

# **EUROPE AGREEMENT establishing an association between the European Communities and their Member States, of the one part, and the Republic of Poland, of the other part**

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE PORTUGUESE REPUBLIC,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Economic Community, the Treaty establishing the European Coal and Steel Community and the Treaty establishing the European Atomic Energy Community, hereinafter referred to as 'Member States', and

THE EUROPEAN ECONOMIC COMMUNITY, THE EUROPEAN COAL AND STEEL COMMUNITY, THE EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as 'the Community',

of the one part, and

THE REPUBLIC OF POLAND, hereinafter referred to as 'Poland',

of the other part,

CONSIDERING the importance of the existing traditional links between the Community, its Member States and Poland and the common values that the Contracting Parties share;

RECOGNIZING that the Community and Poland wish to strengthen these links and to establish close and lasting relations, based on reciprocity, which would allow Poland to take part in the process of European integration, thus strengthening and widening the relations established in the past notably by the Agreement on trade and commercial and economic cooperation, signed on 19 September 1989;

CONSIDERING the commitment of the Community and its Member States and of Poland to strengthening the political and economic freedoms which constitute the very basis of the association;

RECOGNIZING the significant achievements of the Polish people in the process of fast transition to a new political and economic order based on the rule of law and human rights, including the legal and economic framework for market economy and a multiparty system with free and democratic elections;

RECALLING the firm commitment of the Community, its Member States and of Poland to the process of the Conference on Security and Cooperation in Europe (CSCE), including the full implementation of all provisions and principles therein, in

particular the Helsinki Final Act, the concluding documents of the Madrid and Vienna follow-up meetings and the Charter of Paris for a new Europe;

CONSCIOUS of the importance of the Association Agreement to establishing in Europe a system of stability based on cooperation, with the Community as one of the cornerstones;

BELIEVING that a link should be made between full implementation of association on the one hand, and the actual accomplishment of Poland's political, economic, and legal reforms on the other hand, as well as the introduction of the factors necessary for cooperation and the rapprochement between the parties' systems, notably in the light of the conclusions of the CSCE Bonn Conference;

DESIROUS of establishing and developing regular political dialogue on bilateral and international issues of mutual interest;

TAKING ACCOUNT of the Community's willingness to provide decisive support for the implementation of reform and to help Poland cope with the economic and social consequences of structural readjustment;

TAKING ACCOUNT furthermore of the Community's willingness to set up instruments of cooperation and economic, technical and financial assistance on a global and multiannual basis;

CONSIDERING the commitment of the Community and Poland to free trade, and in particular to compliance with the rights and obligations arising out of the General Agreement on Tariffs and Trade (GATT);

BEARING IN MIND the economic and social disparities between the Community and Poland and thus recognizing that the objectives of this association should be reached through appropriate provisions of this Agreement;

CONVINCED that the Association Agreement will create a new climate for their economic relations and in particular for the development of trade and investment, instruments which are indispensable for economic restructuring and the technological modernization;

DESIROUS of establishing cultural cooperation and developing exchanges of information;

RECOGNIZING the fact that the final objective of Poland is to become a member of the Community and that this association, in the view of the Parties, will help to achieve this objective,

HAVE AGREED AS FOLLOWS:

## **Article 1.**

1. An association is hereby established between the Community and its Member States on the one part and Poland on the other part.

2. The aim of this Agreement is:

- to provide an appropriate framework for the political dialogue, allowing the development of close political relations between the parties,
- to promote the expansion of trade and the harmonious economic relations between the parties and so to foster the dynamic economic development and prosperity in Poland,
- to provide a basis for the Community's financial and technical assistance to Poland,
- to provide an appropriate framework for Poland's gradual integration into the Community. To this end, Poland shall work towards fulfilling the necessary conditions,
- to promote cooperation in cultural matters.

## **Title I . POLITICAL DIALOGUE**

### **Article 2.**

A regular political dialogue shall be established between the parties. It shall accompany and consolidate the rapprochement between the Community and Poland, support the political and economic changes under way in that country and contribute to the establishment of new links of solidarity. The political dialogue and cooperation:

- will facilitate Poland's full integration into the community of democratic nations and progressive rapprochement with the Community. The economic rapprochement provided for in this Agreement will lead to greater political convergence,
- will bring about better mutual understanding and an increasing convergence of positions on international issues, and in particular on those issues likely to have substantial effects on one or the other Party,
- will enable each Party to consider the position and interests of the other in their respective decision-making processes,
- will enhance security and stability in the whole of Europe.

### **Article 3.**

1. Consultations as appropriate shall take place between the President of the European Council and the President of the Commission of the European Communities on one side and the President of Poland on the other.
2. At ministerial level, political dialogue shall take place within the Association Council. This shall have general responsibility for any matters the parties might wish to put to it.

### **Article 4.**

Other procedures and mechanisms for political dialogue shall be set up by the parties, and in particular in the following forms:

- meetings at senior official level (political directors) between Polish officials, on the one hand, and the Presidency of the Council of the European Communities and the Commission of the European Communities, on the other,
- taking full advantage of all diplomatic channels including regular briefings by Polish officials in Warsaw, consultations on the occasion of international meetings and contacts between diplomatic representatives in third countries,
- providing regular information to Poland on European Political Cooperation which shall be reciprocated as appropriate,
- any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue.

### **Article 5.**

Political dialogue at parliamentary level shall take place within the framework of the Parliamentary Association Committee.

## **Title II. GENERAL PRINCIPLES**

### **Article 6.**

1. The association includes a transition period of a maximum duration of 10 years divided into two successive stages, each in principle lasting five years. The first stage shall begin when this Agreement enters into force.
2. The Association Council shall proceed regularly to examine the application of this Agreement and of Poland's accomplishments in the process leading to a market economy system.
3. During the course of the 12 months preceding the expiration of the first stage, the Association Council shall meet to decide the transition to the second stage as well as on any possible changes to be brought about as regards measures concerning the implementation of the provisions governing the second stage. In doing this, it will take into account the results of the examination mentioned in paragraph 2.
4. The two stages envisaged in paragraphs 1 and 3 do not apply to Title III.

## **Title III. FREE MOVEMENT OF GOODS**

### **Article 7.**

1. The Community and Poland shall gradually establish a free trade area in a transitional period lasting a maximum of 10 years starting from the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with those of the General Agreement on Tariffs and Trade (GATT).
2. The combined nomenclature of goods shall be applied to the classification of goods in trade between the two Parties.

3. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be that actually applied erga omnes on the day preceding that date of entry into force of the Agreement.
4. If, after entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions resulting from the tariff agreement concluded as a result of the GATT Uruguay Round, such reduced duties shall replace the basic duties referred to in paragraph 3 as from the date when such reductions are applied.
5. The Community and Poland shall communicate to each other their respective basic duties.

## **Chapter I. Industrial Products**

### **Article 8.**

1. The provisions of this Chapter shall apply to products originating in the Community and in Poland listed in Chapters 25 to 97 of the combined nomenclature with the exception of the products listed in Annex I.
2. The provisions of Articles 9 to 13 included do not apply to products mentioned in Articles 15 and 16.

### **Article 9.**

1. Customs duties on imports applicable in the Community to products originating in Poland other than those listed in Annexes IIa, IIb and III shall be abolished on the entry into force of this Agreement.
2. Customs duties on imports applicable in the Community to products originating in Poland which are listed in Annex IIa shall be progressively abolished in accordance with the following timetable:

- on the date of entry into force of this Agreement each duty shall be reduced to 50 % of the basic duty,
- one year after the date of entry into force of this Agreement the remaining duties shall be eliminated.

Customs duties on imports applicable in the Community to products originating in Poland listed in Annex IIb shall be progressively reduced, from the date of entry into force of this Agreement, by annual reductions of 20 % of the basic duty, so as to arrive at a total abolition by the end of the fourth year after the date of entry into force of this Agreement.

3. The products of Polish origin listed in Annex III shall benefit from a suspension of customs duties on imports within the limits of annual Community tariff quotas or ceilings increasing progressively in accordance with the conditions defined in that Annex so as to arrive at a complete abolition of customs duties on imports of the products concerned at the end of the fifth year at the latest.

At the same time, customs duties on imports applicable to import quantities in excess of the quotas or ceilings provided for above shall be progressively dismantled from the entry into force of this Agreement by annual reductions of 15 %. By the end of the fifth year, remaining duties shall be abolished.

4. Quantitative restrictions on imports to the Community and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement with regard to the products originating in Poland.

### **Article 10.**

1. Customs duties on imports applicable in Poland to products originating in the Community listed in Annex IVa shall be abolished on the date of entry into force of this Agreement.
2. Customs duties on imports applicable in Poland to products originating in the Community which are listed in Annex IVb shall be progressively reduced as specified in that Annex.

Poland shall open duty free tariff quotas for products originating in the Community, as listed in that Annex and according to the conditions contained therein.

3. Customs duties on imports applicable in Poland to products originating in the Community other than those listed in Annexes IVa and IVb shall be progressively reduced, and abolished by the end of the seventh year at the latest from the entry into force of this Agreement according to the following timetable:

- three years after the date of entry into force of this Agreement each duty shall be reduced to 80 % of the basic duty,

- four years after the date of entry into force of this Agreement each duty shall be reduced to 60 % of the basic duty,
- five years after the date of entry into force of this Agreement each duty shall be reduced to 40 % of the basic duty,
- six years after the date of entry into force of this Agreement each duty shall be reduced to 20 % of the basic duty,
- seven years after the date of entry into force of this Agreement the remaining duties shall be eliminated.

4. Quantitative restrictions on imports into Poland of products originating in the Community and measures having equivalent effect shall be abolished on entry into force of this Agreement with the exception of those listed in Annex V which shall be abolished in accordance with the timetable provided in that Annex.

### **Article 11.**

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

### **Article 12.**

The Community and Poland shall abolish upon entry into force of this Agreement in trade between themselves, any charges having an effect equivalent to customs duties on imports.

### **Article 13.**

1. The Community and Poland shall progressively abolish between them at the latest by the end of the fifth year after entry into force of this Agreement any customs duties on exports and charges having equivalent effect.

2. Quantitative restrictions on exports and any measures having equivalent effect shall be abolished by the Community and Poland on the entry into force of this Agreement except for those applied to products listed in Annex VI which shall be eliminated as specified therein.

### **Article 14.**

Each Party declares its readiness to reduce its customs duties in trade with the other Party more rapidly than is provided for in Articles 9 and 10 if its general economic situation and the situation of the economic sector concerned so permit.

The Association Council may make recommendations to this effect.

### **Article 15.**

Protocol 1 lays down the arrangements applicable to the textile products referred to therein.

### **Article 16.**

Protocol 2 lays down the arrangements applicable to products covered by the Treaty establishing the European Coal and Steel Community.

### **Article 17.**

The provisions of this Chapter do not preclude the retention of an agricultural component in the duties applicable to products listed in Annex VII.

## **Chapter II. Agriculture**

### **Article 18.**

1. The provisions of this chapter shall apply to agricultural products originating in the Community and in Poland.

2. The term 'agricultural products` means the products listed in Chapters 1 to 24 of the combined nomenclature and the products listed in Annex I, but excluding fishery products as defined by Regulation (EEC) No 3687/91.

## **Article 19.**

Protocol 3 lays down the trade arrangements for processed agricultural products which are listed in such Protocol.

## **Article 20.**

1. The Community shall abolish at the date of entry into force of this Agreement the quantitative restrictions on imports of agricultural products originating in Poland maintained by virtue of Council Regulation (EEC) No 3420/83 in the form existing on the date of signature hereof.
2. The agricultural products originating in Poland listed in Annex VIIIa or VIIIb shall benefit, upon the date of entry into force of this Agreement, from the reduction of levies within the limit of Community quotas or from the reduction of customs duties and upon the conditions provided in the same Annex.
3. Poland shall gradually abolish quantitative restrictions on imports of agricultural products originating in the Community listed in Annex IX in accordance with the conditions established in that Annex.
4. The Community and Poland shall grant each other the concessions referred to in Annexes Xa, Xb, Xc and XI, on a harmonious and reciprocal basis, in accordance with the conditions laid down therein.
5. Taking account of the volume of trade in agricultural products between them, of their particular sensitivity, of the rules of the common agricultural policy of the Community, of the role of agriculture in the Polish economy, and of the consequences of the multilateral trade negotiations under the General Agreement on Tariffs and Trade, the Community and Poland shall examine on a regular basis in the Association Council, product by product and on an orderly and reciprocal basis, the possibilities of granting each other further concessions. In this context special attention will be given to agricultural production based on natural techniques.
6. Taking account of the need for an increased harmony between the agricultural policies in the Community and Poland, as well as Poland's objective of becoming a member of the Community, both Parties will have regular consultations in the Association Council on the strategy and practical modalities of their respective policies.

## **Article 21.**

Notwithstanding other provisions of this Agreement and in particular Article 30, if, given the particular sensitivity of the agricultural markets, imports of products originating in one Party, which are the subject of concessions granted in Article 20, cause serious disturbance to the markets in the other Party, both Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take the measures it deems necessary.

## **Chapter III. Fisheries**

### **Article 22.**

The provisions of this chapter shall apply to fishery products originating in the Community and in Poland, which are covered by Regulation (EEC) No 3687/91 on the common organization of the market in the sector of fishery products.

### **Article 23.**

The Parties shall conclude as soon as practicable negotiations of an agreement on fishery products.

Thereafter, the provisions of Article 20 (5) shall apply *mutatis mutandis* to fishery products.

## **Chapter IV. Common Provisions**

### **Article 24.**

The provisions of this chapter shall apply to trade in all products except where otherwise provided herein or in Protocols 1, 2 and 3.

### **Article 25.**

1. No new customs duties on imports or exports or charges having equivalent effect shall be introduced, nor shall those already applied be increased, in the trade between the Community and Poland from the date of entry into force of this Agreement.

2. No new quantitative restriction on imports or exports or measure having equivalent effect shall be introduced nor shall those existing be made more restrictive in trade between the Community and Poland from the date of entry into force of this Agreement.

3. Without prejudice to the concessions granted under Article 20, the provisions of paragraphs 1 and 2 of this Article shall not restrict in any way the pursuance of the respective agricultural policies of Poland and the Community or the taking of any measures under such policies.

## **Article 26.**

1. The two Parties shall refrain from any measures or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the territory of the other Party.

2. Products exported to the territory of one of the two Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

## **Article 27.**

1. This Agreement shall not preclude the maintenance or establishment of Customs unions, free trade areas or arrangements for frontier trade except in so far as they alter the trade arrangements provided for in this Agreement.

2. Consultations between the Parties shall take place within the Association Council concerning agreements establishing such customs unions or free trade areas, and, where requested, 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 Community, such consultations shall take place so as to ensure that account can be taken of the mutual interests of the Community and Poland stated in this Agreement.

## **Article 28.**

Exceptional measures of limited duration which derogate from the provisions of Articles 10 and 25 (1) may be taken by Poland in the form of increased customs duties.

These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.

Customs duties on imports applicable in Poland to products originating in the Community introduced by these measures may not exceed 25 % ad valorem and shall maintain an element of preference for products originating in the Community. The total value of imports of the products which are subject to these measures may not exceed 15 % of total imports of industrial products from the Community as defined in Chapter I, during the last year for which statistics are available.

These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Association Council. They shall cease to apply at the latest at the expiration of the transitional period.

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

Poland shall inform the Association Council of any exceptional measures it intends to take and, at the request of the Community, consultations shall be held in the Association Council on such measures and the sectors to which they apply before they are applied. When taking such measures Poland shall provide the Association Council with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties starting at the latest two years after their introduction at equal annual rates. The Association Council may decide on a different schedule.

## **Article 29.**

If one of the Parties finds that dumping is taking place in trade with the other Party within the meaning of Article VI of the General Agreement on Tariffs and Trade, it may take appropriate measures against this practice in accordance with the

Agreement relating to the application of Article VI of the General Agreement on Tariffs and Trade, with related internal legislation and with the conditions and procedures laid down in Article 33.

### **Article 30.**

Where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:

- serious injury to domestic producers of like or directly competitive products in the territory of one of the Contracting Parties, or
- serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region,

the Community or Poland, whichever is concerned, may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 33.

### **Article 31.**

Where compliance with the provisions of Articles 13 and 25 leads to

(i) re-export towards a third country against which the exporting Party maintains, for the product concerned, quantitative export restrictions, export duties or measures having equivalent effect,

or

(ii) a serious shortage, or threat thereof, of a product essential to the exporting Party,

and where the situations referred to above give rise, or are likely to give rise, to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 33. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

### **Article 32.**

The Member States and Poland shall progressively adjust any State monopolies of a commercial character so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and of Poland. The Association Council will be informed about the measures adopted to implement this objective.

### **Article 33.**

1. In the event of the Community or Poland subjecting imports of products liable to give rise to the difficulties referred to in Article 30 to an administrative procedure having as its purpose the rapid of information on the trend of trade flows, it shall inform the other Party.

2. In the cases specified in Articles 29, 30 and 31, before taking the measures provided for therein or, in cases to which paragraph 3 (d) applies, as soon as possible, the Community or Poland, as the case may be, shall supply the Association Council with all relevant information with a view to seeking a solution acceptable to the two Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement.

The safeguard measures shall be notified immediately to the Association Council and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their abolition as soon as circumstances permit.

3. For the implementation of paragraph 2, the following provisions shall apply:

(a) as regards Article 30, the difficulties arising from the situation referred to in that Article shall be referred for examination to the Association Council, which may take any decision needed to put an end to such difficulties.

If the Association Council or the exporting Party has not taken a decision putting an end to the difficulties or no other satisfactory solution has been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures to remedy the problem. These measures must not exceed the scope of what is necessary to remedy

the difficulties which have arisen;

(b) as regards Article 29, the Association Council shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. When no end has been put to the dumping or no other satisfactory solution has been reached within 30 days of the matter being referred to the Association Council, the importing Party may adopt the appropriate measures.

(c) as regards Article 31, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Association Council.

The Association Council may take any decision needed to put an end to the difficulties. If it has not taken such a decision within 30 days of the matter being referred to it, the exporting Party may apply appropriate measures on the exportation of the product concerned;

(d) where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Community or Poland whichever is concerned may, in the situations specified in Articles 29, 30 and 31, apply forthwith the precautionary measures strictly necessary to deal with the situation.

### **Article 34.**

Protocol 4 lays down rules of origin for the application of tariff preferences provided for in this Agreement.

### **Article 35.**

The Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures of artistic, historic or archaeological value or the protection of intellectual, industrial and commercial property or rules relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

### **Article 36.**

Protocol 5 lays down the specific provisions to apply to trade between Poland of the one part and Spain and Portugal of the other part.

## **Title IV. MOVEMENT OF WORKERS, ESTABLISHMENT, SUPPLY OF SERVICES CHAPTER I Movement of Workers**

### **Article 37.**

1. Subject to the conditions and modalities applicable in each Member State:

- the treatment accorded to workers of Polish nationality, legally employed in the territory of a Member State shall be free from any discrimination based on nationality, as regards working conditions, remuneration or dismissal, as compared to its own nationals,
- the legally resident spouse and children of a worker legally employed in the territory of a Member State, with the exception of seasonal workers and of workers coming under bilateral agreements within the meaning of Article 41, unless otherwise provided by such agreements, shall have access to the labour market of that Member State, during the period of that worker's authorized stay of employment.

2. Poland shall, subject to the conditions and modalities applicable in that country, accord the treatment referred to in paragraph 1 to workers who are nationals of a Member State and are legally employed in its territory as well as to their spouse and children who are legally resident in the said territory.

### **Article 38.**

1. With a view to coordinating social security systems for workers of Polish nationality, legally employed in the territory of a Member State and for the members of their family, legally resident there, and subject to the conditions and modalities applicable in each Member State:

- all periods of insurance, employment or residence completed by such workers in the various Member States shall be added together for the purpose of pensions and annuities in respect of old age, invalidity and death and for the purpose of medical care for such workers and such family members,

- any pensions or annuities in respect of old age, death industrial accident or occupational disease, or of invalidity resulting therefrom, with the exception of non-contributory benefits, shall be freely transferable at the rate applied by virtue of the law of the debtor Member State or States,

- the workers in question shall receive family allowances for the members of their family as defined above.

2. Poland shall accord to workers who are nationals of a Member State and legally employed in its territory, and to members of their families legally resident there, treatment similar to that specified in the second and third indents of paragraph 1.

### **Article 39.**

1. The Association Council shall by decision adopt the appropriate provisions to implement the objective set out in Article 38.

2. The Association Council shall by decision adopt detailed rules for administrative cooperation providing the necessary management and control guarantees for the application of the provisions referred to in paragraph 1.

### **Article 40.**

The provisions adopted by the Association Council in accordance with Article 39 shall not affect any rights or obligations arising from bilateral agreements linking Poland and the Member States where those agreements provide for more favourable treatment of nationals of Poland or of the Member States.

### **Article 41.**

1. Taking into account the labour market situation in the Member State, subject to its legislation and to the respect of rules in force in that Member State in the area of mobility of workers:

- the existing facilities for access to employment for Polish workers accorded by Member States under bilateral agreements ought to be preserved and if possible improved,

- the other Member States shall consider favourably the possibility of concluding similar agreements.

2. The Association Council shall examine granting other improvements including facilities of access for professional training, in conformity with rules and procedures in force in the Member States, and taking account of the labour market situation in the Member States and in the Community.

3. The Member States will examine the possibility of granting work permits to Polish nationals already having residence permits in the Member State concerned with the exception of those Polish nationals who have been admitted as tourists or visitors.

### **Article 42.**

During the second stage referred to in Article 6, or earlier if so decided, the Association Council shall examine further ways of improving the movement of workers, taking into account inter alia the social and economic conditions and requirements in Poland and the employment situation in the Community. The Association Council shall make recommendations to such end.

### **Article 43.**

In the interest of facilitating the restructuring of labour resources resulting from the economic restructuring in Poland the Community shall provide technical assistance for the establishment of a suitable social security system in Poland as set out in Article 87.

## **Chapter II. Establishment**

### **Article 44.**

1. Poland shall, during the transitional periods referred to in Article 6, facilitate the setting up of operations on its territory by Community companies and nationals. To that end, it shall:

(i) grant for the establishment of Community companies and nationals as defined in Article 48 a treatment no less favourable than that accorded to its own nationals and companies in accordance with the following timetable:

- from entry into force of the Agreement for the sectors included in Annex XIIa, and for all sectors not referred to in Annexes XIIa, XIIb, XIIc, XIId and XIle,

- gradually, and at the latest by the end of the transitional period referred to in Article 6 for the sectors included in Annex XIIb;

- gradually, and at the latest by the end of the transitional period referred to in Article 6 for the sectors included in Annexes XIIc and XIId;

and

(ii) grant, from entry into force of this Agreement, in the operation of Community companies and nationals established in Poland a treatment no less favourable than that accorded to its own companies and nationals.

Should the existing laws and regulations not grant such treatment of Community companies and nationals for certain economic activities in Poland upon entry into force of this Agreement, Poland shall amend such laws and regulations as to ensure such treatment at the latest at the end of the first stage referred to in Article 6.

2. Poland shall, during the transitional periods referred to in paragraph 1, not adopt any new regulations or measures which introduce discrimination as regards the establishment and operations of Community companies and nationals in its territory in comparison to its own companies and nationals.

3. Each Member State shall grant, from entry into force of this Agreement, a treatment no less favourable than that accorded to its own companies and nationals for the establishment of Polish companies and nationals as defined in Article 48 and shall grant in the operation of Polish companies and nationals established in its territory a treatment no less favourable than that accorded to its own companies and nationals.

4. For the purposes of this Agreement:

(a) 'establishment` shall mean

(i) as regards nationals, the right to take up and pursue economic activities as self-employed persons and to set up and manage undertakings, in particular companies, which they effectively control. Self-employment and business undertakings by nationals shall not extend to seeking or taking employment in the labour market or confer a right of access to the labour market of another Party. The provisions of this chapter do not apply to those who are not exclusively self-employed;

(ii) as regards companies, the right to take up and pursue economic activities by means of the setting up and management of subsidiaries, branches and agencies;

(b) 'subsidiary` of a company shall mean a company which is effectively controlled by the first company;

(c) 'economic activities` shall in particular include activities of an industrial character, activities of a commercial character, activities of craftsmen and activities of the professions.

5. The Association Council shall during the transitional periods referred to in paragraph 1 (i) examine regularly the possibility of accelerating the granting of national treatment in the sectors referred to in Annexes XIIb, XIIc and XIId and the inclusion of areas or matters listed in Annex XIle within the scope of application of the provisions of paragraphs 1, 2 and 3. Amendments may be made to these Annexes by decision of the Association Council.

Following the expiration of the transitional periods referred to in paragraph 1 (i), the Association Council may exceptionally, upon request of Poland, and if the necessity arises, decide to prolong the duration of exclusion of certain areas or matters listed in Annexes XIIb, XIIc and XIId for a limited period of time.

6. The provisions concerning establishment and operation of Community and Polish companies and nationals contained in paragraphs 1, 2 and 3 shall not apply to the areas or matters listed in Annex XIle.

7. Notwithstanding the provisions of this Article, Community companies established in the territory of Poland shall have, from entry into force of this Agreement, the right to acquire, use, rent and sell real property, and as regards natural resources, agricultural land and forestry, the right to lease, where these are directly necessary for the conduct of the

economic activities for which they are established.

Poland shall grant these rights to branches and agencies established in Poland of Community companies at the latest by the end of the first stage referred to in Article 6.

Poland shall grant these rights to Community nationals established as self-employed persons in Poland at the latest by the end of the transitional period referred to in Article 6.

### **Article 45.**

1. Subject to the provisions of Article 44, with the exception of financial services described in Annex XIIc, each Party may regulate the establishment and operation of companies and nationals on its territory, in so far as these regulations do not discriminate against companies and nationals of the other Party in comparison to its own companies and nationals.

2. In respect of financial services, described in Annex XIIc, this Agreement does not prejudice the right of the Parties to adopt measures necessary for the conduct of the Party's monetary policy, or for prudential grounds in order to ensure the protection of investors, depositors, policy holders, or persons to whom a fiduciary duty is owed, or to ensure the integrity and stability of the financial system. These measures shall not discriminate against companies and nationals of the other Party in comparison to its own companies and nationals.

### **Article 46.**

In order to make it easier for Community nationals and Polish nationals to take up and pursue regulated professional activities in Poland and the Community respectively, the Association Council shall examine which steps are necessary to be taken to provide for the mutual recognition of qualifications. It may take all necessary measures to that end.

### **Article 47.**

The provisions of Article 45 do not preclude the application by a Contracting Party of particular rules concerning the establishment and operation in its territory of branches and agencies of companies of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches and agencies as compared to branches and agencies of companies incorporated in its territory, or, as regards financial services, for prudential reasons. 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, described in Annex XIIc, for prudential reasons.

### **Article 48.**

1. A 'Community company' and a 'Polish company' respectively shall for the purpose of this Agreement mean a company or a firm set up in accordance with the laws of a Member State or of Poland respectively and having its registered office, central administration, or principal place of business in the territory of the Community or Poland respectively. However, should the company or firm, set up in accordance with the laws of a Member State or of Poland respectively, have only its registered office in the territory of the Community or Poland respectively, its operations must possess a real and continuous link with the economy of one of the Member States or Poland respectively.

2. With regard to international maritime transport, shall also be beneficiaries of the provisions of this chapter and chapter III of this Title, a national or a shipping company of the Member States or of Poland respectively established outside the Community or Poland respectively and controlled by nationals of a Member State, or Polish nationals respectively, if their vessels are registered in that Member State or in Poland respectively in accordance with their respective legislations.

3. A Community and a Polish national respectively shall, for the purpose of this Agreement, mean a natural person who is a national of one of the Member States or of Poland respectively.

4. The provisions of this Agreement shall not prejudice the application by each Party of any measure necessary to prevent the circumvention of its measures concerning third country access to its market through the provisions of this Agreement.

### **Article 49.**

For the purpose of this Agreement 'financial services' shall mean those activities described in Annex XIIc. The Association Council may extend or modify the scope of Annex XIIc.

### **Article 50.**

During the first stage referred to in Article 6 for the sectors included in Annexes XIIa and XIIb, or for the sectors included in Annexes XIIc and XIId during the transitional period referred to in Article 6, Poland may introduce measures which derogate from the provisions of this chapter as regards the establishment of Community companies and nationals if certain industries:

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

Such measures:

- shall cease to apply at the latest two years after the expiration of the first stage referred to in Article 6 for the sectors included in Annexes XIIa and XIIb, or for the sectors included in Annexes XIIc and XIId upon the expiration of the transitional period referred to in Article 6, and
- shall be reasonable and necessary in order to remedy the situation, and
- shall only relate to establishments in Poland to be created after the entry into force of such measures and shall not introduce discrimination concerning the operations of Community companies or nationals already established in Poland at the time of introduction of a given measure compared to Polish companies or nationals.

While devising and applying such measures, Poland shall grant whenever possible to Community companies and nationals a preferential treatment, and in no case a treatment less favourable than that accorded to companies or nationals from any third country.

Prior to the introduction of these measures, Poland shall consult the Association Council and shall not put them into effect before a one-month period following the notification to the Association Council of the concrete measures to be introduced by Poland, except where the threat of irreparable damage requires the taking of urgent measures in which case Poland shall consult the Association Council immediately after their introduction.

Upon the expiration of the first stage referred to in Article 6 for the sectors included in Annex XIIb, or for the sectors included in Annexes XIIc and XIId upon expiration of the transitional period referred to in Article 6, Poland may introduce such measures only with the authorization of the Association Council and under conditions determined by the latter.

## **Article 51.**

1. The provisions of this chapter shall not apply to air transport services, inland-waterways transport services and maritime cabotage transport services.
2. The Association Council may make recommendations for improving establishment and operations in the areas covered by paragraph 1.

## **Article 52.**

1. Notwithstanding the provisions of Chapter I of this Title, the beneficiaries of the rights of establishment granted by Poland and the Community respectively shall be entitled to employ, or have employed by one of their subsidiaries, in accordance with the legislation in force in the host country of establishment, in the territory of Poland and the Community respectively, employees who are nationals of Community Member States and Poland respectively, provided that such employees are key personnel as defined in paragraph 2 and that they are employed exclusively by such beneficiaries or their subsidiaries. The residence and work permits of such employees shall only cover the period of such employment.

2. Key personnel of the beneficiaries of the rights of establishment herein referred to as 'organization` are:

(a) senior employees of an organization who primarily direct the management of the organization, receiving general supervision or direction principally from the board of directors or shareholders of the business, including:

- directing the organization or a department or sub-division of the organization,

- supervising and controlling the work of other supervisory, professional or managerial employees,
  - having the authority personally to engage and dismiss or recommend engaging, dismissing or other personnel actions;
- (b) persons employed by an organization who possess high or uncommon:
- qualifications referring to a type of work or trade requiring specific technical knowledge,
  - knowledge essential to the organization's service, research equipment, techniques or management.

These may include, but are not limited to, members of accredited professions.

Each such employee must have been employed by the organization concerned for at least one year preceding the detachment by the organization.

### **Article 53.**

1. The provisions of this chapter shall be applied subject to limitations justified on grounds of public policy, public security or public health.
2. The provisions of this chapter shall not apply to activities which in the territory of each Party are connected, even occasionally, with the exercise of official authority.

### **Article 54.**

Companies which are controlled and exclusively owned jointly by Polish companies or nationals and Community companies or nationals shall also be beneficiaries of the provisions of this chapter and Chapter III of this Title.

## **Chapter III. Supply of Services between the Community and Poland**

### **Article 55.**

1. The Parties undertake in accordance with the provisions of this chapter to take the necessary steps to allow progressively the supply of services by Community or Polish companies or nationals who are established in a Party other than that of the person for whom the services are intended taking into account the development of the services sector in the Parties.
2. In step with the liberalization process mentioned in paragraph 1, and subject to the provisions of Article 58 (1), the Parties shall permit the temporary movement of natural persons providing the service or who are employed by the service provider as key personnel as defined in Article 52 (2), including natural persons who are representatives of a Community or Polish company or national and are seeking temporary entry for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service provider, where those representatives will not be engaged in making direct sales to the general public or in supplying services themselves.
3. The Association Council shall take the measures necessary to implement progressively the provisions of paragraph 1.

### **Article 56.**

With regard to supply of transport services between the Community and Poland, the following replaces the provisions of Article 55:

1. With regard to international maritime transport the Parties undertake to apply effectively the principle of unrestricted access to the market and traffic on a commercial basis.
  - (a) the above provision does not prejudice the rights and obligations under the United Nations Code of Conduct for Liner Conferences, as applied by one or the other Contracting Party to this Agreement. Non-conference liners will be free to operate in competition with a conference as long as they adhere to the principle of fair competition on a commercial basis;
  - (b) the parties affirm their commitment to a freely competitive environment as being an essential feature of the dry and liquid bulk trade.
2. In applying the principles of paragraph 1, the Parties shall:
  - (a) not introduce cargo sharing clauses in future bilateral agreements with third countries, other than in those exceptional

circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;

(b) prohibit cargo sharing arrangements in future bilateral agreements concerning dry and liquid bulk trade;

(c) abolish, upon entry into force of this Agreement, all unilateral measures, administrative, technical and other obstacles which could have restrictive or discriminatory effects on the free supply of services in international maritime transport.

3. With a view to assuring a coordinated development and progressive liberalization of transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in air transport and in inland transport shall be dealt with by special transport agreements to be negotiated between the Parties after the entry into force of this Agreement.

4. Prior to the conclusion of the agreements referred to in paragraph 3, the Parties shall not take any measures or actions which are more restrictive or discriminatory as compared to the situation existing on the day preceding the day of entry into force of this Agreement.

5. During the transitional period, Poland shall progressively adapt its legislation including administrative, technical and other rules to that of the Community legislation existing at any time in the field of air and inland transport in so far as it serves liberalization purposes and mutual access to markets of the Parties and facilitates the movement of passengers and of goods.

6. In step with the common progress in the achievement of the objectives of this chapter, the Association Council shall examine ways of creating the conditions necessary for improving freedom to provide air and inland transport services.

#### **Article 57.**

The provisions of Article 53 shall apply to the matters covered by this chapter.

### **Chapter IV. General Provisions**

#### **Article 58.**

1. For the purpose of Title IV of this Agreement, nothing in the Agreement shall prevent the Parties from applying their laws and regulations regarding entry and stay, work, labour conditions and establishment of natural persons, and supply of services, provided that, in so doing, they do not apply them in a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific provision of this Agreement. This provision does not prejudice the application of Article 53.

2. The provisions of Chapters II, III and IV of Title IV shall be adjusted by decision of the Association Council in the light of the result of the negotiations on services taking place in the Uruguay Round and in particular to ensure that under any provision of the present Agreement a Party grants to the other Party a treatment no less favourable than that accorded under the provisions of a future GATS Agreement.

3. The exclusion of Community companies and nationals established in Poland in accordance with the provisions of Chapter II of Title IV from public aid granted by Poland in the areas of public education services, health related and social services and cultural services shall, for the duration of the transitional period referred to in paragraph 6, be deemed compatible with the provisions of Title IV and with the competition rules referred to in Title V.

### **Title V. PAYMENTS, CAPITAL, COMPETITION AND OTHER ECONOMIC PROVISIONS, APPROXIMATION OF LAWS CHAPTER I Current Payments and Movement of Capital**

#### **Article 59.**

The Contracting Parties undertake to authorize, in freely convertible currency, any payments on the current account of balance of payments to the extent that the transaction underlying the payments concern movements of goods, services or persons between the Parties which have been liberalized pursuant to this Agreement.

#### **Article 60.**

1. With regard to transactions on the capital account of balance of payments, from the entry into force of this Agreement,

the Member States and Poland respectively shall ensure the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title IV, and the liquidation or repatriation of these investments and of any profit stemming therefrom. Notwithstanding the above provision, such free movement, liquidation and repatriation shall be ensured by the end of the first stage referred to in Article 6 for all investments linked to establishment of nationals establishing in Poland as self-employed persons pursuant to Chapter II of Title IV.

2. Without prejudice to paragraph 1, the Member States, as from the entry into force of this Agreement, and Poland as from the start of the second stage referred to in Article 6, shall not introduce any new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and Poland and shall not make the existing arrangements more restrictive.

3. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and Poland in order to promote the objectives of this Agreement.

### **Article 61.**

1. During the first stage referred to in Article 6 the Contracting Parties shall take measures permitting the creation of the necessary conditions for the further gradual application of Community rules on the free movement of capital.

2. During the second stage referred to in Article 6 the Association Council shall examine ways of enabling Community rules on the movement of capital to be applied in full.

### **Article 62.**

With reference to the provisions of this chapter, and notwithstanding the provisions of Article 64, until a full convertibility of the Polish currency in the meaning of Article VIII of the International Monetary Fund is introduced, Poland may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short- and medium-term credits to the extent that such restrictions are imposed on Poland for the granting of such credits and are permitted according to Poland's status under the IMF.

Poland shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. Poland shall inform the Association Council promptly of the introduction of such measures and of any changes therein.

## **Chapter II. Competition and other Economic Provisions**

### **Article 63.**

1. The following are incompatible with the proper functioning of the Agreement, in so far as they may affect trade between the Community and Poland:

(i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

(ii) abuse by one or more undertakings of a dominant position in the territories of the Community or of Poland as a whole or in a substantial part thereof;

(iii) any public aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.

2. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the rules of Articles 85, 86 and 92 of the Treaty establishing the European Community.

3. The Association Council shall, within three years of the entry into force of this Agreement, adopt by decision the necessary rules for the implementation of paragraphs 1 and 2.

Until these rules are adopted, the provisions of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade shall be applied as the rules for the implementation of paragraphs 1 (iii) and related parts of paragraph 2.

4. (a) For the purposes of applying the provisions of paragraph 1 (iii), the Parties recognize that during the first five years

after the entry into force of this Agreement, any public aid granted by Poland shall be assessed taking into account the fact that Poland shall be regarded as an area identical to those areas of the Community described in Article 92 (3) (a) of the Treaty establishing the European Community. The Association Council shall, taking into account the economic situation of Poland, decide whether that period should be extended by further periods of five years.

(b) Each Party shall ensure transparency in the area of public aid, inter alia by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of public aid.

5. With regard to products referred to in Chapters II and III of Title III:

- the provisions of paragraph 1 (iii) do not apply,

- any practices contrary to paragraph 1 (i) should be assessed according to the criteria established by the Community on the basis of Articles 42 and 43 of the Treaty establishing the European Economic Community, and in particular of those established in Council Regulation No 26/62.

6. If the Community or Poland considers that a particular practice is incompatible with the terms of paragraph 1, and:

- is not adequately dealt with under the implementing rules referred to in paragraph 3, or

- in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry,

it may take appropriate measures after consultation within the Association Council or after 30 working days following referral for such consultation.

In the case of practices incompatible with paragraph 1 (iii) of this Article, such appropriate measures may, where the General Agreement on Tariffs and Trade applies thereto, only be adopted in accordance with the procedures and under the conditions laid down by the General Agreement on Tariffs and Trade and any other relevant instrument negotiated under its auspices which are applicable between the Parties.

7. Notwithstanding any provisions to the contrary adopted in accordance with paragraph 3, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

8. This Article shall not apply to the products covered by the Treaty establishing the European Coal and Steel Community which are the subject of Protocol 2.

## **Article 64.**

1. The Parties shall endeavour to avoid the imposition of restrictive measures including measures relating to imports for balance of payments purposes. In the event of their introduction, the Party having introduced the same shall present to the other Party as soon as possible, a time schedule for their removal.

2. Where one or more Member States of the Community or Poland is in serious balance of payments difficulties, or under imminent threat thereof, the Community or Poland, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade, adopt restrictive measures, including measures relating to imports, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Community or Poland, as the case may be, shall inform the other Party forthwith.

3. Any restrictive measures shall not apply to transfers related to investment and in particular to the repatriation of amounts invested or reinvested and of any kind of revenues stemming therefrom.

## **Article 65.**

With regard to public undertakings, and undertakings to which special or exclusive rights have been granted, the Association Council shall ensure that as from the third year following the date of entry into force of this Agreement, the principles of the Treaty establishing the European Economic Community, in particular Article 90, and the principles of the concluding document of the April 1990 Bonn meeting of the Conference on Security and Cooperation in Europe, in particular entrepreneurs' freedom of decision, are upheld.

## **Article 66.**

1. Poland shall continue to improve the protection of intellectual, industrial and commercial property rights in order to provide, by the end of the fifth year from the entry into force of this Agreement, a level of protection similar to that existing in the Community, including comparable means of enforcing such rights.

2. By the end of the fifth year from the entry into force of this Agreement, Poland shall apply to accede to the Munich Convention on the Grant of European Patents of 5 October 1973 and shall accede to the other multilateral conventions on intellectual, industrial and commercial property rights referred to in Annex XIII paragraph 1 to which Member States are Parties, or which are de facto applied by Member States.

## **Article 67.**

1. The Contracting Parties consider the opening up of the award of public contracts on the basis of non-discrimination and reciprocity, in particular in the GATT context, to be a desirable objective.

2. Polish companies as defined in Article 48, shall be granted access to contract award procedures in the Community pursuant to Community procurement rules under a treatment no less favourable than that accorded to Community companies as of the entry into force of this Agreement.

Community companies as defined in Article 48 shall be granted access to contract award procedures in Poland under a treatment no less favourable than that accorded to Polish companies at the latest at the end of the transitional period referred to in Article 6.

Community companies established in Poland under the provisions of Chapter II of Title IV shall have, upon entry into force of the Agreement, access to contract award procedures under a treatment no less favourable than that accorded to Polish companies.

The Association Council shall periodically examine the possibility for Poland to introduce access to award procedures in Poland for all Community companies prior to the end of the transitional period.

3. As regards establishment, operations, supply of services between the Community and Poland, as well as employment and movement of labour linked to the fulfilment of public contracts, the provisions of Articles 37 to 58 are applicable.

## **Chapter III. Approximation of Laws**

### **Article 68.**

The Contracting Parties recognize that the major precondition for Poland's economic integration into the Community is the approximation of that country's existing and future legislation to that of the Community. Poland shall use its best endeavours to ensure that future legislation is compatible with Community legislation.

### **Article 69.**

The approximation of laws shall extend to the following areas in particular: customs law, company law, banking law, company accounts and taxes, intellectual property, protection of workers at the workplace, financial services, rules on competition, protection of health and life of humans, animals and plants, consumer protection, indirect taxation, technical rules and standards, transport and the environment.

### **Article 70.**

The Community shall provide Poland with technical assistance for the implementation of these measures which may include inter alia:

- the exchange of experts,
- the provision of information,
- organization of seminars,
- training activities,
- aid for the translation of Community legislation in the relevant sectors.

## **Title VI. ECONOMIC COOPERATION**

### **Article 71.**

1. The Community and Poland shall establish cooperation aimed at contributing to Poland's development. Such cooperation shall back up Poland's achievements and shall strengthen existing economic links on the widest possible foundation, to the benefit of both Parties.

2. Policies designed to bring about the economic and social development of Poland, in particular policies relating to industry including the mining sector, investment, agriculture, energy, transport, regional development and tourism should be guided by the principle of sustainable development. This entails ensuring that environmental considerations are fully incorporated into such policies from the outset.

These policies shall also take into account the requirements of sustainable social development.

3. Special attention must be devoted to measures capable of fostering cooperation between the countries of central and eastern Europe with a view to integrated development of the region.

### **Article 72. Industrial Cooperation**

1. Cooperation shall seek to promote the following in particular:

- industrial cooperation between economic operators in the Community and in Poland, with the particular aim of strengthening the private sector,
- Community participation in Poland's efforts in both public and private sectors to modernize and restructure its industry, which will effect the transition from a centrally planned system to a market economy under conditions which ensure that the environment is protected,
- the restructuring of individual sectors,
- the establishment of new undertakings in areas offering potential for growth.

2. Industrial cooperation initiatives take into account priorities determined by Poland. The initiatives should seek in particular to establish a suitable framework for undertakings, to improve management know-how and to promote transparency as regards markets and conditions for undertakings.

### **Article 73. Investment Promotion and Protection**

1. Cooperation shall aim to establish a favourable climate for private investment, both domestic and foreign, which is so essential to economic and industrial reconstruction in Poland.

2. The particular aims of cooperation shall be:

- for Poland to establish a legal framework which favours investment; this could be achieved where appropriate by the Member States and Poland extending agreements for the promotion and protection of investment,
- to implement suitable arrangements for the transfer of capital,
- to bring about better investment protection,
- to carry through deregulation and improve economic infrastructure,
- to exchange information on investment opportunities in the form of trade fairs, exhibitions, trade weeks and other events.

### **Article 74.**

Agro and industrial standards and conformity assessment

1. Cooperation shall aim in particular to reduce differences in standardization and conformity assessment.

2. To this end, cooperation shall seek:

- to comply with Community technical regulations and European standards concerning quality of industrial and agricultural

food products,

- to promote the use of Community technical regulations and European standards and conformity assessment procedures,
- where appropriate, to achieve the conclusion of agreements on mutual recognition in these fields,
- to encourage Poland's participation in the work of specialized organizations (CEN, Cenelec, ETSI, EOTC).

3. The Community will provide Poland with technical assistance where appropriate.

## **Article 75. Cooperation In Science and Technology**

1. The Parties shall undertake to promote cooperation in research and technological development. They shall devote special attention to the following:

- the exchange of scientific and technological information, including information on each other's science and technology policies and activities,

293A1231(18).1- the organization of joint scientific meetings (seminars and workshops),

- joint R& D activities aimed at encouraging scientific progress and the transfer of technology and know-how,
- training activities and mobility programmes for researchers and specialists from both sides,
- the development of an environment conducive to research and the application of new technologies and adequate protection of the intellectual property of the results of research,
- participation in the Community programmes in accordance with paragraph 3.

Technical assistance shall be provided where appropriate.

2. The Association Council shall determine the appropriate procedures for developing cooperation.

3. Cooperation under the Community's framework programme in the field of research and technological development shall be implemented according to specific arrangements to be negotiated and concluded in accordance with the procedures adopted by each Party.

## **Article 76. Education and Training**

1. Cooperation shall endeavour to raise the level of general education and professional qualifications in Poland, taking into consideration the priorities of Poland.

2. Cooperation shall comprise the following areas:

- reform of education and training,
- in-service training and continuous education,
- re-training and adaptation to the labour market,
- training in management abilities,
- teaching of Community languages,
- translation,
- provision of training equipment,
- promoting teaching in the field of European studies within the appropriate institutions.

3. There will be established institutional frameworks and plans of cooperation (starting with the European Training Foundation, when established, and Polish participation in Tempus). Polish participation in other Community programmes could also be considered in this context, in accordance with Community procedures.

4. Cooperation shall foster direct collaboration between educational institutions, and between educational institutions and enterprises, mobility and exchange of teachers, students and administrators, provide professional practice and training periods abroad, assist in developing curricula, elaborating teaching materials and equipping educational institutions.

Cooperation shall also aim at mutual recognition of periods of studies and diplomas.

In order to promote integration of Poland with Community level of educational establishments and research institutions, as stated in Article 75, the Community shall take appropriate measures to facilitate Poland's cooperation with relevant European institutions. This may include Poland's participation in the activities of these institutions as well as establishment of their filials in Poland. The objectives of the abovementioned establishments should concentrate on educating scholars, professionals and public servants to be involved in the process of European integration and cooperation with the Community institutions.

5. The principal objectives of cooperation on translation shall be:

- to train translators and develop the terminology bases (glossaries, Eurodicautom),
- to promote the use of Community standards and terminology,
- to develop an appropriate infrastructure for translation between Polish and the Community languages.

## **Article 77. Agriculture and the Agro-industrial Sector**

1. Cooperation in this area shall have as its aim the increase of effectiveness of agriculture and the agro-industrial sector. It shall endeavour in particular to:

- develop private farms and distribution channels, methods of storage, marketing, etc,
- modernize the rural infrastructure (transport, water supply, telecommunications),
- rural espace planning, including construction and urban planning,
- improve productivity and quality by using appropriate methods and products; provide training and monitoring in the use of anti-pollution methods connected with inputs,
- develop and modernize processing firms and their marketing techniques,
- promote complementarity in agriculture,
- promote industrial cooperation in agriculture and the exchange of know-how, particularly between the private sectors in the Community and Poland,
- develop cooperation on health, animal and plant health, including veterinary legislation and inspection, vegetal and phytosanitary legislation with the aim of bringing about gradual harmonization with Community standards through assistance for training and the organization of checks.

2. To these ends, technical assistance shall be provided by the Community as appropriate.

## **Article 78. Energy**

1. Cooperation shall take place within the framework of the principles of the market economy and develop against a background of progressive integration of the market of Poland and that of the Community.

2. Cooperation shall focus on the following in particular:

- modernization of infrastructure,
- improvement and diversification of supply,
- formulation and planning of energy policy,
- management and training for the energy sector,
- the development of energy resources,
- the promotion of energy saving and energy efficiency,
- the environmental impact of energy production and consumption,
- the nuclear energy sector,

- the electricity and gas sectors, including consideration of the possibility of interconnection of supply networks,
- the formulation of framework conditions for cooperation between undertakings in this sector,
- the transfer of technology and know-how,
- opening up the energy market to a greater degree; facilitating transit of gas and electricity.

## **Article 79. Cooperation In the Nuclear Sector**

1. Cooperation in the nuclear field shall mainly cover the following topics:

- upgrading the nuclear law and regulation in Poland,
- nuclear safety, nuclear emergency preparedness and accident management,
- radiation protection, including environmental radiation monitoring,
- fuel cycle problems, safeguarding and physical protection of nuclear materials,
- radioactive waste management,
- decommissioning and dismantling of nuclear installations,
- decontamination.

2. Cooperation will include exchange of information and experience and R& D activities in accordance with Article 75.

## **Article 80. Environment**

1. The Parties shall develop and strengthen their cooperation in the vital task of combating the deterioration of the environment, which they have judged to be a priority.

2. Cooperation shall centre on:

- effective monitoring of pollution levels,
- combating regional and transboundary air and water pollution,
- efficient energy production and consumption, safety of industrial plants,
- classification and safe handling of chemicals,
- water quality, particularly of cross-boundary waterways,
- waste reduction, recycling and safe disposal; implementation of the Basle Convention,
- the environmental impact of agriculture, soil erosion, the protection of forests and flora and fauna,
- land-use planning, including construction and urban planning,
- use of economic and fiscal instruments,
- global climate change.

3. To these ends, the Parties plan to cooperate particularly in the following areas:

- exchange of information and experts, including information and experts dealing with the transfer of clean technologies,
- training programmes,
- approximation of laws (Community standards),
- cooperation at regional level (including cooperation within the framework of the European Environment Agency, when established by the Community) and international level,
- development of strategies, particularly with regard to global and climatic issues.

## **Article 81. Transport**

1. The Parties shall develop and step up cooperation in order to enable Poland to:

- restructure and modernize transport,
- facilitate the movement of passengers and goods and improve access to the transport market by removing administrative, technical and other obstacles,
- achieve operating standards comparable to those in the Community.

2. Cooperation shall include the following in particular:

- economic, legal and technical training programmes,
- the provision of technical assistance and advice, and the exchange of information (conferences and seminars).

3. Priority areas shall be the following:

- road transport, including the gradual easing of transit conditions,
- the management of railways and airports, including cooperation between the appropriate national authorities,
- the modernization, on major routes of common interest and trans-European links, of road, inland waterway, railway, port and airport infrastructure,
- land-use planning including construction and urban planning,
- the upgrading of technical equipment to meet Community standards, particularly in the fields of road-rail transport, multimodal transport and transshipment,
- the setting-up of consistent transport policies compatible with the transport policies applicable in the Community.

## **Article 82.**

### Telecommunications

1. The Parties shall expand and strengthen cooperation in this area, and shall to this end initiate in particular the following actions:

- exchange information on telecommunications policies,
- exchange technical and other information and organize seminars, workshops and conferences for experts of both sides,
- conduct training and advisory operations,
- carry out transfers of technology,
- have the appropriate bodies from both sides carry out joint projects,
- promote European standards, systems of certification and regulatory approaches,
- promote new communications, services and facilities, particularly those with commercial applications.

2. These activities shall focus on the following priority areas:

- the modernization of Poland's telecommunications network and its integration into European and world networks,
- cooperation within the structures of European standardization,
- the integration of trans-European systems; the legal and regulatory aspects of telecommunications,
- the management of telecommunications in the new economic environment: organizational structures, strategy and planning, purchasing principles,
- land-use planning, including construction and urban planning.

## **Article 83.**

Banking, insurance and other financial services

1. The Parties shall cooperate on the adoption of a common set of rules and standards inter alia for accounting and for supervisory and regulatory systems of banking, insurance and financial sectors.
2. Both sides shall establish precise methods of facilitating the process of reform, in particular by:
  - contributing to the preparation of glossaries and the translation of Community and Polish legislation,
  - holding discussions and information meetings on the laws in force or being drafted in Poland and in the Community,
  - providing training.

## **Article 84. Monetary Policy**

At the request of the Polish authorities, the Community shall provide technical assistance designed to support the efforts of Poland towards the introduction of full convertibility of the Zloty and the gradual approximation of its policies to those of the European Monetary System. This will include informal exchange of information concerning the principles and the functioning of the European Monetary System.

## **Article 85. Money Laundering**

1. The Parties agree on the necessity of making every effort and cooperating in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offences in particular.
2. Cooperation in this area shall include administrative and technical assistance with the purpose of establishing suitable standards against money laundering equivalent to those adopted by the Community and international fora in this field, in particular the Financial Action Task Force (FATF).

## **Article 86. Regional Development**

1. The Parties shall strengthen cooperation between them on regional development and land-use planning.
2. To this end, any of the following measures are planned:
  - the provision of information for national, regional or local authorities on regional and land-use planning policy, and, where appropriate, the provision of assistance for the formulation of such policy,
  - joint action by regional and local authorities in the area of economic development,
  - the study of coordinated approaches for the development of border areas between the Community and Poland,
  - exchange visits to explore the opportunities for cooperation and assistance,
  - the exchange of civil servants,
  - the provision of technical assistance with special attention to the development of disadvantaged areas,
  - the establishment of programmes for the exchange of information and experience, by methods including seminars.

## **Article 87. Social Cooperation**

1. With regard to health and safety, cooperation between the Parties shall aim at improving the level of protection of the health and safety of workers, taking as a reference the level of protection existing in the Community, in particular through:
  - the provision of technical assistance,
  - the exchange of experts,
  - cooperation between firms,
  - information and training operations.

2. With regard to employment, cooperation between the Parties shall focus in particular on:

- organization of the labour market,
- job-finding and careers advice services,
- planning and realization of regional restructuring programmes,
- encouragement of local employment development.

Cooperation in these fields shall be realized through actions such as the performance of studies, provision of the services of experts and information and training.

3. With regard to social security, cooperation between the Parties shall seek to adapt the social security system in Poland to the new economic and social situation, primarily by providing the services of experts and information and training.

## **Article 88. Tourism**

The Parties shall step up and develop cooperation between them, in particular by:

- facilitating the tourist trade,
- stepping up the flow of information through international networks, data banks, etc,
- transferring know-how through training, exchanges, seminars,
- studying the opportunities for joint operations such as cross-frontier projects, town-twinning, etc.

## **Article 89. Small and Medium-sized Enterprises (SMEs)**

1. The Parties shall aim to develop and strengthen small and medium-sized enterprises and cooperation between SMEs in the Community and Poland.

2. They shall encourage the exchange of information and know-how in the following areas:

- bringing about the legal, administrative, technical, tax and financial conditions necessary to the establishment and expansion of SMEs and for cross-border cooperation,
- the provision of the specialized services required by SMEs (management training, accounting, marketing, quality control, etc.) and the strengthening of agencies providing such services,
- the establishment of appropriate links with Community operators with the aim of improving the flow of information to SMEs and promoting cross-border cooperation (e.g. the Business Cooperation Network (BC-NET), Euro-Info Centres, conferences, etc).

## **Article 90. Information and the Audiovisual Media**

1. The Parties shall take appropriate measures to stimulate an effective mutual exchange of information. Initial priority shall be given to programmes providing basic information about the Community for the general public, and specialized information for specific audiences in Poland; the latter shall include wherever possible access to Community computerized data bases.

2. The Parties shall cooperate to promote the audiovisual industry in Europe. In particular, the audiovisual sector in Poland may take part in the actions undertaken by the Community within the framework of the Media programme 1991 to 1995, under procedures to be agreed with the bodies responsible for managing each action, and in accordance with the provisions of the decision of the Council of the European Communities of 21 December 1990, which established the programme.

The Parties shall coordinate and where appropriate harmonize their policies concerning the regulation of cross-border broadcasting, technical norms in the audiovisual field, and the promotion of European audiovisual technology.

## **Article 91. Customs**

1. The aim of cooperation shall be to guarantee compliance with all the provisions scheduled for adoption in connection

with trade and to achieve the approximation of Poland's customs system to that of the Community, thus helping to ease the steps towards liberalization planned under this Agreement.

2. Cooperation shall include the following in particular:

- the exchange of information,
- the organization of seminars and placements,
- the development of cross-frontier infrastructure between the Parties,
- the introduction of the single administrative document and of an interconnection between the transit systems of the Community and Poland,
- the simplification of inspections and formalities in respect of the carriage of goods.

Technical assistance shall be provided where appropriate.

3. Without prejudice to further cooperation provided for in this Agreement, and in particular Article 94, the mutual assistance between administrative authorities of the Contracting Parties in customs matters shall take place in accordance with the provisions of Protocol 6.

## **Article 92. Statistical Cooperation**

1. Cooperation in this area shall have as its aim the development of an efficient statistical system to provide, in a rapid and timely fashion, the reliable statistics needed to plan and monitor the process of reform and to contribute to the development of private enterprise in Poland.

2. To these ends it shall in particular seek:

- to set up a reliable and independent statistical system,
- to bring about harmonization with international (and particularly Community) methods, standards and classifications,
- to provide the data needed to maintain and monitor economic reform,
- to provide private-sector economic operators with the appropriate macro-economic and micro-economic data,
- to guarantee the confidentiality of data.

3. Technical assistance shall be provided by the Community as appropriate.

## **Article 93. Economics**

1. The Community and Poland will facilitate the process of economic reforms and integration by cooperating to improve understanding of the fundamentals of their respective economies and of devising and implementing economic policy in market economies.

2. To these ends the Community and Poland will:

- exchange information on macro-economic performance and prospects and on strategies for development,
- analyse jointly economic issues of mutual interest, including the framing of economic policy and the instruments for implementing it,
- through the programme of Action for Cooperation in Economics in particular, encourage extensive cooperation among economists and managers in the Community and Poland, in order to speed up the transfer of know-how for the drafting of economic policies, and provide for wide dissemination of the results of policy-relevant research.

## **Article 94. Drugs**

1. The cooperation is in particular aimed at increasing the efficiency of policies and measures to counter the supply and illicit traffic of narcotics and psychotropic substances and the reduction of abuse of these products.

2. The Contracting Parties shall agree on the necessary methods of cooperation to attain these objectives, including the

modalities of the implementation of common actions. Their actions will be based on consultation on and close coordination of the objectives and the policy measures in the fields targeted in paragraph 1.

3. The cooperation between the Contracting Parties will comprise technical and administrative assistance which could deal in particular with the following areas: the drafting and implementation of national legislation; the creation of institutions and information centres and of social and health centres; the training of personnel and research; the prevention of diversion of precursors used for the purpose of illicit manufacture of narcotic drugs or psychotropic substances.

The Parties may agree to include other areas.

## **Title VII. CULTURAL COOPERATION**

### **Article 95.**

1. The Parties agree to promote cultural cooperation. Where appropriate, Community cultural cooperation programmes, or those of one or more Member States, may be extended to Poland and additional actions of mutual interest shall be developed.

2. The areas of cooperation may include in particular:

- translation of literary works,
- conservation and restoration of historic and cultural monuments and sites,
- training of persons working in the cultural field,
- cultural events with a European character.

## **Title VIII. FINANCIAL COOPERATION**

### **Article 96.**

In order to achieve the objectives of this Agreement and in accordance with Articles 97, 98, 100 and 101, Poland shall benefit from temporary financial assistance from the Community in the form of grants and loans to accelerate the economic transformation of Poland and to help Poland to cope with the economic and social consequences of structural readjustment.

### **Article 97.**

This financial assistance shall be covered by:

- the operation Phare measures provided for in Council Regulation (EEC) No 3906/89, as amended, until the end of 1992; thereafter grants will be made available by the Community, either within the framework of the operation Phare on a multiannual basis, or within a new financial multiannual framework established by the Community following consultations with Poland and taking into account the considerations set out in Articles 100 and 101,
- the loan(s) provided by the European Investment Bank until the expiry date of the availability thereof. Poland shall have access to European Investment Bank loans according to the provisions of Article 18 of the Statute of the Bank for subsequent years; following consultations with Poland the Community shall fix the maximum amount and period of availability of loans from the European Investment Bank for Poland.

### **Article 98.**

The objectives and the areas of the Community's financial assistance shall be laid down in an indicative programme to be agreed between the two Parties. The Parties shall inform the Association Council.

### **Article 99.**

1. The Community shall, in case of special need, taking into account the availability of all financial resources, on request of Poland and in coordination with international financial institutions, in the context of the G-24, examine the possibility of granting temporary financial assistance:

- to support measures with the aim of stabilizing and maintaining the convertibility of the zloty,
- to support medium-term stabilization and economic restructuring efforts, including balance of payments support.

2. This financial assistance is subject to Poland's presentation of IMF supported programmes in the context of G-24, as appropriate, for convertibility and/or for restructuring its economy, to the Community's acceptance thereof, to Poland's continued adherence to these programmes and, as an ultimate objective, to rapid transition to reliance on finance from private sources.

3. The Association Council will be informed of the conditions under which this assistance will be provided and of the respect of the obligations undertaken by Poland concerning such assistance.

### **Article 100.**

The Community financial assistance shall be evaluated in the light of the needs which arise and of Poland's development level, and taking into account established priorities and the absorption capacity of the Polish economy, the ability to repay loans and accomplishment of a market economy system and restructuring in Poland.

### **Article 101.**

In order to permit optimum use of the resources available, the Contracting Parties shall ensure that Community contributions are made in close coordination with those from other sources such as the Member States, other countries including the G-24 and international financial institutions, such as the International Monetary Fund, the International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

## **Title IX. INSTITUTIONAL, GENERAL AND FINAL PROVISIONS**

### **Article 102.**

An Association Council is hereby established which shall supervise the implementation of this Agreement. It shall meet at ministerial level once a year and when circumstances require. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

### **Article 103.**

1. The Association Council shall consist of the members of the Council of the European Communities and members of the Commission of the European Communities, on the one hand, and of members of the Government of Poland, on the other.
2. Members of the Association Council may arrange to be represented, in accordance with the conditions to be laid down in its rules of procedure.
3. The Association Council shall establish its rules of procedure.
4. The Association Council shall be presided in turn by a member of the Council of the European Communities and a member of the Government of Poland, in accordance with the provisions to be laid down in its rules of procedure.

### **Article 104.**

The Association Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions in the cases provided for therein. The decisions taken shall be binding on the Parties which shall take the measures necessary to implement the decisions taken. The Association Council may also make appropriate recommendations.

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

### **Article 105.**

1. Each of the two Parties may refer to the Association Council any dispute relating to the application or interpretation of this Agreement.
2. The Association Council may settle the dispute by means of a decision.

3. Each Party shall be bound to take the measures involved in carrying out the decision referred to in paragraph 2.

4. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months. For the application of this procedure, the Community and the Member States shall be deemed to be one Party to the dispute.

The Association Council shall appoint a third arbitrator.

The arbitrators' decisions shall be taken by majority vote.

Each party to the dispute must take the steps required to implement the decision of the arbitrators.

## **Article 106.**

1. The Association Council shall be assisted in the performance of its duties by an Association Committee composed of representatives of the members of the Council of the European Communities and of members of the Commission of the European Communities on the one hand and of representatives of the Government of Poland on the other, normally at senior civil servant level.

In its rules of procedure the Association Council shall determine the duties of the Association Committee, which shall include the preparation of meetings of the Association Council, and how the Committee shall function.

2. The Association Council may delegate to the Association Committee any of its powers. In this event the Association Committee shall take its decisions in accordance with the conditions laid down in Article 104.

## **Article 107.**

The Association Council may decide to set up any other special committee or body that can assist it in carrying out its duties.

In its rules of procedure, the Association Council shall determine the composition and duties of such committees or bodies and how they shall function.

## **Article 108.**

An Association Parliamentary Committee is hereby established. It shall be a forum for Members of the Polish Parliament and the European Parliament to meet and exchange views. It shall meet at intervals which it shall itself determine.

## **Article 109.**

1. The Association Parliamentary Committee shall consist of members of the European Parliament, on the one hand, and of members of the Polish Parliament, on the other.

2. The Association Parliamentary Committee shall establish its Rules of Procedure.

3. The Association Parliamentary Committee shall be presided each in turn by the European Parliament and the Polish Parliament, in accordance with the provisions to be laid down in its Rules of Procedure.

## **Article 110.**

The Association Parliamentary Committee may request relevant information regarding the implementation of this Agreement from the Association Council, which shall then supply the Committee with the requested information.

The Association Parliamentary Committee shall be informed of the decisions of the Association Council.

The Association Parliamentary Committee may make recommendations to the Association Council.

## **Article 111.**

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

## **Article 112.**

Nothing in the Agreement shall prevent a Contracting 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 materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (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 113.**

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:

- the arrangements applied by Poland in respect of the Community shall not give rise to any discrimination between the Member States, their nationals, or their companies or firms,
- the arrangements applied by the Community in respect of Poland shall not give rise to any discrimination between Polish nationals or its companies or firms.

2. The provisions of paragraph 1 are without prejudice to the right of the Contracting 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 114.**

Products originating in Poland shall not enjoy more favourable treatment when imported into the Community than that applied by Member States among themselves.

The treatment granted to Poland under Title IV and Chapter I of Title V shall not be more favourable than that accorded by Member States among themselves.

## **Article 115.**

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

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

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the Association Council and shall be the subject of consultations within the Association Council if the other Party so requests.

## **Article 116.**

This Agreement shall not, until equivalent rights for individuals and economic operators have been achieved under this Agreement, affect rights assured to them through existing agreements binding one or more Member States, on the one hand, and Poland, on the other.

## **Article 117.**

Protocols 1, 2, 3, 4, 5, 6 and 7 and Annexes I to XIII shall form an integral part of this Agreement.

## **Article 118.**

This Agreement is concluded for an unlimited period.

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

### **Article 119.**

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

### **Article 120.**

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

### **Article 121.**

This Agreement will be approved by the Contracting Parties in accordance with their own procedures.

This Agreement shall enter into force on the first day of the second month following the date on which the Contracting Parties notify each other that the procedures referred to in the first paragraph have been completed.

Upon its entry into force, this Agreement shall replace the Agreement between the European Economic Community and the Republic of Poland on trade and economic and commercial cooperation signed in Brussels on 19 September 1989, and the Protocol between the European Coal and Steel Community and the Republic of Poland signed in Brussels on 16 October 1991.

### **Article 122.**

In the event that, pending the completion of the procedures necessary for the entry into force of this Agreement, the provisions of certain parts of this Agreement, in particular those relating to the movement of goods, are put into effect in 1992 by means of an Interim Agreement between the Community and Poland, the Contracting Parties agree that, in such circumstances for the purposes of Title III, Articles 63, 65 and 66 of this Agreement and Protocols 1, 2, 3, 4, 5, 6 and 7 hereto, the terms 'date of entry into force of this Agreement' shall mean:

- the date of entry into force of the Interim Agreement in relation to obligations taking effect on that date, and
- 1 January 1992 in relation to obligations taking effect after the date of entry into force by reference to the date of entry into force.

In witness whereof the undersigned plenipotentiaries have signed this Agreement.

Done at Brussels on the sixteenth day of December in the year one thousand nine hundred and ninety-one.

For the Kingdom of Belgium

For the Kingdom of Denmark

For the Federal Republic of Germany

For the Hellenic Republic

For the Kingdom of Spain

For the French Republic

For Ireland

For the Italian Republic

For the Grand Duchy of Luxembourg

For the Kingdom of Netherlands

For the Portuguese Republic

For the United Kingdom of Great Britain and Northern Ireland

For the Council and the Commission of the European Communities

For the Republic of Poland