

[TRANSLATION - TRADUCTION]

AGREEMENT ON A CUSTOMS UNION AND A COMMON ECONOMIC ZONE

The States Parties to this Agreement, hereinafter referred to as the Parties;

Guided by the Treaty between the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation on the deepening of integration in economic and humanitarian fields, of 29 March 1996, hereinafter referred to as the Treaty of 29 March 1996, and by earlier agreements on its implementation, and bearing in mind the decisions taken by the bodies managing that integration;

Implementing the agreements signed between the Parties on free trade, on a single system for regulating foreign economic activities, on a Customs Union, on ensuring the interconvertibility of their national currencies and stabilization of the exchange rates of those currencies, and on preventing double taxation and avoidance of the payment of taxes on income and capital;

Having regard for existing industrial, scientific and technological ties and the interdependence and complementarity of their economies;

Determined to give a new impulse to the development of closer integration and harmonization of their economies with a view to enhancing social progress and improving the welfare of their peoples;

Recognizing that the elimination of existing barriers and restrictions requires agreed measures, the harmonious development of market relations between States and the establishment of equal conditions and opportunities for economic entities;

Confirming the friendly relations linking their States and peoples, wishing to ensure the flourishing of those relations, and guided by the principles of the Charter of the United Nations, the Charter of the Commonwealth of Independent States, the Treaty on the establishment of an Economic Union, of 24 September 1993, and the norms and principles of international law;

Bearing in mind the efforts of the Parties to become members of the World Trade Organization;

Respecting the sovereignty and territorial integrity of States and pledging non-interference in internal affairs; and

Determined to complete the establishment of the Customs Union and the creation of the Common Economic Zone, have agreed as follows:

CHAPTER I. CONCEPTS AND TERMS

Article 1

For the purposes of this Agreement, the concepts and terms cited below shall have the following meanings:

(1) Common Economic Zone: the zone consisting of the territory of the Parties in which uniform mechanisms operate for regulating the economy, based on market principles and the application of harmonized legal norms, there is a single infrastructure, and a coordinated tax, monetary, credit, foreign exchange, financial, trade and customs policy applies, ensuring free movement of goods, services, capital and labour.

(2) Common Customs Zone: the zone consisting of the customs areas of the Parties, in respect of which the Parties apply a common customs tariff, uniform non-tariff regulatory measures and unified customs rules, and within which there is a single administration of customs services and customs controls on the internal customs border have been eliminated;

(3) Common (internal) market: the aggregate of economic relations in the Common Customs Zone;

(4) Common customs tariff: the coordinated schedule of uniform rates for import customs duties applied to goods imported into the customs areas of the States members of the Customs Union from third countries, systematized in conformity with the single nomenclature for goods applied in foreign economic activities by the Commonwealth of Independent States;

(5) Internal customs border: the limits of the customs area of each of the Parties that are at the same time the limits of the customs area of another of the Parties;

(6) External customs border (external perimeter): the limits of the Common Customs Zone of the States members of the Customs Union which separate the areas of those States from those of States which are not members of the Customs Union;

(7) Indirect taxes: value-added tax and excise duties on goods and services.

CHAPTER II. GENERAL PROVISIONS

Article 2

In accordance with the provisions of this Agreement, the Parties undertake to complete the establishment of the Customs Union and to establish the Common Economic Zone on the basis of the Customs Union.

Article 3

The main purposes of establishing the Common Economic Zone are:

The effective functioning of the common (internal) market in goods, services, capital and labour;

The creation of conditions for the stable development of structural reorganization of the economies of the Parties with a view to improving the living standard of their peoples;

The introduction of a coordinated tax, monetary, credit, foreign exchange, financial, trade, customs and tariff policy;

The development of unified transport, energy and information systems; and

The establishment of a common system of measures for State support of the development of priority sectors of the economy and of cooperation in production and in science and technology.

Article 4

The most important principles in establishing the Common Economic Zone are:

The principle of non-discrimination;

The principle of mutual advantage; and

General (universal) principles: mutual assistance, good will, equal rights, responsibility for obligations assumed, and transparency.

Article 5

The creation of the Customs Union and the Common Economic Zone shall be carried out by the following integration management bodies:

The Inter-State Council,

The Council of Heads of Government,

The Integration Committee, and

The Inter-Parliamentary Committee.

Each integration management body shall act within the powers defined by the regulations relating to that body.

The Inter-State Council may decide to establish additional integration management bodies.

Article 6

The States Parties shall coordinate their economic policy as the Customs Union and the Common Economic Zone are established in accordance with the provisions of the Treaty of 29 March 1996 and the agreements concluded between the Parties and decisions taken with regard to its implementation.

The Parties undertake to refrain from any action that could endanger the achievement of the goals of this Agreement.

Article 7

The Common Economic Zone shall be established in stages. The duration of the stages, the measures to be included in each stage and their implementation shall be determined by the Inter-State Council.

The transition from stage to stage shall depend on the actual achievement of the specific objectives of this Agreement and on the fulfilment by the Parties of the obligations they have assumed.

The first stage shall have as its goal the completion of the establishment of the Customs Union and the Common Customs Zone.

The second stage shall consist of the establishment of the Common Economic Zone, including the formation of a common (internal) market for goods, services, capital and labour, the introduction of a common economic policy and the establishment of a single infrastructure, and the completion of the harmonization of the legislation of the Parties ensuring the operation of the Common Economic Zone.

In later stages of their economic cooperation, the Parties shall strive to achieve agreement on the parameters of basic macroeconomic indicators.

CHAPTER III. COMPLETION OF THE ESTABLISHMENT OF THE CUSTOMS UNION

PART 1. FREE-TRADE REGIME FOR GOODS

Article 8

In their mutual trade the Parties shall ensure the full implementation of a free-trade regime without exceptions or restrictions on the basis of the bilateral and multilateral agreements on free trade which are in force between them.

Article 9

The Parties affirm the following goals for the operation of the free-trade regime for goods:

(a) No tariff or quantitative restrictions shall be imposed on goods originating in the customs area of one Party and being exported (imported) to the customs area of another Party and intended for free circulation in the customs area of the Parties;

(b) A single system shall be introduced for the levy of indirect taxes;

(c) Nothing shall prevent one Party from temporarily applying protective measures with regard to the import of goods from another Party in conformity with generally recognized international norms and rules or with its national legislation;

(d) No third State which is not a party to this Agreement, shall be granted a trade regime which is more favourable than that granted by the Parties to each other without the agreement of the Parties;

(e) Restrictions on competition caused by the actions of economic entities or by interference on the part of governmental or territorial bodies, shall be eliminated, to the extent that such activities could affect the mutual trade of economic entities of the Parties;

(f) The Parties shall not apply against each other any measures (including collective measures) of a restrictive or fiscal nature that could directly or indirectly lead to discrimination against a good originating in the customs area of one Party when compared to similar goods originating in the customs area of another Party.

Article 10

The Parties shall take the necessary steps in their territories to eliminate administrative and fiscal barriers of a local or regional nature that hinder the normal operation of the free-trade regime for goods.

For the purposes of this article of this Agreement, nothing shall prevent the Parties from applying domestic legislation concerning the entry, stay and work, the establishment of firms and companies and the performance of services by natural or juridical persons. In so doing, they shall apply the regime in such a way as not to eliminate or restrict the privileges gained by each Party under this Agreement.

PART 2. REGULATION OF FOREIGN TRADE IN GOODS

Article 11

The Parties shall establish a single system for regulating foreign trade within the framework of their obligations under the agreements on the Customs Union and through the harmonization of norms and rules provided for in the bilateral agreements on a single system for regulating foreign economic activities that are in force between them as of the date of entry into force of this Agreement.

Article 12

The single system for regulating foreign trade and for the adoption of coordinated decisions on synchronized amendments and additions to that system shall include the following areas:

- (1) Tariff-based regulation of foreign trade;
- (2) Non-tariff regulatory measures in trade with third countries;
- (3) Establishment of a trade regime for relations with third countries;
- (4) Indirect taxation of foreign trade operations with third countries; and
- (5) Currency controls on foreign trade operations.

Article 13

The Parties shall conclude appropriate agreements further to decision No. 2 of the Council of Heads of Government entitled "Common customs tariff of the States Parties to the agreements on the Customs Union", of 22 January 1998.

The Parties shall apply a coordinated system of tariff advantages and tariff preferences in trade with third countries, including a single system for introducing amendments and additions into the system.

The Parties have agreed that the system for levying and receiving customs duties, taxes and charges with similar effect shall be determined through separate agreements.

In formulating the agreements mentioned above, the Parties shall take into account the decisions taken and subsequent bilateral or multilateral agreements that the Parties may conclude on the subject.

Article 14

The Parties shall abide by a single system for applying non-tariff regulatory measures in trade with third countries and to that end shall apply fully the Agreement of 22 October 1997 on unified non-tariff regulatory measures associated with the establishment of the Customs Union.

The single system for regulating foreign trade shall not apply to the Parties' trade in arms, military technology and other output for military purposes, nuclear materials, equipment, special non-nuclear materials and related technologies, as well as dual purpose goods and technologies specified in article 5 of the Agreement on unified non-tariff regulatory measures associated with the establishment of the Customs Union. For those purposes, the Parties shall conclude a separate agreement.

Article 15

With respect to trade with third countries, the Parties shall take coordinated action for the phased establishment of a single trade regime.

Changes in the trade regime in relation to third countries and the introduction or elimination of tariff and non-tariff restrictions in the trade in goods, including the introduction or elimination of temporary restrictions, shall be carried out by the Parties, as a rule, simultaneously. To that end the Parties shall sign appropriate protocols.

In trade with countries with which one of the Parties has an agreement on a free-trade regime, that Party shall agree with the other Parties to this Agreement on schedules of exceptions and restrictions in the free-trade regime or the forms of compensation entailed by the resulting inconsistency in the trade regimes.

Independent negotiations on the part of the Parties with regard to admission to the World Trade Organization and the process of their integration into international economic and financial structures should not pose an insuperable barrier to their efforts to carry out the phased harmonization of their trade regimes.

With a view to achieving the necessary level of agreement in their negotiating positions, the Parties shall make effective use of the mechanism of regular consultations provided for in the Protocol of 3 June 1997 on international trade negotiations on the part of the States members of the Customs Union at the time of entry into the World Trade Organization, and in decision No. 27 of the Inter-State Council, of 28 April 1998.

Article 16

The Parties shall apply a single system for levying indirect taxes on trade with third countries.

The rates for indirect taxes on exported or imported goods shall not exceed the corresponding rates imposed on goods produced domestically.

In trade with third countries, the Parties shall levy indirect taxes based on the principle of the country of destination.

In the import or export of goods in trade with third countries, the Parties shall refrain from granting individual tax advantages in respect of the rates and system for levying value-added tax and excise duties on goods subject to excise tax.

Any Party shall have the right to demand information from another Party with regard to the application of rates, the mechanism by which taxes are levied and the tax advantages granted to residents and non-residents engaged in trade operations, involving goods from third countries, and to receive that information within 30 calendar days.

Article 17

The Parties shall apply a coordinated system for currency regulation in foreign trade operations based on monitoring of the legislation in force in the States Parties and on the regular exchange of information between the central (national) banks, as well as additional information on current and capital operations in the balance of payments.

In the future the Parties shall work out a separate agreement on the application of a common system for currency control.

Article 18

The Parties affirm that a single system for regulating foreign trade operations shall be established gradually as legislation is unified, taking into account the current and long-term foreign trade and economic interests and potential of the Parties.

Any amendments and additions to the single system of regulation of foreign trade operations in the areas specified in article 12 of this Agreement shall be introduced by agreement among the Parties at the stage of draft decisions on the part of the Governments of the Parties.

The Parties shall have the right to impose individual temporary restrictions in trade with third countries in conformity with generally recognized international norms and rules.

Such measures shall be of a temporary nature and shall be applied in conformity with the procedures established by the Parties.

Article 19

The Parties view the application of the single system for regulating foreign trade operations as a vital foundation and indispensable condition for establishing a free-trade regime on a mutual basis without exceptions or restrictions.

The departure of a Party from the regime of the single system for regulating foreign trade operations described in articles 11 to 18 of this Agreement may be regarded by a Party

or the Parties as grounds for raising the question of terminating the operation of the free-trade regime without exceptions or restrictions in relation to that Party.

PART 3. THE CUSTOMS UNION

Article 20

The Parties affirm that their efforts to complete the establishment of the Customs Union are based on the operation of the free-trade regime, the phased establishment of a single system for regulating foreign trade operations and the fulfilment of obligations stemming from the principles and provisions of the agreements on the Customs Union.

Article 21

In conformity with generally recognized international norms and rules, the Parties shall establish the Customs Union as a trade and economic association with:

- (a) A Common Customs Zone;
- (b) A common customs tariff;
- (c) A regime that excludes all tariff and non-tariff restrictions (licensing, quotas) in mutual trade, except in cases provided for in this Agreement;
- (d) Simplification and subsequent elimination of customs controls along the internal customs borders;
- (e) Uniform mechanisms for regulating the economy and trade, based on universal market principles of management and on harmonized economic legislation;
- (f) Management bodies; and
- (g) A single customs policy and the application of single customs regimes.

During the stage of formation of the Customs Union, its executive body shall be the Integration Committee.

Article 22

After fulfilment of the conditions specified in article 21, goods imported from third countries into the Common Customs Zone and put into free circulation in one of the States Parties shall not be restricted from crossing internal customs borders.

The Parties shall unify the norms and rules for customs formalities and controls applied to goods originating in third countries and shall sign the appropriate documents on simplification and subsequent elimination of customs formalities and controls at the internal customs borders.

With regard to customs formalities for goods being transported by natural persons across the internal borders of the Customs Union, the Parties shall be guided by the Protocol on a simplified procedure for customs formalities of 22 January 1998, and shall in the future eliminate customs formalities and customs controls on goods at the internal customs borders. The Parties shall sign the appropriate documents for these purposes.

Article 23

The Parties shall determine the time frames for completing the establishment of the Customs Union through supplementary agreements, taking into account generally recognized international norms and rules.

In establishing trade regimes with third countries, the Parties shall grant each other a preferential regime through an exception to the most-favoured nation regime in favour of the Parties establishing the Customs Union.

Article 24

The Parties shall ensure the unification of the customs areas into a Common Customs Zone after the completion of the necessary legal, economic and international requirements.

To this end the Parties have agreed to conclude an agreement on completing the establishment of the Customs Union and a regulatory mechanism for the operation of the Common Customs Zone.

CHAPTER IV. THE ESTABLISHMENT OF THE COMMON ECONOMIC ZONE

PART 4. COMMON ECONOMIC POLICY AND THE DEVELOPMENT OF INFRASTRUCTURE

Article 25

The Parties shall agree on the basic directions and stages for the restructuring of their economies so as to ensure effective use of production capacity, the establishment of a favourable climate for investment, support for high-performing industries, the introduction of a coordinated anti-monopoly, tax and finance policy, and the establishment of conditions favouring fair competition within the Common Economic Zone.

Article 26

The Parties shall create the necessary conditions for the stable economic development of the States Parties to this Agreement. They shall coordinate State support for their priority sectors and production areas and implement effective conversion and restructuring of their defence industry.

Article 27

Various forms of subsidies (assistance) provided by a State Party in the form of grants or State resources, which may damage or risk damaging competition by creating more favourable conditions for certain companies or producers of particular types of goods, shall be considered as incompatible with the principles of the Common Economic Zone to the extent that they affect trade between the Parties, except in the case of:

Social assistance granted to individual consumers, provided that it is granted without discrimination;

Assistance aimed at remedying damage caused by natural disasters or other extraordinary events of a natural or man-made nature;

Subsidies aimed at promoting the social and economic development of regions where the standard of living in the State concerned is below the minimum subsistence level determined by each Party, or where there are low employment levels;

Subsidies aimed at assisting in the implementation of a project of inter-State importance or designed to correct serious damage to the economy of a State Party; and

Other types of subsidies (assistance) that may be determined by decision of the Inter-State Council.

Article 28

The Parties shall apply a single system for levying indirect taxes in mutual trade based on the principle of the country of destination and to that end shall conclude an appropriate agreement.

The rates of indirect taxes on imported goods in mutual trade shall not exceed the rates applied to similar goods produced domestically.

Article 29

In order to implement a coordinated excise policy, the Parties shall abide by the basic list of excisable goods produced and imported into the customs areas of States Parties.

Article 30

In order to ensure full collection of taxes and also the exchange of information between the tax authorities of States Parties to this Agreement, the Parties shall implement the provisions of the Agreement on cooperation and mutual assistance in ensuring compliance with the tax legislation of the Parties, of 25 March 1998, and Decision No. 4 taken by the Council of Heads of Government on the basis of the principles of cooperation among the tax services of the States Parties to the Treaty of 29 March 1996.

Article 31

State regulation of the economies of the Parties shall aim at introducing institutional changes, effectively managing property, regulating relations between economic spheres and the banking sector, establishing new mechanisms for attracting financial resources, and organizing inter-State accounting.

Article 32

The Parties shall promote the establishment of effective complementary production entities, bearing in mind the economic interests of the States Parties.

Article 33

The Parties shall take steps to ensure that no economic entity or entities abuse their dominant position, so as to prevent:

Resort to methods of unfair competition;

Imposition of constraints on production, markets or technological development that harm consumers;

Application of differing conditions to deals of equal value with other trading partners, thereby placing them at a disadvantage in competition.

In the event of the discovery of dumping practices, the injured Party shall have the right to take appropriate defensive measures, as specified in domestic legislation, with the agreement of the Parties.

Article 34

The Parties shall establish a Transport Union in accordance with the Agreement between the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation on the establishment of a Transport Union, of 22 January 1998.

The Parties define the Transport Union as an integrated system of the transport structures of the Parties, operating on the basis of mutually coordinated technologies and parameters and a unified base of standards and laws.

The establishment of the Transport Union shall be carried out in stages in step with the deepening of integration processes, and shall consist of the implementation of measures to ensure legal, economic and organizational conditions for unimpeded movement of vehicles, the transport of passengers and freight between the Parties and the transit of goods through their territories.

The establishment of the Transport Union shall be completed during the second stage.

Article 35

The Parties shall carry out transit in conformity with the Agreement on unified conditions for transit through the territories of States members of the Customs Union, of 22 January 1998.

Article 36

The States Parties shall conduct a coordinated agrarian policy and ensure joint financing of programmes and projects for developing the output of agricultural products and raw materials in conformity with the list agreed on by the Parties.

In carrying out the common agrarian policy the Parties shall bear in mind:

- The need to ensure the food security of the States Parties to the Treaty;
- The special nature of agricultural activity determined by the productive and social structure of agriculture and the specific natural conditions of the Parties; and

- The need to improve the structure of agricultural production.

PART 5. COMMON MARKET IN SERVICES

Article 37

The States Parties shall endeavour to grant each other on a reciprocal basis their domestic regime with regard to access to the market in services.

The Parties shall gradually eliminate existing restrictions on access to their domestic markets in services for natural and legal persons of the States Parties to this Agreement, within the framework of the Common Economic Zone.

To that end the Parties shall undertake a joint programme to develop trade in services within the framework of the Common Economic Zone, in the preparation of which they shall abide by generally recognized international norms and rules.

Article 38

The Parties shall apply a coordinated policy for trade in services in relation to third countries.

In establishing the regime for trade in services with third countries, the Parties shall grant each other a preferential regime through an exception to the most favoured nation regime in favour of the Parties establishing the Customs Union.

PART 6. COMMON MARKET IN LABOUR AND SOCIAL POLICY

Article 39

The Parties shall ensure free movement of nationals of the States Parties within the Common Economic Zone.

Free movement implies the elimination of any discrimination against nationals of the Parties and the establishment of a unified legal regime in the areas of job placement, pay and other aspects of labour and employment.

This implies the ability:

- To move about freely and be employed throughout the territory of the Parties;
- To simplify to the greatest extent possible the procedures for obtaining and relinquishing citizenship;
- To grant nationals of the Parties living permanently in the territory of any Party a legal status that is as close as possible to that of nationals of the country of residence;
- To cross the border freely and stay in the territory of the Parties using the national passport of one of the Parties;
- To establish unified norms with respect to carrying foreign currency across the borders of States Parties and carrying baggage across without customs duties;

- To apply the domestic regimes to nationals of the States Parties crossing their borders;
- To stay in one of the States Parties and take up employment under the legislation that governs the employment of nationals of that Party; and
- To remain in the territory of one of the States Parties after employment in that State has ended.

For those purposes the Parties shall sign the appropriate agreements.

Article 40

The Parties have agreed that periods of service by nationals employed in the territory of the States Parties shall count towards total length of service, including in the calculation of pensions and benefits.

Article 41

Each of the Parties undertakes the obligation, as of the date of signature of this Agreement, not to introduce, without the agreement of the other Parties, additional restrictions on nationals of the other States Parties with respect to the right to choose a place of residence and to engage in economic activity in its territory.

The Parties shall gradually eliminate restrictions on nationals of the States Parties with respect to the right to choose a place of residence and engage in economic activity, as well as the right to form corporations, in each other's territory.

Article 42

The Parties shall apply a single visa policy with regard to third countries, inter alia for the purpose of preventing uncontrolled migration. To that end the Parties shall conclude appropriate agreements.

Article 43

Each Party shall provide nationals of the other Parties free emergency medical care while they are staying in its territory. To that end the Parties shall conclude appropriate agreements.

Article 44

The Integration Committee, in conjunction with the Governments of the Parties, shall study and analyse problems relating to the social sphere and, on the basis of the results, present its conclusions and recommendations to the Council of Heads of Government on issues of:

Employment;

Labour legislation and working conditions;

Vocational training and advanced training;
The development of minimum standards for social welfare;
The prevention of work-related accidents and occupational diseases;
Occupational hygiene; and
The right to form professional associations and to conclude collective agreements.

Article 45

The Parties shall ensure the establishment of a coordinated system of education, advanced training, training and retraining of personnel, unified rules and requirements for admission to general education and vocational schools, higher educational institutions and graduate programmes, and the mutual recognition and equivalency of documents relating to education, degrees and titles.

PART 7. MOVEMENT OF CAPITAL

Article 46

The Parties, in implementing the agreements on the inter-convertibility of national currencies, shall continue the progressive liberalization of their currency policies in terms of eliminating restrictions on the use of the currency of other States in current transactions, introducing a single exchange rate for national currency in current operations under the balance of payments, allowing non-resident banks to enter domestic currency markets, and eliminating restrictions on the import and export of national currency by authorized banks; and shall abide by article VIII of the Articles of Agreement of the International Monetary Fund. With a view to implementing measures for cooperation between national currency systems and to supplementing those measures, the Parties shall sign appropriate protocols.

Article 47

The Parties shall implement the provisions of agreements on the elimination of double taxation and on the prevention of the avoidance of the payment of taxes on income and capital.

Article 48

The Parties shall agree on a mechanism for establishing exchange rates for their national currencies.

Article 49

The Parties shall devise a payments system for handling settlements involving the circulation of goods in inter-State and business transactions, non-commercial operations, ser-

vices relating to transport, communications and other sectors, and State, bank and commercial loans and currency exchange operations.

Article 50

Each of the Parties shall have the right, to adopt temporary protective measures in the area of capital movements, while giving immediate notice to the other Parties, if existing capital movements are giving rise to disruptions in the functioning of the domestic capital market.

Article 51

The Parties shall strive to increase the degree of liberalization in respect of capital movements as their economic situation improves.

The Parties shall not introduce new, additional restrictions in the area of currency operations that might hamper the movement of capital and associated current payments, nor shall they increase the restrictions laid down in the existing rules.

The possibility of temporary non-application of the provisions of this article shall be regulated by separate agreements.

PART 8. SCIENCE, TECHNOLOGY AND INFORMATICS DEVELOPMENT

Article 52

The Parties shall carry out a coordinated science and technology policy. To that end they shall adopt a joint programme on priority areas for national scientific research, technological development and experimental production, with a view to integrating and further developing their scientific and technological capacities.

Article 53

The joint programme shall be implemented through specific programmes developed for the main areas of activity. In each programme, the means of implementation shall be established, the time frames set, and the sources of financing provided for.

The coordination of scientific research and the implementation of the joint programmes shall proceed at the national level in cooperation with the Integration Committee.

Article 54

Basic and applied scientific research carried out within the framework of inter-State programmes and projects shall be financed by State order and under commercial conditions, as well as through joint financing.

The Parties shall establish a single system for scientific, technical, economic and legal information and the appropriate databases.

Article 55

The Parties shall ensure the free exchange and distribution of radio and television programmes and other means of mass communication in their territories, access by individuals and legal entities to telecommunication systems, taking into account national interests, and wider exchange of information with third countries, and shall conclude appropriate agreements.

CHAPTER V. HARMONIZATION AND UNIFICATION OF LEGISLATION

Article 56

The Parties shall adopt coordinated measures to harmonize and unify their legislative and other legal instruments (hereinafter referred to as measures to harmonize legislation), that have a direct effect on the implementation of the provisions of this Agreement.

With a view to harmonizing and unifying their legislation, the Parties shall take measures, including the following:

- (a) Coordination of activities relating to the preparation of draft laws and other legal instruments, including draft legal instruments on amending laws and other instruments;
- (b) Conclusion of international treaties;
- (c) Adoption of model instruments;
- (d) Adoption of the appropriate decisions by the Inter-State Council or the Council of Heads of Government; and
- (e) Other measures that the Parties may deem expedient and possible, provided such measures are approved by the Inter-State Council.

Article 57

Bearing in mind the object and goals of this Agreement, the Inter-State Council shall adopt decisions as to which legislative and other legal instruments of the Parties shall be harmonized and unified, and shall establish the sequence for carrying out the appropriate measures to harmonize legislation. Such decisions may cover the adoption of measures to harmonize legislation both in relation to specific instruments in force in the territory of the Parties and in relation to certain areas of legal regulation.

The Inter-State Council shall also decide what measures to harmonize legislation should be applied to the corresponding legislative or other legal instruments of the Parties or, bearing in mind the decisions it has adopted, the corresponding area of legal regulation.

Article 58

When the general view of the Parties is that it is necessary and justified, the Inter-State Council may adopt:

- (a) Decisions establishing unified rules for the States Parties to this Agreement that are binding in all of their parts and must be directly applied by the States Parties;
- (b) Resolutions that are binding on the State Party or States Parties to which they are addressed in terms of the expected result, while leaving the organs of the Parties free to choose the form and methods of action; and
- (c) Non-binding recommendations.

Article 59

Decisions under articles 57 and 58 of this Agreement shall be taken by the Inter-State Council on the basis of proposals made by the Integrated Committee, after consultations with the Inter-Parliamentary Committee, and approved by the Council of Heads of Government.

Proposals introduced by the Inter-Parliamentary Committee with regard to the adoption of measures to harmonize legislation shall be subject to prior review by the Integration Committee, which shall make the appropriate recommendations to the Council of Heads of Government, following consultations with the Inter-Parliamentary Committee. This provision shall not limit the right of the Inter-Parliamentary Committee to adopt model acts of a recommendatory nature, as provided for in article 22 of the Treaty of 29 March 1996.

Proposals with regard to the adoption of measures to harmonize legislation must be based on an impartial and comprehensive assessment of the situation in the relevant area of legal regulation in the context of the relations between the States Parties and of the problems that arise in that connection with regard to achieving the goals and principles of this Agreement.

Article 60

The powers granted to the Inter-State Council under article 57 and article 58, paragraphs (b) and (c) of this Agreement may be delegated to the Council of Heads of Government, provided that the Inter-State Council takes a decision to that effect.

CHAPTER VI. FINAL PROVISIONS

Article 61

In the event that an action or threat of action on the part of third countries could cause economic damage to one or more of the States Parties to this Agreement, the Governments shall, on the proposal of one or more of the Parties, immediately engage in consultations so as to work out coordinated measures to avert that economic damage or the threat of such damage.

Article 62

This Agreement shall not affect the obligations of the Parties under international agreements they have concluded earlier with third States, inter alia within the framework of the Commonwealth of Independent States.

Article 63

This Agreement shall be open to the adherence of any State that recognizes its principles and declares a readiness to assume fully the obligations deriving from it and has sent an appropriate request to the Inter-State Council through the depositary. The conditions under which third States may become Parties shall be determined by an appropriate decision of the Inter-State Council.

Article 64

The Parties may submit proposals to the Inter-State Council concerning amendments and additions to this Agreement.

The Inter-State Council shall adopt decisions to amend or supplement this Agreement unanimously and such decisions shall enter into force when they have been ratified by all the States Parties.

Article 65

This Agreement shall be registered with the Secretariat of the United Nations.

Article 66

The Parties shall resolve disputes arising in the implementation of the obligations of Parties or in the interpretation and application of the provisions of this Agreement through consultations, negotiations or any other means on which they may agree.

The Parties shall conclude an agreement on the responsibilities of the Parties for non-fulfilment of obligations assumed under this Agreement.

Article 67

The location for the integration management organs shall be determined by the Inter-State Council. The management organs shall operate in the territory of States Parties in conformity with separate agreements on the conditions of their presence.

Article 68

The depositary for this Agreement shall be the Integration Committee.

Article 69

Each Party may renounce this Agreement in writing by so notifying the depositary no less than 12 months before the date of withdrawal.

Article 70

This Agreement is subject to ratification and shall enter into force for those States that have ratified it as of the date on which the depositary receives an instrument of ratification from the third State Party.

For each of the remaining States Parties to the Agreement, it shall enter into force as of the date on which the depositary receives that State's instrument of ratification.

For the Republic of Tajikistan, this Agreement shall enter into force after the depositary receives the instrument of ratification of this Agreement from the Republic of Tajikistan and upon completion of the legal registration of its adherence to the agreements of 6 and 20 January 1995 on the Customs Union.

Done at Moscow on 26 February 1999 in one original copy in the Belarusian, Kazakh, Kyrgyz, Russian and Tajik languages, all texts being equally authentic. In the event of disagreements among the Parties as to the text of this Agreement, the Parties shall use the Russian text.

The original copy of the Agreement has been deposited with the Integration Committee, which shall send each State that has signed this Agreement an authenticated copy.

For the Republic of Belarus:

A. G. LUKASHENKO

For the Republic of Kazakhstan:

N. A. NAZARBAYEV

For the Kyrgyz Republic:

A. A. AKAEV

For the Russian Federation:

B. N. YELTSIN

For the Republic of Tajikistan:

E. SH. RAKHMONOV