qualified lawyer admitted to the Bar in the EU acting personally, and legal services in respect of the law of a Member State of the European Union shall in principle be carried out by or through a fully qualified lawyer admitted to the Bar in that Member State acting personally. Full admission to the Bar in the relevant Member State of the European Union might therefore be necessary for representation before courts and other competent authorities in the EU since it involves practice of EU and national procedural law. However, in some Member States, foreign lawyers not fully admitted to the Bar are allowed to represent in civil proceedings a party being a national or belonging to the State in which the lawyer is entitled to practice.

(²) Does not include legal advisory and legal representational services on tax matters, which are to be found under 1.A.a). Legal services.

(³) The supply of pharmaceuticals to the general public, like the provision of other services, is subject to licensing and qualification requirements and procedures applicable in the Member States. As a general rule, this activity is reserved to pharmacists. In some Member States, only the supply of prescription drugs is reserved to pharmacists.

- (⁴) Part of CPC 85201, which is to be found under 1.A.h. Medical and dental services.
- (⁵) The service involved relates to the profession of real estate agent and does not affect any rights and/or restrictions on natural and juridical persons purchasing real estate.
- (⁶) Maintenance and repair services of transport equipment (CPC 6112, 6122, 8867 and CPC 8868) are to be found under 1.F. l) 1 to 1.F.l) 4.
- (⁷) Does not include printing services, which fall under CPC 88442 and are to be found under 1.F p).
- (⁸) The term ‘handling’ should be taken to include clearance, sorting, transport and delivery.
- (⁹) ‘Postal item’ refers to items handled by any type of commercial operator, whether public or private.
- (¹⁰) E.g. letter, postcards.
- (¹¹) Books, catalogues are included hereunder.
- (¹²) Journals, newspapers, periodicals
- (¹³) For subsectors i) to iv), individual licences imposing particular universal services obligations and/or financial contribution to a compensation fund may be required.
- (¹⁴) Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.
- (¹⁵) Provision of means, including the supply of ad hoc premises as well as transportation by a third party, allowing self-delivery by mutual exchange of postal items between users subscribing to this service. Postal item refers to items handled by any type of commercial operator, whether public or private.
- (¹⁶) ‘Items of correspondence’: a communication in written form on any kind of physical medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Books, catalogues, newspapers and periodicals are not regarded as items of correspondence.
- (¹⁷) Transportation of mail on own account by any land Mode.
- (¹⁸) Transportation of mail on own account by air.
- (¹⁹) These services do not include on-line information and/or data processing (including transaction processing) (part of CPC 843) which is to be found under 1.B. Computer services.
- (²⁰) Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of TV and radio programme signals to the general public, but does not cover contribution links between operators.
- (²¹) These services cover the telecommunications service consisting of the transmission and reception of radio and television broadcast by satellite (the uninterrupted chain of transmission via satellite required for the distribution of TV and radio programme signals to the general public). This covers selling use of satellite services, but does not include the selling of television programme packages to households.
- (²²) These services, which include CPC 62271, are to be found in ENERGY SERVICES under 18.D.
- (²³) Does not include maintenance and repair services, which are to be found in BUSINESS SERVICES under 1.B. and 1.F.l).

- (²⁴) Retail sales of pharmaceutical, medical and orthopaedic goods are to be found under PROFESSIONAL SERVICES in 1.A.k).
- (²⁵) Corresponds to sewage services.
- (²⁶) Corresponds to Cleaning Services of Exhaust Gases.
- (²⁷) Corresponds to parts of Nature and Landscape Protection Services.
- (²⁸) Catering in air transport services is to be found in SERVICES AUXILARY TO TRANSPORT SERVICES under 12.D.a) Groundhandling services.
- (²⁹) Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this schedule does not include national cabotage transport, which is assumed to cover transportation of passengers or goods between a port or point located in a Member State of the European Union and another port or point located in the same Member State, including on its continental shelf as provided in the UN Convention on the Law of the Sea, and traffic originating and terminating in the same port or point located in a Member State of the European Union.
- (³⁰) Includes feeder services and movement of equipment by international maritime transport suppliers between ports located in same State when no revenue is involved.
- (³¹) Part of CPC 71235, which is to be found in COMMUNICATION SERVICES under 2.A. Postal and courier services.
- (³²) Pipeline transportation of fuels is to be found in ENERGY SERVICES under 13.B
- (³³) Does not include maintenance and repair services of transport equipment, which are to be found in BUSINESS SERVICES under 1.F.l) 1 to 1.F.l) 4.
- (³⁴) ‘Equivalent treatment’ implies non-discriminatory treatment of Union air carriers and CRS services suppliers of the Union.
- (³⁵) Services auxiliary to pipeline transportation of fuels are to be found in ENERGY SERVICES under 13.C
- (³⁶) Includes the following service rendered on a fee or contract basis: advisory and consulting services relating to mining, on land site preparation, on land rig installation, drilling, drilling bits services, casing and tubular services, mud engineering and supply, solids control, fishing and down-hole special operations, wellsite geology and drilling control, core taking, well testing, wireline services, supply and operation of completion fluids (brines) supply and installation of completion devices, cementing (pressure pumping), stimulation services (fracturing, acidising and pressure pumping), workover and well repair services, plugging and abandoning of wells.
- (³⁷) Therapeutical massages and thermal cure services are to be found under 1.A.h) Medical services, 1.A.j) 2 Services provided by nurses, physiotherapists and para-medical personnel and health services (8.A and 8 C).

ANNEX XIV-C

LIST OF RESERVATIONS ON KEY PERSONNEL, GRADUATE TRAINEES AND BUSINESS SELLERS (UNION)

1. The list of reservations below indicates the economic activities liberalised pursuant to Sections 2 and 3 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV

(Trade and Trade-related Matters) of this Agreement for which limitations on key personnel and graduate trainees in accordance with Article 89 of this Agreement and on business sellers in accordance with Article 90 of this Agreement apply and it specifies such limitations. That list is composed of the following elements:

- (a) the first column indicating the sector or sub-sector in which limitations apply; and
- (b) the second column describing the applicable limitations.

When the column referred to under (b) includes only Member State-specific reservations, Member States not mentioned therein undertake commitments in the sector concerned without reservations (the absence of Member State-specific reservations in a given sector is without prejudice to horizontal reservations or to sectoral Union-broad reservations that may apply).

The Union does not undertake any commitment for key personnel, graduate trainees and business sellers in economic activities which are not liberalised (remain unbound) pursuant to Sections 2 and 3 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV (Trade and Trade-related Matters) of this Agreement.

2. In identifying individual sectors and sub-sectors:

- (a) 'CPC' means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N^o 77, CPC prov, 1991; and
- (b) 'CPC ver. 1.0' means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N^o 77, CPC ver 1.0, 1998.

3. Commitments on key personnel, graduate trainees, business service sellers and sellers of goods do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.

4. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a limitation within the meaning of Article 89 and Article 90 of this Agreement. Those measures (e.g. need to obtain a license, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and need to have a legal domicile in the territory where the economic activity is performed), even if not listed below, apply in any case to key personnel, graduate trainees and business sellers of Georgia.

5. All other requirements of the laws and regulations of the EU and its Member States regarding entry, stay, work and social security measures shall continue to apply, including regulations concerning period of stay, minimum wages as well as collective wage agreements.

6. In accordance with Article 76(3) of this Agreement, the list below does not include measures

7. The list below is without prejudice to the existence of public monopolies and exclusive rights as described in the list of commitments on establishment.
8. In the sectors where economic needs tests are applied, their main criteria will be the assessment of the relevant market situation in the Member State or the region where the service is to be provided, including with respect to the number of, and the impact on, existing
9. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Sector or sub-sector	Description of reservations
ALL SECTORS	<p>Scope of intracorporate transferees</p> <p>BG: The number of intracorporate transferees is not to exceed 10 percent of the average annual number of the citizens of the EU employed by the respective Bulgarian juridical person. Where less than 100 persons are employed, the number of intracorporate transferees may, subject to authorisation, exceed 10 percent of that of the total employees.</p> <p>HU: Unbound for a natural person who has been a partner in a juridical person of Georgia.</p>
ALL SECTORS	<p>Graduate trainees</p> <p>For AT, CZ, DE, ES, FR and HU: Training must be linked to the university degree which has been obtained.</p> <p>BG and HU: Economic needs tests are required for graduate trainees (1).</p>
ALL SECTORS	<p>Managing directors and auditors</p> <p>AT: Managing directors of branches of juridical persons have to be resident in Austria. Natural persons within a juridical person or a branch responsible for the observance of the Austrian Trade Act must have a domicile in Austria.</p> <p>FI: A foreigner carrying on trade as a private entrepreneur needs a trade permit and has to be permanently resident in the EEA. For all sectors, EEA residency requirements apply for the managing director; however exemptions may be granted to certain companies.</p> <p>FR: The managing director of an industrial, commercial or artisanal activity, if not a holder of a residency</p>

	<p>permit, needs a specific authorisation.</p> <p>RO: The majority of the commercial companies' auditors and their deputies shall be Romanian citizens.</p> <p>SE: The managing director of a juridical person or a branch shall reside in Sweden.</p>
ALL SECTORS	<p>Recognition</p> <p>EU: EU directives on mutual recognition of diplomas only apply to the citizens of the EU. The right to practise a regulated professional service in one Member State of the EU does not grant the right to practise in another Member State ⁽²⁾.</p>
6. BUSINESS SERVICES	
A. Professional Services	
<p>a) Legal Services</p> <p>(CPC 861) ⁽³⁾</p> <p>excluding legal advisory and legal documentations and certification services provided by legal professionals entrusted with public functions, such as notaries, 'huissiers de justice' or other 'officiers publics et ministériels.'</p>	<p>AT, CY, ES, EL, LT, MT, RO and SK: Full admission to the Bar, required for the practice of domestic (EU and Member State) law, is subject to a nationality condition. For ES: The competent authorities may grant waivers.</p> <p>BE, FI: Full admission to the Bar, required for legal representation services, is subject to a nationality condition, coupled with a residency requirement. In BE quotas apply for representation before the 'Cour de cassation' in non-criminal cases.</p> <p>BG: Georgian lawyers can only provide legal representation services of a Georgian national and subject to reciprocity and cooperation with a Bulgarian lawyer. For legal mediation services, permanent residency is required.</p> <p>FR: Lawyers' access to the profession of 'avocat auprès de la Cour de Cassation' and 'avocat auprès du Conseil d'Etat' is subject to quotas and to a nationality condition.</p>
	<p>HR: Full admission to the Bar, required for legal representation services, is subject to a nationality condition (Croatian citizenship and citizenship of an EU Member State).</p> <p>HU: Full admission to the Bar is subject to a nationality condition, coupled with a residency requirement. For foreign lawyers the scope of legal activities is limited</p>

	<p>to the provision of legal advice, which shall take place on the basis of a collaboration contract concluded with a Hungarian attorney or a law firm.</p> <p>LV: Nationality requirement for sworn solicitors, to whom legal representation in criminal proceedings is reserved.</p> <p>DK: Marketing of legal advice services is restricted to lawyers with a Danish license to practice. Requirement of a Danish legal examination in order to obtain a Danish licence.</p> <p>LU: Nationality condition for the supply of legal services in respect of Luxembourg and EU law.</p> <p>SE: Admission to the Bar, necessary only for the use of the Swedish title 'advokat', is subject to a residency requirement.</p>
<p>b) Accounting and Bookkeeping 1. Services (CPC 86212 other than 'auditing services', CPC 86213, CPC 86219 and CPC 86220)</p>	<p>FR: Provision of accounting and bookkeeping services is conditional on a decision of the Minister of Economics, Finance and Industry, in agreement with the Minister of Foreign Affairs. The requirement of residency cannot exceed five years.</p> <p>IT: Residency requirement.</p>
<p>b) 2. Auditing services (CPC 86211 and 86212 other than accounting services)</p>	<p>AT: Nationality condition for representation before competent authorities and for performing audits provided for in specific Austrian laws (e.g. joint stock companies law, stock exchange law, banking law etc.).</p> <p>DK: Residency requirement.</p> <p>ES: Nationality condition for statutory auditors and for administrators, directors and partners of companies other than those covered by the 8th EEC directive on company law.</p> <p>FI: Residency requirement for at least one of the auditors of a Finnish Liability company.</p> <p>EL: Nationality condition for statutory auditors.</p> <p>HR: Only certified auditors holding a licence formally recognised by the Croatian Chamber of Auditors can provide auditing services.</p> <p>IT: Residency requirement for individual auditors.</p> <p>SE: Only auditors approved in Sweden may perform legal auditing services in certain legal entities, inter alia in all limited companies. Residency required for</p>

	approval.
c) Taxation Advisory Services (CPC 863) ⁽⁴⁾	AT: Nationality condition for representation before competent authorities. BG and SI: Nationality condition for specialists. HU: Residency requirement.
d) Architectural services and e) Urban planning and landscape architectural services (CPC 8671 and CPC 8674)	EE: At least one responsible person (project manager or consultant) must be resident in Estonia. BG: Foreign specialists must have experience of at least two years in the field of construction. Nationality condition for urban planning and landscape architectural services. EL, HU and IT: Residency requirement. SK: Membership in relevant chamber is obligatory; membership in relevant foreign institutions may be recognised. Residency requirement, however exceptions might be considered
f) Engineering services and g) Integrated engineering services (CPC 8672 and CPC 8673)	EE: At least one responsible person (project manager or consultant) must be resident in Estonia. BG: Foreign specialists must have experience of at least two years in the field of construction. HR, IT and SK: Residency requirement. EL and HU: Residency requirement (For CPC 8673 a residency requirement only applies to Graduate Trainees).
h) Medical (including psychologists) and Dental services (CPC 9312 and part of CPC 85201)	CZ, IT and SK: Residency requirement. CZ, RO and SK: Authorisation by the competent authorities required for foreign natural persons. BE and LU: For graduate trainees, authorisation by the competent authorities required for foreign natural persons. BG, MT: Nationality condition. DK: Limited authorisation to fulfil a specific function can be given for up to 18 months and requires residency. FR: Nationality condition. However, access is possible within annually established quotas. HR: All persons providing services directly to patients/treating patients need a licence from the

	<p>professional chamber.</p> <p>LV: Practice of medical profession by foreigners requires the permission from local health authorities, based on economic needs for medical doctors and dentists in a given region.</p> <p>PL: Practice of medical profession by foreigners requires the permission. Foreign medical doctors have limited election rights within the professional chambers.</p> <p>PT: Residency requirement for psychologists.</p>
<p>i) Veterinary services (CPC 932)</p>	<p>BG, DE, EL, FR, HR and HU: Nationality condition.</p> <p>CZ and SK: Nationality Requirement and residency requirement.</p> <p>IT: Residency requirement.</p> <p>PL: Nationality requirement. Foreign persons may apply for permission to practice.</p>
<p>j) 1. Midwives services (part of CPC 93191)</p>	<p>AT: In order to establish a professional practice in Austria, the person concerned must have practised the profession in question for at least three years preceding the setting up of that professional practice.</p> <p>BE and LU: For graduate trainees, authorisation by the competent authorities required for foreign natural persons.</p> <p>CY, EE, RO and SK: Authorisation by the competent authorities required for foreign natural persons.</p> <p>FR: Nationality condition. However, access is possible within annually established quotas.</p> <p>HR: All persons providing services directly to patients/treating patients need a licence from the professional chamber.</p> <p>HU: Unbound.</p> <p>IT: Residency requirement.</p> <p>LV: Subject to economic needs, determined by the total number of midwives in the given region, authorised by local health authorities.</p> <p>PL: Nationality condition. Foreign persons may apply for permission to practice.</p>
<p>j) Services provided by Nurses, 2. Physiotherapists and Paramedical</p>	<p>AT: Foreign services suppliers are only allowed in the following activities: nurses, physiotherapists,</p>

<p>Personnel (part of CPC 93191)</p>	<p>occupational therapists, logotherapists, dieticians and nutritionists. In order to establish a professional practice in Austria, the person concerned must have practised the profession in question for at least three years preceding the setting up of that professional practice.</p> <p>BE, FR and LU: For graduate trainees, authorisation by the competent authorities required for foreign natural persons.</p> <p>CY, CZ, EE, RO and SK: Authorisation by the competent authorities required for foreign natural persons.</p> <p>HR: All persons providing services directly to patients/treating patients need a licence from the professional chamber.</p> <p>HU: A nationality condition.</p> <p>DK: Limited authorisation to fulfil a specific function can be given for up to 18 months and requires residency.</p> <p>CY, CZ, EL and IT: Subject to an economic needs test: decision is subject to regional vacancies and shortages.</p> <p>LV: Subject to economic needs determined by the total number of nurses in the given region, authorised by local health authorities.</p>
<p>k) Retail sales of pharmaceuticals and retail sales of medical and orthopaedical goods (CPC 63211) and other services supplied by pharmacists ⁽⁵⁾</p>	<p>FR: Nationality condition. However, within established quotas, access for Georgian nationals is possible provided the service provider holds a French degree in pharmacy.</p> <p>DE, EL and SK: A nationality condition.</p> <p>HU: Nationality condition except for retail sales of pharmaceuticals and retail sales of medical and orthopaedical goods (CPC 63211).</p> <p>IT and PT: Residency requirement.</p>
<p>D. Real Estate Services ⁽⁶⁾</p>	
<p>a) Involving Own or Leased Property (CPC 821)</p>	<p>FR, HU, IT and PT: Residency requirement.</p> <p>LV, MT and SI: Nationality condition.</p>
<p>b) On a Fee or Contract Basis</p>	<p>DK: Residency requirement unless waived by the Danish Commerce and Companies Agency.</p>

(CPC 822)	FR, HU, IT and PT: Residency requirement. LV, MT and SI: Nationality condition.
E. Rental/Leasing Services without Operators	
e) Relating to personal and household goods (CPC 832)	EU: Nationality condition for specialists and for graduate trainees.
f) Telecommunications equipment rental (CPC 7541)	EU: Nationality condition for specialists and for graduate trainees.
F. Other Business Services	
e) Technical Testing and Analysis Services (CPC 8676)	IT and PT: Residence requirements for biologists and chemical analysts.
f) Advisory and Consulting services incidental to Agriculture, Hunting and Forestry (part of CPC 881)	IT: Residence requirements for agronomists and 'periti agrari.'
j) 2. Security Services (CPC 87302, CPC 87303, CPC 87304 and CPC 87305)	BE: Nationality condition and a residence requirement for management personnel. BG, CY, CZ, EE, LV, LT, MT, PL, RO, SI and SK: Nationality condition and a residence requirement. DK: Nationality condition and a residence requirement for managers and for airport guard services. ES and PT: Nationality condition for specialized personnel. FR: Nationality condition for managing directors and directors. IT: Italian or EU nationality condition and a residence requirement in order to obtain necessary authorisation for security guard services and the transport of valuables.
k) Related Scientific and Technical Consulting Services	BG: Nationality condition for specialists. DE: Nationality condition for publicly appointed surveyors.

(CPC 8675)	FR: Nationality condition for 'surveying' operations relating to the establishment of property rights and to land law. IT and PT: Residency requirement.
l) 1. Maintenance and repair of vessels (part of CPC 8868)	MT: Nationality condition.
l) Maintenance and Repair of Rail 2. Transport Equipment (part of CPC 8868)	LV: Nationality condition.
l) Maintenance and Repair of motor 3. vehicles, motorcycles, snowmobiles and road transport Equipment (CPC 6112, CPC 6122, part of CPC 8867 and part of CPC 8868)	EU: For maintenance and repair of motor vehicles, motorcycles and snowmobiles, nationality condition for specialists and for graduate trainees.
l) Maintenance and Repair services of 5. metal products, of (non office) machinery, of (non transport and non office) equipment and of personal and household goods (7) (CPC 633, CPC 7545, CPC 8861, CPC 8862, CPC 8864, CPC 8865 and CPC 8866)	EU: Nationality condition for specialists and for graduate trainee, except for: BE, DE, DK, ES, FR, EL, HU, IE, IT, LU, MT, NL, PL, PT, RO, SE and UK for CPC 633, 8861, 8866; BG for repair services of personal and household goods (excl. Jewellery): CPC 63301, CPC 63302, part of CPC 63303, CPC 63304 and CPC 63309; AT for CPC 633, CPC 8861 to CPC 8866; EE, FI, LV and LT for CPC 633, CPC 8861 to CPC 8866; CZ and SK for CPC 633, CPC 8861 to CPC 8865; and SI for CPC 633, CPC 8861 and CPC 8866.
m) Building–Cleaning Services (CPC 874)	CY, EE, HR, MT, PL, RO and SI: Nationality condition for specialists.
n) Photographic Services (CPC 875)	HR and LV: Nationality condition for specialty photography services. PL: Nationality condition for the supply of aerial photographic services.
p) Printing and Publishing (CPC 88442)	HR: Residency requirement for publishers. SE: Residency requirement for publishers and owners of publishing and printing companies. IT: Owners of publishing and printing company and

	publishers must be citizens of a EU Member State.
q) Convention Services (part of CPC 87909)	SI: Nationality condition.
r) Translation and Interpretation 1. Services (CPC 87905)	FI: Residence requirement for certified translators. DK: Residence requirement for authorised public translators and interpreters, unless waived by the Danish Commerce and Companies Agency.
r) 3. Collection Agency Services (CPC 87902)	BE and EL: Nationality condition. IT: Unbound.
r) 4. Credit reporting services (CPC 87901)	BE and EL: Nationality condition. IT: Unbound.
r) 5. Duplicating services (CPC 87904) ⁽⁹⁾	EU: Nationality condition for specialists and for graduate trainees.
8. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, CPC 512, CPC 513, CPC 514, CPC 515, CPC 516, CPC 517 and CPC 518)	BG: Foreign specialists must have experience of at least two years in the field of construction.
9. DISTRIBUTION SERVICES (excluding distribution of arms, munitions and war material)	
C. Retailing Services ⁽⁹⁾	
c) Food retailing services (CPC 631)	FR: Nationality condition for tobacconists (i.e. buraliste).
10. EDUCATIONAL SERVICES (only privately funded services)	
A. Primary Education Services (CPC 921)	FR: Nationality condition. However, Georgian nationals may obtain authorisation from the competent authorities to establish and direct an education institution, and to teach. IT: Nationality condition for service providers who are authorised to issue State-recognised diplomas.

	EL: Nationality condition for teachers.
B. Secondary Education Services (CPC 922)	FR: Nationality condition. However, Georgian nationals may obtain authorisation from the competent authorities to establish and direct an education institution, and to teach. IT: Nationality condition for service providers who are authorised to issue State-recognised diplomas. EL: Nationality condition for teachers. LV: Nationality condition for technical and vocational secondary school-type education services for handicapped students (CPC 9224).
C. Higher Education Services (CPC 923)	FR: Nationality condition. However, Georgian nationals may obtain authorisation from the competent authorities to establish and direct an education institution and to teach. CZ and SK: Nationality condition for higher education services, except for post-secondary technical and vocational education services (CPC 92310). IT: Nationality condition for service providers who are authorised to issue State-recognised diplomas. DK: Nationality condition for professors.
12. FINANCIAL SERVICES	
A. Insurance and insurance-related services	AT: The management of a branch office must consist of two natural persons resident in Austria. EE: For direct insurance, the management body of an insurance joint-stock company with Georgian capital participation may include Georgian nationals only in proportion to the Georgian participation and in any event not more than half of the members of the management body. The head of the management of a subsidiary or an independent company must permanently reside in Estonia. ES: Residency requirement for the actuarial profession (or alternatively two years of experience) FI: The managing directors and at least one auditor of an insurance company shall have their place of residence in the EU, unless the competent authorities have granted an exemption. The general agent of a Georgian insurance company shall have his place of

	<p>residence in Finland, unless the company has its head office in the EU.</p> <p>HR: Residency requirement.</p> <p>IT: Residency requirement for the actuarial profession.</p>
<p>B. Banking and other financial services (excluding insurance)</p>	<p>BG: Permanent residence in Bulgaria is required for the executive directors and the managerial agent.</p> <p>FI: A managing director and at least one auditor of credit institutions shall have their place of residence in the EU, unless the Financial Supervision Authority has granted an exemption.</p> <p>HR: Residency requirement. The management board shall direct the business of a credit institution from the territory of the Republic of Croatia. At least one management board member must be fluent in the Croatian language.</p> <p>IT: Condition of residency within the territory of a Member State of the EU for 'promotori di servizi finanziari' (financial salesmen).</p> <p>LT: At least one head of a bank's administration must permanently reside in the Republic of Lithuania.</p> <p>PL: Nationality requirement for at least one of the bank executives.</p>
<p>13. HEALTH SERVICES AND SOCIAL SERVICES</p> <p>(only privately funded services)</p>	
<p>A. Hospital Services (CPC 9311)</p> <p>B. Ambulance Services (CPC 93192)</p> <p>C. Residential health facilities other than hospital services (CPC 93193)</p> <p>E. Social Services (CPC 933)</p>	<p>FR: Authorisation is necessary for the access to management functions. The availability of local managers is taken into consideration for the authorisation.</p> <p>HR: all persons providing services directly to patients/treating patients need a licence from the professional chamber.</p> <p>LV: Economic needs tests for doctors, dentists, midwives, nurses, physiotherapists and para-medical personnel.</p> <p>PL: Practice of medical profession by foreigners requires permission. Foreign medical doctors have limited election rights within the professional chambers.</p>

14. TOURISM AND TRAVEL RELATED SERVICES	
A. Hotel, Restaurants and Catering (CPC 641, CPC 642 and CPC 643) excluding catering in air transport services ⁽¹⁰⁾	BG: The number of foreign managers is not to exceed the number of managers who are Bulgarian citizens, in cases where the public (state and/or municipal) share in the equity capital of a Bulgarian company exceeds 50 per cent. HR: Nationality requirement for hospitality and catering services in households and rural homesteads.
B. Travel Agencies and Tour Operators Services (including tour managers) (CPC 7471)	BG: The number of foreign managers is not to exceed the number of managers who are Bulgarian citizens, in cases where the public (state and/or municipal) share in the equity capital of a Bulgarian company exceeds 50 per cent. HR: Approval of the Ministry of Tourism for office manager position.
C. Tourist Guides Services (CPC 7472)	BG, CY, ES, FR, EL, HR, HU, LT, MT, PL, PT and SK: Nationality condition. IT: Tourist guides from non-EU countries need to obtain a specific licence.
15. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audio-visual services)	
A. Entertainment Services (including Theatre, Live Bands, Circus and Discotheque Services) (CPC 9619)	FR: Authorisation is necessary for the access to management functions. The authorisation is subject to a nationality condition when authorisation for more than two years is required.
16. TRANSPORT SERVICES	
A. Maritime transport	
a) International passenger transportation (CPC 7211 less national cabotage transport). b) International freight transportation (CPC 7212 less national cabotage transport)	EU: Nationality condition for ships' crew. AT: Nationality condition for the majority of managing directors.

D. Road Transport	
a) Passenger Transportation (CPC 7121 and CPC 7122)	AT: Nationality condition for persons and shareholders entitled to represent a juridical person or a partnership. DK, HR: Nationality condition and residence requirement for managers. BG, MT: Nationality condition.
b) Freight Transportation (CPC 7123, excluding transportation of postal and courier items on own account ⁽¹¹⁾).	AT: Nationality condition for persons and shareholders entitled to represent a juridical person or a partnership. BG and MT: Nationality condition. HR: Nationality condition and residency requirement for managers.
E. Pipeline transport of goods other than fuel ⁽¹²⁾ (CPC 7139)	AT: Nationality condition for managing directors.
17. SERVICES AUXILIARY TO TRANSPORT ⁽¹³⁾	
A. Services auxiliary to Maritime Transport a) Maritime Cargo Handling Services b) Storage and warehousing Services (part of CPC 742) c) Customs Clearance Services d) Container Station and Depot Services e) Maritime Agency Services f) Maritime Freight Forwarding Services g) Rental of Vessels with Crew (CPC 7213) h) Pushing and towing services (CPC 7214)	AT: Nationality condition for the majority of managing directors. BG and MT: Nationality condition. DK: Requirement of residence for customs clearance services. EL: Nationality condition for customs clearance services.

<p>i) Supporting services for maritime transport (part of CPC 745)</p> <p>j) Other supporting and auxiliary services (excluding catering) (part of CPC 749)</p>	
<p>D. Services auxiliary to road transport</p> <p>d) Rental of Commercial Road Vehicles with Operators (CPC 7124)</p>	<p>AT: Nationality condition for persons and shareholders entitled to represent a juridical person or a partnership.</p> <p>BG and MT: Nationality condition.</p>
<p>F. Services auxiliary to pipeline transport of goods other than fuel ⁽¹⁴⁾</p> <p>a) Storage and warehouse services of goods other than fuel transported by pipelines (part of CPC 742)</p>	<p>AT: Nationality condition for managing directors.</p>
<p>19. ENERGY SERVICES</p>	
<p>A. Services Incidental to Mining (CPC 883) ⁽¹⁵⁾</p>	<p>SK: Residency requirement.</p>
<p>20. OTHER SERVICES NOT INCLUDED ELSEWHERE</p>	
<p>a) Washing, Cleaning and Dyeing services (CPC 9701)</p>	<p>EU: Nationality condition for specialists and for graduate trainees.</p>
<p>b) Hairdressing services (CPC 97021)</p>	<p>EU: Nationality condition for specialists and for graduate trainees.</p>
<p>c) Cosmetic treatment, manicuring and pedicuring services (CPC 97022)</p>	<p>EU: Nationality condition for specialists and for graduate trainees.</p>
<p>d) Other beauty treatment services n.e.c</p>	<p>EU: Nationality condition for specialists and for</p>

(CPC 97029)	graduate trainees.
e) Spa services and non therapeutical massages, to the extent that they are provided as relaxation physical well-being services and not for medical or rehabilitation purposes ⁽¹⁶⁾	EU: Nationality condition for specialists and for graduate trainees.
(CPC ver. 1.0 97230)	

⁽¹⁾ As regards services sectors, these limitations do not go beyond the limitations reflected in the existing GATS commitments.

⁽²⁾ In order for non-EU country nationals to obtain EU-wide recognition of their qualifications, a mutual recognition agreement, negotiated within the framework defined in Article 96 of this Agreement, is necessary.

⁽³⁾ Includes legal advisory services, legal representational services, legal arbitration and conciliation/mediation services, and legal documentation and certification services. Provision of legal services is only authorised in respect of public international law, EU law and the law of any jurisdiction where the service supplier or its personnel is qualified to practice as a lawyer, and, like the provision of other services, is subject to licensing requirements and procedures applicable in the Member States of the EU. For lawyers providing legal services in respect of public international law and foreign law, these licensing requirements and procedures may take, inter alia, the form of compliance with local codes of ethics, use of home title (unless recognition with the host title has been obtained), insurance requirements, simple registration with the host country Bar or a simplified admission to the host country Bar through an aptitude test and a legal or professional domicile in the host country. Legal services in respect of EU law shall in principle be carried out by or through a fully qualified lawyer admitted to the Bar in a Member State of the EU acting personally, and legal services in respect of the law of a Member State of the EU shall in principle be carried out by or through a fully qualified lawyer admitted to the Bar in that Member State acting personally. Full admission to the Bar in the relevant Member State of the EU might therefore be necessary for representation before courts and other competent authorities in the Union since it involves practice of EU and national procedural law. However, in some Member States, foreign lawyers not fully admitted to the Bar are allowed to represent in civil proceedings a party being a national of or belonging to the State in which the lawyer is entitled to practice.

⁽⁴⁾ Does not include legal advisory and legal representational services on tax matters, which are to be found under 6.A.a) Legal Services.

⁽⁵⁾ The supply of pharmaceuticals to the general public, like the provision of other services, is subject to licensing and qualification requirements and procedures applicable in the Member States. As a general rule, this activity is reserved to pharmacists. In some Member States, only the supply of prescription drugs is reserved to pharmacists.

⁽⁶⁾ The service involved relates to the profession of real estate agent and does not affect any rights and/or restrictions on natural and juridical persons purchasing real estate.

(7) Maintenance and repair services of transport equipment (CPC 6112, CPC 6122, CPC 8867 and CPC 8868) are to be found under 6.F. l) 1. to 6.F.l) 4.

Maintenance and repair services of office machinery and equipment including computers (CPC 845) are to be found under 6.B. Computer and Related Services.

(8) Does not include printing services, which fall under CPC 88442 and are to be found under 6.F. p).

(9) Does not include maintenance and repair services, which are to be found in BUSINESS SERVICES under 6.B. and 6.F.l).

(10) Catering in air transport services is to be found in SERVICES AUXILARY TO TRANSPORT under 17.E.a) Ground-handling services.

(11) Part of CPC 71235, which is to be found in COMMUNICATION SERVICES under 7.A. Postal and Courier Services.

(12) Pipeline transportation of fuels is to be found in ENERGY SERVICES under 19.B.

(13) Does not include maintenance and repair services of transport equipment, which are to be found in BUSINESS SERVICES under 6.F.l) 1. to 6.F.l) 4.

(14) Services auxiliary to pipeline transportation of fuels are to be found in ENERGY SERVICES under 19.C.

(15) Includes the following service rendered on a fee or contract basis: advisory and consulting services relating to mining, on-land site preparation, on-land rig installation, drilling, drilling bits services, casing and tubular services, mud engineering and supply, solids control, fishing and downhole special operations, wellsite geology and drilling control, core taking, well testing, wireline services, supply and operation of completion fluids (brines) supply and installation of completion devices, cementing (pressure pumping), stimulation services (fracturing, acidising and pressure pumping), workover and well repair services, plugging and abandoning of wells.

Does not include direct access to or exploitation of natural resources.

Does not include site preparation work for mining of resources other than oil and gas (CPC 5115), which is to be found under 8. CONSTRUCTION AND RELATED ENGINEERING SERVICES.

(16) Therapeutical massages and thermal cure services are to be found under 6.A.h) Medical and Dental services, 6.A.j) 2. Services provided by Nurses, Physiotherapists and Paramedical personnel, and health services (13.A and 13.C).

ANNEX XIV-D

LIST OF RESERVATIONS ON CONTRACTUAL SERVICES SUPPLIERS AND INDEPENDENT PROFESSIONALS (UNION)

1. The Parties shall allow the supply of services into their territories by contractual service suppliers and independent professionals of the other Party through the presence of natural persons, in accordance with Articles 91 and 92 of this Agreement, for the economic activities which are listed below, and subject to the relevant limitations.

2. The list is composed of the following elements:

(a) the first column indicating the sector or sub-sector in which limitations apply and

(b) the second column describing the applicable limitations.

The Union does not undertake any commitment for contractual service suppliers and independent professionals for any sector of economic activity other than those which are explicitly listed below.

3. In identifying individual sectors and sub-sectors:

(a) 'CPC' means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC prov, 1991; and

(b) 'CPC ver. 1.0' means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC ver 1.0, 1998.

4. Commitments for contractual service suppliers and independent professionals do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.

5. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a limitation within the meaning of Articles 91 and 92 of this Agreement. Those measures (e.g. need to obtain a license, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and need to have a legal domicile in the territory where the economic activity is performed), even if not listed below, apply in any case to contractual service suppliers and independent professionals of Georgia.

6. All other requirements of the laws and regulations of the EU and its Member States regarding entry, stay, work and social security measures shall continue to apply, including regulations concerning period of stay, minimum wages as well as collective wage agreements.

7. The list below does not include measures concerning subsidies granted by a Party.

8. The list below is without prejudice to the existence of public monopolies or exclusive rights in the relevant sectors, as set out by the Union in Annex XIV-A to this Agreement.

9. In the sectors where economic needs tests are applied, their main criteria will be the assessment of the relevant market situation in the Member State or the region where the service is to be provided, including with respect to the number of, and the impact on, existing services suppliers.

10. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

The Parties shall allow the supply of services into their territory by contractual services suppliers of the other Party through presence of natural persons, subject to the conditions

- (a) legal services in respect of public international law and foreign law (i.e. non-Union law);
- (b) accounting and bookkeeping services;
- (c) taxation advisory services;
- (d) architectural services, urban planning and landscape architectural services;
- (e) engineering services, integrated engineering services;
- (f) computer and related services;
- (g) research and development services;
- (h) advertising;
- (i) management consulting services;
- (j) services related to management consulting;
- (k) technical testing and analysis services;
- (l) related scientific and technical consulting services;
- (m) maintenance and repair of equipment in the context of an after-sales or after-lease
- (n) translation services;
- (o) site investigation work;
- (p) environmental services;
- (r) travel agencies and tour operator services;
- (s) entertainment services.

The Parties shall allow the supply of services into their territory by independent professionals of the other Party through presence of natural persons, subject to the conditions specified in Article 92 of this Agreement, in the following sub-sectors:

- (a) legal services in respect of public international law and foreign law (i.e. non-Union law);
- (b) architectural services, urban planning and landscape architecture;
- (c) engineering and integrated engineering services;
- (d) Computer and related services;
- (e) management consulting services and services related to management consulting;

(f) translation services.

Sector or sub-sector	Description of reservations
ALL SECTORS	<p>Recognition</p> <p>EU: EU directives on mutual recognition of diplomas only apply to nationals of EU Member States. The right to practice a regulated professional service in one Member State does not grant the right to practice in another Member State ⁽¹⁾.</p>
<p>Legal Advisory Services in respect of public international law and foreign law (i.e. non-EU law) (part of CPC 861) ⁽²⁾</p>	<p>AT, CY, DE, EE, IE, LU, NL, PL, PT, SE and UK: None.</p> <p>BE, ES, HR, IT and EL: Economic needs test for IP.</p> <p>LV: Economic needs test for CSS.</p> <p>BG, CZ, DK, FI, HU, LT, MT, RO, SI and SK: Economic needs tests.</p> <p>DK: Marketing of legal advice activities is restricted to lawyers with a Danish licence to practice. Requirement of a Danish legal examination in order to obtain a Danish licence.</p> <p>FR: Full (simplified) admission to the Bar through an aptitude test is required. Lawyers' access to the professions of 'avocat auprès de la Cour de cassation' et 'avocat auprès du Conseil d'Etat' is subject to quotas and to a nationality condition.</p> <p>HR: Full admission to the Bar required for legal representation services, is subject to a nationality condition.</p>
<p>Accounting and Bookkeeping Services (CPC 86212 other than 'auditing services', CPC 86213, CPC 86219 and CPC 86220)</p>	<p>BE, CY, DE, EE, ES, IE, IT, LU, NL, PL, PT, SI, SE and UK: None.</p> <p>AT: The employer must be a member of the relevant professional body in the home country where such body exists.</p> <p>FR: Authorisation requirement. Provision of accounting and bookkeeping services is conditional on a decision of the Minister of Economics, Finance and Industry, in agreement with the Minister of Foreign Affairs.</p> <p>BG, CZ, DK, EL, FI, HU, LT, LV, MT, RO and SK: Economic needs test.</p> <p>HR: Residency requirement.</p>
<p>Taxation Advisory Services (CPC 863) ⁽³⁾</p>	<p>BE, DE, EE, ES, FR, IE, IT, LU, NL, PL, SI, SE and UK: None.</p> <p>AT: The employer must be a member of the relevant professional body in the home country where such body exists; nationality condition for representation before competent authorities.</p> <p>BG, CZ, DK, EL, FI, HU, LT, LV, MT, RO and SK: Economic needs test.</p> <p>CY: Unbound for the submission of tax returns.</p>

	<p>PT: Unbound.</p> <p>HR, HU: Residence requirement.</p>
<p>Architectural services and Urban planning and landscape architectural services (CPC 8671 and CPC 8674)</p>	<p>EE, EL, FR, IE, LU, MT, NL, PL, PT, SI, SE and UK: None.</p> <p>BE, ES, HR, IT: Economic needs test for IP.</p> <p>LV: Economic needs test for CSS.</p> <p>FI: The natural person must demonstrate that (s)he possesses special knowledge relevant to the service being supplied.</p> <p>BG, CY, CZ, DE, FI, HU, LT, RO and SK: Economic needs test.</p> <p>AT: Planning services only, where: Economic needs test.</p> <p>HR, HU and SK: Residence requirement.</p>
<p>Engineering services and Integrated engineering services (CPC 8672 and CPC 8673)</p>	<p>EE, EL, FR, IE, LU, MT, NL, PL, PT, SI, SE and UK: None.</p> <p>BE, ES, HR and IT: Economic needs test for IP.</p> <p>LV: Economic needs test for CSS.</p> <p>FI: The natural person must demonstrate that (s)he possesses special knowledge relevant to the service being supplied.</p> <p>BG, CY, CZ, DE, FI, HU, LT, RO and SK: Economic needs test.</p> <p>AT: Planning services only, where: Economic needs test.</p> <p>HR and HU: Residence requirement.</p>
<p>Computer and Related Services (CPC 84)</p>	<p>EE, EL, FR, IE, LU, MT, NL, PL, PT, SI and SE: None.</p> <p>ES and IT: Economic needs test for IP.</p> <p>LV: Economic needs test for CSS.</p> <p>BE: Economic needs test for IP.</p> <p>AT, DE, BG, CY, CZ, FI, HU, LT, RO, SK and UK: Economic needs test.</p> <p>HR: Residency requirement for CSS. Unbound for IP.</p>
<p>Research and Development Services (CPC 851, 852 excluding psychologists services ⁽⁴⁾, 853)</p>	<p>EU, except BE: A hosting agreement with an approved research organisation is required ⁽⁵⁾.</p> <p>CZ, DK and SK: Economic needs test.</p> <p>BE and UK: Unbound.</p> <p>HR: Residency requirement.</p>
<p>Advertising (CPC 871)</p>	<p>BE, CY, DE, EE, ES, FR, HR, IE, IT, LU, NL, PL, PT, SI, SE and UK: None.</p> <p>AT, BG, CZ, DK, FI, HU, LT, LV, MT, RO and SK: Economic needs test.</p>
<p>Management Consulting Services</p>	<p>DE, EE, EL, FR, IE, LV, LU, MT, NL, PL, PT, SI, SE, UK: None.</p>

(CPC 865)	ES and IT: Economic needs test for IP. BE and HR: Economic needs test for IP. AT, BG, CY, CZ, FI, HU, LT, RO and SK: Economic needs test.
Services Related to Management Consulting (CPC 866)	DE, EE, EL, FR, IE, LV, LU, MT, NL, PL, PT, SI, SE and UK: None. BE, ES, HR and IT: Economic needs test for IP. AT, BG, CY, CZ, DK, FI, LT, RO and SK: Economic needs test. HU: Economic needs test, except for arbitration and conciliation services (CPC 86602), where: Unbound.
Technical Testing and Analysis Services (CPC 8676)	BE, DE, EE, EL, ES, FR, HR, IE, IT, LU, NL, PL, SI, SE, UK: None. AT, BG, CY, CZ, FI, HU, LT, LV, MT, PT, RO, SK: Economic needs test.
Related Scientific and Technical Consulting Services (CPC 8675)	BE, EE, EL, ES, HR, IE, IT, LU, NL, PL, SI, SE and UK: None. AT, CY, CZ, DE, DK, FI, HU, LT, LV, MT, PT, RO and SK: Economic needs test. DE: Unbound for publicly appointed surveyors. FR: Unbound for 'surveying' operations relating to the establishment of property rights and to land law where unbound. BG: Unbound.
Maintenance and repair of vessels (part of CPC 8868)	BE, CY, EE, EL, ES, FR, HR, IT, LV, LU, NL, PL, PT, SI and SE: None. AT, BG, CZ, DE, DK, FI, HU, IE, LT, MT, RO and SK: Economic needs test. UK: Unbound.
Maintenance and repair of rail transport equipment (part of CPC 8868)	BE, CY, EE, EL, ES, FR, HR, IT, LV, LU, MT, NL, PL, PT, SI and SE: None. AT, BG, CZ, DE, DK, FI, HU, IE, LT, RO and SK: Economic needs test. UK: Unbound.
Maintenance and repair of motor vehicles, motorcycles, snowmobiles and road transport equipment (CPC 6112, CPC 6122, part of CPC 8867 and part of CPC 8868)	BE, EE, EL, ES, FR, HR, IT, LV, LU, NL, PL, PT, SI and SE: None. AT, BG, CY, CZ, DE, DK, FI, HU, IE, LT, MT, RO and SK: Economic needs test. UK: Unbound.
Maintenance and repair of aircraft and parts thereof (part of CPC 8868)	BE, CY, EE, EL, ES, FR, HR, IT, LV, LU, MT, NL, PL, PT, SI and SE: None. AT, BG, CZ, DE, DK, FI, HU, IE, LT, RO and SK: Economic needs test.

	UK: Unbound.
Maintenance and repair of metal products, of (non office) machinery, of (non transport and non office) equipment and of personal and household goods ⁽⁶⁾ (CPC 633, CPC 7545, CPC 8861, CPC 8862, CPC 8864, CPC 8865 and CPC 8866)	BE, EE, EL, ES, FR, HR, IT, LV, LU, MT, NL, PL, PT, SI, SE and UK: None. AT, BG, CY, CZ, DE, DK, FI, HU, IE, LT, RO and SK: Economic needs test.
Translation (CPC 87905, excluding official or certified activities)	DE, EE, FR, LU, MT, NL, PL, PT, SI, SE and UK: None. BE, ES, IT and EL: Economic needs test for IP. CY and LV: Economic needs test for CSS. AT, BG, CZ, DK, FI, HU, IE, LT, RO and SK: Economic needs test. HR: Unbound for IP.
Site investigation work (CPC 5111)	BE, DE, EE, EL, ES, FR, HR, IE, IT, LU, MT, NL, PL, PT, SI, SE and UK: None. AT, BG, CY, CZ, FI, HU, LT, LV, RO and SK: Economic needs test.
Environmental services (CPC 9401 ⁽⁷⁾ , CPC 9402, CPC 9403, CPC 9404 ⁽⁸⁾ , part of CPC 94060 ⁽⁹⁾ , CPC 9405, part of CPC 9406 and CPC 9409)	BE, EE, ES, FR, HR, IE, IT, LU, MT, NL, PL, PT, SI, SE and UK: None. AT, BG, CY, CZ, DE, DK, EL, FI, HU, LT, LV, RO and SK: Economic needs test.
Travel Agencies and Tour Operators Services (including tour managers ⁽¹⁰⁾) (CPC 7471)	AT, CZ, DE, EE, ES, FR, IT, LU, NL, PL, SI and SE: None. BG, EL, HU, LT, LV, MT, PT, RO and SK: Economic needs test. BE, CY, DK, FI and IE: Unbound, except for tour managers (persons whose function is to accompany a tour group of a minimum of 10 persons, without acting as guides in specific locations). HR: Residency requirement. UK: Unbound.
Entertainment Services other than audiovisual services (including Theatre, Live Bands, Circus and Discotheque Services) (CPC 9619)	BG, CZ, DE, DK, EE, EL, ES, FI, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SK and SE: Advanced qualification ⁽¹¹⁾ may be required. Economic needs test. AT: Advance qualifications and economic needs test except for persons whose main professional activity is in the field of fine arts, deriving the major part of their income from that activity and subject to the condition that such persons shall not exercise

	<p>any other commercial activity in Austria, where: None.</p> <p>CY: Economic needs test for Live Bands and Discotheque Services.</p> <p>FR: Unbound for CSS, except if:</p> <ul style="list-style-type: none"> — the work permit is delivered for a period not exceeding nine months renewable for the duration of three months <p style="padding-left: 40px;">Economic Need Test</p> <ul style="list-style-type: none"> — the entertainment enterprise must pay a tax to the Office Français de l'Immigration et de l'Intégration. <p>SI: Duration of stay limited to 7 days per event. For circus and amusement park services duration of stay is limited to a maximum of 30 days per calendar year.</p> <p>BE and UK: Unbound.</p>
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(¹) In order for third-country nationals to obtain Union-wide recognition of their qualifications, it is necessary that a Mutual Recognition Agreement be negotiated within the framework defined in Article 96 of this Agreement.

(²) Like the provision of other services, Legal Services are subject to licensing requirements and procedures applicable in Member States of the EU. For lawyers providing legal services in respect of public international law and foreign law, these may take inter alia the form of compliance with local codes of ethics, use of home title (unless recognition with the host title has been obtained) insurance requirements, simple registration with the host country Bar or a simplified admission to the host country Bar through an aptitude test and a legal or professional domicile in the host country.

(³) Does not include legal advisory and legal representational services on tax matters, which are to be found under Legal Advisory Services in respect of public international law and foreign law.

(⁴) Part of CPC 85201, which is to be found under Medical and dental services.

(⁵) For all Member States except DK, the approval of the research organisation and the hosting agreement have to meet the conditions set pursuant to Directive No 2005/71/EC of 12 October 2005 on a specific procedure for admitting third-country nationals for the purposes of scientific research.

(⁶) Maintenance and repair services of office machinery and equipment including computers (CPC 845) are to be found under Computer services.

(⁷) Corresponds to sewage services.

(⁸) Corresponds to Cleaning Services of Exhaust Gases.

(⁹) Corresponds to parts of Nature and Landscape Protection Services.

(¹⁰) Services suppliers whose function is to accompany a tour group of a minimum of 10 persons, without acting as guides in specific locations.

(¹¹) Where the qualification has not been obtained in the EU and its Member States, the Member State concerned may evaluate whether this is equivalent to the qualification required in its territory.

ANNEX XIV-E

LIST OF RESERVATIONS ON ESTABLISHMENT (GEORGIA) (¹)

1. The list below indicates the economic activities where reservations to national treatment or most favoured nation treatment by Georgia pursuant to Article 79(1) of this Agreement apply to establishments and entrepreneurs of the Union.

The list is composed of the following elements:

- (a) a list of horizontal reservations applying to all sectors or sub-sectors and
- (b) a list of sector or sub-sector specific reservations indicating the sector or sub-sector concerned along with the reservation(s) applying.

A reservation corresponding to an activity which is not liberalised (Unbound) is expressed as follows: 'No national treatment and most favoured nation treatment obligations'.

In the sectors, where reservation is not made by Georgia, country undertakes obligations of Article 79(1) of this Agreement without reservations (the absence of reservation in a given sector is without prejudice to horizontal reservations).

- 2. In accordance with Article 76(3) of this Agreement, the list below does not include measures concerning subsidies granted by the Parties.
- 3. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.
- 4. In accordance with Article 79 of this Agreement, non-discriminatory requirements, such as those concerning the legal form or the obligation to obtain licenses or permits applicable to all providers operating on the territory without distinction based on nationality, residency or
- 5. Where Georgia maintains a reservation that requires that a service supplier be a national, permanent resident or resident of its territory as a condition to the supply of a service in its territory, a reservation listed in Annex XIV-G to this Agreement shall operate as a reservation with respect to establishment under this Annex, to the extent applicable.

Horizontal Reservations

Subsidies

Eligibility for subsidies may be limited to persons established in a particular geographical sub-division of Georgia.

Privatization

An organization, in which the Government's share exceeds 25 %, has no right to participate as a buyer in privatization process (market access limitation).

At least one manager of a 'corporation with limited liability' must have his domicile in Georgia. The establishment of a branch requires a representative (natural person) with domicile in Georgia who is duly authorised by the company to fully represent it.

Real estate purchase

Unbound except for the following:

- (i) to buy non-agricultural land;
- (ii) to buy buildings needed to conduct services activities;
- (iii) leasing of agricultural land no more than 49 years, and non-agricultural land no more than 99 years;
- (iv) to buy agricultural land by joint ventures.

Sector Reservations

Fishing

No market access, national treatment and most favoured nation treatment obligations with respect to fishing. Access to Georgian waters for fish catches is granted on the basis of reciprocity.

Business Services

- No national treatment and most favoured nation treatment obligations with respect to
- No national treatment and most favoured nation treatment obligations with respect to other professional services (1,A(k)) ⁽²⁾.
- No national treatment and most favoured nation treatment obligations with respect to
- No national treatment and most favoured nation treatment obligations with respect to services incidental to manufacture of coke, refined petroleum products and nuclear fuel, on a fee or contract basis (CPC 8845).
- No national treatment and most favoured nation treatment obligations with respect to aerial

Communication Services

- No national treatment and most favoured nation treatment obligations with respect to postal

services (CPC 7511).

- No national treatment and most favoured nation treatment obligations with respect to
- No national treatment and most favoured nation treatment obligations with respect to program transmission services (CPC 7524).
- No national treatment and most favoured nation treatment obligations with respect to other communication services (2,E)*.

Construction and Related Engineering Services

Not less than 50 % of the entire staff must be Georgian citizens.

Distribution Services

No national treatment and most favoured nation treatment obligations with respect to other distribution services (4,E)*.

Educational Services

- No national treatment and most favoured nation treatment obligations with respect to publicly funded secondary education services (CPC 922).
- No national treatment and most favoured nation treatment obligations with respect to publicly funded higher education services (CPC 923).
- No national treatment and most favoured nation treatment obligations with respect to other education services (CPC 929).

Financial Services

- No national treatment and most favoured nation treatment obligations with respect to other financial services, including workers compensation (7,C)*.

Health related and Social Services

- The knowledge of Georgian language (the State language) is obligatory for doctors working in Georgia.
- No national treatment and most favoured nation treatment obligations with respect to other

Tourism and Travel related Services

No national treatment and most favoured nation treatment obligations with respect to other tourism and travel related services (9,D)*.

Recreational, Cultural and Sporting Services

No national treatment and most favoured nation treatment obligations with respect to other recreational, cultural and sporting services (10,E)*.

Transport Services

- No national treatment and most favoured nation treatment obligations with respect to passenger transportation by maritime transport (CPC 7211) and supporting services for maritime transport (part of CPC 745).
- No national treatment and most favoured nation treatment obligations with respect to air transport services, including passenger transportation (CPC 731), freight transportation (CPC 732), rental of aircraft with crew (CPC 734) and supporting services for air transport (CPC 746).
- Rail Transport Services (CPC 7111, CPC 7112 and CPC 7113) – Railroad infrastructure is the state property and its exploitation is a monopoly. None for rail transport.
- No national treatment and most favoured nation treatment obligations with respect to supporting services for rail transport services (CPC 743).
- No national treatment and most favoured nation treatment obligations with respect to road transport services, including passenger transportation (CPC 7121 and CPC 7122), rental of commercial vehicles with operator (CPC 7124) and supporting services for road transport (CPC 744). Bilateral road transport agreements on the basis of reciprocity, which allow the respective countries to carry out international transportation of passengers and cargo.
- No national treatment and most favoured nation treatment obligations with respect to goods (CPC 7139).
- No national treatment and most favoured nation treatment obligations with respect to other transport services (11,I)*.
- No national treatment and most favoured nation treatment obligations with respect to other

(¹) This document is prepared based on WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

(²) Classification of the service according to WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

ANNEX XIV-F

LIST OF COMMITMENTS ON CROSS-BORDER SUPPLY OF SERVICES (GEORGIA) (¹)

1. The list of commitments below indicates the economic activities liberalised by Georgia pursuant to Article 86 of this Agreement and, by means of reservations, the market access and national treatment limitations that apply to services and service suppliers of the Union in those activities. The lists are composed of the following elements:

- (a) a first column indicating the sector or sub-sector in which the commitment is assumed by the Party, and the scope of liberalisation to which the reservations apply, and
- (b) a second column describing the applicable reservations.

Sectors or sub-sectors not mentioned in the list below are not committed.

- 2. In identifying individual sectors and sub-sectors, 'CPC' means the Central Products Classification as set out in WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.
- 3. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a market access or a national treatment limitation within the meaning of Articles 84 and 85 of this Agreement. Those measures (e.g. need to obtain a license, universal service obligations, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, non-discriminatory requirement that certain activities may not be carried out in environmental protected zones or areas of particular historic and artistic interest), even if not listed, apply in any case to entrepreneurs of the other Party.
- 4. The list below is without prejudice to the feasibility of Mode 1 in certain services sectors and sub-sectors and without prejudice to the existence of public monopolies and exclusive rights as described in the list of commitments on establishment.
- 5. In accordance with Article 76(3) of this Agreement, the list below does not include measures concerning subsidies granted by the Parties.
- 6. The rights and obligations arising from this list of commitments shall have no self-executing
- 7. Mode 1 and Mode 2 refer to the means of the supply of services as described in points (a) and (b) of Article 77(14) of this Agreement respectively.

Horizontal reservations

Unbound for subsidies

Sector reservations

Sector or sub-sector	Description of reservations
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1.

BUSINESS SERVICES

A. Professional Services	
a) Legal services (Including consultancy on home country law and international law) (CPC 861)	For Modes 1 and 2 None
b) Accounting, auditing and bookkeeping services (CPC 862)	For Modes 1 and 2 None
c) Taxation services (CPC 863)	For Modes 1 and 2 None
d) Architectural services (CPC 8671)	For Modes 1 and 2 None
e) Engineering services (CPC 8672)	For Modes 1 and 2 None
f) Integrated engineering services (CPC 8673)	For Modes 1 and 2 None
g) Urban planning and Landscape architectural services (CPC 8674*)	For Modes 1 and 2 None
h) Medical and dental services (excluding transplants and autopsy) (CPC 9312)	For Modes 1 and 2 None
i) Veterinary services (CPC 932)	For Modes 1 and 2 None
B. Computer and Related Services	
a) Consulting services related to the installation of computer hardware (CPC 841)	For Modes 1 and 2 None
b) Software implementation services	For Modes 1 and 2 None

(CPC 842)	
c) Data processing services (CPC 843)	For Modes 1 and 2 None
d) Data base services (CPC 844)	For Modes 1 and 2 None
e) Maintenance and repair services of office machinery and equipment including computers (CPC 845)	For Modes 1 and 2 None
e) Data preparation services (CPC 849)	For Modes 1 and 2 None
C. Research and Development Services	
a) R&D services on natural sciences (CPC 851)	For Modes 1 and 2 None
b) R&D services on social sciences and humanities (CPC 852)	For Modes 1 and 2 None
c) Interdisciplinary R&D services (CPC 853)	For Modes 1 and 2 None
D. Real Estate Services	
a) Involving own or leased property (CPC 821)	For Modes 1 and 2 None
b) On a fee or contract basis (CPC 822)	For Modes 1 and 2 None
E. Rental/Leasing services without Operators	
a) Relating to ships (CPC 83103)	For Modes 1 and 2 None
b) Relating to aircraft (CPC 83104)	For Modes 1 and 2 None

c) Relating to other transport equipment (CPC 83101, CPC 83102 and CPC 83105)	For Modes 1 and 2 None
d) Relating to other machinery and equipment (CPC 83106 to CPC 83109)	For Modes 1 and 2 None
e) Leasing or rental services for videotapes or optical disks (CPC 83202)	For Modes 1 and 2 None
F) Other Business Services	
a) Advertising services (CPC 871)	For Modes 1 and 2 None
b) Market research services (CPC 864)	For Modes 1 and 2 None
c) Management consulting services (CPC 865)	For Modes 1 and 2 None
d) Services related to Management consulting (CPC 866)	For Modes 1 and 2 None
e) Technical testing and analysis services (CPC 8676)	For Modes 1 and 2 None
f) Services incidental to agriculture, hunting and forestry (CPC 88110)	For Modes 1 and 2 None
g) Services incidental to fishing (CPC 882**)	For Modes 1 and 2 None
h) Services incidental to mining (CPC 883**)	For Modes 1 and 2 None
i) Services incidental to manufacturing (CPC 885, CPC 886, CPC 8841 to CPC 8844 and CPC 8846 to CPC 8849)	For Modes 1 and 2 None
j) Services incidental to energy distribution	For Modes 1 and 2 None

(CPC 887**)	
k) Placement and supply services of personnel (CPC 87205 and CPC 87206)	For Modes 1 and 2 None
m) Scientific and technical consulting services (CPC 8675)	For Modes 1 and 2 None
p) Photographic services (CPC 875) except for aerial photography)	For Modes 1 and 2 None
q) Packaging services (CPC 876)	For Modes 1 and 2 None
r) Printing and publishing services (CPC 88442)	For Modes 1 and 2 None
s) Convention services (part of CPC 8790)	For Modes 1 and 2 None
t) Other Repair services of personal and household goods (CPC 633)	For Modes 1 and 2 None
Repair services incidental to metal products, machinery and equipment (CPC 886)	For Modes 1 and 2 None
Others business services (CPC 879 exc. 87909)	For Mode 1 Unbound For Mode 2 None

2.

COMMUNICATION SERVICES

B. Courier Services (CPC 7512)	For Modes 1 and 2 None
C. Telecommunication Services	
a) Voice telephone services	For Modes 1 and 2 None

(CPC 7521)	
c) Packet-switched data transmission services (CPC 7523*)	For Modes 1 and 2 None
c) Circuit-switched data transmission services (CPC 7523*)	For Modes 1 and 2 None
d) Telex services (CPC 7523*)	For Modes 1 and 2 None
e) Telegraph services (CPC 7522)	For Modes 1 and 2 None
f) Facsimile services (CPC 7521* and CPC 7529*)	For Modes 1 and 2 None
g) Private leased circuit services (CPC 7522* and CPC 7523*)	For Modes 1 and 2 None
g) Electronic mail (CPC 7523*)	For Modes 1 and 2 None
h) Voice mail (CPC 7523*)	For Modes 1 and 2 None
j) On-line information and database retrieval (CPC 7523*)	For Modes 1 and 2 None
k) Electronic data interchange (EDI) (CPC 7523*)	For Modes 1 and 2 None
l) Enhanced/value-added facsimile services, including store and forward, store and retrieve (CPC 7523*)	For Modes 1 and 2 None
m) Code and protocol conversion	For Modes 1 and 2 None
n) On-line information and/or data processing (incl. Transaction processing)	For Modes 1 and 2 None

(CPC 843*)	
o) Other mobile services analogue/Digital cellular services (CPC 75213*) PCS (personal communication services, CPC 75213*) Paging services (CPC 75291*) Mobile data services (CPC 7523*)	For Modes 1 and 2 None
D. Audio-visual services	
a) Motion picture and video tape production and distribution services (CPC 9611)	For Modes 1 and 2 None
b) Motion picture projection services (CPC 9612)	For Modes 1 and 2 None
b) Radio and television services excluding transmission services (CPC 9613 exc. 96133)	For Modes 1 and 2 None
e) Sound recording	For Modes 1 and 2 None

3.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

A. General construction work for buildings (CPC 512)	For Modes 1 and 2 None
B. General construction work for civil engineering (CPC 513)	For Modes 1 and 2 None
C. Installation and assembling work (CPC 514 and 516)	For Modes 1 and 2 None
D. Building completion and finishing work (CPC 517)	For Modes 1 and 2 None
E. Other	For Modes 1 and 2

(CPC 511, CPC 515 and CPC 518)	None
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4.

DISTRIBUTION SERVICES

A. Commission agents services (CPC 621)	For Modes 1 and 2 None
B. Wholesale trade services (CPC 622)	For Modes 1 and 2 None
C. Retailing services (CPC 631, CPC 632, CPC 611 and CPC 612)	For Modes 1 and 2 None
D. Franchising (CPC 8929)	For Modes 1 and 2 None

5.

EDUCATIONAL SERVICES

A. Primary education services (CPC 921)	For Modes 1 and 2 None
B. Privately funded secondary education services (CPC 922*)	For Modes 1 and 2 None
C. Privately funded higher education services (CPC 923*)	For Modes 1 and 2 None
D. Adult education (CPC 924)	For Modes 1 and 2 None

6.

ENVIRONMENTAL SERVICES

A. Sewage services (CPC 9401)	For Mode 1 Unbound other than consulting and advisory services For Mode 2 None
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<p>B. Refuse disposal services (CPC 9402)</p>	<p>For Mode 1 Unbound other than consulting and advisory services For Mode 2 None</p>
<p>C. Sanitation and similar services (CPC 9403)</p>	<p>For Mode 1 Unbound other than consulting and advisory services For Mode 2 None</p>
<p>D. Cleaning services of exhaust gases (CPC 9404)</p>	<p>For Mode 1 Unbound other than consulting and advisory services For Mode 2 None</p>
<p>E. Noise abatement services (CPC 9405)</p>	<p>For Mode 1 Unbound other than consulting and advisory services For Mode 2 None</p>
<p>F. Other nature and landscape protection services (CPC 9406)</p>	<p>For Mode 1 Unbound other than consulting and advisory services For Mode 2 None</p>
<p>G. Other environmental protection services (CPC 9409)</p>	<p>For Modes 1 and 2 None</p>

7.

FINANCIAL SERVICES

<p>A. Insurance and insurance-related services</p>
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a) Life, accident and health insurance services (except workers compensation insurance) (CPC 81211, CPC 81291 and CPC 81212)	For Mode 1 Unbound For Mode 2 None
b) Non-life insurance services (CPC 8129 excl. CPC 81291 and excl. CPC 81293)	For Mode 1 Unbound For Mode 2 None
— Marine, aviation and other transport insurance services (CPC 81293)	For Modes 1 and 2 None
c) Reinsurance and retrocession (CPC 81299)	For Modes 1 and 2 None
d) Services auxiliary to insurance such as consultancy, actuarial, risk assessment and claims settlement services (CPC 8140)	For Modes 1 and 2 None
Insurance intermediation, such as brokerage and agency (CPC 8140)	For Modes 1 and 2 None
B. Banking and other Financial Services	
a) Acceptance of deposits and other repayable funds from the public (CPC 81115 to CPC81119)	For Modes 1 and 2 None
b) Lending of all types, include, inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction (CPC 8113)	For Modes 1 and 2 None
c) Financial leasing (CPC 8112)	For Modes 1 and 2 None
d) All payment and money transmission services (CPC 81339)	For Modes 1 and 2 None
e) Guarantees and commitments (CPC 81199)	For Modes 1 and 2 None

f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:	For Modes 1 and 2 None
— money market instruments (cheques, bills, certificate of deposits, etc.) (CPC 81339);	For Modes 1 and 2 None
— foreign exchange (CPC 81333);	
— derivative products including but not limited to, futures and options (CPC 81339);	For Modes 1 and 2 None
— exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc. (CPC 81339)	For Modes 1 and 2 None
— transferable securities (CPC 81321)	For Modes 1 and 2 None
— other negotiable instruments and financial assets, including bullion (CPC 81339)	For Modes 1 and 2 None
g) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of service related to such issues (CPC 8132)	For Modes 1 and 2 None
h) Money broking (CPC 81339)	For Modes 1 and 2 None
i) Asset management such as cash or portfolio management, all forms of collective investment management, pension funding, custodial, depository and trust services (CPC 8119 and CPC 81323)	For Modes 1 and 2 None
j) Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable instruments (CPC 81339 and CPC 81319)	For Modes 1 and 2 None
k) Advisory, inter-mediation and other auxiliary financial services on all the activities listed in 5(a)(v) through (xv) of the GATS Annex on	For Modes 1 and 2 None

Financial Services, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy (CPC 8131 and CPC 8133)	
l) Provision and transfer of financial information and financial data processing and related software by providers of other financial services (CPC 8131, CPC 842 and CPC 844)	For Modes 1 and 2 None

8.

HEALTH RELATED AND SOCIAL SERVICES

A. Human health services (CPC 931, other than CPC 93191)	For Modes 1 and 2 None
B. Social Services (CPC 933)	For Modes 1 and 2 None

9.

TOURISM AND TRAVEL RELATED SERVICES

A. Hotels and restaurants (including catering) (CPC 641 to CPC 643)	For Mode 1 Unbound For Mode 2 None
B. Travel Agencies and Tour Operators Services (CPC 7471)	For Modes 1 and 2 None
C. Tourist Guides Services (CPC 7472)	For Modes 1 and 2 None

10.

RECREATIONAL, CULTURAL AND SPORTING SERVICES

A. Entertainment Services (including theatre, live bands and circus services) (CPC 9619)	For Modes 1 and 2 None
B. News Agency Services (CPC 962)	For Modes 1 and 2 None

C. Libraries, Archives, Museums and other Cultural Services (CPC 963)	For Modes 1 and 2 None
D. Sporting and other Recreational Services (CPC 964)	For Modes 1 and 2 None

11.

TRANSPORT SERVICES

A. Maritime Transport Services	
b) Freight transportation (CPC 7212)	For Modes 1 and 2 None
c) Rental of vessels with crew (CPC 7213)	For Modes 1 and 2 None
c) Maintenance and repair of vessels (CPC 8868**)	For Modes 1 and 2 None
e) Pushing and towing services (CPC 7214)	For Modes 1 and 2 None
A. Internal Waterways Transport	
a) Passenger transportation (CPC 7221)	For Modes 1 and 2 None
b) Freight transportation (CPC 7222)	For Modes 1 and 2 None
c) Rental of vessels with crew (CPC 7223)	For Modes 1 and 2 None
d) Maintenance and repair of vessels (CPC 8868**)	For Modes 1 and 2 None
e) Pushing and towing services (CPC 7224)	For Modes 1 and 2 None
f) Supporting services for internal waterways transport	For Modes 1 and 2

(CPC 745**)	None
C. Air Transport Services	
b) Sales and marketing	For Modes 1 and 2 None
Computer reservation systems	For Modes 1 and 2 None
d) Maintenance and repair of aircraft (CPC 8868**)	For Modes I and II None
E. Rail Transport Services (CPC 7111, CPC 7112 and CPC 7113)	For Mode 1 Unbound For Mode 2 None
d) Maintenance and repair of rail transport equipment (CPC 8868**)	For Mode 1 Unbound For Mode 2 None
F. Road Transport Services	
d) Maintenance and repair of road transport equipment (CPC 6112 and CPC 8867)	For Modes 1 and 2 None
e) Freight transportation Services (CPC 7123)	For Modes 1 and 2 None
H. Services auxiliary to all modes of transport	
a) Cargo handling services (CPC 741)	For Mode 1 Unbound For Mode 2 None
b) Storage and warehousing services (CPC 742)	For Mode 1 Unbound For Mode 2 None

c) Freight transport agency services (CPC 748)	For Mode 1 Unbound For Mode 2 None
d) Other supporting and auxiliary transport services (CPC 749*) — Freight brokerage services; — Bill auditing and freight rate information services	For Modes 1 and 2 None
— Freight inspection services	For Modes 1 and 2 None

(¹) This document is prepared based on WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

ANNEX XIV-G

LIST OF RESERVATIONS ON KEY PERSONNEL, GRADUATE TRAINEES AND BUSINESS SELLERS (¹) (GEORGIA)

1. The list of reservations below indicates the economic activities liberalised pursuant to Sections 2 and 3 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV (Trade and Trade-related Matters) of this Agreement for which limitations on key personnel and graduate trainees in accordance with Article 89 of this Agreement and on business sellers in accordance with Article 90 of this Agreement apply and it specifies such limitations. That list is composed of the following elements:

- (a) the first column indicating the sector or sub-sector in which limitations apply and
- (b) the second column describing the applicable limitations.

Georgia does not undertake any commitment for key personnel, graduate trainees and

Sections 2 and 3 Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV (Trade and Trade-related Matters) of this Agreement.

2. In identifying individual sectors and sub-sectors, 'CPC' means the Central Products Classification as set out in WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

3. Commitments on key personnel, graduate trainees, business service sellers and sellers of

interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.

4. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a limitation within the meaning of Article 89 and Article 90 of this Agreement. Those measures (e.g. need to obtain a license, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and need to have a legal domicile in the territory where the economic activity is performed), even if not listed below, apply in any case to key personnel, graduate trainees and business sellers of the EU.
5. All other requirements of the laws and regulations of Georgia regarding entry, stay, work and social security measures shall continue to apply, including regulations concerning period of stay, minimum wages as well as collective wage agreements.
6. In accordance with Article 76(3) of this Agreement, the list below does not include measures concerning subsidies granted by a Party.
7. The list below is without prejudice to the existence of public monopolies and exclusive rights as described in the list of commitments on establishment.
8. In the sectors where economic needs tests are applied, their main criteria will be the assessment of the relevant market situation in Georgia or the region where the service is to be provided, including with respect to the number of, and the impact on, existing services
9. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Sector reservations

Sector or sub-sector	Description of reservations
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1.

BUSINESS SERVICES

A. Professional Services	
Transplants and autopsy (part of CPC 9312)	Unbound
Other professional services (1, A(k))* (2)	Unbound
F) Other Business Services	
Services incidental to agriculture, hunting and forestry	Unbound

(CPC 881, exc. CPC 88110)	
Services incidental to manufacture of coke, refined petroleum products and nuclear fuel, on a fee or contract basis (CPC 8845)	Unbound
Placement and supply services of personnel (CPC 872, exc. CPC 87205 and CPC 87206)	Unbound
Investigation and security (CPC 873)	Unbound
Aerial photography (CPC 87504)	Unbound

2

COMMUNICATION SERVICES

A. Postal services (CPC 7511)	Unbound
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4.

DISTRIBUTION SERVICES

E. Other distribution services (4,E)*	Unbound
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5.

EDUCATIONAL SERVICES

E. Other education services (CPC 929)	Unbound
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7.

FINANCIAL SERVICES

A. Insurance and insurance-related services	
Workers compensation insurance	Unbound
C. Other financial services (7,C)*	Unbound

8.

HEALTH RELATED AND SOCIAL SERVICES

Other health related and social services (8,D)*	Unbound
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9.

TOURISM AND TRAVEL RELATED SERVICES

D. Other tourism and travel related services (9,D)*	Unbound
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10.

RECREATIONAL, CULTURAL AND SPORTING SERVICES

E. Other recreational, cultural and sporting services (10,E)*	Unbound
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11.

TRANSPORT SERVICES

A. Maritime Transport Services	
a) Passenger transportation (CPC 7211)	Unbound
f) Supporting services for maritime transport (CPC 745**)	Unbound
B. Internal Waterways Transport	
d) Maintenance and repair of vessels (CPC 8868**)	Unbound
f) Supporting services for internal waterway transport (CPC 745**)	Unbound
C. Air Transport Services	
a) Passenger transportation (CPC 731)	Unbound
b) Freight transportation (CPC 732)	Unbound
c) Rental of aircraft with crew (CPC 734)	Unbound
e) Supporting services for air transport (CPC 746)	Unbound

E. Rail Transport Services	
e) Supporting services for rail transport services (CPC 743)	Unbound
F. Road Transport Services	
a) Passenger transportation (CPC 7121 and CPC 7122)	Unbound
c) Rental of commercial vehicles with operator (CPC 7124)	Unbound
e) Supporting services for road transport services (CPC 744)	Unbound
G. Pipeline Transport	
a) Transportation of fuels (CPC 7131)	Unbound
b) Transportation of other goods (CPC 7139)	Unbound
Other Transport services (11,l)*	Unbound
12. Other services not included elsewhere (CPC 95, CPC 97, CPC 98 and CPC 99)	Unbound

(¹) This document is prepared based on WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

(²) * Classification of the service according to WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

ANNEX XIV-H

LIST OF RESERVATIONS ON CONTRACTUAL SERVICES SUPPLIERS AND INDEPENDENT PROFESSIONALS (¹) (GEORGIA)

1. The Parties shall allow the supply of services into their territories by contractual service

suppliers and independent professionals of the other Party through the presence of natural persons, in accordance with Article 91 and Article 92 of this Agreement, for the economic activities which are listed below, and subject to the relevant limitations.

2. The list is composed of the following elements:

- (a) the first column indicating the sector or sub-sector in which limitations apply and
- (b) the second column describing the applicable limitations.

Georgia does not undertake any commitment for contractual service suppliers and explicitly listed in this Annex.

3. In identifying individual sectors and sub-sectors, 'CPC' means the Central Products Classification as set out in WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.
4. Commitments for contractual service suppliers and independent professionals do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.
5. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a limitation within the meaning of Article 91 and Article 92 of this Agreement. Those measures (e.g. need to obtain a license, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and need to have a legal domicile in the territory where the economic activity is performed), even if not listed below, apply in any case to contractual service suppliers and independent professionals of the Union.
6. All other requirements of the laws and regulations of Georgia regarding entry, stay, work and social security measures shall continue to apply, including regulations concerning period of stay, minimum wages as well as collective wage agreements.
7. The list below does not include measures concerning subsidies granted by a Party.
8. The list below is without prejudice to the existence of public monopolies or exclusive rights in the relevant sectors, as set out by Georgia in Annex XIV-E to this Agreement.
9. In the sectors where economic needs tests are applied, their main criteria will be the assessment of the relevant market situation in Georgia or the region where the service is to be provided, including with respect to the number of, and the impact on, existing services suppliers.
10. The rights and obligations arising from the list below shall have no self-executing effect and

11. The Parties shall allow the supply of services into their territory by independent professionals of the other Party through presence of natural persons, subject to the conditions specified in Article 92 of this Agreement, in the following sectors:

- (a) Legal services (Including consultancy on home country law and international law) (CPC
- (b) Architectural services (CPC 8671)
- (c) Engineering services (CPC 8672)
- (d) Integrated engineering services (CPC 8673)
- (e) Urban planning and Landscape architectural services (CPC 8674*)
- (f) Computer and Related Services
- (g) Management consulting services (CPC 865)
- (h) Services related to Management consulting (CPC 866)
- (i) Others business services (CPC 879)

Sector reservations

Sector or sub-sector	Description of reservations
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1.

BUSINESS SERVICES

A. Professional Services	
a) Legal services (Including consultancy on home country law and international law) (CPC 861)	CSS – None IP – Residency requirement. Full admission to the Bar may be subject to nationality condition.
b) Accounting, auditing and bookkeeping services (CPC 862)	CSS – None
c) Taxation services (CPC 863)	CSS – None
d) Architectural services	CSS – None

(CPC 8671)	IP – Residency requirement. Economic needs test.
e) Engineering services (CPC 8672)	CSS – None IP – Residency requirement. Economic needs test.
f) Integrated engineering services (CPC 8673)	CSS – None IP – Residency requirement. Economic needs test.
g) Urban planning and Landscape architectural services (CPC 8674*)	CSS – None IP – Residency requirement. Economic needs test.
h) Medical and dental services (CPC 9312, exc. Transplants and autopsy)	CSS –None
i) Veterinary services (CPC 932)	CSS –None
B. Computer and Related Services	
a) Consulting services related to the installation of computer hardware (CPC 841)	CSS –None IP – Economic needs test
b) Software implementation services (CPC 842)	CSS –None IP – Economic needs test
c) Data processing services (CPC 843)	CSS –None IP – Economic needs test
d) Data base services (CPC 844)	CSS –None IP – Economic needs test

Maintenance and repair services of office machinery and equipment including computers (CPC 845)	CSS –None IP – Economic needs test
e) Data preparation services (CPC 849, exc. CPC 8499)	CSS –None IP – Economic needs test
C. Research and Development Services	
a) R&D services on natural sciences (CPC 851)	CSS –None
b) R&D services on social sciences and humanities (CPC 852)	CSS –None
c) Interdisciplinary R&D services (CPC 853)	CSS –None
D. Real Estate Services	
a) Involving own or leased property (CPC 821)	CSS –None
b) On a fee or contract basis (CPC 822)	CSS –None
E. Rental/Leasing services without Operators	
a) Relating to ships (CPC 83103)	CSS –None
b) Relating to aircraft (CPC 83104)	CSS –None
c) Relating to other transport equipment (CPC 83101, CPC 83102 and CPC 83105)	CSS –None
d) Relating to other machinery and equipment (CPC 83106 to CPC 83109)	CSS –None

e) Leasing or rental services for videotapes or optical disks (CPC 83202)	CSS -None
F. Other Business Services	
a) Advertising services (CPC 871)	CSS -None
b) Market research services (CPC 864)	CSS -None
c) Management consulting services (CPC 865)	CSS -None IP - Economic needs test
d) Services related to Management consulting (CPC 866)	CSS -None IP - Economic needs test
e) Technical testing and analysis services (CPC 8676)	CSS -None
f) Services incidental to agriculture, hunting and forestry (CPC 88110)	CSS -None
g) Services incidental to fishing (CPC 882**)	CSS -None
h) Services incidental to mining (CPC 883**)	CSS -None
i) Services incidental to manufacturing (CPC 885, CPC 886, CPC 8841 to CPC 8844 and CPC 8846 to CPC8849)	CSS -None
j) Services incidental to energy distribution (CPC 887**)	CSS -None
k) Placement and supply services of personnel (CPC 87205 and CPC 87206)	CSS -None
m) Scientific and technical consulting services	CSS -None

(CPC 8675)	
p) Photographic services (CPC 875, excl. CPC 87504)	CSS -None
q) Packaging services (CPC 876)	CSS -None
r) Printing and publishing services (CPC 88442)	CSS -None
s) Convention services (part of CPC 8790)	CSS -None
t) Other Repair services of personal and household goods (CPC 633)	CSS -None
Repair services incidental to metal products, machinery and equipment (CPC 886)	CSS -None
Others business services (CPC 879)	CSS -None IP - Economic needs test

2.

COMMUNICATION SERVICES

B. Courier Services (CPC 7512)	CSS -None
C. Telecommunication Services	
a) Voice telephone services (CPC 7521)	CSS -None
b) Packet-switched data transmission services (CPC 7523*)	CSS -None
c) Circuit-switched data transmission services (CPC 7523*)	CSS -None
d) Telex services	CSS -None

(CPC 7523*)	
e) Telegraph services (CPC 7522)	CSS -None
f) Facsimile services (CPC 7521*+7529*)	CSS -None
g) Private leased circuit services (CPC 7522* and CPC 7523*)	CSS -None
h) Electronic mail (CPC 7523*)	CSS -None
i) Voice mail (CPC 7523*)	CSS -None
j) On-line information and database retrieval (CPC 7523*)	CSS -None
k) Electronic data interchange (EDI) (CPC 7523*)	CSS -None
l) Enhanced/value-added facsimile services, including store and forward, store and retrieve (CPC 7523*)	CSS -None
m) Code and protocol conversion	CSS -None
n) On-line information and/or data processing (incl. Transaction processing) (CPC 843*)	CSS -None
o) Other mobile services analogue/Digital cellular services (CPC 75213*) PCS (personal communication services, CPC 75213*) Paging services (CPC 75291*)	CSS -None

Mobile data services (CPC 7523*)	
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3.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

A. General construction work for buildings (CPC 512)	CSS -None
B. General construction work for civil engineering (CPC 513)	CSS -None
C. Installation and assembling work (CPC 514+516)	CSS -None
D. Building completion and finishing work (CPC 517)	CSS -None
E. Other (CPC 511, CPC 515 and CPC 518)	CSS -None

4.

DISTRIBUTION SERVICES

A. Commission agents services (CPC 621)	CSS -None
B. Wholesale trade services (CPC 622)	CSS -None
C. Retailing services (CPC 631, CPC 632, CPC 611 and CPC 612)	CSS -None
D. Franchising (CPC 8929)	CSS -None

5.

EDUCATIONAL SERVICES

A. Primary education services (CPC 921)	CSS -None
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B. Secondary education services, Privately Funded Only (CPC 922*)	CSS –None
C. Higher education services, Privately Funded Only (CPC 923*)	CSS –None
D. Adult education (CPC 924)	CSS –None

6.

ENVIRONMENTAL SERVICES

A. Sewage services (CPC 9401)	CSS –None
B. Refuse disposal services (CPC 9402)	CSS –None
C. Sanitation and similar services (CPC 9403)	CSS –None
D. Cleaning services of exhaust gases (CPC 9404)	CSS –None
E. Noise abatement services (CPC 9405)	CSS –None
F. Other nature and landscape protection services (CPC 9406)	CSS –None
G. Other environmental protection services (CPC 9409)	CSS –None

7.

FINANCIAL SERVICES

A. Insurance and insurance–related services

a) Life, accident and health insurance services (except workers compensation insurance) (CPC 81211, CPC 81291 and CPC 81212)	CSS -None
b) Non-life insurance services (CPC 8129)	CSS -None
— Marine, aviation and other transport insurance services (CPC 81293)	CSS -None
c) Reinsurance and retrocession (CPC 81299)	CSS -None
d) Services auxiliary to insurance such as consultancy, actuarial, risk assessment and claims settlement services (CPC 8140)	CSS -None
Insurance intermediation, such as brokerage and agency (CPC 8140)	CSS -None
B. Banking and other Financial Services	
a) Acceptance of deposits and other repayable funds from the public (CPC 81115 to CPC 81119)	CSS -None
b) Lending of all types, include, inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction (CPC 8113)	CSS -None
c) Financial leasing (CPC 8112)	CSS -None
d) All payment and money transmission services (CPC 81339)	CSS -None
e) Guarantees and commitments (CPC 81199)	CSS -None

f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:	CSS -None
— money market instruments (cheques, bills, certificate of deposits etc.) (CPC 81339);	CSS -None
— foreign exchange (CPC 81333);	
— derivative products including but not limited to, futures and options; (CPC 81339);	CSS -None
— exchange rate and interest rate instruments, including products such as swaps, forward rate agreements etc. (CPC 81339);	CSS -None
— transferable securities (CPC 81321);	CSS -None
— other negotiable instruments and financial assets, including bullion (CPC 81339).	CSS -None
g) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of service related to such issues; (CPC 8132)	CSS -None
h) Money broking; (CPC 81339);	CSS -None
i) Asset management such as cash or portfolio management, all forms of collective investment management, pension funding, custodial, depository and trust services (CPC 8119 and CPC 81323)	CSS -None
j) Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable	CSS -None

instruments (CPC 81339 and CPC 81319)	
k) Advisory, inter-mediation and other auxiliary financial services on all the activities listed in 5(a)(v) through (xv) of the Annex on Financial Services to GATS, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy (CPC 8131 and CPC 8133)	CSS -None
l) Provision and transfer of financial information and financial data processing and related software by providers of other financial services (CPC 842, CPC 844 and CPC 8131)	CSS -None

8.

HEALTH RELATED AND SOCIAL SERVICES

A. Human health services (CPC 931, other than CPC 93191)	CSS -None
C. Social Services (CPC 933)	CSS -None

9.

TOURISM AND TRAVEL RELATED SERVICES

A. Hotels and restaurants (including catering) (CPC 641, CPC 642 and CPC 643)	CSS -None
B. Travel Agencies and Tour Operators Services (CPC 7471)	CSS -None
C. Tourist Guides Services (CPC 7472)	CSS -None

10.

RECREATIONAL, CULTURAL AND SPORTING SERVICES

A. Entertainment Services (including theatre, live bands and circus services)	CSS -None
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(CPC 9619)	
B. News Agency Services (CPC 962)	CSS -None
C. Libraries, Archives, Museums and other Cultural Services (CPC 963)	CSS -None
D. Sporting and other Recreational Services (CPC 964)	CSS -None

11.

TRANSPORT SERVICES

A. Maritime Transport Services	
b) Freight transportation (CPC 7212**)	CSS -None
c) Rental of vessels with crew (CPC 7213)	CSS -None
d) Maintenance and repair of vessels (CPC 8868**)	CSS -None
e) Pushing and towing services (CPC 7214)	CSS -None
C. Air Transport Services	
Sales and marketing, including computer reservation systems	CSS -None
d) Maintenance and repair of aircraft (CPC 8868**)	CSS -None
E. Rail Transport Services (CPC 7111, CPC 7112 and CPC 7113)	
d) Maintenance and repair of rail transport equipment (CPC 8868**)	CSS -None

F. Road Transport Services	
c) Maintenance and repair of road transport equipment (CPC 6112 and CPC 8867)	CSS -None
d) Freight transportation (CPC 7123)	CSS -None
H. Services auxiliary to all modes of transport	
a) Cargo handling services (CPC 741)	CSS -None
b) Storage and warehousing services (CPC 742)	CSS -None
c) Freight transport agency services (CPC 748)	CSS -None
d) Other supporting and auxiliary transport services (CPC 749*)	CSS -None
— Freight brokerage services;	
— Bill auditing and freight rate information services	
— Freight inspection services	CSS -None

(¹) This document is prepared based on WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

ANNEX XV

APPROXIMATION

ANNEX XV-A

RULES APPLICABLE TO FINANCIAL SERVICES

Georgia undertakes to gradually approximate its legislation to the following EU legislation within the stipulated timeframes:

A. BANKING

Directive 2007/44/EC of the European Parliament and of the Council of 5 September 2007 amending Council Directive 92/49/EEC and Directives 2002/83/EC, 2004/39/EC, 2005/68/EC and 2006/48/EC as regards procedural rules and evaluation criteria for the prudential assessment of acquisitions and increase of holdings in the financial sector

Timetable: the provisions of Directive 2007/44/EC shall be implemented within six years of the entry into force of this Agreement.

Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions ⁽¹⁾

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions ⁽²⁾

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement. However, Georgia may consider different levels of thresholds than the ones outlined in that Directive and will submit a proposal to the Association Council taking into account the developments of local market in Georgia, no later than five years after the entry into force of this Agreement.

Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions

Timetable: the provisions of Directive 2001/65/EC shall be implemented within four years of the entry into force of this Agreement.

Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings

Timetable: the provisions of Directive 2003/51/EC shall be implemented within four years of the entry into force of this Agreement.

Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings

Timetable: the provisions of Directive 2006/46/EC shall be implemented within four years of the entry into force of this Agreement.

Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

B. INSURANCE

Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement.

Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings

Timetable: that Directive's provisions, excluding Article 33, shall be implemented within six years of the entry into force of this Agreement. The proposal regarding the implementation of Article 33 of that Directive shall be submitted to the Association Council, no later than five years after the entry into force of this Agreement.

Commission Recommendation of 18 December 1991 on insurance intermediaries (92/48/EEC)

Timetable: not applicable

Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation

Timetable: that Directive's provisions shall be implemented within eight years of the entry into force of this Agreement.

Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability

Timetable: the proposal regarding the implementation of that Directive shall be submitted to the Association Council taking into account the development of local market in Georgia, no later than five years after the entry into force of this Agreement.

Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

C. SECURITIES

Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by

reference and publication of such prospectuses and dissemination of advertisements

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

Commission Directive 2007/14/EC of 8 March 2007 laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market

Timetable: the provisions of Directive 2007/14/EC shall be implemented within seven years of the entry into force of this Agreement.

Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement. However, Georgia may consider different levels of thresholds for the investor compensation schemes and will submit a proposal to the Association Council taking into account the development of local market in Georgia, no later than five years after the entry into force of this Agreement.

Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse)

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Commission Directive 2004/72/EC of 29 April 2004 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards accepted market practices, the definition of inside information in relation to derivatives on commodities, the drawing up of lists of insiders, the notification of managers' transactions and the notification of suspicious transactions

Timetable: the provisions of Directive 2004/72/EC shall be implemented within seven years of the entry into force of this Agreement.

Commission Directive 2003/124/EC of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards the definition and public disclosure of inside information and the definition of market manipulation

Timetable: the provisions of Directive 2003/124/EC shall be implemented within seven years of the entry into force of this Agreement.

Commission Directive 2003/125/EC of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest

Timetable: the provisions of Directive 2003/125/EC shall be implemented within seven years of the entry into force of this Agreement.

Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

D. UCITS

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement.

Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions

Timetable: the provisions of Directive 2007/16/EC shall be implemented within six years of the entry into force of this Agreement.

E. MARKET INFRASTRUCTURE

Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009 amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on financial collateral arrangements as regards linked systems and credit claims

Timetable: the provisions of Directive 2009/44/EC shall be implemented within five years of the entry into force of this Agreement.

F. PAYMENTS

Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement.

Regulation (EC) No 924/2009/EC of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community

Timetable: that Regulation's provisions shall be implemented within five years of the entry into force of this Agreement.

G. ANTI MONEY LAUNDERING

Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing

Timetable: that Directive's provisions shall be implemented within two years of the entry into force of this Agreement.

Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis

Timetable: the provisions of Directive 2006/70/EC shall be implemented within two years of the entry into force of this Agreement.

Regulation (EC) No 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds

Timetable: that Regulation's provisions shall be implemented within three years of the entry into force of this Agreement.

(¹) Georgia may however postpone the implementation of the more advanced approaches for the respective risks and the implementation of the rules for the trading book. Georgia will encourage the

development of capabilities within its banking sector and regulatory authorities towards the use of more advanced approaches over the coming years, with a view to implementing those within eight years. Georgia will ensure that as long as the rules for the trading book are not implemented, the trading books of Georgian banks and investment firms fall below the *de minimis* thresholds set out in Article 18(2) of Directive 2006/49/EC.

(²) Georgia may however postpone the implementation of the more advanced approaches for the respective risks and the implementation of the rules for the trading book. Georgia will encourage the development of capabilities within its banking sector and regulatory authorities towards the use of more advanced approaches over the coming years, with a view to implementing those within eight years. Georgia will ensure that as long as the rules for the trading book are not implemented, the trading books of Georgian banks and investment firms fall below the *de minimis* thresholds set out in Article 18(2) of Directive 2006/49/EC.

ANNEX XV-B

RULES APPLICABLE TO TELECOMMUNICATION SERVICES

Georgia undertakes to gradually approximate its legislation to the following EU legislation within the stipulated timeframes:

Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive) as amended by Directive 2009/140/EC

The following provisions of Directive 2002/21/EC shall apply:

- strengthening the independence and administrative capacity of the national regulator in the field of electronic communications,
- establishing public consultation procedures for new regulatory measures,
- establishing effective mechanisms for appeal against the decisions of the national regulator in the field of electronic communications,
- defining the relevant product and service markets in the electronic communications sector that are susceptible to *ex ante* regulation and analyse those markets with a view to

Timetable: those provisions of Directive 2002/21/EC shall be implemented within three years of the entry into force of this Agreement.

Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive) as amended by Directive 2009/140/EC

The following provisions of Directive 2002/20/EC shall apply:

- implementing a regulation providing for general authorisations and restricting the need for

Timetable: those provisions of Directive 2002/20/EC shall be implemented within three years of the entry into force of this Agreement.

Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive) as amended by Directive 2009/140/EC

Based on the market analysis carried out in accordance with Directive 2002/21/EC the National regulator in the field of electronic communications shall impose on operators found to have significant market power (SMP) on the relevant markets, appropriate regulatory obligations with regard to:

- access to, and use of, specific network facilities,
- price controls on access and interconnection charges, including obligations for cost-orientation,
- transparency, non-discrimination and accounting separation.

Timetable: those provisions of Directive 2002/19/EC shall be implemented within three years of the entry into force of this Agreement.

Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive) as amended by Directive 2009/136/EC

The following provisions of Directive 2002/22/EC shall apply:

- implementing regulation on Universal Service obligations (USO), including the establishment of mechanisms for costing and financing,
- ensuring the respect of users' interests and rights, in particular by introducing number portability and the single European Emergency Call number 112.

Timetable: those provisions of Directive 2002/22/EC shall be implemented within five years of the entry into force of this Agreement.

Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) as amended by Directive No 2009/136/EC

The following provisions of Directive 2002/58/EC shall apply:

- implementing regulation to ensure protection of fundamental rights and freedoms, and in particular the right to privacy, with respect to the processing of personal data in the electronic communication sector and ensure the free movement of such data and of electronic communication equipment and services.

Timetable: those provisions of Directive 2002/58/EC shall be implemented within three years of the entry into force of this Agreement.

Decision 676/2002/EC of the European Parliament and of the Council of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Community

— adopt policy and regulation ensuring the harmonised availability and efficient use of spectrum.

Timetable: the measures resulting from the operation of that Decision shall be implemented within three years of the entry into force of this Agreement.

ANNEX XV-C

RULES APPLICABLE TO POSTAL AND COURIER SERVICES

Georgia undertakes to gradually approximate its legislation to the following EU legislation within the stipulated timeframes:

Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2002 amending Directive 97/67/EC with regard to the further opening to competition of Community postal services

Timetable: the provisions of Directive 2002/39/EC shall be implemented within five years of the entry into force of this Agreement.

Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services

Timetable: the provisions of Directive 2008/6/EC shall be implemented within five years of the entry into force of this Agreement.

ANNEX XV-D

RULES APPLICABLE TO INTERNATIONAL MARITIME TRANSPORT

Georgia undertakes to gradually approximate its legislation to the following EU legislation and international instruments within the stipulated timeframes:

Maritime safety- flag state / classification societies

Directive 2009/15/EC of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Regulation (EC) No 391/2009 of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations

Timetable: that Regulation's provisions shall be implemented within four years of the entry into force of this Agreement.

Flag State

Directive 2009/21/EC of the European Parliament and of the Council of 23 April 2009 on compliance with flag State requirements

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Port State Control

Directive 2009/16/EC of the European Parliament and of the Council of 23 April 2009 on port State control ⁽¹⁾

The provisions of that Directive shall apply with the exception of:

- recital (15) of the Preamble of that Directive,
- the fourth indent of point 1 of Annex XII to that Directive (related to the producing of white, grey and black lists of flag states),
- Article 16 of that Directive, related to the access refusal measures to certain ships,
- provisions of that Directive which make specific reference to the Paris Memorandum of Understanding on Port State Control, namely recitals (9), (13), (14), (30), and (40) of the Preamble, points (b) and (c) of Article 1, points 2, 4 and 22 of Article 2, paragraph 2 of Article 3, point (b) of paragraph 2 and paragraph 3 of Article 5, paragraph 3 of Article 7, points (a) and (b) of paragraph 1 and point (a) of paragraph 3 of Article 8, paragraph 3 of Article 10, point (b) of paragraph 1 of Article 13, paragraph 4 of Article 19, paragraph 1 of Article 24, Article 26, point (a) of the first paragraph of Article 32, Article 33, subpoints 1(c)(i) and (ii), 1(d)(i) and (ii), 1(e)(i) and (ii) of point I of Annex I, subpoints 1, 2A, and 2 B of point II of Annex X, point 1 of Annex XII

Timetable: that Directive's provisions, with the exception of the list above, shall be implemented within five years of the entry into force of this Agreement.

Vessel Traffic Monitoring

Directive 2002/59/EC of the European Parliament and of the Council of 27 June 2002 establishing a Community vessel traffic monitoring and information system

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Accident Investigation

Directive 2009/18/EC of the European Parliament and of the Council of 23 April 2009 establishing the fundamental principles governing the investigation of accidents in the maritime transport sector

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Liability of carriers of passengers

Regulation (EC) No 392/2009 of the European Parliament and of the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents

Timetable: that Regulation's provisions shall be implemented within four years of the entry into force of this Agreement.

Regulation (EC) No 336/2006 of the European Parliament and of the Council of 15 February 2006 on the implementation of the International Safety Management Code within the Community

Timetable: that Regulation's provisions shall be implemented within three years of the entry into force of this Agreement.

Technical and operational rules

Passenger ships

Directive 2009/45/EC of the European Parliament and of the Council of 6 May 2009 on safety rules and standards for passenger ships

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Council Directive 1999/35/EC of 29 April 1999 on a system of mandatory surveys for the safe operation of regular ro-ro ferry and high-speed passenger craft services

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2003/25/EC of the European Parliament and of the Council of 14 April 2003 on specific stability requirements for ro-ro passenger ships

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Oil tankers

Regulation (EC) No 417/2002 of the European Parliament and of the Council of 18 February 2002 on the accelerated phasing-in of double hull or equivalent design requirements for single hull oil tankers

The timetable of phasing-out single hull tankers will follow the schedule as specified in the MARPOL Convention.

Bulk carriers

Directive 2001/96/EC of the European Parliament and of the Council of 4 December 2001 establishing harmonised requirements and procedures for the safe loading and unloading of bulk carriers

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Crew

Directive 2008/106/EC of the European Parliament and of the Council of 19 November 2008 on the minimum level of training of seafarers

Timetable: that Directive's provisions shall be implemented within three years of the entry into force of this Agreement.

Environment

Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Regulation (EC) No 782/2003 of the European Parliament and of the Council of 14 April 2003 on the prohibition of organotin compounds on ships

Timetable: that Regulation's provisions shall be implemented within four years of the entry into force of this Agreement.

Technical conditions

Directive 2010/65/EU of the European Parliament and of the Council of 20 October 2010 on reporting formalities for ships arriving in and/or departing from ports of the Member States

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Social conditions

Council Directive 92/29/EEC of 31 March 1992 on the minimum safety and health requirements for improved medical treatment on board vessels

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Council Directive 1999/63/EC of 21 June 1999 concerning the Agreement on the organisation of working time of seafarers concluded by the European Community Shipowners' Association (ECSA) and the Federation of Transport Workers' Unions in the European Union (FST) – Annex: European Agreement on the organisation of working time of seafarers

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 1999/95/EC of the European Parliament and of the Council of 13 December 1999 concerning the enforcement of provisions in respect of seafarers' hours of work on board ships calling at Community ports

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Maritime security

Directive 2005/65/EC of the European Parliament and of the Council of 26 October 2005 on enhancing port security

Timetable: that Directive's provisions (except those concerning Commission inspections) shall be implemented within four years of the entry into force of this Agreement.

Regulation (EC) No 725/2004 of the European Parliament and of the Council of 31 March 2004 on enhancing ship and port facility security

Timetable: that Regulation's provisions (except those concerning Commission inspections) shall be implemented within four years of the entry into force of this Agreement.

(¹) Repealing Council Directive 95/21/EC of 19 June 1995 concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions (port State control).

ANNEX XVI

PUBLIC PROCUREMENT

ANNEX XVI-A

THRESHOLDS

1. The value thresholds mentioned in Article 142(3) of this Agreement shall be for both Parties:

(a) EUR 130 000 for public supply and service contracts awarded by central government

authorities, except for public service contracts defined in the third indent of point (b) of Article 7 of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts,

- (b) EUR 200 000 in the case of public supply and public service contracts not covered by point a);
- (c) EUR 5 000 000 in the case of public works contracts and concessions;
- (d) EUR 5 000 000 in the case of works contracts in the utilities sector;
- (e) EUR 400 000 in the case of supply and service contracts in the utilities sector.

2. The thresholds quoted in paragraph 1 shall be adapted to reflect the thresholds applicable under Commission Regulation (EU) No 1336/2013 of 13 December 2013 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council in respect of the application thresholds for the procedures for the awards of contract at the moment of the entry into force of this Agreement.

ANNEX XVI-B

INDICATIVE TIME SCHEDULE FOR INSTITUTIONAL REFORM, APPROXIMATION AND MARKET ACCESS

Phase		Indicative time schedule	Market access granted to the EU by Georgia	Market access granted to Georgia by the EU	
1	Implementation of Article 143(2) and Article 144 of this Agreement Agreement of the Reform Strategy set out in Article 145 of this Agreement	Three years after the entry into force of this Agreement	Supplies for central government authorities	Supplies for central government authorities	
2	Approximation and implementation of basic elements of Directive 2004/18/EC of the European Parliament and of the Council and of Council Directive 89/665/EEC	Five years after the entry into force of this Agreement	Supplies for state, regional and local authorities and bodies governed by public law	Supplies for state, regional and local authorities and bodies governed by public law	Annexes XVI-C and XVI-D to this Agreement
3	Approximation and implementation of basic	Six years after the entry into	Supplies for all contracting	Supplies for all contracting	Annexes XVI-E and XVI-F to

	elements of Directive 2004/17/EC of the European Parliament and of the Council and of Council Directive 92/13/EEC	force of this Agreement	entities in the utilities sector	entities	this Agreement
4	Approximation and implementation of other elements of Directive 2004/18/EC	Seven years after the entry into force of this Agreement	Service and works contracts and concessions for all contracting authorities	Service and works contracts and concessions for all contracting authorities	Annexes XVI-G, XVI-H and XVI-I to this Agreement
5	Approximation and implementation of other elements of Directive 2004/17/EC	Eight years after the entry into force of this Agreement	Service and works contracts for all contracting entities in the utilities sector	Service and works contracts for all contracting entities in the utilities sector	Annexes XVI-J and XVI-K to this Agreement

ANNEX XVI-C

BASIC ELEMENTS OF DIRECTIVE 2004/18/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (1)

(PHASE 2)

TITLE I

Definitions and general principles

Article 1 Definitions (paragraphs 1, 2, 8, 9, 11(a), 11(b) and 11(d), 12, 13, 14 and 15)

Article 2 Principles of awarding contracts

Article 3 Granting of special or exclusive rights: non-discrimination clause

TITLE II

Rules on public contracts

CHAPTER I

General provisions

Article 4 Economic operators

Article 6 Confidentiality

CHAPTER II

Scope

Section 1 — Thresholds

Article 8 Contracts subsidised by more than 50 % by contracting authorities

Article 9 Methods for calculating the estimated value of public contracts, framework agreements and dynamic purchasing systems

Section 2 — Specific situations

Article 10 Defence procurement

Section 3 — Excluded contracts

Article 12 Contracts in the water, energy, transport and postal services sectors (only when basic rules of Directive 2004/17/EC have been approximated)

Article 13 Specific exclusions in the field of telecommunications

Article 14 Secret contracts and contracts requiring special security measures

Article 15 Contracts awarded pursuant to international rules

Article 16 Specific exclusions

Article 18 Service contracts awarded on the basis of an exclusive right

Section 4 — Special arrangement

Article 19 Reserved contracts

CHAPTER III

Arrangements for public service contracts

Article 20 Service contracts listed in Annex II A

Article 21 Service contracts listed in Annex II B

Article 22 Mixed contracts including services listed in Annex II A and services listed in Annex II B

CHAPTER IV

Specific rules governing specifications and contract documents

Article 23 Technical specifications

Article 24 Variants

Article 25 Subcontracting

Article 26 Conditions for performance of contracts

Article 27 Obligations relating to taxes, environmental protection, employment protection provisions and working conditions

CHAPTER V

Procedures

Article 28 Use of open, restricted and negotiated procedures and of competitive dialogue

Article 30 Cases justifying use of the negotiated procedure with prior publication of a contract notice

Article 31 Cases justifying use of the negotiated procedure without publication of a contract notice

CHAPTER VI

Rules on advertising and transparency

Section 1 — Publication of notices

Article 35 Notices: paragraph 1 *mutatis mutandis*; paragraph 2; first, third and fourth subparagraph of paragraph 4

Article 36 Form and manner of publication of notices: paragraph 1; paragraph 7

Section 2 — Time-limits

Article 38 Time-limits for receipt of requests to participate and for receipt of tenders

Article 39 Open procedures: specifications, additional documents and information

Section 3 — Information content and means of transmission

Article 40 Invitations to submit a tender, participate in the dialogue or negotiate

Article 41 Informing candidates and tenderers

Section 4 — Communication

Article 42 Rules applicable to communication

CHAPTER VII

Conduct of the procedure

Section 1 — General provisions

Article 44 Verification of the suitability and choice of participants and award of contracts

Section 2 — Criteria for qualitative selection

Article 45 Personal situation of the candidate or tenderer

Article 46 Suitability to pursue the professional activity

Article 47 Economic and financial standing

Article 48 Technical and/or professional ability

Article 49 Quality assurance standards

Article 50 Environmental management standards
Article 51 Additional documentation and information
Section 3 — Award of the contract
Article 53 Contract award criteria
Article 55 Abnormally low tenders
ANNEXES to Directive 2004/18/EC
Annex I List of the activities referred to in Article 1(2)(b)
Annex II Services referred to in Article 1(2)(d)
Annex II A
Annex II B
Annex V List of products referred to in Article 7 with regard to contracts awarded by contracting authorities in the field of defence
Annex VI Definition of certain technical specifications
Annex VII Information to be included in notices
Annex VII A Information to be included in public contract notices
Annex X Requirements relating to equipment for the electronic receipt of tenders, requests to participate and plans and projects in design contests

(¹) Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

ANNEX XVI-D

BASIC ELEMENTS OF COUNCIL DIRECTIVE 89/665/EEC (¹) AS AMENDED BY DIRECTIVE 2007/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (²)

(PHASE 2)

Article 1	Scope and availability of review procedures
Article 2	Requirements for review procedures
Article 2a	Standstill period
Article 2b	Derogations from the standstill period
	Point (b) of the first paragraph of Article 2b

Article 2c	Time-limits for applying for review
Article 2d	Ineffectiveness Paragraph 1(b) Paragraph 2 and 3
Article 2e	Infringements of this Directive and alternative penalties
Article 2f	Time-limits

(¹) Council Directive 89/665/EEC of 21 December 1989 on the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts.

(²) Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts.

ANNEX XVI-E

BASIC ELEMENTS OF DIRECTIVE 2004/17/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (¹)

(PHASE 3)

TITLE I

General provisions applicable to contracts and design contests

CHAPTER I

Basic terms

Article 1 Definitions (paragraphs 2, 7, 9, 11, 12 and 13)

CHAPTER II

Definition of the activities and entities covered

Section 1 - Entities

Article 2 Contracting entities

Section 2 - Activities

Article 3 Gas, heat and electricity

Article 4 Water

Article 5 Transport services

Article 6 Postal services

Article 7 Exploration for, or extraction of, oil, gas, coal or other solid fuels, as well as ports and airports

Article 9 Contracts covering several activities

CHAPTER III

General principles

Article 10 Principles of awarding contracts

TITLE II

Rules applicable to contracts

CHAPTER I

General provisions

Article 11 Economic operators

Article 13 Confidentiality

CHAPTER II

Thresholds and exclusion provisions

Section 1 - Thresholds

Article 16 Contract thresholds

Article 17 Methods of calculating the estimated value of contracts, framework agreements and dynamic purchasing systems

Section 2 - Contracts and concessions and contracts subject to special arrangements

Subsection 2 - Exclusions applicable to all contracting entities and to all types of contract

Article 19 Contracts awarded for purposes of resale or lease to third parties

Article 20 Contracts awarded for purposes other than the pursuit of an activity covered or for the pursuit of such an activity in a third country: paragraph 1

Article 21 Contracts which are secret or require special security measures

Article 22 Contracts awarded pursuant to international rules

Article 23 Contracts awarded to an affiliated undertaking, to a joint venture or to a contracting entity forming part of a joint venture

Subsection 3 - Exclusions applicable to all contracting entities, but to service contracts only

Article 24 Contracts relating to certain services excluded from the scope of this Directive

Article 25 Service contracts awarded on the basis of an exclusive right

Subsection 4 - Exclusions applicable to certain contracting entities only

Article 26 Contracts awarded by certain contracting entities for the purchase of water and for the supply of energy or of fuels for the production of energy

CHAPTER III

Rules applicable to service contracts

Article 31 Service contracts listed in Annex XVII A

Article 32 Service contracts listed in Annex XVII B

Article 33 Mixed service contracts including services listed in Annex XVII A and services listed in Annex XVII B

CHAPTER IV

Specific rules governing specifications and contract documents

Article 34 Technical specifications

Article 35 Communication of technical specifications

Article 36 Variants

Article 37 Subcontracting

Article 39 Obligations relating to taxes, environmental protection, employment protection provisions and working conditions

CHAPTER V

Procedures

Article 40 Use of open, restricted and negotiated procedures (except points (i) and (l) of paragraph 3)

CHAPTER VI

Rules on publication and transparency

Section 1 - Publication of notices

Article 41 Periodic indicative notices and notices on the existence of a system of qualification

Article 42 Notices used as a means of calling for competition paragraphs 1 and 3

Article 43 Contract award notices (except for second and third subparagraphs of paragraph 1)

Article 44 Form and manner of publication of notices (except for the first subparagraph of paragraph 2 and paragraphs 4, 5 and 7)

Section 2 - Time limits

Article 45 Time-limits for the receipt of requests to participate and for the receipt of tenders

Article 46 Open procedures: specifications, additional documents and information

Article 47 Invitations to submit a tender or to negotiate

Section 3 - Communication and information

Article 48 Rules applicable to communication

Article 49 Information to applicants for qualification, candidates and tenderers

CHAPTER VII

Conduct of the procedure

Article 51 General provisions

Section 1 - Qualification and qualitative selection

Article 52 Mutual recognition concerning administrative, technical or financial conditions, and certificates, tests and evidence

Article 54 Criteria for qualitative selection

Section 2 - Award of the contract

Article 55 Contract award criteria

Article 57 Abnormally low tenders

ANNEXES to Directive 2004/17/EC

Annex XIII Information to be included in contract notices:

XIII

- A. Open procedures
- B. Restricted procedures
- C. Negotiated procedures

Annex XIV Information to be included in the notice on the existence of a system of qualification

XIV

Annex XV Information to be included in the periodic indicative notice

A

Annex XV Information to be included in notices of publication of a periodic notice on a buyer

B

Annex XVI Information to be included in the contract award notice

Annex XVII A Services within the meaning of Article 31

Annex XVII B Services within the meaning of Article 32

Annex XX Features concerning publication

Annex XXI Definition of certain technical specifications

Annex XXIII International labour law provisions within the meaning of Article 59(4)

Annex XXIV Requirements relating to equipment for the electronic receipt of tenders, requests to

(¹) Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

ANNEX XVI-F

BASIC ELEMENTS OF COUNCIL DIRECTIVE 92/13/EEC (¹) AS AMENDED BY DIRECTIVE 2007/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (²)

(PHASE 3)

Article 1	Scope and availability of review procedures
Article 2	Requirements for review procedures
Article 2a	Standstill period
Article 2b	Derogations from the standstill period Point (b) of the first paragraph of Article 2b
Article 2c	Time limits for applying for review
Article 2d	Ineffectiveness Paragraph 1 (b) Paragraphs 2 and 3

Article 2e	Infringements of this Directive and alternative penalties
Article 2f	Time-limits

(¹) Council Directive 92/13/EEC of 25 February 1992 coordinating the laws, regulations and administrative provisions relating to the application of Community rules on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors.

(²) Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts.

ANNEX XVI-G

OTHER NON-MANDATORY ELEMENTS OF DIRECTIVE 2004/18/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (¹)

(PHASE 4)

The elements of Directive 2004/18/EC set out in this Annex are not mandatory but recommended for approximation. Georgia may approximate those elements within the time-frame set in Annex XVI-B.

TITLE I

Definitions and general principles

Article 1 Definitions (paragraphs: 5, 6, 7, 10 and 11(c))

TITLE II

Rules on public contracts

CHAPTER II

Scope

Section 2 — Specific situations

Article 11 Public contracts and framework agreements awarded by central purchasing bodies

Section 4 — Special arrangement

Article 19 Reserved contracts

CHAPTER V

Procedures

Article 29 Competitive dialogue

Article 32 Framework agreements

Article 33 Dynamic purchasing systems

Article 34 Public works contracts: particular rules on subsidised housing schemes

CHAPTER VI

Rules on advertising and transparency

Section 1 — Publication of notices

Article 35 Notices: paragraph 3, and subparagraphs 2 and 3 of paragraph 4

CHAPTER VII

Conduct of the procedure

Section 2 — Criteria for qualitative selection

Article 52 Official lists of approved economic operators and certification by bodies established under public or private law

Section 3 — Award of the contract

Article 54 Use of electronic auctions

(¹) Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

ANNEX XVI-H

OTHER MANDATORY ELEMENTS OF DIRECTIVE 2004/18/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (¹)

(PHASE 4)

TITLE I

Definitions and general principles

Article 1 Definitions (paragraphs: 3, 4 and 11(e))

TITLE II

Rules on public contracts

CHAPTER II

Scope

Section 3 - Excluded contracts

Article 17 Service concessions

TITLE III

Rules on public works concessions

CHAPTER I

Rules governing public works concessions

Article 56 Scope

Article 57 Exclusions from the scope (except the last paragraph)

Article 58 Publication of the notice concerning public works concessions

Article 59 Time limit

Article 60 Subcontracting

Article 61 Awarding of additional works to the concessionaire

CHAPTER II

Rules on contracts awarded by concessionaires which are contracting authorities

Article 62 Applicable rules

CHAPTER III

Rules applicable to contracts awarded by concessionaires which are not contracting authorities

Article 63 Advertising rules: threshold and exceptions

Article 64 Publication of the notice

Article 65 Time limit for the receipt of requests to participate and receipt of tenders

TITLE IV

Rules governing design contests

Article 66 General provisions

Article 67 Scope

Article 68 Exclusions from the scope

Article 69 Notices

Article 70 Form and manner of publication of notices of contests

Article 71 Means of communication

Article 72 Selection of competitors

Article 73 Composition of the jury

Article 74 Decisions of the jury

ANNEXES to Directive 2004/18/EC

Annex VII B Information which must appear in public works concession notices

Annex VII C Information which must appear in works contracts notices of concessionaires who are not contracting authorities

Annex VII D Information which must appear in design contest notices

(¹) Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

ANNEX XVI-I

OTHER ELEMENTS OF COUNCIL DIRECTIVE 89/665/EEC (¹) AS AMENDED BY DIRECTIVE 2007/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (²)

(PHASE 4)

Article 2b Derogations from the standstill period

Point (c) of paragraph 1 of Article 2b

Article 2d Ineffectiveness

Point (c) of paragraph 1 of Article 2d

Paragraph 5

(¹) Council Directive 89/665/EEC of 21 December 1989 on the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts.

(²) Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts.

ANNEX XVI-J

OTHER NON-MANDATORY ELEMENTS OF DIRECTIVE 2004/17/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (¹)

(PHASE 5)

The elements of Directive 2004/17/EC set out in this Annex are not mandatory but recommended for approximation. Georgia may approximate these elements within the time-frame set in Annex XVI-B.

TITLE I

General provisions applicable to contracts and design contests

CHAPTER I

Basic terms

Article 1 Definitions (paragraphs 4, 5, 6 and 8)

TITLE II

Rules applicable to contracts

CHAPTER I

General provisions

Article 14 Framework agreements

Article 15 Dynamic purchasing systems

Section 2 - Contracts and concessions and contracts subject to special arrangements

Subsection 5 - Contracts subject to special arrangements, provisions concerning central purchasing bodies and the general procedure in case of direct exposure to competition

Article 28 Reserved contracts

Article 29 Contracts and framework agreements awarded by central purchasing bodies

CHAPTER V

Procedures

Article 40 (3) (i) and (l)

CHAPTER VI

Rules on publication and transparency

Section 1 - Publication of notices

Article 42 Notices used as a means of calling for competition: paragraph 2

Article 43 Contract award notices (only for the second and the third subparagraphs of paragraph 1)

CHAPTER VII

Conduct of the procedure

Section 2 - Award of the contract

Article 56 Use of electronic auctions

ANNEX to Directive 2004/17/EC

Annex XIII Information to be included in contract notices:

D. Simplified contract notice for use in a dynamic purchasing system

(1) Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

ANNEX XVI-K

OTHER ELEMENTS OF COUNCIL DIRECTIVE 92/13/EEC ⁽¹⁾ AS AMENDED BY DIRECTIVE 2007/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ⁽²⁾

(PHASE 5)

Article 2b Derogations from the standstill period

Point (c) of paragraph 1 of Article 2b

Article 2d Ineffectiveness

Point (c) of paragraph 1 of Article 2d

Paragraph 5

(1) Council Directive 92/13/EEC of 25 February 1992 coordinating the laws, regulations and administrative provisions relating to the application of Community rules on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors.

(2) Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts.

ANNEX XVI-L

PROVISIONS OF DIRECTIVE 2004/18/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (*) OUTSIDE THE SCOPE OF APPROXIMATION

The elements listed in this Annex are not subject to the process of approximation.

TITLE II

Rules on public contracts

CHAPTER I

General provisions

Article 5 Conditions relating to agreements concluded within the World Trade Organisation

CHAPTER VI

Rules on advertising and transparency

Section 1 — Publication of notices

Article 36 Form and manner of publication of notices: paragraphs 2, 3, 4, 5, 6 and 8

Article 37 Non-mandatory publication

Section 5 — Reports

Article 43 Content of reports

TITLE V

Statistical obligations, executory powers and final provisions

Article 75 Statistical obligations

Article 76 Content of statistical report

Article 77 Advisory Committee

Article 78 Revision of the thresholds

Article 79 Amendments

Article 80 Implementation

Article 81 Monitoring mechanisms

Article 82 Repeals

Article 83 Entry into force

Article 84 Addressees

ANNEXES to Directive 2004/18/EC

Annex III List of bodies and categories of bodies governed by public law referred to in the second subparagraph of Article 1(9)

Annex IV Central Government authorities

Annex VIII Features concerning publication

Annex IX Registers

Annex IX A Public works contracts

Annex IX B Public supply contracts

Annex IX C Public service contracts

Annex XI Deadlines for transposition and application (Article 80)

Annex XII Correlation table

(¹) Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

ANNEX XVI-M

PROVISIONS OF DIRECTIVE 2004/17/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (¹) OUTSIDE THE SCOPE OF APPROXIMATION

The elements listed in this Annex are not subject to the process of approximation.

TITLE I

General provisions applicable to contracts and design contests

CHAPTER II

Definition of the activities and entities covered

Section 2 - Activities

Article 8 Lists of contracting entities

TITLE II

Rules applicable to contracts

CHAPTER I

General provisions

Article 12 Conditions relating to Agreements concluded within the World Trade Organisation

Section 2 - Contracts and concessions and contracts subject to special arrangements

Subsection 1

Article 18 Works and service concessions

Subsection 2 - Exclusions applicable to all contracting entities and to all types of contract

Article 20 Contracts awarded for purposes other than the pursuit of an activity covered or for the pursuit of such an activity in a third country: paragraph 2

Subsection 5 - Contracts subject to special arrangements, provisions concerning central purchasing bodies and the general procedure in case of direct exposure to competition

Article 27 Contracts subject to special arrangements

Article 30 Procedure for establishing whether a given activity is directly exposed to competition

CHAPTER IV

Specific rules governing specifications and contract documents

Article 38 Conditions for performance of contracts

CHAPTER VI

Rules on publication and transparency

Section 1 - Publication of notices

Article 44 Form and manner of publication of notices (only for the first subparagraph of paragraph 2, and for paragraphs 4, 5 and 7)

Section 3 - Communication and information

Article 50 Information to be stored concerning awards

CHAPTER VII

Conduct of the procedure

Section 3 - Tenders comprising products originating in third countries and relations with those countries

Article 58 Tenders comprising products originating in third countries

Article 59 Relations with third countries as regards service contracts

TITLE IV

Statistical obligations, executory powers and final provisions

Article 67 Statistical obligations

Article 68 Advisory Committee

Article 69 Revision of the thresholds

Article 70 Amendments

Article 71 Implementation of the Directive

Article 72 Monitoring mechanisms

Article 73 Repeal

Article 74 Entry into force

Article 75 Addressees

ANNEXES to Directive 2004/17/EC

Annex I Contracting entities in the sectors of transport or distribution of gas or heat

Annex II Contracting entities in the sectors of production, transport or distribution of electricity

Annex III Contracting entities in the sectors of production, transport or distribution of drinking water

Annex IV Contracting entities in the field of rail services

Annex V Contracting entities in the field of urban railway, tramway, trolleybus or bus services

Annex VI Contracting entities in the postal services sector

Annex VII Contracting entities in the sectors of exploration for and extraction of oil or gas

Annex VIII Contracting entities in the sectors of exploration for and extraction of coal and other solid fuels

Annex IX Contracting entities in the field of maritime or inland port or other terminal facilities

Annex X Contracting entities in the field of airport installations

Annex XI List of legislation referred to in Article 30(3)

Annex XII List of professional activities as set out in point b of Article 1(2)

Annex XXII Summary table of the time limits laid down in Article 45

Annex XXV Time limits for transposition and implementation

Annex XXVI Correlation table

(¹) Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

ANNEX XVI-N

PROVISIONS OF COUNCIL DIRECTIVE 89/665/EEC (¹) AS AMENDED BY DIRECTIVE 2007/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (²) OUTSIDE THE SCOPE OF APPROXIMATION

The elements listed in this Annex are not subject to the process of approximation.

Article 2b	Derogations from the standstill period Point (a) of paragraph 1 of Article 2b
Article 2d	Ineffectiveness Point (a) of paragraph 1 of Article 2d Paragraph 4
Article 3	Corrective Mechanisms
Article 3a	Content of the notice for voluntary ex ante transparency
Article 3b	Committee Procedure
Article 4	Implementation
Article 4a	Review

(¹) Council Directive 89/665/EEC of 21 December 1989 on the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts.

(²) Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts.

ANNEX XVI-O

PROVISIONS OF COUNCIL DIRECTIVE 92/13/EEC (¹) AS AMENDED BY DIRECTIVE 2007/66/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (²) OUTSIDE THE SCOPE OF APPROXIMATION

The elements listed in this Annex are not subject to the process of approximation.

Article 2b	Derogations from the standstill period
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	Point (a) of paragraph 1 of Article 2b
Article 2d	Ineffectiveness
	Point (a) of paragraph 1 of Article 2d
	Paragraph 4
Article 3a	Content of the notice for voluntary ex ante transparency
Article 3b	Committee Procedure
Article 8	Corrective Mechanisms
Article 12	Implementation
Article 12a	Review

(¹) Council Directive 92/13/EEC of 25 February 1992 coordinating the laws, regulations and administrative provisions relating to the application of Community rules on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors.

(²) Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts.

ANNEX XVI-P

GEORGIA: INDICATIVE LIST OF ISSUES FOR COOPERATION

1. Training, in EU countries and Georgia, of Georgian officials from government bodies engaged in public procurement;
2. Training of suppliers interested participating in public procurement;
3. Exchange of information and experience on best practice and regulatory rules in the sphere of public procurement;
4. Enhancement of the functionality of the public procurement website and establishment of a system of public procurement monitoring;
5. Consultations and methodological assistance from the Union in application of modern electronic technologies in the sphere of public procurement;
6. Strengthening the bodies charged with guaranteeing a coherent policy in all areas related to public procurement and the independent and impartial consideration (review) of contracting