COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED ARAB EMIRATES AND THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN

PREAMBLE

The Government of the United Arab Emirates (hereinafter referred to as the "UAE") and the Government of the Republic of Azerbaijan (hereinafter referred to as "Azerbaijan");

hereinafter being referred to individually as a "Party" and collectively as "the Parties";

RECOGNISING the strong economic and political ties between the UAE and Azerbaijan, and wishing to strengthen these links through the creation of a free trade area, thus establishing close and lasting relations;

MINDFUL of the Marrakesh Agreement Establishing the World Trade Organization for building the cooperation between the Parties of this Comprehensive Economic Partnership Agreement ("this Agreement");

CONSCIOUS of the dynamic and rapidly changing global environment brought about by globalisation and technological progress that presents various economic and strategic challenges and opportunities to the Parties;

DETERMINED to develop and strengthen their economic and trade relations through the liberalisation and expansion of trade in goods and services in their common interest and for their mutual benefit;

AIMING to promote transfer of technology and expand trade;

CONVINCED that the establishment of a free trade area will provide a more favorable climate for the promotion and development of economic and trade relations between the Parties;

AIMING to facilitate trade by promoting efficient and transparent customs procedures that reduce costs and ensure predictability for their importers and exporters;

DETERMINED to support the growth and development of micro, small and medium- sized enterprises by enhancing their ability to participate in and benefit from the opportunities created by this Agreement;

AIMING to establishing a clear, transparent, and predictable legal and commercial framework for business planning, that supports further expansion of trade and investment;

RECOGNIZING their inherent right to regulate and resolved to preserve the flexibility of the Parties to set legislative and regulatory priorities, and protect legitimate public welfare objectives, such as health, safety, environmental protection, conservation of living or non-living exhaustible natural resources, integrity and stability of the financial system, and public morals, in accordance with the rights and obligations provided in this Agreement;

HAVE AGREED on the following:

Chapter 1. INITIAL PROVISIONS AND GENERAL DEFINITIONS

Article 1.1. Establishment of a Free Trade Area

The Parties hereby establish a free trade area, in accordance with the Decision of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (Enabling Clause) and Article V of General Agreement on Trade in Services ("GATS") and to promote opportunities for market access and trade liberalization for goods, services and investments; strengthen development of the digital economy; and deepen economic cooperation between the Parties.

Article 1.2. Objectives

The objectives of this Agreement are to liberalise and facilitate trade and investment between the Parties in accordance with the provisions of this Agreement.

Article 1.3. General Definitions

1. If the meaning of terms is not specially defined in this Agreement, then the provisions of GATT/WTO agreements shall be used for their interpretation by the Parties.

2. For the purposes of this Agreement:

Agreement on Agriculture means the Agreement on Agriculture in Annex 1A to the WTO Agreement;

Anti-Dumping Agreement means the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;

days means calendar days, including weekends and holidays;

GATS means the General Agreement on Trade in Services in Annex 1B to the WTO Agreement;

GATT 1994 means the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement;

GPA means the Agreement on Government Procurement in Annex 4 to the WTO Agreement;

Harmonized System or HS means the Harmonized Commodity Description and Coding System, including its General Rules for the Interpretation, Section Notes, Chapter Notes and Subheading Notes;

Import Licensing Agreement means the Agreement on Import Licensing Procedures in Annex 1A to the WTO Agreement;

Joint Committee means the Joint Committee established pursuant to Chapter 15 (Administration of the Agreement);

measure means any measure, whether in form of a law, regulation, rule, procedure, decision, practice, administrative action, or any other form;

Safeguards Agreement means the Agreement on Safeguards in Annex 1A to the WTO Agreement;

SCM Agreement means the Agreement on Subsidies and Countervailing Measures in Annex 1A to the WTO Agreement;

SPS Agreement means the Agreement on the Application of Sanitary and Phytosanitary Measures in Annex 1A to the WTO Agreement;

TBT Agreement means the Agreement on Technical Barriers to Trade in Annex 1A to the WTO Agreement;

territory means:

(a) for the UAE, its land territories, internal waters, including its Free Zones, territorial sea, including, the seabed, and subsoil thereof, and airspace over such territories and waters, as well as the contiguous zone, the continental shelf and exclusive economic zone, over which UAE has sovereignty, sovereign rights or jurisdiction as defined in its laws, and in accordance with international law; and

(b) for Azerbaijan, the Republic of Azerbaijan and, when used in a geographical sense, means the territory of the Republic of Azerbaijan and the waters, seabed and subsoil of the Caspian Sea and the airspace above them over which the Republic of Azerbaijan exercises its sovereignty, sovereign and exclusive rights, or jurisdiction in accordance with its national law and international law;

TRIPS Agreement means the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement;

WTO means the World Trade Organization; and

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh, 15 April

1994.

Article 1.4. Relation to other International Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under other international agreements to which such Parties are party.

2. In the event of any inconsistency between this Agreement and other agreements to which both Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution.

Article 1.5. Extent of Obligations

Each Party shall take such reasonable measures as may be available to it under its legislation to ensure observance of the provisions of this Agreement by the local governments and authorities where applicable within its territories.

Article 1.6. Transparency

1. Each Party shall publish or otherwise make publicly available their laws, regulations, as well as their respective international agreements which may affect the operation of this Agreement.

2. Without prejudice to Article 1.7, each Party shall respond with reasonable period of time to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1.

Article 1.7. Confidential Information

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of information designated as confidential by the other Party.

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

Chapter 2. TRADE IN GOODS

Article 2.1. Definitions

For the purposes of this Chapter:

Customs Administration means the authority that, according to the legislation of each Party, is responsible for the administration and enforcement of customs laws and regulations of the Party. In the case of the UAE, it shall be the Federal Authority for Identity, Citizenship, Customs & Port Security and each of the individual Emirates Customs Authorities, and in the case of Azerbaijan, the State Customs Committee.

customs duty refers to any duty or charge of any kind imposed in connection with the importation of a product, including any form of surtax or surcharge in connection with such importation, but does not include any

(a) charge equivalent to an internal tax imposed in conformity with Article III of the GATT 1994;

(b) anti-dumping or countervailing or safeguard duty that is applied consistently with the provisions of Article VI of the GATT 1994, the Anti-Dumping Agreement, the SCM Agreement, the Safeguards Agreement; or

(c) fee or other charge in connection with importation commensurate with the cost of services rendered and which does not represent a direct or indirect protection for domestic goods or a taxation of imports for fiscal purposes.

goods refers to any commodity, merchandise, material, article or product.

Article 2.2. Scope and Coverage

Except as otherwise provided in this Agreement, this Chapter applies to trade in goods between the Parties.

Article 2.3. National Treatment

The Parties shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes. To this end, Article III of the GATT 1994 and its interpretative notes are incorporated into and form part of this Agreement, mutatis mutandis.

Article 2.4. Reduction or Elimination of Customs Duties

1. Except as otherwise provided in this Agreement, including as explicitly set out in each Party's schedule included in Annex 2 (Schedules of Tariff Commitments), neither Party shall increase any existing customs duty, or adopt any new customs duty, on an originating good of the other Party.

2. Upon the entry into force of this Agreement, Azerbaijan shall eliminate or reduce its customs duties applied on goods originating from the UAE in accordance with Annex 2A-b (Azerbaijan Schedule of Tariff Commitments) and the UAE shall eliminate or reduce its customs duties on goods from Azerbaijan in accordance with Annex 2A-a (UAE Schedule of Tariff Commitments).

3. Where a Party reduces its most-favored-nation (hereinafter "MFN") applied rate of customs duty, that duty rate shall apply to an originating good of the other Party if, and for as long as, it is lower than the customs duty rate on the same good calculated in accordance with Annex 2A-b in the case of Azerbaijan or Annex 2A-a in the case of the UAE.

Article 2.5. Acceleration or Improvement of Tariff Commitments

1. Upon request of a Party, the other Party shall consult with the requesting Party to consider accelerating, improving, or broadening the scope of the elimination of customs duties as set out in their schedule of tariff commitments in Annex 2 (Schedules of Tariff Commitments).

2. Further commitments between the Parties to accelerate or broadening the scope of the elimination of a customs duty on a good (or to include a good in Annex 2 (Schedules of Tariff Commitments) shall supersede any duty rate or staging category determined pursuant to their respective Schedules upon its incorporation into this Agreement.

3. Nothing in this Agreement shall prohibit a Party from unilaterally accelerating or broadening the scope of the elimination of customs duties set out in its Schedule to Annex 2 (Schedules of Tariff Commitments) on originating goods. Any such unilateral acceleration or broadening of the scope of the elimination of customs duties will not permanently supersede any duty rate or staging category determined pursuant to their respective Schedule nor serve to waive that Party's right to raise the customs duty back to the level established in its Schedule to Annex 2 (Schedules of Tariff Commitments) following a unilateral reduction.

Article 2.6. Classification of Goods and Transposition of Schedules

1. The classification of goods in trade between the Parties shall be that set out in the respective tariff nomenclature of each Party in conformity with the Harmonized System (HS) and its legal notes and amendments.

2. Each Party shall ensure that the transposition of its Schedule of Tariff Commitments does not afford less favourable treatment to an originating good of the other Party than that set out in each Party's Schedule included in Annex 2.

3. A Party may introduce new tariff splits, provided that the preferential conditions applied in the new tariff splits are not less preferential than those applied originally.

Article 2.7. Import and Export Restrictions

Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of GATT 1994 and its interpretative notes, and to this end Article XI of GATT 1994 and its interpretative notes are incorporated into and made a part of this Agreement, mutatis mutandis.

Article 2.8. Import Licensing

1. Neither Party may adopt or maintain a measure that is inconsistent with the Import Licensing Agreement (1), which is hereby incorporated into and made part of this Agreement, mutatis mutandis.

(1) For the purposes of paragraph 1 and for greater certainty, in determining whether a measure is inconsistent with the Import Licensing

2. Before applying any new or modified import licensing procedure, a Party shall publish it in such a manner as to enable governments and traders to become acquainted with it, including through publication on an official government internet site. Upon request of the other Party, the Party shall exchange information concerning its implementation in a reasonable period.

Article 2.9. Customs Valuation

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the Customs Valuation Agreement, mutatis mutandis.

Article 2.10. Export Subsidies

1. Neither Party shall adopt or maintain any export subsidy on any good destined for the territory of the other Party in accordance with the SCM Agreement and the Agreement on Agriculture.

2. The Parties reaffirm their commitments made in the WTO Ministerial Conference Decision on Export Competition adopted in Nairobi on 19 December 2015, including the elimination of scheduled export subsidy entitlements for agricultural goods.

Article 2.11. Restrictions to Safeguard the Balance-of-Payments

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance-of-payments purposes.

2. Any such measures taken for trade in goods shall be in accordance with Article XII of the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994, the provisions of which are incorporated into and made a part of this Agreement, mutatis mutandis.

Article 2.12. Administrative Fees and Formalities

1. Each Party shall ensure, in accordance with Article VIII:1 of GATT 1994 and its interpretive notes and Article 6 of the WTO Agreement on Trade Facilitation, that all fees and charges of whatever character (other than import and export duties, charges equivalent to an internal tax or other internal charges applied consistently with Article III:2 of GATT 1994, and measures applied in accordance with the provisions of Articles VI or XIX of the GATT 1994, the Anti-Dumping Agreement, the SCM Agreement, the Safeguards Agreement, Article 5 of the Agreement on Agriculture or Article 22 of the DSU) imposed on, or in connection with, importation or exportation of goods are limited in amount to the approximate cost of services rendered, and shall not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

2. Each Party shall promptly publish details and shall make such information available on the internet regarding the fees and charges it imposes in connection with importation or exportation.

Article 2.13. Non-Tariff Measures

1. Unless otherwise provided, neither Party shall adopt or maintain any non-tariff measure on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its WTO rights and obligations or this Agreement.

2. Each Party shall ensure that its laws, regulations, procedures and administrative rulings relating to non-tariff measures are not prepared, adopted or applied with the view to, or with the effect of, creating unnecessary obstacles in trade with the other Party.

3. If a Party considers that a non-tariff measure of the other Party is an unnecessary obstacle to trade, that Party may nominate such a non-tariff measure for review by the Subcommittee on Trade in Goods by notifying the other Party at least 30 days before the date of the next scheduled meeting of the Subcommittee on Trade in Goods. A nomination of a non-tariff measure for review shall include reasons for its nomination, how the measure adversely affects trade between the Parties, and if possible, suggested solutions. The Subcommittee on Trade in Goods shall immediately review the measure with a view to securing a mutually agreed solution to the matter. Review by the Subcommittee on Trade in Goods is without prejudice to the Parties’ rights under Chapter 17 (Dispute Settlement).

Article 2.14. State Trading Enterprises

Nothing in this Agreement shall be construed to prevent a Party from maintaining or establishing a state trading enterprise in accordance with Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, mutatis mutandis.

Article 2.15. Temporary Admission of Goods

1. Each Party shall, in accordance with its respective domestic law, grant temporary admission for the following goods imported from the other Party, regardless of their origin:

(a) professional and scientific equipment, including their spare parts, and including equipment for the press or television, software, and broadcasting and cinematographic equipment, that are necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;

(b) goods intended for display, demonstration or use at theaters, exhibitions, fairs, or other similar events including its component parts, ancillary apparatus and accessories;

(c) commercial samples and advertising films and recordings;

(d) goods admitted for sports purposes;

(e) containers and pallets that are used for the transportation of equipment or used for refilling; and

(f) goods entered for completion of processing.

2. Each Party shall, at the request of the importer and for reasons deemed valid by its customs authority, extend the time limit for temporary admission beyond the period initially fixed.

3. Neither Party may condition the temporary admission of a good referred to in paragraph 1, other than to require that the good:

(a) not be sold or leased while in its territory;

(b) be accompanied by a security in an amount no greater than the custom duties and any other tax imposed on imports that would otherwise be owed on entry or final importation, releasable on exportation of the good;

(c) be capable of identification when exported;

(d) be exported in accordance with the time period granted for temporary admission in accordance with its domestic law related to the purpose of the temporary admission;

(e) not be admitted in a quantity greater than is reasonable for its intended use; or

(f) be otherwise admissible into the importing Party's territory under its law.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, that Party may apply the customs duty and any other charge that would normally be owed on the importation of the good and any other charges or penalties provided for under its law.

5. Each Party through its Customs Administration shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that when such a good accompanies a national or resident of the other Party who is seeking temporary entry, the good shall be released simultaneously with the entry of that national or resident.

6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted in accordance with its customs procedures.

7. Each Party shall provide that the importer of a good admitted under this Article shall not be liable for failure to export the good on presentation of satisfactory proof to the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension. A Party may condition relief of liability under this paragraph by requiring the importer to receive prior approval from the Customs Administration of the importing Party before the good can be so destroyed.

Article 2.16. Goods Re-Entered after Repair or Alteration

1. Neither Party shall apply a customs duty to a good, regardless of its origin, that re-enters its territory in accordance with its laws and procedures after that good has been temporarily exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repair or alteration could be performed in the territory from which the good was exported, except that a customs duty or other taxes may be applied to the addition resulting from the repair or alteration that was performed in the territory of the other Party.

2. Neither Party shall apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or alteration.

3. For purposes of this Article, “repair” or “alteration” does not include an operation or process that:

(a) destroys a good’s essential characteristics or creates a new or commercially different good;

(b) transforms an unfinished good into a finished good; or

(c) results in a change of the classification at a six-digit level of the Harmonized System (HS).

Article 2.17. Duty-Free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials

Each Party shall, in accordance with its respective domestic law, grant duty-free entry to commercial samples of negligible value, and to printed advertising materials, imported from the territory of the other Party, regardless of their origin, but may require that:

(a) such samples be imported solely for the solicitation of orders for goods or services provided from the territory of the other Party or a non-party; or

(b) such advertising materials be imported in packets, that each contain no more than one copy of each such material, and that neither the materials nor the packets form part of a larger consignment.

Article 2.18. Subcommittee on Trade In Goods

1. The Parties hereby establish a Subcommittee on Trade in Goods under the Joint Committee comprising representatives of each Party.

2. The Subcommittee shall meet once a year or as often as the Parties consider necessary to consider any matter arising under this Chapter.

3. The functions of the Subcommittee shall include, inter alia:

(a) monitoring the implementation and administration of this Chapter;

(b) promoting trade in goods between the Parties, including through consultations on accelerating and broadening the scope of preferential treatment or tariff elimination under this Agreement and other issues as appropriate;

(c) addressing barriers to trade in goods between the parties including those related to non-tariff measures, including import and export restrictions, which may restrict trade in goods between the Parties and, if appropriate, referring such matters to the Joint Committee for its consideration;

(d) providing advice and recommendations to the Joint Committee on cooperation needs regarding trade in goods matters;

(e) reviewing amendments to the Harmonized System (HS) to ensure that each Party’s obligations under this Agreement are not altered, and consulting to resolve any conflicts between such amendments to the Harmonized System (HS) and Annex 2 and national nomenclatures;

(f) consulting on and endeavoring to resolve any difference that may arise among the Parties on matters related to the classification of goods under the Harmonized System (HS);

(g) reviewing data on trade in goods in relation the implementation of this Chapter;

(h) assessing matters that relate to trade in goods and undertaking any additional work that the Joint Committee may assign to it; and

(i) reviewing and monitoring any other matter related to the implementation of this Chapter.

Chapter 3. RULES OF ORIGIN

Article 3.1. Definitions

For the purposes of this Chapter:

(a) aquaculture refers to the farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as, inter alia, regular stocking, feeding, protection from predators;

(b) customs value refers to the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (in Annex 1 to WTO Agreement on Customs Valuation);

(c) competent authority refers to:

(i) for Azerbaijan, the State Agency for Antimonopoly and Consumer Market Control under the President of the Republic of Azerbaijan or any other official agency notified from time to time; and

(ii) for UAE, the Ministry of Economy or any other official agency notified from time to time;

(d) consignment means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;

(e) customs authority refers to:

(i) for Azerbaijan, the State Customs Committee of the Republic of Azerbaijan; and

(ii) for UAE, the Federal Authority for Identity, Citizenship, Customs and Port Security;

(f) generally accepted accounting principles refers to the recognized consensus or substantial authoritative support in the territory of a Party, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices and procedures;

(g) good refers to any article of trade including materials and products;

(h) Harmonized System ("HS") refers to the Harmonized Commodity Description and Coding System, including its general rules and legal notes set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System;

(i) manufacture refers to any kind of working or processing, including assembly or specific operations;

(j) material refers to any ingredient, raw material, compound or part used in the production of a good;

(k) non-originating good or non-originating material (NOM) refers to a good or material that does not qualify as originating under this Chapter;

(l) originating goods or originating material refers to goods or materials that qualify as originating under this Chapter;

(m) product refers to that which is obtained by growing, raising, mining, harvesting, fishing, aquaculture, trapping, hunting, extracting or manufactured, even if it is intended for later use in another manufacturing operation; and

(n) production refers to growing, raising, mining, harvesting, fishing, aquaculture, trapping, hunting, manufacturing, processing, assembling or disassembling a good.

Section A. ORIGIN DETERMINATION

Article 3.2. Originating Goods

For the purpose of implementing this Agreement, goods shall be considered as originating in the territory of a Party, if the:

(a) goods are wholly obtained or produced there according to Article 3.3; or

(b) goods are not wholly obtained or produced entirely there, provided that the good has undergone sufficient working or processing according to Article 3.4; or

(c) goods are produced there exclusively from originating materials of the Parties,

and the goods satisfied all other applicable requirements of this Chapter.

Article 3.3. Wholly Obtained or Produced Goods

For the purposes of Article 3.2 (a), the following goods shall be deemed to be wholly obtained or produced in the territory of a Party:

(a) plants and plant products grown, collected and harvested there;

(b) live animals born and raised there;

(c) products obtained from live animals there;

(d) mineral products and natural resources extracted or taken from that Party's soil, subsoil, waters, seabed or beneath the seabed;

(e) products obtained from hunting, trapping, collecting, capturing, fishing or aquaculture conducted there;

(f) products of sea fishing and other marine products taken from outside the territorial waters of the Parties by a vessel and/or produced or obtained by a factory ship registered, recorded, listed or licensed with a Party and flying its flag;

(g) products, other than products of sea fishing and other marine products, taken or extracted from the seabed, ocean floor or the subsoil of the continental shelf or the exclusive economic zone of any of the Parties, provided that the Party or person has the right to exploit such seabed, ocean floor, or subsoil in accordance to international law;

(h) raw materials recovered from used goods collected there;

(i) wastes or scraps resulting from utilization, consumption or manufacturing operations conducted there, fit only for recovery of raw materials;

(j) products produced or obtained there exclusively from products referred to in subparagraphs (a) through (i), or from their derivatives, at any stage of production.

Article 3.4. Sufficient Working or Processing

1. For the purposes of Article 3.2 (b), a good shall be considered to have undergone sufficient working or processing and shall deemed to be originating if the good satisfy any of the following:

(a) a Change in Tariff Heading (CTH), which means that all non-originating materials used in the production of the good have undergone a change in HS tariff classification at the 4-digit level; or

(b) a Qualifying Value Content (QVC) not less than 40% of the Free on Board (FOB) Price,

or

2. Notwithstanding paragraph 1, if the good falls under an HS code included in the Product Specific Rules (PSR) Table in Annex 3A (List of Product Specific Rules), then the good shall satisfy the specific rule detailed therein pertaining to that HS code.

3. For the purposes of paragraph 1 and 2, the QVC shall be calculated as follows:

QVC = (FOB Price or Ex-Works Price) – V.N.M. / FOB Price or Ex-Works Price x 100

where Ex-Works Price is used, the QVC shall be five percentage points lower than the percentage which is calculated on the basis of FOB Price.

where:

QVC is the qualifying value content of a good expressed as a percentage;

Ex-Works Price is the price paid for the good ex-works to the manufacturer in the Party in whose undertaking the last

working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the good obtained is exported;

FOB Price is the price of the good free on board, inclusive of the cost of transportation to the port or site of the final departure of the exporting country, regardless of the mode of transportation;

V.N.M is the customs value at the time of importation of the non-originating materials inclusive freight and insurance costs incurred in transporting the material to the importation port or point in the territory of the importing Party, or if this is not known, the earliest ascertained price paid or payable in the Party where the production takes place for all non-originating materials, parts or produce that are acquired by the producer in the production of the good. When the producer of a good acquires non-originating materials within that Party the value of such materials shall not include freight, insurance, packing costs and any other costs incurred in transporting the material from the supplier's warehouse to the producer's location.

Article 3.5. Intermediate Goods

If a good which has acquired originating status in a Party in accordance with Article 3.4 is used in the manufacture of another good, the conditions applicable to the good in which it is incorporated do not apply to it, and no account shall be taken of the non- originating materials which may have been used in its manufacture.

Article 3.6. Accumulation

1. An originating good of a Party which is used in the processing or production in the territory of the other Party as material for finished goods shall be deemed as a material originating in the territory of the latter Party where the working or processing of the finished goods has taken place.

2. Notwithstanding paragraph 1, an originating good from a Party that does not undergo processing beyond the minimal or insufficient operations listed in Article 3.8 in the other Party shall retain its originating status of the former Party.

3. The Joint Committee may agree to review this Article with a view to providing for other forms of accumulation for the purpose of qualifying goods as originating goods under this Agreement.

Article 3.7. Tolerance

1. Notwithstanding Article 3.4, a good will be considered to have undergone a change in tariff classification if the value of all non-originating materials that are used in the production of the good and that do not undergo the applicable change in tariff classification does not exceed 20% of the ex-works price of the good.

2. The value of non-originating materials referred to in paragraph 1 shall be included in the value of the non-originating materials for any applicable value added content requirement.

Article 3.8. Insufficient Working or Processing

1. Whether or not the requirements of Article 3.4 are satisfied, a good shall not be considered to be originating in the territory of a Party if the following operations are undertaken exclusively by itself or in combination in the territory of that Party:

(a) slaughter of animals;

(b) operations to ensure the preservation of products in good condition during transport and storage such as drying, freezing, ventilation, chilling and like operations;

(c) sifting, simple classifying or sorting, washing, cutting, slitting, bending, coiling or uncoiling, sharpening, simple grinding, slicing;

(d) cleaning, including removal of oxide, oil, paint or other coverings;

(e) simple painting and polishing operations;

(f) testing or calibration;

(g) placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

(h) simple mixing of goods, whether or not of different kinds;

(i) simple assembly of parts of products to constitute a complete good or disassembly of products into parts;

(j) changes of packing, unpacking or repacking operations, and breaking up and assembly of consignments;

(k) affixing or printing marks, labels, logos and other like distinguishing signs on goods or their packaging;

(l) husking, partial or total bleaching, polishing and glazing of cereals and rice; and

(m) mere dilution with water or another substance that does not materially alter the characteristics of the goods.

For the purposes of paragraph 1, the term “simple” will be defined as following:

(a) “Simple” generally describes an activity which does not need special skills, machines, apparatus or equipment especially produced or installed for carrying out the activity.

(b) “Simple mixing” generally describes an activity which does not need special skills, machine, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

Article 3.9. Indirect Materials

In order to determine whether a good originates, the following material used in the production of a good shall be treated as originating material, irrespective of whether such material is originating:

(a) energy and fuel;

(b) plant and equipment;

(c) machines and tools;

(d) spare parts and materials used in the maintenance of equipment;

(e) equipment, devices, supplies used for testing or inspecting the goods;

(f) any other materials which are used in the production, testing or inspection of a good and do not enter and which are not intended to enter into the final composition of the product.

Article 3.10. Accessories, Spare Parts, Tools

1. Accessories, spare parts, tools, and instructional or other information materials delivered with a good that form part of the good’s standard accessories, spare parts, tools, and instructional or other information materials shall be regarded as a part of the good, and shall be disregarded in determining whether or not all the non-originating materials used in the production of the originating goods undergo the applicable change in tariff classification provided that:

(a) the accessories, spare parts, tools, and instructional or other information materials are classified with and not invoiced separately from the good; and

(b) the quantities and value of the accessories, spare parts, tools, and instructional or other information materials presented with the good are customary for the good.

2. Notwithstanding paragraph 1, if the goods are subject to a QVC requirement, the value of the accessories, spare parts, tools and instructional or other information materials shall be taken into account as originating or non-originating materials, as the case may be, in calculating the qualifying value content of the goods.

Article 3.11. Packaging Materials and Containers for Retail Sale

1. Each Party shall provide that packaging materials and containers in which a good is packaged for retail sale, if classified with the good, according to Rule 5 of the General Rules for the Interpretation of the Harmonized System, shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in any applicable product-specific rules.

2. If the good is subject to qualifying value content requirement, the value of such packaging materials and containers shall

be taken into account as originating or non- originating materials, as the case may be, in calculating the qualifying value content of the good.

Article 3.12. Packaging Materials and Containers for Transportation and Shipment

Each Party shall provide that packing materials and containers for transportation and shipment are disregarded in determining whether a good is originating.

Article 3.13. Fungible Goods and Materials

1. Each Party shall provide that the determination of whether fungible goods or materials are originating shall be made through physical segregation of each good or material, or, in case of any difficulty, through the use of any inventory management method, such as averaging, last-in, first-out, or first-in, first out, recognised in the generally accepted accounting principles of the Party in which the production is performed, or otherwise accepted by the Party in which the production is performed.

2. Each Party shall provide that an inventory management method selected under paragraph 1 for particular fungible goods or materials shall continue to be used for those fungible goods or materials throughout the fiscal year of the Party that selected the inventory management method.

Section B. TERRITORIALITY AND TRANSIT

Article 3.14. Principle of Territoriality

1. The conditions for acquiring originating status set out in Article 3.2 must be fulfilled without interruption in the territory of a Party.

2. Where originating goods exported from the territory of a Party to a non-party, return to the exporting Party, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

(a) the returning goods are the same as those exported; and

(b) the goods have not undergone any operation beyond that necessary to preserve them in good condition while in that non-party

(c) or while being exported.

3. An importer shall upon request supply appropriate evidence to the customs authorities of the importing Party that the conditions set out in paragraph 2 have been fulfilled by the production of:

(a) any single through transport documents, that meet international standards and that proves that the goods were directly transported from the exporting Party through the non-party where the goods are in transit to the importing Party; or

(b) a certificate issued by the Customs Authorities of the non-party where the goods were in transit which contains an exact description of the goods, the date and place of loading and re-loading of the goods in that non-party and the conditions under which the goods were placed; or

(c) in the absence of any of the above documents, any other documents that will prove the direct shipment.

4. Notwithstanding paragraphs 1 and 2, the acquisition of originating status set out in Article 3.2 shall not be affected by working or processing done outside a Party on materials exported from a Party and subsequently re-imported there, provided:

(a) the said materials are wholly obtained in any of the Parties or have undergone working or processing beyond the operations referred to in Article 3.8 prior to being exported; and

(b) it can be demonstrated to the satisfaction of the customs authorities that:

(i) the re-imported goods have been obtained by working or processing the exported materials;

(ii) the total added value acquired outside a Party by applying the provisions of this Article does not exceed 15% of the ex-works price of the end product for which originating status is claimed.

5. For the purposes of paragraph 4, the conditions for obtaining originating status set out in Section A shall not apply to working or processing done outside the exporting Party. However, where a QVC rule is applied in determining the originating status of the end product, the total added value incorporated in the territory of the exporting Party shall not be less than the stated QVC percentage for the end product.

6. The conditions set out in Article 3.7 shall not apply to the said material as referred to in subparagraph 4 (a).

7. Factual information relevant to this Article will be indicated in the Certificate of Origin, in accordance with Annex 3B (Certificate of Origin).

8. For the purposes of applying the provisions of paragraph 1, 'total added value' shall be taken to mean all costs arising outside the Parties, including the value of the materials incorporated there.

9. Any working or processing of the kind covered by the provisions of this Article and done outside the exporting Party shall be done under the outward processing arrangements, or similar arrangements.

Article 3.15. Transit and Transshipment

1. Each Party shall provide that an originating good retains its originating status if the good has been transported directly to the importing Party without passing through the territory of a non-party.

2. Notwithstanding paragraph 1, each Party shall provide that an originating good retains its originating status if transited or is stored in a temporary warehousing through one or more intermediate non-parties, provided that the good:

(a) remained under customs control in the territory of a non-party; and

(b) has not undergone any operation there other than unloading, reloading, labeling, split from bulk or any operation required to keep them in good condition.

3. An importer shall upon request supply appropriate evidence to the customs authorities of the importing Party that the conditions set out in paragraph 2 have been fulfilled. by the production of:

(a) any single through transport documents, that meet international standards and that proves that the goods were directly transported from the exporting Party through the non-party where the goods are in transit to the importing Party; or

(b) a certificate issued by the customs authorities of the non-party where the goods were in transit which contains an exact description of the goods, the date and place of loading and re-loading of the goods in that non-party and the conditions under which the goods were placed; or

(c) in the absence of any of the above documents, any other documents that will prove the direct shipment.

Article 3.16. Free Economic Zones or Free Zones

1. Both Parties shall take all necessary steps to ensure that originating goods traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. Goods produced or manufactured in a free zone situated within a Party shall be considered as originating goods in that Party when exported to the other Party provided that the treatment or processing is in conformity with the provisions of this chapter and supported by a proof or origin.

Article 3.17. Third Party Invoicing

1. The customs authority in the importing Party shall not reject a certificate of origin only for the reason that the invoice was not issued by the exporter or producer of a good provided that the good meets the requirements in this Chapter.

2. The exporter of the goods shall indicate “third party invoicing” and such information as name and country of the company issuing the invoice shall appear in in the appropriate field as detailed in Annex 3B (Certificate of Origin).

Section C. ORIGIN CERTIFICATION

Article 3.18. Proof of Origin

1. Goods originating in a Party shall, on importation into the other Party, benefit from preferential tariff treatment under this Agreement on the basis of a Proof of Origin.

2. Any of the following shall be considered as a Proof of Origin:

(a) a paper format certificate of origin issued by a competent authority as per Article 3.19;

(b) an Electronic Certificate of Origin (E-Certificate) issued by a competent authority and exchanged by a mutually developed electronic system as per Article 3.20;

3. Each Party shall provide that a Proof of Origin shall be completed in the English language and shall remain valid for one year from the date on which it is issued.

Article 3.19. Certificate of Origin In Paper Format

1. A Certificate of Origin in paper format shall:

(a) be in standard A4 white paper as per the form in Annex 3B (Certificate of Origin).

(b) comprise one original and two copies. The original shall be forwarded by the producer or exporter to the importer for submission to the customs authority of the importing Party. The duplicate shall be retained by the competent authority of the exporting Party. The triplicate shall be retained by the producer or exporter;

(c) may cover one or more goods under one consignment; and

(d) be in a printed format or such other medium including electronic format.

2. Each Certificate of Origin shall bear a unique serial reference number separately given by each place or office of issuance.

3. A Certificate of Origin shall bear an official seal of the competent authority. The official seal may be applied electronically.

4. In case the official seal is applied electronically, an authentication mechanism, such as QR code or a secured website, shall be included in the certificate for the certificate to be deemed as an original copy.

Article 3.20. Electronic Data Origin Exchange System

1. For the purposes of Article 3.18.2 (b), the Parties shall endeavor to develop an electronic system for origin information exchange to ensure the effective and efficient implementation of this Chapter particularly on transmission of electronic certificate of origin.

2. For further clarity, Article 3.18.2 (b) shall enter into force only after the establishment and operationalization of a mutual electronic data origin exchange system, followed by a decision of the Joint Committee to such effect.

Article 3.21. Application and Examination of Application for a Certificate of Origin

1. Certificates of Origin shall be issued by the competent authority of the exporting Party, either upon an electronic application or an application in paper form, having been made by the exporter or under the exporter's responsibility by his or her authorized representative, in accordance with the domestic regulations of the exporting Party.

2. The exporter applying for the issuance of a Certificate of Origin shall be prepared to submit at any time, at the request of the competent authority of the exporting Party, all appropriate documents proving the originating status of the goods concerned, as well as the fulfillment of the other requirements of this Chapter.

3. The competent authority shall, to the best of its competence and ability, carry out proper examination ensure that:

(a) the application and the Certificate of Origin is duly completed and signed by the authorised signatory;

(b) the origin of the good is in conformity with the provisions of this Chapter; and

(c) HS Code, description, gross weight or other quantity and value conform to the good to be exported.

Article 3.22. Certificate of Origin Issued Retrospectively

1. The Certificate of Origin shall be issued by the competent authority of the exporting Party prior to or at the time of

shipment.

2. In exceptional cases where a Certificate of Origin has not been issued prior to or at the time of shipment, due to involuntary errors or omissions or other valid causes, the Certificate of Origin may be issued retroactively but with a validity no longer than 1 year from the date of shipment, in which case it is necessary to indicate “ISSUED RETROACTIVELY” in the appropriate field as detailed in Annex 3B (Certificate of Origin).

3. The provisions of this Article shall be applied to goods which comply with the provisions of this Agreement, and which on the date of its entry into force, are either in transit or are in the territory of the Parties in temporary storage under customs control.

This shall be subject to the submission to the customs authorities of the importing Party, within six months from the said date, of a Certificate of Origin issued retrospectively by the competent authority of the exporting Party together with documents, showing that the goods have been transported directly in accordance with the provisions of Article 3.15.

Article 3.23. Loss of the Certificate of Origin

The certified true copy of the original Certificate of Origin shall be endorsed with an official signature and seal and bear the words “Duplicate” and the date of issuance of the original Certificate of Origin in appropriate field as detailed in Annex 3B (Certificate of Origin). The certified true copy of a Certificate of Origin shall be issued within the same validity period of the original Certificate of Origin.

Article 3.24. Importation by Installments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System (HS) are imported by installments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first installment.

Article 3.25. Treatment of Erroneous Declaration In the Certificate of Origin

Neither erasures nor superimposition shall be allowed on the Certificate of Origin. Any alterations shall be made by issuing a new certificate of origin to replace the erroneous one. The reference number of the corrected Certificate of Origin should be indicated in the appropriate field on the newly issued Certificate of Origin as detailed in Annex 3B (Certificate of Origin). The validity of the replacement certificate will be the same as the original.

Article 3.26. Treatment of Minor Discrepancies

1. The discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the customs authority of the importing Party for the purpose of carrying out the formalities for importing the goods shall not ipso-facto invalidate the certificate of origin, if it does in fact correspond to the goods submitted.

2. Obvious formal errors, such as typing errors, on a proof of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Section D. COOPERATION AND ORIGIN VERIFICATION

Article 3.27. Denial of Preferential Tariff Treatment

1. Except as otherwise provided in this Chapter, the customs authority of the importing Party may deny a claim for preferential tariff treatment or recover unpaid duties, in accordance with its laws and regulations, where:

(a) the good does not meet the requirements of this Chapter; or

(b) the importer, exporter, or producer of the good failed to comply with any of the relevant requirements of this Chapter for obtaining preferential tariff treatment; or

(c) the customs authority of the importing Party has not received sufficient information to determine that the good is originating; or

(d) the competent or customs authority of the exporting Party does not comply with the requirements of verification in accordance with Article 3.28.

2. If the customs authority of the importing Party denies a claim for preferential tariff treatment, it shall provide the decision in writing to the importer that includes the reasons for the decision.

3. Upon being communicated the grounds for denial of preferential tariff treatment, the importer or the exporter/producer/manufacturer in the exporting Party may, within the period provided for in the custom laws of the importing Party, file an appeal against such decision with the appropriate authority under the customs laws and regulations of the importing Party.

Article 3.28. Verification of Proofs of Origin

1. Subsequent verifications of Proofs of Origin shall be carried out at random or whenever the customs authority or competent authority of the importing Party, as the case may be in each Party, has reasonable doubts as to the authenticity of such documents, the originating status of the goods concerned or the fulfilment of the other requirements of this Chapter.

2. For the purposes of implementing the provisions of paragraph 1, the customs authority or the competent authority of the importing Party, as the case may be in each Party, shall send a verification request to the competent authority of the exporting Party by e-mail or any other means that ensures receipt, including a copy of the Proof of Origin and the reasons for the inquiry. Any other document and information obtained suggesting that the information given on the Proof of Origin is incorrect shall be sent in support of the request for verification.

3. The verification referred to in paragraphs 1 and 2 shall be carried out by the customs or competent authority of the exporting Party, as the case may be. For this purpose, it shall have the right to carry out inspections at the exporter's or producer's premises, to call for any evidence, check the exporter's and the producer's records, or any other check considered appropriate related to origin and according to the Parties internal procedures.

4. The customs authority or the competent authority of the importing Party requesting the verification shall be informed of the results of the verification:

(a) Within 45 days from the date of the receipt of the verification request concerning the authenticity of the proof of origin; and

(b) within 6 (six) months from the date of the receipt of the verification request in the case of verification concerning the originating status of the concerned good.

These results must indicate clearly whether the documents are authentic and whether the goods concerned can be considered as originating and fulfil the other requirements of this Chapter.

5. If the customs authority of the importing Party decides to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the goods shall be offered to the importer subject to any precautionary measures judged necessary.

6. If the customs authority or the competent authority of the importing Party, as the case may be, receives no reply within the established period or if the reply does not confirm the authenticity of the Proof of Origin, or if the reply determines that the goods were not originating, the customs authority or the competent authority, as the case may be in each Party, may deny preferential tariff treatment to the goods covered by the Proof of Origin which is subject to verification.

7. If the competent authority or the customs authority of the importing Party is not satisfied with the results of the verification provided by the competent authority or the customs authority, as the case may be, of the exporting Party, the competent authority of the importing Party may:

(a) request for additional information, documents, or explanations, from the competent authority or customs authority, as the case may be, of the exporting Party. Such information shall be provided by the customs authority or the competent authority, as the case may be, no later than 90 days from the date of receipt of such request; or

(b) conduct a verification visit to the premises of the exporter or producer in the exporting Party. To that purpose:

(i) the customs authority or the competent authority, as the case may be, of the importing Party shall deliver a written notification in advance to the competent authority of the exporting Party regarding the intention of the importingParty to conduct a visit at the exporter or the producer'spremises;

(ii) the exporting Party shall set a date of visit upon agreement from the exporter or the producer, the importing Party and the exporting Party. The visit shall be conducted no later than 90 days from the receipt of the written notification by the competent authority of the exporting Party;

(iii) officials from the customs and/or the competent authority of the exporting Party shall accompany and assist the officials from the importing Party in their visit and at the exporter's premises; and

(iv) the competent authority or the customs authority, as the case may be, of the importing Party conducting the verification shall provide the competent authority or customs authority, as the case may be, of the exporting Party with a written determination of whether the goods qualify as originating goods within 3 (three) months after the date the verification visit was completed, including findings of fact and the legal basis for the determination.

Article 3.29. Record Keeping Requirement

1. For the purposes of the verification process pursuant to Article 3.28, each Party shall require that: (a) the manufacturer, producer or exporter retain, for a period not less than3 (three) years from the date of issuance of the Proof of Origin, or a longerperiod in accordance with its domestic laws and regulations, all supporting records necessary to prove that the good for which the Proof of Origin wasissued was originating; and

(b) the importers shall retain, for a period not less than 3 (three) years from the date of importation of the good, or a longer period in accordance with itsdomestic laws and regulations, all records to prove that the good for whichpreferential tariff treatment was claimed was originating; and

(c) the competent authority or issuing authority retain, for a period not lessthan 3 (three) years from the date of issuance of the Proof of Origin, or a longer period in accordance with its domestic laws and regulations, all supporting records of the application for the Proof of Origin.

2. The records referred to in paragraph 1 may be maintained in any medium thatallows for prompt retrieval, including but not limited to, digital, electronic, optical, magnetic, or written form.

Article 3.30. Confidentiality

1. All information related to the application of this Chapter communicated between the Parties shall be treated as confidential. It shall not be disclosed by the Parties authorities without express permission of the person or authority providing it.

2. If a Party receives information designated as confidential in accordance with paragraph 1, the Party receiving the information may nevertheless use or disclose the information for law enforcement purposes or in the course of judicial proceedings, in accordance with the legislation of the Party.

Article 3.31. Contact Points

Each Party shall, within 30 days of the date of entry into force of this Agreement for that Party, designate one or more contact points within its competent authority for the implementation of this Chapter and notify the other Party of the contact details of that contact point or those contact points. Each Party shall promptly notify the other Party of any change to those contact details.

Article 3.32. Mutual Assistance

The competent authorities of both Parties shall provide each other before the agreement getting in force with the following:

(a) a specimen impression of the official stamps and signatures used in their offices for the issue of Certificate of Origin;

(b) name and Address of the competent authorities responsible for verifying the Proof of Origin;

(c) where applicable, secured web address for the QR codes and electronic certificates authentications.

Section E. CONSULTATION AND MODIFICATIONS

Article 3.33. Subcommittee on Rules of Origin

1. A Subcommittee on Rules of Origin (hereinafter referred to as the “Subcommittee”) is hereby established, consisting of representatives of each Party. The Subcommittee shall meet, in person or by any other technological means as determined by the Parties, at such times as agreed by the Parties and when they deem it appropriate, to consider matters arising under this Chapter.

2. The Subcommittee may consider any matter arising under this Chapter.

3. In relation to a matter referred to in paragraph 2, the functions of the Subcommittee may include:

(a) monitoring the implementation and operation of this Chapter;

(b) revising the Product Specific Rules (PSR) list in Annex 3A (List of Product Specific Rules), on the basis of the transposition of the HS or at the request of either Party;

(c) making recommendations to the Joint Committee with regards to matters relating to modification or application of this Chapter and of its competence;

(d) developing “Explanatory Notes” for the interpretation and application of this Chapter; and

(e) carrying out other functions as may be assigned by the Joint Committee or agreed by the Parties.

4. The Joint Committee shall establish the rules of working procedures of the Subcommittee.

Article 3.34. Consultation and Modifications

The Parties shall consult and cooperate, as appropriate, through the Subcommittee to:

1. Ensure that this Chapter is applied in an effective and uniform manner; and

2. Discuss necessary amendments to this Chapter, taking into account developments in technology, production processes, and other related matters.

Chapter 4. CUSTOMS PROCEDURES & TRADE FACILITATION

Article 4.1. Definitions

For the purpose of this Chapter, the following definitions shall mean:

Customs Administration means the Federal Authority of Identity, Citizenship, Customs and Port Security for the UAE and the State Customs Committee of the Republic of Azerbaijan;

customs laws mean provisions as set forth by legislations and regulations concerning the importation, exportation, transit of goods, or any other customs procedures whether relating to customs duties, taxes, or any other charges collected by the Customs Administrations, or to measures for prohibition, restriction, or control enforced by the Customs Administrations;

customs procedure means the measures applied by the customs authority of a Party to goods and to the means of transport that are subject to its customs laws and regulations;

persons mean both natural and legal person, unless the context otherwise requires;

Customs Mutual Assistance Agreement (CMAA) means the agreement that further enhances customs cooperation and exchange of information between the Parties to secure and facilitate lawful trade;

Authorized Economic Operator(s) (AEO) means the program which recognizes an operator involved in the international movement of goods in whatever function that has been approved by the national Customs Administration as complying with the World Customs Organization (WCO) or equivalent supply chain security standards; and

Mutual Recognition Arrangement (MRA) means the arrangement between the Parties that mutually recognize AEO authorizations that has been properly granted by one of the Customs Administrations.

Article 4.2. Scope

This Chapter shall apply, in accordance with the Parties’ respective national laws, rules, and regulations, to customs procedures required for clearance of goods traded betweenthe Parties.

Article 4.3. General Provisions

1. The Parties agree that their customs law and procedures shall be transparent, non-discriminatory, consistent, and avoid unnecessary procedural obstacles to trade.

2. Customs procedures of the Parties shall conform where possible, to the standards and recommended practices of the World Customs Organization ("WCO").

3. The Customs Administration of each Party shall periodically review its customs procedures with a view to their further simplification and development to facilitate bilateral trade.

Article 4.4. Publication and Availability of Information

1. Each Party shall ensure that its laws, regulations, guidelines, procedures, and administrative rulings governing customs matters are promptly published, either on the Internet or in print form in the English language, to the extent possible.

2. Each Party shall designate, establish, and maintain one or more inquiry points to address inquiries from interested persons pertaining to customs matters, and shall endeavour to make available publicly through electronic means, information concerning procedures for making such inquiries.

3. Nothing in this Article or in any part of this Agreement shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodologies.

4. Each Party shall, to the extent practicable, and in a manner consistent with its domestic law and legal system, ensure that new or amended laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit, are published or information on them made otherwise publicly available, as early as possible before their entry into force, so that interested parties have the opportunity to become acquainted with the new or amended laws andregulations. Such information and publications shall be available in the English language, to the extent possible.

Article 4.5. Risk Management

The Parties shall adopt a risk management approach in its customs activities, based on its identified risk of goods, in order to facilitate the clearance of low-risk consignments, while focusing its inspection activities on high-risk goods.

Article 4.6. Paperless Communications

1. For the purposes of facilitating bilateral exchange of international trade data and expediting procedures for the release of goods trade facilitation, the Parties shall endeavour to provide an electronic environment that supports business transactions between their respective Customs Administration and their trading entities.

2. The Parties shall exchange views and information on realizing and promoting paperless communications between their respective Customs Administration and their trading entities.

3. The respective Customs Administration of the Parties, in implementing initiatives which provide for the use of paperless communications, shall take into account the methodologies agreed at the WCO.

Article 4.7. Advance Rulings

1. Each Party shall provide for the issuance of an advance ruling to the applicant that has submitted a request for the issuance of an advance ruling prior to the importation of a good into its territory, to an importer of the good in its territory or to an exporter or producer of the good in the territory of another Party.

2. For purposes of paragraph 1, each Party shall issue rulings as to whether the good qualifies as an originating good or to assess the good's tariff classification. In addition, each Party may issue rulings that cover additional trade matters. Each Party shall issue its determination regarding the origin or classification of the good within a reasonable, time-bound manner from the date of receipt of a complete application for an advance ruling.

3. The importing Party shall apply an advance ruling issued by it under paragraph 1 of this Article on the date that the ruling is issued or on a later date specified in the ruling and remain in effect for a reasonable period of time and in accordance with the national procedures on advanced ruling unless the advance ruling is modified or revoked.

4. The advance ruling issued by the Party shall be binding to the person to whom the ruling is issued only.

5. A Party may decline to issue an advance ruling if the facts and circumstances forming the basis of the advance ruling are the subject of a post clearance audit or an administrative, judicial review, or appeal. A Party that declines to issue an advance ruling shall promptly notify, in writing, the person requesting the ruling, setting out the relevant facts and circumstances and the basis for its decision.

6. The importing Party may modify or revoke an advance ruling:

(a) if the ruling was based on an error of fact;

(b) if there is a change in the material facts or circumstances on which the ruling was based;

(c) to conform with a modification of this Chapter; or

(d) to conform with a judicial decision or a change in its domestic law.

7. Each Party shall provide written notice to the applicant explaining the Party's decision to revoke or modify the advance ruling issued to the applicant.

8. Each Party shall provide that any modification or revocation of an advance ruling shall be effective on the date on which the modification or revocation is issued, or on such later date as may be specified therein, and shall not be applied to importations of a good that have occurred prior to that date, unless the person to whom the advance ruling was issued has not acted in accordance with its terms and conditions.

9. Notwithstanding paragraph 4, the issuing Party shall postpone the effective date of the modification or revocation of an advance ruling for a reasonable period of time and in accordance with each Party's national procedures on advance rulings, where the person to whom the advance ruling was issued demonstrates that he has relied in good faith to his detriment on that ruling.

Article 4.8. Penalties

1. Each Party shall maintain measures imposing criminal, civil or administrative penalties, whether solely or in combination, for violations of the Party's customs laws, regulations, or procedural requirements.

2. Each Party shall ensure that penalties issued for a breach of a customs law, regulations, or procedural requirements are imposed only on the person(s) responsible for the breach under its laws.

3. Each Party shall ensure that the penalty imposed by its Customs Administration is dependent on the facts and circumstances of the case and is commensurate with the degree and severity of the breach.

4. Each Party shall ensure that it maintains measures to avoid conflicts of interest in the assessment and collection of penalties and duties.

5. Each Party shall ensure that if a penalty is imposed by its Customs Administration for a breach of a customs law, regulation, or procedural requirement, an explanation in writing is provided to the person(s) upon whom the penalty is imposed specifying the nature of the breach and the law, regulation, or procedure used for determining the penalty amount.

Article 4.9. Release of Goods

1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade.

2. Pursuant to paragraph 1, each Party shall adopt or maintain procedures that:

(a) provide for the immediate release of goods upon receipt of the customs declaration and fulfilment of all applicable requirements and procedures;

(b) provide for the electronic submission and processing of documentation and data, including manifests, prior to the arrival of the goods in order to expedite the release of goods from customs control upon arrival;

(c) allow goods to be released at the point of arrival without requiring temporary transfer to warehouses or other facilities; and

(d) require that the importer be informed if a Party does not promptly release goods, including, to the extent permitted by its law, the reasons why the goods are not released and which border agency, if not the customs administration, has withheld release of the goods.

3. Nothing in this Article requires a Party to release a good if its requirements for release have not been met nor prevents a Party from liquidating a security deposit in accordance with its law.

4. Each Party may allow, to the extent practicable and in accordance with its customs laws, goods intended for import to be moved within its territory under customs control from the point of entry into the Party's territory to another customs office in its territory from where the goods are intended to be released, provided the applicable regulatory requirements are met.

Article 4.10. Authorized Economic Operators

In order to facilitate trade and enhance compliance and risk management between them, the Parties shall endeavour to mutually conclude an AEO MRA.

Article 4.11. Border Agency Cooperation

Each Party shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade pursuant to this Chapter.

Article 4.12. Expedited Shipments

1. Each Party shall adopt or maintain expedited customs procedures for goods entered through air cargo facilities while maintaining appropriate customs control and selection. These procedures shall:

(a) Provide for information necessary to release an express shipment to be submitted and processed before the shipment arrives;

(b) Allow a single submission of information covering all goods contained in an express shipment, such as a manifest through, if possible, electronic means (1);

(1) Additional documents may be required as a condition for release.

(c) To the extent possible, provide for the release of certain goods with a minimum of documentation;

(d) Under normal circumstances, provide for express shipments to be released as soon as possible after submission of the necessary customs documents, provided the shipment has arrived;

(e) Apply to shipments of any weight or value recognizing that a Party may require formal entry procedures as a condition for release, including declaration and supporting documentation and payment of customs duties, based on the good's weight or value; and

(f) Provide that, under normal circumstances, no customs duties will be assessed on express shipments valued at or below a fixed amount set under the Party's law. (2)

(2) Notwithstanding this Article, a Party may assess customs duties, or may require formal entry documents, for restricted or controlled goods, such as goods subject to import licensing or similar requirements.

Article 4.13. Review and Appeal

1. Each Party shall ensure that any person to whom it issues a determination on a customs matter has access to:

(a) at least one level of administrative review of determinations by its Customs Administration independent (3) of either the official or office responsible for the decision under review; and

(3) The level of administrative review for the UAE may include the competent authority supervising the Customs Administration.

(b) judicial review of decisions taken at the final level of administrative review.

2. Each Party shall ensure that its procedures for appeal and review are carried outin a non-discriminatory and timely manner.

3. Each Party shall ensure than an authority conducting a review or appeal under paragraph 1 notifies the person in writing of its determination or decision in the review or appeal, and the reasons for the determination or decision.

Article 4.14: Customs Cooperation

1. With a view to further enhancing customs cooperation through the exchange of information and the sharing of best practices between the Customs Administration to secure and facilitate legitimate trade, the Customs Administrations of the Parties shall implement and comply with the obligations in the CMAA which was signed between them.

2. The Contracting Parties shall, for the purposes of applying customs laws and to give effect to the provisions of this agreement, endeavour to:

(a) co-operate and assist each other in the prevention and investigation of offences against customs laws;

(b) upon request, provide each other information to be used in the enforcement of customs laws; and

(c) co-operate in the research, development, and application of new customs procedures, in the training and exchange of personnel, sharing of best practices, and in other matters of mutual interest.

3. Assistance under this Chapter shall be provided in accordance with the domestic law of the requested Party.

4. The Parties shall exchange official contact points with a view to facilitating the effective implementation of this Chapter in accordance with the provisions set in the CMAA.

Article 4.15: Confidentiality

1. Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private. Any information received under this Agreement shall be treated as confidential.

2. Each Party shall maintain, in accordance with its domestic laws, the confidentiality of information obtained pursuant to this Chapter and shall protect that information from disclosure that could prejudice the competitive position of the persons providing the information.

Chapter 5. TRADE REMEDIES

Article 5.1. Scope

1. With respect to the UAE, this Chapter shall apply to investigations and measures that are taken under the authority of the Ministry of Economy of the UAE, or itssuccessor.

2. With respect to Azerbaijan, this Chapter shall apply to investigations and measures that are taken under the authority of the Ministry of Economy of the Republic of Azerbaijan, or its successor.

Article 5.2. Anti-Dumping and Countervailing Measures

1. The rights and obligations of the Parties on Anti-dumping and Countervailing Measures shall be governed by Article VI and Article XVI of GATT 1994, the Anti-Dumping Agreement, and the SCM Agreement.

2. The Parties recognize the right to apply measures consistent with Article VI of GATT 1994, the Anti-Dumping Agreement, and the SCM Agreement, and the importance of promoting transparency in anti-dumping and countervailing duty investigations and of ensuring the opportunity of all interested parties to participate meaningfully in such investigation.

3. Except otherwise stipulated in this Article, this Agreement does not confer any additional rights or obligations on the Parties with regard to anti-dumping and countervailing measures including the initiation and conduct of anti-dumping and anti-subsidy investigations as well as the application of anti-dumping and/or countervailing measures.

4. When the investigating authority of a Party receives a written application by or on behalf of its domestic industry for the

initiation of an anti-dumping investigation in respect of a good from the other Party, the former Party shall notify the other Party of the application as far in advance of the initiation of such investigation as possible. As soon as possible after accepting an application for an anti-subsidy investigation, and in any event before initiating an investigation, the Party shall provide written notification of its receipt of the application to the other Party and invite the other Party for consultations with the aim of clarifying the situation as to the matters referred to in the application and arriving at a mutually agreed solution.

5. The investigation authority of a Party shall ensure, before a final determination is made, disclosure of all essential facts under consideration which form the basis for the decision whether to apply definitive measures. This is without prejudice to Article 6.5 of the Anti-Dumping Agreement and Article 12.4 of the SCM Agreement. Disclosures shall be made in writing and allow interested parties sufficient time to make their comments. The investigating authority shall give due consideration to the comments submitted by the interested parties.

6. The Parties agree, when imposing measures covered by this Chapter, to give priority, to the extent possible, to measures that cause minimal economic injury and do not create serious obstacles to the implementation of this Agreement.

Article 5.3. Global Safeguard Measures

1. The rights and obligations of the Parties on Global Safeguard Measures shall be governed by Article XIX of GATT 1994 and the WTO Safeguards Agreement. This Agreement does not confer any additional rights or obligations on the Parties with regard to actions taken under Article XIX of GATT 1994 and the Safeguards Agreement.

2. A Party taking a global safeguard measure shall exclude imports of an originating good of the other Party as long as its share of imports of the product concerned in the importing Party does not exceed 3 percent of total imports of the concerned product, provided that developing country Members with less than 3 percent import share collectively account for not more than 9 percent of total imports of the product concerned. (1)

(1) For greater clarity in the application of this paragraph, Azerbaijan and the UAE mutually acknowledge their own self-declared status as developing countries, without prejudice to either Party modifying its own self-declared status.

3. Where, as a result of a global safeguard measure, a safeguard duty is imposed, the margin of preference, in accordance with the Schedules of Concessions of the Parties under Chapter 2 (Trade in Goods), shall be maintained.

Chapter 6. SANITARY AND PHYTOSANITARY MEASURES

Article 6.1. Definitions

1. The definitions in Annex A of the SPS Agreement are incorporated into this Chapter and shall form part of this Chapter, mutatis mutandis.

2. In addition, for the purposes of this Chapter:

competent authority means a government body of each Party responsible for measures and matters referred to in this Chapter;

emergency measure means a sanitary or phytosanitary measure that is applied by an importing Party to the other Party to address an urgent problem of human, animal or plant life or health protection that arises or threatens to arise in the Party applying the measure; and

contact point means the government body of a Party that is responsible for the implementation of this Chapter.

Article 6.2. Objectives

1. The objectives of this Chapter are to:

(a) protect human, animal, or plant life or health in the territories of the Parties while facilitating trade between them;

(b) enhance the collaboration on the implementation of the SPS Agreement;

(c) strengthen communication, consultation, and cooperation between the Parties, and particularly between the Parties' competent authorities;

(d) ensure that sanitary and phytosanitary measures implemented by a Party do not create unjustified barriers to trade;

(e) enhance transparency in and understanding of the application of each Party's sanitary and phytosanitary measures; and

(f) encourage the development and adoption of science-based international standards, guidelines, and recommendations, and promote their implementation by the Parties.

Article 6.3. Scope

This Chapter shall apply to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties.

Article 6.4. General Provisions

1. By this agreement, Parties:

(a) retain all rights and obligations provided for by the SPS agreement and other international agreements to which both Parties are party; and

(b) recognize that nothing in its provisions shall limit such rights and obligations.

Article 6.5. Competent Authorities and Contact Points

1. To facilitate communication on matters covered by this Chapter, each Party shall notify the other Party of its competent authority and contact point within 30 days from the entry into force of this Agreement.

2. For the purposes of implementing this Chapter, the Competent Authorities of the Parties shall be those listed in Annex 6A (Competent Authorities).

3. Each Party shall inform the other Party of any change in competent authority or in its contact point within a reasonable period of time.

Article 6.6. Equivalence

1. The Parties recognize that the principle of equivalence, as provided for pursuant to Article 4 of the SPS Agreement, has mutual benefits for both exporting and importing countries.

2. The Parties shall follow the procedures for determining the equivalence of SPS measures and standards developed by any committee created by a trade multilateral agreement to which both Parties are party and relevant international standard setting bodies in accordance with Annex A of the SPS Agreement, mutatis mutandis.

3. Compliance by an exported product with SPS measures or standard of the exporting Party that has been accepted as equivalent to SPS measures and standards of the importing Party shall not remove the need for that product to comply with any other relevant mandatory requirements of the importing Party.

Article 6.7. Risk Assessment

1. The Parties shall ensure that any SPS measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles, and is not maintained without sufficient scientific evidence.

2. Notwithstanding paragraph 1, where relevant scientific evidence is insufficient, a Member may provisionally adopt SPS measures on the basis of available pertinent information, including that from relevant international organizations as well as from SPS measures applied by other Members. In such circumstances the importing Party shall seek to obtain the additional information necessary and taking into account available scientific evidence for a more objective assessment of risk and review the SPS measure within a reasonable period of time. To this end, the importing Party may request scientific and other relevant information from the exporting Party.

Article 6.8. Emergency Measures

1. If a Party adopts an emergency measure that is necessary for the protection of human, animal or plant life or health, the Party shall promptly notify the measure in accordance with paragraph 2. If a Party adopts an emergency measure, it shall

review that measure periodically and make available the results of that review to the other Party upon request.

2. The notification referred to in paragraph 1 shall be made:

(a) by using the WTO SPS notification submission system, if the Party is a WTO Member, and

(b) to the contact point designated pursuant to Annex 6A, if the Party is not a Member of the WTO.

Article 6.9. Transparency

1. The Parties recognize the value of transparency in the adoption and application of sanitary and phytosanitary measures and the importance of sharing information about such measures on an ongoing basis.

2. In implementing this Article, each Party shall take into account relevant guidance of the WTO SPS Committee and international standards, guidelines and recommendations.

3. Each Party agrees to notify a proposed sanitary or phytosanitary measure that may have an effect on the trade of the other Party,

(a) by using the WTO SPS notification submission system, if the Party is a WTO Member, and

(b) to the contact point designated pursuant to Annex 6A, if the Party is not a Member of the WTO.

4. Party shall provide to the other Party, on request, copies of sanitary and phytosanitary measures related to the importation of a good into that Party's territory.

Article 6.10. Cooperation

1. The Parties shall explore opportunities for further cooperation, collaboration and information exchange between them on sanitary and phytosanitary matters of mutual interest, consistent with this Chapter. The Parties shall cooperate to facilitate the implementation of this Chapter.

2. The Parties shall cooperate and may jointly identify work on sanitary and phytosanitary matters with the goal of eliminating unnecessary obstacles to trade between the Parties.

Chapter 7. TECHNICAL BARRIERS TO TRADE

Article 7.1. Definitions

For the purposes of this Chapter, the definitions shall be those contained in Annex 1 of the TBT Agreement.

Article 7.2. Objectives

The objective of this Chapter is to facilitate trade, including by eliminating unnecessary technical barriers to trade, enhancing transparency, and promoting greater regulatory cooperation and good regulatory practices.

Article 7.3. Scope

1. This Chapter shall apply to the preparation, adoption, and application of all standards, technical regulations, and conformity assessment procedures of central level government bodies that may affect trade in goods between the Parties.

2. Notwithstanding paragraph 1, this Chapter shall not apply to:

(a) technical specifications prepared by a governmental body for its production or consumption requirements which are covered by Chapter 11 (Government Procurement); or

(b) sanitary or phytosanitary measures which are covered by Chapter 6 (Sanitary and Phytosanitary Measures).

Article 7.4. Affirmation of the TBT Agreement

The Parties affirm their existing rights and obligations with respect to each other under the TBT Agreement.

Article 7.5. International Standards

1. Each Party shall use relevant international standards, guides, and recommendations, to the extent provided in paragraphs 2 and 3, as a basis for its technical regulations and conformity assessment procedures.

2. Where technical regulations are required, and relevant international standards exist, or their completion is imminent, each Party shall use them, or the relevant parts of them, as a basis for its technical regulations except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued, for instance, because of fundamental climatic or geographical factors or fundamental technological problems.

3. In cases where a positive assurance is required that products conform with technical regulations or standards, and relevant guides or recommendations issued by international standardizing bodies exist or their completion is imminent, each Party shall ensure that central government bodies use them, or the relevant parts of them, as a basis for their conformity assessment procedures, except where, as duly explained upon request, such guides or recommendations or relevant parts are inappropriate for the concerned Party, for, inter alia, such reasons as national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment; fundamental climatic or other geographical factors; fundamental technological or infrastructural problems.

Article 7.6. Technical Regulations

1. The Parties shall use international standards as a basis for preparing their technical regulations, unless those international standards are ineffective or inappropriate for achieving the legitimate objective pursued. Each Party shall, upon request of the other Party, provide its reasons for not having used international standards as a basis for preparing its technical regulations.

2. Each Party shall give positive consideration to a request by the other Party to negotiate arrangements for achieving the equivalence of technical regulations.

3. Each Party shall, upon request of the other Party, explain the reasons why it has not accepted a request by the other Party to negotiate such arrangements.

4. The Parties shall strengthen communications and coordination with each other, where appropriate, in the context of discussions on the equivalence of technical regulations and related issues in international fora.

Article 7.7. Conformity Assessment Procedures

1. The Parties recognise that, depending on the specific sectors involved, a broad range of mechanisms exists to facilitate the acceptance in a Party's territory of theresults of conformity assessment procedures conducted in the other Party's territory.

Such mechanisms may include:

(a) recognizing existing international multilateral recognition agreements and arrangements among conformity assessment bodies;

(b) promoting mutual recognition of conformity assessment results by the other Party, through recognizing the other Party's designation of conformityassessment bodies;

(c) encouraging voluntary arrangements between conformity assessmentbodies in the territory of each Party;

(d) accepting a supplier's declaration of conformity where appropriate;

(e) harmonizing criteria for the designation of conformity assessmentbodies, including accreditation procedures; or

(f) other mechanisms as mutually agreed by the Parties.

2. Each Party shall ensure, whenever possible, that the results of conformity assessment procedures conducted in the territory of the other Party are accepted, even when those procedures differ from its own, provided that those procedures offer a satisfactory assurance of applicable technical regulations or standards equivalent to its own procedures. Where a Party does not accept the results of a conformity assessment procedure conducted in the territory of the other Party, it shall, on request of the other Party, explain the reasons for its decision.

3. In order to enhance confidence in the consistent reliability of conformity assessment results, the Parties may consult on matters such as the technical competence of the conformity assessment bodies involved.

4. Each Party shall give positive consideration to a request by the other Party to negotiate agreements or arrangements for the mutual recognition of the results of their respective conformity assessment procedures. The Parties shall consider the possibility of negotiating agreements or arrangements for mutual recognition of the results of their respective conformity assessment procedures in areas mutually agreed upon.

5. The Parties shall endeavour to intensify their exchange of information on acceptance mechanisms with a view to facilitating the acceptance of conformity assessment results.

Article 7.8. Cooperation

1. The Parties shall strengthen their cooperation in the field of standards, technical regulations, and conformity assessment procedures with a view to:

(a) increasing the mutual understanding of their respective systems;

(b) enhancing cooperation between the Parties' regulatory agencies on matters of mutual interests including health, safety, and environmental protection;

(c) facilitating trade by implementing good regulatory practices; and

(d) enhancing cooperation, as appropriate, to ensure that technical regulations and conformity assessment procedures are based on international standards or the relevant parts of them and do not create unnecessary obstacles to trade between the Parties.

2. In order to achieve the objectives set out in paragraph 1, the Parties shall, as mutually agreed and to the extent possible, co-operate on regulatory issues, which may include the:

(a) promotion of good regulatory practices based on risk management principles;

(b) exchange of information with a view to improving the quality and effectiveness of their technical regulations;

(c) development of joint initiatives for managing risks to health, safety, or the environment, and preventing deceptive practices; and

(d) exchange of market surveillance information where appropriate.

3. The Parties shall encourage cooperation between their respective organizations responsible for standardization, conformity assessment, accreditation, and metrology, with the view to facilitating trade and avoiding unnecessary obstacles to trade between the Parties.

Article 7.9. Transparency

1. Each Party shall, upon request of the other Party, provide information, including the objective of, and rationale for, a technical regulation or conformity assessment procedure which the Party has adopted or proposes to adopt and may affect the trade between the Parties, within a reasonable period of time as agreed between the Parties.

2. When a proposed technical regulation is submitted for public consultation or notified using either mechanisms subparagraph (a) or (b);

(a) by using the WTO TBT notification submission system, if the Party is a WTO Member; and

(b) to the contact point designated under Article 7.10, if the Party is not a Member of the WTO, a Party shall give appropriate consideration to the comments received from the other Party, and, upon request of the other Party, provide written answers to the comments made by the other Party.

3. The Parties shall ensure that all adopted technical regulations and conformity assessment procedures are publicly available.

Article 7.10. Contact Points

1. For the purposes of this Chapter, the contact points are:

(a) For Azerbaijan: the State Agency for Antimonopoly and Consumer Market Control under the President of the Republic of Azerbaijan, or its successor; and

(b) For the UAE: the Standards and Regulation Sector, the Ministry of Industry and Advanced Technology, or its successor.

2. Each Party shall promptly notify the other Party of any change of its contact point.

Article 7.11. Information Exchange and Technical Discussions

1. Any information or explanation that a Party provides upon request of the other Party pursuant to this Chapter shall be provided in print or electronically within a reasonable period of time. Each Party shall endeavour to respond to such a request within 60 days.

2. All communication between the Parties on any matter covered by this Chapter shall be conducted through the contact points designated under Article 7.10.

3. On request of a Party for technical discussions on any matter arising under this Chapter, the Parties shall endeavour, to the extent practicable, to enter into technical discussions by notifying the contact points designated under Article 7.10.

Article 8. TRADE IN SERVICES

Article 8.1. Definitions

For the purposes of this Chapter:

(a) a service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers;

(b) aircraft repair and maintenance services mean such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;

(c) airport operation and management services mean the supply of air terminal, airfield, and other airport infrastructure operation services on a fee or contract basis. Airport operation services do not include air navigation services;

(d) commercial presence means any type of business or professional establishment, including through:

(i) the constitution, acquisition or maintenance of a juridical person, or

(ii) the creation or maintenance of a branch or representative office within, the territory of a Party for the purpose of supplying a service;

(e) computer reservation system services mean services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;

(f) ground handling services mean the supply at an airport, on a fee or contract basis, of the following: passenger handling; baggage handling; ramp services; catering (except the preparation of the food); air cargo and mail handling; aircraft servicing and cleaning; surface transport; and flight operations, crew administration and flight planning. Ground handling services do not include self-handling; security; line maintenance; aircraft repair and maintenance; or management or operation of essential centralised airport infrastructure such as de-icing facilities, fuel distribution systems, baggage handling systems, and fixed intra-airport transport systems;

(g) juridical person means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust/fund, partnership, joint venture, sole proprietorship or association;

(h) juridical person of the other Party means a juridical person which is either:

(i) constituted or otherwise organized under the law of that other Party, and is engaged in substantive business operations in the territory of:

(A) that Party; or

(B) any Member of the WTO and is owned or controlled by natural persons of that other Party or by juridical persons that meet all the conditions of subparagraph (i)(a); or

(ii) in the case of the supply of a service through commercial presence, owned or controlled by:

(A) natural persons of that Party; or

(B) juridical persons of that other Party identified under subparagraph (i).

(i) a juridical person is:

(i) “owned” by persons of a Party if more than 50 percent of the equity interest in it is beneficially owned by persons of that Party;

(ii) “controlled” by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions; or

(iii) “affiliated” with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person;

(j) measure means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

(k) measures by Parties mean measures taken by:

(i) central, regional or local governments and authorities; and

(ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

In fulfilling its obligations and commitments under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory;

(l) respect of measures by Parties affecting trade in services include measures in

(i) the purchase, payment, or use of a service;

(ii) the access to and use of, in connection with the supply of a service, services which are required by those Parties to be offered to the public generally; and

(iii) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party;

(m) monopoly supplier of a service means any person, public, or private, which in the relevant market of the territory of a Party is authorized or established formally or in effect by that Party as the sole supplier of that service;

(n) natural person of the other Party means a national or a permanent resident (1) of the UAE or the Republic of Azerbaijan;

(1) With respect to the UAE, the term “permanent resident” shall mean any natural person who is in possession of a valid residency permit under the laws and regulations of the UAE.

(o) person means either a natural person or a juridical person;

(p) sector of a service means:

(i) with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party’s Schedule; or

(ii) otherwise, the whole of that service sector, including all of its subsectors;

(q) selling and marketing of air transport services mean opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising, and distribution. These activities do not include the pricing of air transport services nor the applicable conditions;

(r) services include any service in any sector except services supplied in the exercise of governmental authority;

(s) service consumer means any person that receives or uses a service;

(t) service of the other Party means a service which is supplied:

(i) from or in the territory of that other Party, or in the case of maritime transport, by a vessel registered under the laws of that other Party, or by a person of that other Party which supplies the service through the operation of a vessel and/or its use in whole or in part; or

(ii) in the case of the supply of a service through commercial presence or through the presence of natural persons, by a service supplier of that other Party;

(u) service supplier means any person that seeks to supply or supplies a service; (2)

(2) Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (i.e. the juridical person) shall, nonetheless, through such presence be accorded the treatment provided for service suppliers under the Chapter. Such treatment shall be extended to the presence through which the service is supplied and need not be extended to any other parts of the supplier located outside the territory where the service is supplied.

(v) supply of a service includes the production, distribution, marketing, sale, and delivery of a service;

(w) trade in services is defined as the supply of a service:

(i) from the territory of a Party into the territory of the other Party;

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

(iii) by a service supplier of a Party, through commercial presence in the territory of the other Party;

(iv) by a service supplier of a Party, through presence of natural persons of a Party in the territory of the other Party;

(x) traffic rights mean the right for scheduled and non-scheduled services to operate and/or to carry passengers, cargo and mail for remuneration or hire from, to, within, or over the territory of a Party, including points to be served, routes to be operated, types of traffic to be carried, capacity to be provided, tariffs to be charged and their conditions, and criteria for designation of airlines, including such criteria as number, ownership, and control.

Article 8.2. Scope and Coverage

1. This Chapter applies to measures by Parties affecting trade in services.

2. This Chapter shall not apply to:

(a) government procurement;

(b) services supplied in the exercise of governmental authority;

(c) subsidies or grants provided by a Party, including government-supported loans, guarantees, and insurance; and

(d) measures affecting natural persons of a Party seeking access to the employment market of the other Party, or measures regarding citizenship, residence, or employment on a permanent basis.

Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment. (3)

(3) The sole fact of requiring a visa for natural persons of certain country and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

(e) measures affecting air traffic rights or measures affecting services directly related to the exercise of air traffic rights, other than measures affecting:

(i) aircraft repair and maintenance services;

(ii) the selling and marketing of air transport services;

(iii) computer reservation system services;

(iv) airport operation and management services; or

(v) ground-handling services.

Article 8.3. Schedules of Specific Commitments

1. Each Party shall set out in its Schedule of Specific Commitments, the specific commitments it undertakes in accordance with Articles 8.5, 8.6, and 8.7.

2. With respect to sectors where such commitments are undertaken, each Schedule of Specific Commitments shall specify:

(a) terms, limitations and conditions on market access;

(b) conditions and qualifications on national treatment;

(c) undertakings relating to additional commitments;

(d) where appropriate, the time-frame for implementation of such commitments; and

(e) the date of entry into force of such commitments.

3. Measures inconsistent with both Articles 8.5 and 8.6 shall be inscribed in the column relating to Article 8.5. In this case, the inscription will be considered to provide a condition or qualification to Article 8.6 as well.

4. The Parties' Schedules of Specific Commitments are set forth in Annex 8A (Schedules of Specific Commitments).

Article 8.4. Most-Favoured Nation Treatment

If, after the date of entry into force of this Agreement, a Party enters into any agreement on trade in services with a non-party, it shall give consideration to a request by the other Party for the incorporation into this Agreement of treatment no less favourable than that provided under the Agreement with the non-party. Any such incorporation should maintain the overall balance of commitments undertaken by each Party under this Agreement.

Article 8.5. Market Access

1. With respect to market access through the modes of supply identified in the definition of "trade in services" contained in Article 8.1, each Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations, and conditions agreed and specified in its Schedule of Specific Commitments. (4)

(4) If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in the definition of "trade in services" contained in Article 8.1 (w)(i) and if the cross-border movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in the definition of "trade in services" contained in Article 8.1 (w)(iii), it is thereby committed to allow related transfers of capital into its territory.

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt, either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule of Specific Commitments, are defined as:

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

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

(c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test; (5)

(5) Subparagraph 2(c) does not cover measures of a Party which limit inputs for the supply of services.

(d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;

(e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and

(f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

Article 8.6. National Treatment

1. With respect to the services sectors inscribed in its Schedule of Specific Commitments, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers. (6)

(6) Specific commitments assumed under this Article shall not be construed to require either Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

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

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

Article 8.7. Additional Commitments

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 8.5 and 8.6, including those regarding qualification, standards, or licensing matters. Such commitments shall be inscribed in a Party's Schedule of Specific Commitments.

Article 8.8. Modification of Schedules

Upon written request by a Party, the Parties shall hold consultations to consider any modification or withdrawal of a specific commitment in the requesting Party's Schedule of Specific Commitments. The consultations shall be held within three months after the requesting Party made its request. In the consultations, the Parties shall aim to ensure that a general level of mutually advantageous commitments no less favourable to trade than that provided for in the Schedule of Specific Commitments prior to such consultations is maintained. Modifications of Schedules are subject to any procedures adopted by the Joint Committee established in Chapter 15 (Administration of the Agreement).

Article 8.9. Domestic Regulation

1. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective, and impartial manner.

2. (a) Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, on request of an affected service supplier, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

(b) The provisions of subparagraph (a) shall not be construed to require a Party to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.

3. Where authorisation is required for the supply of a service on which a specific commitment under this Chapter has been made, the competent authorities of each Party shall, subject to a Party's laws and regulations:

(a) within a reasonable period of time after the submission of an application considered complete under domestic laws and

regulations, inform the applicant of the decision concerning the application;

(b) in the case of an incomplete application, on request of the applicant, identify all the additional information that is required to complete the application and provide the opportunity to remedy deficiencies within a reasonable timeframe;

(c) on request of the applicant, provide without undue delay information concerning the status of the application; and

(d) if an application is terminated or denied, to the extent possible, inform the applicant in writing and without delay the reasons for such action. The applicant will have the possibility of resubmitting, at its discretion, a new application.

4. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards, and licensing requirements do not constitute unnecessary barriers to trade in services, in sectors where specific commitments are undertaken, the Parties shall aim to ensure that such requirements are:

(a) based on objective and transparent criteria, such as competence and the ability to supply the service;

(b) not more burdensome than necessary to ensure the quality of the service; and

(c) in the case of licensing procedures, not in themselves a restriction on thesupply of the service.

5. In determining whether a Party is in conformity with the obligation underparagraph 4, account shall be taken of international standards of relevant international organisations applied by that Party. (7)

(7) The term “relevant international organisations” refers to international bodies whose membership is open to the relevant bodies of the Parties to this Agreement.

6. In sectors where specific commitments regarding professional services are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party.

Article 8.10. Recognition

1. For the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorisation, licensing, or certification of service suppliers, and subject to paragraph 3, a Party may recognise, or encourage its relevant competent bodies to recognise, the education or experience obtained, requirements met, or licences or certifications granted in the other Party. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties or their relevant competent bodies, or may be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licenses or certifications granted in the territory of a non-party, that Party shall afford the other Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education, experience, licences, or certifications obtained or requirements met in that other Party’s territory should also be recognised.

3. A Party shall not accord recognition in a manner which would constitute a means of discrimination between the other Party and non-parties in the application of its standards or criteria for the authorisation, licensing, or certification of service suppliers, or a disguised restriction on trade in services.

4. The Parties agree to encourage, where possible, the relevant bodies in their respective territories responsible for issuance and recognition of professional qualifications to:

(a) strengthen cooperation and to explore possibilities for mutualrecognition of respective professional qualifications; and

(b) pursue mutually acceptable standards and criteria for licensing and certification with respect to service sectors of mutual importance to the Parties.

Article 8.11. Payments and Transfers

1. Except under the circumstances envisaged in Article 8.14, a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties as members of the International Monetary Fund under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the

Articles of Agreement, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 8.14 or at the request of the International Monetary Fund.

Article 8.12. Monopolies and Exclusive Service Suppliers

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's obligations and specific commitments.

2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

3. If a Party has reason to believe that a monopoly supplier of a service of the other Party is acting in a manner inconsistent with paragraph 1 or 2, that Party may request the other Party establishing, maintaining or authorizing such supplier to provide specific information concerning the relevant operations.

4. This Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect, (a) authorises or establishes a small number of service suppliers and (b) substantially prevents competition among those suppliers in its territory.

Article 8.13. Business Practices

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 8.12, may restrain competition and thereby restrict trade in services.

2. Each Party shall, on the request of the other Party ("Requesting Party"), enter into consultations with a view to eliminating practices referred to in paragraph 1. The Party addressed ("Requested Party"), shall accord full and sympathetic consideration to such a request and shall cooperate through the supply of publicly available non-confidential information of relevance to the matter in question. The Requested Party shall also provide other information available to the Requesting Party, subject to its domestic law and to the conclusion of satisfactory agreement concerning the safeguarding of its confidentiality by the Requesting Party.

Article 8.14. Restrictions to Safeguard the Balance-of-Payments

1. The Parties shall endeavour to avoid the imposition of restrictions to safeguard the balance of payments.

2. In the event of serious balance-of-payments and external financial difficulties or threat thereof, a Party may adopt or maintain restrictions on trade in services on which it has undertaken specific commitments, including on payments or transfers for transactions related to such commitments.

3. The restrictions referred to in paragraph 1:

(a) shall not discriminate between the other Party and a non-party;

(b) shall be consistent with the Articles of Agreement of the International Monetary Fund;

(c) shall avoid unnecessary damage to the commercial, economic, and financial interests of the other Party;

(d) shall not exceed those necessary to deal with the circumstances described in paragraph 1;

(e) shall be temporary and be phased out progressively as the situation specified in paragraph 1 improves.

4. In determining the incidence of such restrictions, a Party may give priority to the supply of services which are more essential to their economic or development programmes. However, such restrictions shall not be adopted or maintained for the purpose of protecting a particular service sector.

5. Any restrictions adopted or maintained under paragraph 1, or any changes therein, shall be promptly notified to the Joint Committee.

Article 8.15. Denial of Benefits

1. A Party may deny the benefits of this Chapter to a service supplier that is a juridical person, if persons of a non-party own or control that juridical person and the denying Party:

(a) does not maintain diplomatic relations with the non-party; or

(b) adopts or maintains measures with respect to the non-party or a person of the non-party that prohibit transactions with the juridical person or that would be violated or circumvented if the benefits of this Agreement were accorded to the juridical person.

2. In the case of the supply of a maritime transport service, if it establishes that the service is supplied:

(a) by a vessel registered under the laws of a non-party; and

(b) by a person which operates and/or uses the vessel in whole or in part but which is of a non-party.

Article 8.16. Review

1. With the objective of further liberalising trade in services between them, the Parties agree to jointly review their Schedules of Specific Commitments.

2. The first such review shall take place no later than two years after the entry into force of this Agreement.

Article 8.17. Annexes

The following Annexes form an integral part of this Chapter:

(a) Annex 8A (Schedules of Specific Commitments)

(b) Annex 8B (Financial Services)

(c) Annex 8C (Telecommunications Services) which shall enter into force three years from Azerbaijan’s date of accession to the WTO.

ANNEX 8B. FINANCIAL SERVICES

1. Scope and Definition

(a) This Annex applies to measures affecting the supply of financial services. Reference to the supply of a financial service in this Annex shall mean the supply of a service as defined in the definition of “trade in services” contained in Article 8.1.

(b) For the purposes of Article 8.2.2 (b), "services supplied in the exercise of governmental authority" means the following:

(i) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;

(ii) activities forming part of a statutory system of social security or public retirement plans; and

(iii) other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Government.

(c) For the purposes of Article 8.2.2. (b), if a Party allows any of the activities referred to in subparagraphs (b)(ii) or (b)(iii) of this paragraph to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier, "services" shall include such activities.

(d) Article 8.1. (a) shall not apply to services covered by this Annex.

2. Domestic Regulation

(a) Notwithstanding any other provisions of Chapter 8 (Trade in Services), a Party shall not be prevented from taking measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Where such measures do not conform with the provisions of Chapter 8 (Trade in Services), they shall not be used as a means of avoiding the Party's commitments or obligations under the Chapter 8 (Trade in Services).

(b) Nothing in Chapter 8 (Trade in Services) shall be construed to require a Party to disclose information relating to the

affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

3. Recognition

(a) A Party may recognize prudential measures of any other country in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonization or otherwise, may be based upon an agreement or arrangement with the country concerned or may be accorded autonomously.

(b) A Party that is a party to such an agreement or arrangement referred to in subparagraph (a), whether future or existing, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances exist.

4. Dispute Settlement

Panels for disputes on prudential issues and other financial matters shall have the necessary expertise relevant to the specific financial service under dispute.

5. Definitions

For the purposes of this Annex:

(a) A financial service is any service of a financial nature offered by a financial service supplier of a Party. Financial services include all insurance and insurance-related services, and all banking and other financial services (excluding insurance). Financial services include the following activities:

Insurance and insurance-related services

(i) Direct insurance (including co-insurance):

(A) life

(B) non-life

(ii) Reinsurance and retrocession;

(iii) Insurance intermediation, such as brokerage and agency;

(iv) Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

Banking and other financial services (excluding insurance)

(v) Acceptance of deposits and other repayable funds from the public;

(vi) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

(vii) Financial leasing;

(viii) All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

(ix) Guarantees and commitments;

(x) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(A) money market instruments (including cheques, bills, certificates of deposits);

(B) foreign exchange;

(C) derivative products including, but not limited to, futures and options;

(D) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(E) transferable securities;

(F) other negotiable instruments and financial assets, including bullion.

(xi) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(xii) Money broking;

(xiii) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;

(xiv) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

(xv) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

(xvi) Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

(b) A financial service supplier means any natural or juridical person of a Party wishing to supply or supplying financial services but the term "financial service supplier" does not include a public entity.

(c) "Public entity" means:

(i) a government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or

(ii) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

Chapter 9. DIGITAL TRADE

Article 9.1. Definitions

For purposes of this Chapter:

authentication means the process or act of verifying the identity of a party to an electronic communication or transaction and ensuring the integrity of an electronic communication;

customs duty includes any duty or charge of any kind imposed on or in connection with the importation of a good, and any surtax or surcharge imposed in connection with such importation, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with paragraph 2 of Article III of the GATT 1994;

(b) fee or other charge in connection with the importation commensurate with the cost of services rendered; or

(c) antidumping or countervailing duty;

digital product means a computer programme, text, video, image, sound recording or other product that is digitally encoded, produced for commercial sale or distribution, and that can be transmitted electronically; (1) (2)

(1) For greater certainty, digital product does not include a digitized representation of a financial instrument, including money.

(2) The definition of digital product should not be understood to reflect a Party's view on whether trade in digital products through electronic transmission should be categorized as trade in services or trade in goods.

digital or electronic signature means data in digital or electronic form that is in, affixed to, or logically or cryptographically associated with, a digital or electronic document, and that may be used to identify or verify the signatory in relation to the digital or electronic document and indicate the signatory's approval of the information contained in the digital or electronic document;

electronic transmission or transmitted electronically means a transmission made using any electromagnetic means, including by photonic means;

open data means non-proprietary information, including data, made freely available to the public by the central level of government;

personal data means any information, including data, about an identified or identifiable natural person;

measure means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

trade administration documents means forms issued or controlled by a Party that must be completed by or for an importer or exporter in connection with the import or export of goods; and

unsolicited commercial electronic message means an electronic message which is sent for commercial or marketing purposes to an electronic address, without the consent of the recipient or despite the explicit rejection of the recipient, through an Internet access service supplier or, to the extent provided for under the laws and regulations of each Party, other telecommunications service.

Article 9.2. Objectives

1. The Parties recognise the economic growth and opportunity that digital trade provides, the importance of avoiding barriers to its use and development, the importance of frameworks that promote consumer confidence in digital trade, and the applicability of the WTO Agreement to measures affecting digital trade.

2. The Parties seek to foster an environment conducive to the further advancement of digital trade, including electronic commerce and the digital transformation of the global economy, by strengthening their bilateral relations on these matters.

Article 9.3. General Provisions

1. This Chapter shall apply to measures adopted or maintained by a Party that affect trade by electronic means.

2. This Chapter shall not apply to:

(a) government procurement; and

(b) information held or processed by or on behalf of a Party, or measures related to such information, including measures related to its collection.

3. For greater certainty, the Parties affirm that measures affecting the supply of a service delivered or performed electronically are subject to the relevant provisions of Chapter 8 (Trade in Services) including any exceptions or limitations set out in this Agreement that are applicable to such provisions.

Article 9.4. Customs Duties and Taxes

1. Neither Party shall impose customs duties on digital or electronic transmissions, including content transmitted electronically, between a person of one Party and a person of the other Party.

2. For greater certainty, paragraph 1 shall not preclude a Party from imposing internal taxes, fees or other charges on content transmitted digitally or electronically, provided that such taxes, fees or charges are imposed in a manner consistent with this Agreement.

Article 9.5. Non-Discriminatory Treatment of Digital Products

1. A Party shall not accord less favourable treatment to some digital products than it accords to other like digital products:

2. (a) on the basis that

(i) the digital products receiving less favourable treatment are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, in the territory of the other Party; or

(ii) the author, performer, producer, developer, or distributor of such digital products is a person of the other Party; or

(b) so as otherwise to afford protection to the other like digital products that are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, in its territory.

A Party shall not accord less favourable treatment to digital products:

(a) created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, in the territory of the other Party than it accords to like digital products created, produced, published, contracted for, commissioned, or first made available on commercial terms in the territory of a non-party; or

(b) whose author, performer, producer, developer, or distributor of such digital products is a person of the other Party than it accords to like digital products whose author, performer, producer, developer, or distributor of such digital products is a person of a non-party.

3. Paragraphs 1 and 2 are subject to relevant exceptions, limitations, or reservations set out in this Agreement or its Annexes, if any.

4. This Article does not apply to measures affecting the electronic transmission of a series of text, video, images, sound recordings, and other products scheduled by a content provider for aural and/or visual reception, and for which the content consumer has no choice over the scheduling of the series.

Article 9.6. Domestic Electronic Transactions Framework

1. Each Party shall endeavour to maintain a legal framework governing electronic transactions consistent with the principles of the UNCITRAL Model Law on Electronic Commerce (1996) or the United Nations Convention on the Use of Electronic Communications in International Contracts, done at New York on 23 November 2005.

2. Each Party shall endeavour to:

(a) avoid any unnecessary regulatory burden on electronic transactions; and

(b) facilitate input by interested persons in the development of its legal framework for electronic transactions, including in relation to trade documentation.

Article 9.7. Authentication

1. Except in circumstances otherwise provided for under its law, a Party shall not deny the legal validity of a signature solely on the basis that the signature is in digital or electronic form.

2. Neither Party shall adopt or maintain measures regarding authentication that would:

(a) prohibit parties to an electronic transaction from mutually determining the appropriate authentication methods for that transaction; or

(b) prevent parties to an electronic transaction from having the opportunity to establish before judicial or administrative authorities that their transaction complies with any legal requirements with respect to authentication.

3. Notwithstanding paragraph 2, a Party may require that, for a particular category of transactions, the method of authentication meets certain performance standards or is certified by an authority accredited in accordance with its law.

4. The Parties shall encourage the use of interoperable means of authentication.

Article 9.8. Paperless Trading

Each Party shall endeavour to:

(a) make trade administration documents available to the public in digital or electronic form; and

(b) accept trade administration documents submitted electronically as the legal equivalent of the paper version of those documents.

Article 9.9. Online Consumer Protection

1. The Parties recognise the importance of adopting and maintaining transparent and effective measures to protect

consumers from misleading, deceptive, and fraudulent commercial practices when they engage in digital trade.

2. Each Party shall endeavour to adopt or maintain consumer protection laws to proscribe misleading, deceptive, and fraudulent commercial activities that cause harm or potential harm to consumers engaged in digital trade. (3)

(3) For greater certainty, a Party may comply with the obligation in this paragraph by adopting or maintaining measures such as generally applicable consumer protection laws or regulations or sector- or medium-specific laws or regulations regarding consumer protection.

Article 9.10. Personal Data Protection

1. The Parties recognise the economic and social benefits of protecting the personal data of persons who conduct or engage in electronic transactions and the contribution that this makes to enhancing consumer confidence in digital trade.

2. To this end, each Party shall endeavour to adopt or maintain a legal framework that provides for the protection of the personal data of the users of digital trade. (4) In the development of any legal framework for the protection of personal data, each Party should endeavour to take into account principles and guidelines of relevant international organizations.

(4) For greater certainty, a Party may comply with the obligation in this paragraph by adopting or maintaining measures such as a comprehensive privacy, personal information or personal data protection laws, sector-specific laws covering privacy, or laws that provide for the enforcement of voluntary undertakings by enterprises relating to privacy.

Article 9.11. Principles on Access to and Use of the Internet for Digital Trade

To support the development and growth of digital trade, each Party recognises that consumers in its territory should be able to:

(a) access and use services and applications of their choice, unless prohibited by the Party's law;

(b) run services and applications of their choice, subject to the Party's law, including the needs of legal and regulatory enforcement activities; and

(c) connect their choice of devices to the Internet, provided that such devices do not harm the network and are not otherwise prohibited by the Party's law.

Article 9.12. Unsolicited Commercial Electronic Messages

1. Each Party shall endeavour to adopt or maintain measures regarding unsolicited commercial electronic messages sent to an electronic mail address that:

(a) require a supplier of unsolicited commercial electronic messages to facilitate the ability of a recipient to prevent ongoing reception of those messages;

(b) require the consent, as specified in the laws and regulations of each Party, of recipients to receive commercial electronic messages; or

(c) otherwise provide for the minimization of unsolicited commercial electronic messages.

2. Each Party shall endeavour to provide recourse against a supplier of unsolicitedcommercial electronic messages that does not comply with a measure adopted ormaintained in accordance with paragraph 1.

3. The Parties shall endeavour to cooperate in appropriate cases of mutual concernregarding the regulation of unsolicited commercial electronic messages.

Article 9.13. Cross-Border Flow of Information

Recognizing the importance of the free flow of information in facilitating trade, and acknowledging the importance of protecting personal data, the Parties shall endeavour to refrain from imposing or maintaining unnecessary barriers to electronic information flows across borders.

Article 9.14. Open Data

1. The Parties recognise that facilitating public access to and use of open data contributes to stimulating economic and social benefit, competitiveness, productivity improvements, and innovation. To the extent that a Party chooses to make available open data, it shall endeavour to ensure:

(a) that the information is appropriately anonymized, contains descriptive metadata and is in a machine readable and open format that allows it to be searched, retrieved, used, reused, and redistributed freely by the public; and

(b) to the extent practicable, that the information is made available in a spatially enabled format with reliable, easy to use and freely available Application Programming Interfaces ("APIs") and is regularly updated.

2. The Parties shall endeavour to cooperate to identify ways in which each Party can expand access to and use of open data, with a view to enhancing and generating business and research opportunities.

Article 9.15. Digital Government

1. The Parties recognise that technology can enable more efficient and agile government operations, improve the quality and reliability of government services, and enable governments to better serve the needs of their citizens and other stakeholders.

2. To this end, the Parties shall endeavour to develop and implement strategies to digitally transform their respective government operations and services, which may include:

(a) adopting open and inclusive government processes focusing on accessibility, transparency, and accountability in a manner that overcomes digital divides;

(b) promoting cross-sectoral and cross-governmental coordination and collaboration on digital agenda issues;

(c) shaping government processes, services and policies with digital inclusivity in mind;

(d) providing a unified digital platform and common digital enables for government service delivery;

(e) leveraging emerging technologies to build capabilities in anticipation of disasters and crises and facilitating proactive responses;

(f) generating public value from government data by applying it in the planning, delivering and monitoring of public policies, and adopting rules and ethical principles for the trustworthy and safe use of data;

(g) making government data and policy-making processes (including algorithms) available for the public to engage with; and

(h) promoting initiatives to raise the level of digital capabilities and skills of both the populace and the government workforce.

3. Recognising that the Parties can benefit by sharing their experiences with digital government initiatives, the Parties shall endeavour to cooperate on activities relating to the digital transformation of government and government services, which may include:

(a) exchanging information and experiences on digital government strategies and policies;

(b) sharing best practices on digital government and the digital delivery of government services; and

(c) providing advice or training, including through exchange of officials, toassist the other Party in building digital government capacity.

Article 9.16. Digital and Electronic Invoicing

1. The Parties recognise the importance of digital and electronic invoicing to increase the efficiency, accuracy and reliability of commercial transactions. Each Party also recognises the benefits of ensuring that the systems used for digital and electronic invoicing within its territory are interoperable with the systems used in the other Party's territory.

2. Each Party shall endeavour to ensure that the implementation of measures related to digital and electronic invoicing in its territory supports cross-border interoperability between the Parties' digital and electronic invoicing frameworks. To this end, each Party shall endeavour to base its measures relating to digital and electronic invoicing on international frameworks.

3. The Parties recognise the economic importance of promoting the global adoption of digital and electronic invoicing

systems, including interoperable international frameworks. To this end, the Parties shall endeavour to:

(a) promote, encourage, support, or facilitate the adoption of digital and electronic invoicing by enterprises;

(b) promote the existence of policies, infrastructure and processes that support digital and electronic invoicing;

(c) generate awareness of, and build capacity for, digital and electronic invoicing; and

(d) share best practices and promote the adoption of interoperable international digital and electronic invoicing systems.

Article 9.17. Digital and Electronic Payments

1. Recognising the rapid growth of digital and electronic payments, in particular those provided by non-bank, non-financial institutions and financial technology enterprises, the Parties shall endeavour to support the development of efficient, safe and secure cross-border digital and electronic payments by:

(a) fostering the adoption and use of internationally accepted standards for digital and electronic payments;

(b) promoting interoperability and the interlinking of digital electronic payment infrastructures; and

(c) encouraging innovation and competition in digital and electronic payments services.

2. To this end, each Party shall endeavour to:

(a) make publicly available its laws and regulations of general applicability relating to digital and electronic payments, including in relation to regulatory approval, licensing requirements, procedures and technical standards;

(b) finalise decisions on regulatory or licensing approvals relating to digital and electronic payments in a timely manner;

(c) not arbitrarily or unjustifiably discriminate between financial institutions and non-financial institutions in relation to access to services and infrastructure necessary for the operation of digital and electronic payment systems;

(d) adopt or utilize international standards for electronic data exchange between financial institutions and services suppliers to enable greater interoperability between digital and electronic payment systems;

(e) facilitate the use of open platforms and architectures such as tools and protocols provided for through APIs and encourage payment service providers to safely and securely make APIs for their products and services available to third parties, where possible, to facilitate greater interoperability, innovation and competition in electronic payments; and

(f) facilitate innovation and competition and the introduction of new financial and electronic payment products and services in a timely manner, such as through adopting regulatory and industry sandboxes.

Article 9.18. Digital Identities

Recognising that cooperation between the Parties on digital identities for natural persons and enterprises will promote connectivity and further growth of digital trade, and recognising that each Party may take different legal and technical approaches to digital identities, the Parties shall endeavour to pursue mechanisms to promote compatibility between their respective digital identity regimes. This may include:

(a) developing appropriate frameworks and common standards to foster technical interoperability between each Party's implementation of digital identities;

(b) developing comparable protection of digital identities under each Party's respective legal frameworks, or the recognition of their legal effects, whether accorded autonomously or by agreement;

(c) supporting the development of international frameworks on digital identity regimes;

(d) exchanging knowledge and expertise on best practices relating to digital identity policies and regulations, technical implementation and security standards, and the promotion of the use of digital identities.

Article 9.19. Cooperation

1. Recognizing the importance of digital trade to their collective economies, the Parties shall endeavour to maintain a dialogue on regulatory matters relating to digital trade with a view to sharing information and experiences, as appropriate,

including on related laws, regulations, and their implementation, and best practices with respect to digital trade, including in relation to:

(a) online consumer protection;

(b) personal data protection;

(c) anti-money laundering and sanctions compliance for digital trade;

(d) unsolicited commercial electronic messages;

(e) authentication;

(f) intellectual property concerns with respect to digital trade;

(g) challenges for small and medium-sized enterprises in digital trade; and

(h) digital government.

2. The Parties have a shared vision to promote secure digital trade and recognise that threats to cybersecurity undermine confidence in digital trade. Accordingly, the Parties recognise the importance of:

(a) building the capabilities of their government agencies responsible for computer security incident response;

(b) using existing collaboration mechanisms to cooperate to identify and mitigate malicious intrusions or dissemination of malicious code that affect the electronic networks of the Parties; and

(c) promoting the development of a strong public and private workforce in the area of cybersecurity, including possible initiatives relating to mutual recognition of qualifications.

Chapter 10. INVESTMENT

Article 10.1. UAE-Azerbaijan Bilateral Investment Treaty

The Parties note the existence of and reaffirm the Agreement Between the Government of the United Arab Emirates and the Republic of Azerbaijan, signed at Abu Dhabi on 20 November 2006 (“UAE-Azerbaijan Bilateral Investment Agreement”) and any subsequent amendments thereto.

Article 10.2. Promotion of Investment

The Parties affirm their desire to promote an attractive investment climate and expand trade in products and services. Consistent with Article 2 (Promotion of Investments) of the UAE-Azerbaijan Bilateral Investment Agreement, the Parties shall take appropriate measures to encourage and facilitate the exchange of goods and services and to secure favourable conditions for long-term economic development and diversification of trade between the two countries.

Article 10.3. Technical Council

The Parties shall establish a UAE-Azerbaijan Council on Investment (“the Council”), which shall be composed of representatives of both Parties and co-chaired by a representative from each Party. The Council may establish working groups as the Parties deem necessary.

Article 10.4. Objectives of the Council

The objectives of the Council are as follows:

a) to promote and enhance the economic cooperation between the Parties;

b) to monitor trade and investment relations, to identify opportunities for expanding investment, and to identify issues relevant to investment that may be appropriate for negotiation in an appropriate forum;

c) to hold consultations on specific investment matters of interest to the Parties;

d) to work toward the enhancement of investment flows;

e) to identify and work toward the removal of impediments to investment flows; and

f) to seek the views of the private sector and agencies involved in investment promotion, where appropriate, on matters related to the work of the Council.

Article 10.5. Role of the Council

The Council shall meet at such times and venues as agreed by the Parties, but the Parties shall endeavour to meet no less than once per year. A Party may refer a specific investment matter to the Council by delivering a written request to the other Party that includes a description of the matter concerned. The Council shall take up the matter promptly after the request is delivered unless the requesting Party agrees to postpone discussion of the matter. Each Party shall endeavour to provide for an opportunity for the Council to discuss a matter before taking actions that could affect adversely the investment interests of the other Party. The Council may adopt recommendations or make proposals regarding the matter concerned.

Article 10.6. Non-Application of Dispute Settlement

1. Chapter 17 (Dispute Settlement) shall not apply to any matter or dispute arising from this Chapter.

2. The Parties agree that nothing in the Chapter shall be subject to any dispute settlement mechanism.

Chapter 11. GOVERNMENT PROCUREMENT

Article 11.1: Definitions

For the purpose of this Chapter:

competent authorities mean:

for UAE: Financial Policies and Government Accounting Standards Department, Ministry of Finance

for Azerbaijan: Public Procurement Control Department, State Agency for Antimonopoly and Consumer Market Control under the President of the Republic of Azerbaijan

government procurement entities mean:

for UAE: the entities listed in Annex 11A (Government Procurement Entities List - UAE)

for Azerbaijan: the entities listed in Annex 11B (Government Procurement Entities List - Azerbaijan)

procurement system means the purchasing electronic system provided by the competent authorities for the government procurement entities to conduct end-to-end procurement processes which ensures integrity and transparency.

Article 11.2: Objectives

The Parties recognize the importance of cooperation in the field of government procurement and cooperate for the purposes of greater transparency in the field of government procurement.

Article 11.3: Scope

This Chapter shall apply to the laws, regulations and practices of a Party regarding government procurement implemented by its government procurement entities, as defined or notified by that Party for the purposes of this Chapter.

Article 11.4: Areas of Cooperation

1. The Parties shall endeavour to cooperate on matters relating to government procurement, with a view to achieving a better understanding of each Party's respective government procurement systems. Such cooperation may include:

(a) exchanging experience and information, such as laws and regulationsany modifications thereof, and best practices and statistics;

(b) sharing experiences and means of forms on the use of electronic means in government procurement, and other issues related to government procurement; and

(c) ensuring the confidentiality of information in e-procurement.

2. Each Party shall make publicly available any laws, regulations regarding government procurement as per each Party's laws and regulations.

Article 11.5: Information on the Procurement System

1. The Parties shall publish their respective laws and regulations and information on government procurement in the sources listed in Annex 11 to this Agreement. In order to provide greater transparency, the Parties shall ensure public access to these sources of information.

2. The Parties shall endeavor to publish in electronic form the available information about government procurement (notice on procurement bid, procurement documentation, changes to such notices and documentation, clarifications of the procurement documentation, protocols drawn up in the procurement process, information on procurement results).

3. The Parties shall publish any changes to the relevant laws and regulations and/or government procurement information in the sources listed in Annex 11 to this Agreement or notify each other of such changes by other means as soon as possible.

4. In respect of procurement conducted by entities within the scope of this Chapter, the Parties shall endeavor to use electronic means to the widest extent practicable.

Article 11.6: Consultations

1. On request of a Party, the other Party shall provide within a reasonable period of time clarification on issues related to government procurement.

2. For all matters concerning the application of this Chapter in the relations between the Parties, including in the event of any disagreement related to its interpretation and application, consultations shall be held upon request of either Party.

3. A request for such consultations shall be submitted to the other Party's contact point established under Article 11.8. Unless the Parties agree otherwise, they shall hold consultations within 60 days from the date of receipt of the request.

4. Consultations can be conducted in the forms that are agreed by the Parties.

Article 11.7: Non-Application of Dispute Settlement

Chapter 17 (Dispute Settlement) shall not apply to any matter or dispute arising from this Chapter.

Article 11.8: Contact Points

1. Each Party shall designate a contact point to monitor the implementation of this Chapter. The contact points shall work collaboratively to facilitate the implementation of this Chapter.

2. The Parties shall provide each other with the names and contact details of their contact points.

3. The Parties shall notify each other of any change to their contact points.

Article 11.9: Review

The Parties may review this Chapter every two years with a view to enhancing and deepening the level of transparency and cooperation.

Chapter 12. INTELLECTUAL PROPERTY

SECTION A

GENERAL PROVISION

Article 12.1: Definitions

For the purposes of this Chapter:

intellectual property right embodies:

(a) Copyright and related rights;

(b) patents for inventions and industrial designs;

(c) trademarks;

(d) layout-designs (topographies) of integrated circuits;

(e) geographical indications; and

(f) plant varieties.

WIPO means the World Intellectual Property Organization; and

national means, in respect of the relevant right, a person of a Party that would meet thecriteria for eligibility for protection provided for in the agreements which ratified by both Parties as listed in Article 12.5.

Article 12.2: Objectives

The protection and enforcement of intellectual property rights should contribute to the promotion of trade, investment, technological innovation, and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Article 12.3: Principles

Nothing in this Chapter shall prevent a Party from adopting appropriate measures to prevent the abuse of intellectual property rights by right holders or the resort to practices that unreasonably restrain trade or adversely affect the international transfer of technology provided that such measures are consistent with this Agreement.

Article 12.4: Nature and Scope of Obligations

Each Party shall give effect to the provisions of this Chapter. A Party may, but shall not be obliged to, provide more extensive protection for, or enforcement of, intellectual property rights under its law than is required by this Chapter, provided that such protection or enforcement does not contravene the provisions of this Chapter. Each Party shall be free to determine the appropriate method of implementing the provisions of this Chapter within its own legal system and practice.

Article 12.5: International Agreements

1. The Parties reaffirm their obligations set out in the following multilateral agreements:

(a) Patent Cooperation Treaty done on 19 June 1970, as revised by the Washington Act of 2001;

(b) Paris Convention for the Protection of Industrial Property done on 20 March 1883, as revised by the Stockholm Act of 1967 (“Paris Convention”);

(c) Berne Convention for the Protection of Literary and Artistic Works done on 9 September 1886, as revised by the Paris Act of 1971 (“Berne Convention”);

(d) Madrid Protocol relating to the Madrid Agreement concerning the International Registration of Marks, done on 27 June 1989;

(e) WIPO Performances and Phonogram Treaty, done on 20 December 1996;

(f) International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, done on 26 October 1961 (“Rome Convention”);

(g) WIPO Copyright Treaty, done on 20 December 1996; and

(h) Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, done on 28 April 1977.

2. Each Party shall endeavour to ratify or accede to each of the following agreements, if it is not already a party to that agreement:

(a) Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled; and

(b) International Union for the Protection of New Varieties of Plants (UPOV) 1991.

Article 12.6: Intellectual Property and Public Health

1. A Party may, in formulating or amending its laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Chapter.

2. The Parties recognise the principles defined in the international agreements on intellectual property which the Parties are members and confirm that the provisions of this Chapter do not undermine the principles defined by those agreements.

Article 12.7: National Treatment

1. In respect of all categories of intellectual property covered in this Chapter, each Party shall accord to nationals of another Party treatment no less favourable than it accords to its own nationals with regard to the protection of intellectual property rights.

2. With respect to secondary uses of phonograms by means of analogue communications and free over-the-air broadcasting, however, a Party may limit the rights of the performers and producers of another Party to the rights its persons are accorded within the jurisdiction of that other Party.

3. A Party may derogate from paragraph 1 in relation to its judicial and administrative procedures, including requiring a national of another Party to designate an address for service of process in its territory, or to appoint an agent in its territory, provided that such derogation is:

(a) necessary to secure compliance with laws or regulations that are not inconsistent with this Chapter; and

(b) not applied in a manner that would constitute a disguised restriction on trade.

4. Paragraph 1 does not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

Article 12.8: Transparency

1. Each Party shall endeavour, subject to its legal system and practice, to make information concerning application and registration of trademarks, geographical indications, industrial designs, patents, and plant variety rights accessible for the general public.

2. The Parties also acknowledge the importance of informational materials, such as publicly accessible databases of registered intellectual property rights that assist in the identification of subject matter that has fallen into the public domain.

3. Each Party shall endeavour to make available such information in English language.

Article 12.9: Application of Chapter to Existing Subject Matter and Prior Acts

1. Unless otherwise provided in this Chapter, this Chapter gives rise to obligations in respect of all subject matter existing at the date of entry into force of this Agreement for a Party and that is protected on that date in the territory of a Party where protection is claimed, or that meets or comes subsequently to meet the criteria for protection under this Chapter.

2. Unless provided in this Chapter, a Party shall not be required to restore protection to subject matter that on the date of entry into force of this Agreement for that Party has fallen into the public domain in its territory.

3. This Chapter does not give rise to obligations in respect of acts that occurred before the date of entry into force of this Agreement for a Party.

Article 12.10: Exhaustion of Intellectual Property Rights

Without prejudice to any provisions addressing the exhaustion of intellectual property rights in international agreements to which a Party is a member, nothing in this Agreement prevents a Party from determining whether or under what conditions the exhaustion of intellectual property rights applies under its legal system.

SECTION B

COOPERATION

Article 12.11: Cooperation Activities and Initiatives

The Parties shall endeavour to cooperate on the subject matter covered by this Chapter, such as through appropriate coordination, training, and exchange of information between the respective intellectual property offices of the Parties, or other institutions, as determined by each Party. Cooperation activities and initiatives undertaken under this Chapter shall be

subject to the availability of resources, and on request, and on terms and conditions mutually agreed upon between the Parties. Cooperation may cover areas such as:

(a) developments in domestic and international intellectual property policy;

(b) intellectual property administration and registration systems;

(c) education and awareness relating to intellectual property;

(d) intellectual property issues relevant to:

(i) small and medium-sized enterprises;

(ii) science, technology, and innovation activities; and

(iii) the generation, transfer, and dissemination of technology.

(e) Empowering women and youth policies involving the use of intellectualproperty for research, innovation, and economic growth;

(f) implementation of multilateral intellectual property agreements, such as those concluded or administered under the auspices of WIPO;

(g) capacity-building;

(h) enforcement of intellectual property rights; and

(i) other activities and initiatives as may be mutually determined between the Parties.

Article 12.12: Patent Cooperation

1. The Parties recognise the importance of improving the quality and efficiency of their respective patent registration systems as well as simplifying and streamlining the procedures and processes of their respective patent offices for the benefit of all users of the patent system and the public as a whole.

2. Further to paragraph 1, the Parties shall endeavour to cooperate among their respective patent offices to facilitate the sharing and use of search and examination work with the other Party in accordance with the requirements of national legislation.

This may include:

(a) making search and examination results available to the patent office of the other Party; and

(b) exchanging information on quality assurance systems and quality standards relating to patent examination.

3. In order to reduce the complexity and cost of obtaining the grant of a patent, the Parties shall endeavour to cooperate to reduce differences in the procedures andprocesses of their respective patent offices.

SECTION C

TRADEMARKS

Article 12.13: Types of Signs Registrable as Trademarks

In case of accession to relevant international agreements and in accordance with the requirements of national legislation no Party shall require, as a condition of registration, that a sign be visually perceptible, nor shall a Party deny registration of a trademark only on the ground that the sign of which it is composed is a sound. Additionally, each Party shall make best efforts to register scent marks. A Party may require a concise and accurate description, or graphical representation, or both, as applicable, of the trademark.

Article 12.14: Collective Mark

Each Party shall provide that trademarks may include collective marks. Each Party shall also provide that signs that may serve as geographical indications are capable ofprotection under its trademark system. (1)

(1) Consistent with the definition of a geographical indication in Article 12.25, any sign or combination of signs shall be eligible for protection under one or more of the legal means for protecting geographical indications, or a combination of such means.

Article 12.15: Use of Identical or Similar Signs

Each Party shall provide that the owner of a registered trademark has the exclusive right to prevent third parties that do not have the owner's consent from using in the course of trade identical or similar signs, including subsequent geographical indications, (2), (3) for goods or services that are related to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

(2) For greater certainty, the exclusive right in this Article applies to cases of unauthorised use of geographical indications with goods for which the trademark is registered, in cases in which the use of that geographical indication in the course of trade would result in a likelihood of confusion as to the source of the goods.

(3) For greater certainty, the Parties understand that this Article should not be interpreted to affect their rights and obligations under Articles 22 and 23 of the TRIPS Agreement.

Article 12.16: Exceptions

A Party may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that those exceptions take account of thelegitimate interest of the owner of the trademark and of third parties.

Article 12.17: Well-Known Trademarks

1. No Party shall require as a condition for determining that a trademark is well-known that the trademark has been registered in the Party or in another jurisdiction, included on a list of well-known trademarks, or given prior recognition as a well-known trademark.

2. Article 6bis of the Paris Convention shall apply, mutatis mutandis, to goods or services that are not identical or similar to those identified by a well-known trademark, (4) whether registered or not, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the trademark, and provided that the interests of the owner of the trademark are likely to be damaged by such use.

(4) In determining whether a trademark is well-known in a Party, that Party need not require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

3. Each Party recognises the importance of the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks as adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO at the Thirty-Fourth Series of Meetings of the Assemblies of the Member Statesof WIPO 20 to 29 September 1999.

4. Each Party shall provide for appropriate measures to refuse the application or cancel the registration and prohibit the use of a trademark that is identical or similar to a well-known trademark (5), for identical or similar goods or services, if the use of that trademark is likely to cause confusion with the prior well-known trademark. A Party may also provide such measures including in cases in which the subsequent trademark is likely to deceive.

(5) The Parties understand that a well-known trademark is one that was already well-known before, as determined by a Party, the application for, registration of or use of the first-mentioned trademark.

Article 12.18: Procedural Aspects of Examination, Opposition, and Cancellation

Each Party shall provide a system for the examination and registration of trademarks which includes among other things:

(a) communicating to the applicant in writing, which may be by electronic means, the reasons for any refusal to register a trademark;

(b) providing the applicant with an opportunity to respond to communications from the competent authorities, to contest any initial refusal, and in accordance with the national legislation of the Party to make an objection of any final refusal to register a trademark;

(c) providing an opportunity to oppose the registration of a trademark or to seek cancellation of a trademark; and

(d) requiring administrative decisions in opposition and cancellation proceedings to be reasoned and in writing, which may be provided by electronicmeans.

Article 12.19: Electronic Trademarks System

Each Party shall provide:

(a) a system for the electronic application for, and maintenance of, trademarks; and

(b) a publicly available electronic information system, including an online database, and of registered trademarks.

Article 12.20: Classification of Goods and Services

Each Party shall adopt or maintain a trademark classification system that is consistent with the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, done on 15 June 1957, as revised and amended ("Nice Classification"). Each Party shall provide that:

(a) registrations and the publications of applications indicate the goods and services by their names, grouped according to the classes established by the Nice Classification; (6) and

(6) A Party that relies on translations of the Nice Classification shall follow updated versions of the Nice Classification to the extent that official translations have been issued and published.

(b) goods or services may not be considered as being similar to each other on the ground that, in any registration or publication, they are classified in the same class of the Nice Classification. Conversely, each Party shall provide that goods or services may not be considered as being dissimilar from each other on the ground that, in any registration or publication, they are classified in different classes of the Nice Classification.

Article 12.21: Term of Protection for Trademarks

Each Party shall provide that initial registration and each renewal of registration of a trademark is for a term of no less than 10 years.

Article 12.22: Recordal of a License

Each Party shall require recordal of trademark licenses according to the domestic laws and regulations.

Article 12.23: Domain Names

In connection with each Party's system for the management of its country-code top-level domain (ccTLD) domain names, the following shall be available:

(a) an appropriate procedure for the settlement of disputes, based on, or modelled along the same lines as, the principles established in the Uniform Domain-Name Dispute-Resolution Policy, as approved by the Internet Corporation for Assigned Names and Numbers (ICANN) or that:

(i) is designed to resolve disputes expeditiously and at low cost;

(ii) is fair and equitable;

(iii) is not overly burdensome;

(iv) does not preclude resort to judicial proceedings; and

(b) online public access to a reliable and accurate database of contact information concerning domain name registrants, in accordance with each Party's law and, if applicable, relevant administrator policies regarding the protection of privacy and personal data.

SECTION D

COUNTRY NAMES

Article 12.24: Country Names

Each Party shall provide the legal means for interested persons to prevent commercial use of the country name of a Party in relation to a good in a manner that misleads consumers as to the origin of that good.

SECTION E

GEOGRAPHICAL INDICATIONS

Article 12.25: Protection of Geographical Indications (7)

(7) For greater certainty, protection of Geographical Indications collectively means protection by registration or recognition.

1. Geographical indication means an indication that identifies a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

2. The Parties recognize that geographical indications may be protected through a trademark or sui generis system or other legal means.

Article 12.26: Administrative Procedures for the Protection of Geographical Indications

If a Party provides administrative procedures for the protection or recognition of geographical indications, whether through a trademark or a sui generis system, that Party shall with respect to applications for that protection or petitions ensure that its laws and regulations governing the filing of those applications or petitions are readily available to the public and clearly set out the procedures for these actions.

Article 12.27: Date of Protection of a Geographical Indication

If a Party grants protection or recognition to a geographical indication that protection or recognition shall commence no earlier than the filing date (8) in the Party or theregistration date in the Party, as applicable.

(8) For greater certainty, the filing date referred to in this Article includes, as applicable, the priority filing date under the Paris Convention.

SECTION F

PATENTS AND INDUSTRIAL DESIGN

Article 12.28: Grace Period

1. Each Party shall disregard information contained in public disclosure of aninvention related to an application to register a patent (9) if the public disclosure:

(9) For greater certainty, patent may include utility model in accordance with national law and regulations.

(a) was made by the inventor, applicant or a person that obtained the information from the inventor or applicant inside or outside the territory of each Party; and

(b) occurred within at least 12 months prior to the date of filing of the application.

2. Each Party shall disregard information contained in public disclosure of a design related to an application to register an industrial design if the public disclosure unless otherwise stipulated in the international agreements to which the Parties are members;

(a) was made by the designer, applicant or a person that obtained the information from the designer or applicant inside or outside the territory of each Party; and

(b) occurred within at least 12 months prior to the date of filing of the application.

Article 12.29: Procedural Aspects of Examination, Opposition and Invalidation of Certain Registered Patent and Industrial Design

Each Party shall provide a system for the examination and registration of patents or industrial designs which includes among other things:

(a) communicating to the applicant in writing, which may be by electronic means, the reasons for any refusal to register patent or industrial design;

(b) providing the applicant with an opportunity to respond to communications from the competent authorities, to contest any initial refusal,and in accordance with the national legislation of the Party to make an objection of any final refusal to register patent or industrial design;

(c) providing an opportunity for interested parties to seek cancellation or invalidation of a registered patent or industrial design, and in addition may provide an opportunity for interested parties to oppose the registration of patent or industrial design; and

(d) making decisions in opposition, cancellation, or invalidation proceedings to be reasoned and in writing, which may be delivered by electronic means.

Article 12.30: Amendments, Corrections, and Observations

1. Each Party shall provide an applicant for patent or industrial design with at least one opportunity to make amendments, corrections, or observations in connection with its application.

2. Each Party shall provide a right holder of patent or industrial design with opportunities to make amendments or corrections after registration provided that such amendments or corrections do not change or expand the scope of the patent or industrial design right as a whole. (10)

(10) It is understood that the amendments or corrections which do not change or expand the scope of the right means that the scope of the patent or industrial design right stays same as before or reduced.

Article 12.31: Industrial Design Protection

1. The Parties shall ensure that requirements for securing or enforcing registered industrial design protection do not unreasonably impair the opportunity to obtain or enforce such protection.

2. The duration of protection available for registered industrial designs shall amount to at least 10 years from the date of filing.

Article 12.32: Exceptions

A Party may provide limited exceptions to the exclusive rights conferred by a patent or an industrial design, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent or an industrial design and do not unreasonably prejudice the legitimate interests of the right holder, taking account of the legitimate interests of third parties.

SECTION G

COPYRIGHT AND RELATED RIGHTS

Article 12.33: Definitions

For the purposes of Article 12.34 and 12.36 through 12.43, the following definitionsapply with respect to performers and producers of phonograms:

broadcasting means the transmission by wireless means for public reception of sounds or of images and sounds or of the representations thereof; such transmission by satellite is also “broadcasting”;

transmission of encrypted signals is “broadcasting” if the means for decrypting are provided to the public by the broadcasting organisation or with its consent;

communication to the public of a performance or a phonogram means the transmission to the public by any medium, other than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram;

fixation means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced, or communicated through a device;

performance means a performance fixed in a phonogram unless otherwise specified;

performers means actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore;

phonogram means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audio-visual work;

producer of a phonogram means a person that takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other sounds, or the representations of sounds;

publication of a performance or phonogram means the offering of copies of the performance or the phonogram to the public, with the consent of the right holder, and provided that copies are offered to the public in reasonable quantity; and

right to authorise or prohibit, with respect to copyright and related rights, refers to exclusive rights.

Article 12.34: Right of Reproduction

Each Party shall provide11 to authors, performers, and producers of phonograms12 the exclusive right to authorise or prohibit all reproduction of their works, performances or phonograms in any manner or form, including in electronic form.

Article 12.35: Right of Communication to the Public

Without prejudice to Article 11(1)(ii), Article 11bis(1)(i) and (ii), Article 11ter(1)(ii),

Article 14(1)(ii), and Article 14bis(1) of the Berne Convention, each Party shall provide

to authors the exclusive right to authorise or prohibit the communication to the public

of their works, by wire or wireless means, including the making available to the public

of their works in such a way that members of the public may access these works from

a place and at a time individually chosen by them.13

11 For greater certainty, the Parties understand that it is a matter for each Party's law to prescribe that works, performances, or phonograms in general or any specified categories of works, performances and phonograms are not protected by copyright or related rights unless the work, performance, or phonogram has been fixed in some material form.

12 References to "authors, performers, and producers of phonograms" refer also to any of their successors in interest.

13 The Parties understand that the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Chapter or the Berne Convention. The Parties further understand that nothing in this Article precludes a Party from applying Article 11bis(2) of the Berne Convention.

Article 12.36: Right of Distribution

Each Party shall provide to authors, performers and producers of phonograms the

exclusive right to authorise or prohibit the making available to the public of the original

and copies14 of their works, performances and phonograms through sale or other

transfer of ownership.

Article 12.37: Related Rights

1. Each Party shall accord the rights provided for in this Chapter with respect to

performers and producers of phonograms: to the performers and producers of

phonograms that are nationals15 of another Party; and to performances or phonograms

first published or first fixed16 in the territory of another Party.17 A performance or

phonogram shall be considered first published in the territory of a Party if it is published

in the territory of that Party within 30 days of its original publication.

2. prohibit:

Each Party shall provide to performers the exclusive right to authorise or

(a) the broadcasting and communication to the public of their unfixed

performances, unless the performance is already a broadcast performance; and

(b) the fixation of their unfixed performances.

3. Each Party shall provide to performers and producers of phonograms the exclusive right to authorise or prohibit the broadcasting or any communication to the public of their performances or phonograms, by wire or wireless means,18, 19 and the making available to the public of those performances or phonograms in such a way that

14 The expressions “copies” and “original and copies”, that are subject to the right of distribution in this Article, refer exclusively to fixed copies that can be put into circulation as tangible objects.

15 For the purposes of determining criteria for eligibility under this Article, with respect to performers, a Party may treat “nationals” as those who would meet the criteria for eligibility under Article 3 of the WPPT.

16 For the purposes of this Article, fixation means the finalisation of the master tape or its equivalent.

17 For greater certainty, in this paragraph with respect to performances or phonograms first published or first fixed in the territory of a Party, a Party may apply the criterion of publication, or alternatively, the criterion of fixation, or both. For greater certainty, consistent with Article 12.7 of this Agreement, each Party shall accord to performances and phonograms first published or first fixed in the territory of another Party treatment no less favourable than it accords to performances or phonograms first published or first fixed in its own territory.

18 With respect to broadcasting and communication to the public, a Party may satisfy the obligation by applying Article 15(1) and Article 15(4) of the WPPT and may also apply Article 15(2) of the WPPT, provided that it is done in a manner consistent with that Party’s obligations under Article 12.7 of this Agreement.

19 For greater certainty, the obligation under this paragraph does not include broadcasting or communication to the public, by wire or wireless means, of the sounds or representations of sounds fixed in a phonogram that are incorporated in a cinematographic or other audio-visual work.

members of the public may access them from a place and at a time individually chosen by them.

4. Notwithstanding subparagraph (a) and Article 12.39, the application of the right referred to in subparagraph (a) to analogue transmissions and non-interactive free over-the-air broadcasts, and exceptions or limitations to this right for those activities, is a matter of each Party’s law.20

Article 12.38: Term of Protection for Copyright and Related Rights

Each Party shall provide that in cases in which the term of protection of a work, performance or phonogram is to be calculated:21

(a) on the basis of the life of a natural person, the term shall be not less than

the life of the author and 50 years after the author's death;22 and

(b) on a basis other than the life of a natural person, the term shall be:

(i) not less than 50 years from the end of the calendar year of

the first authorised publication23 of the work, performance

or phonogram; or

(ii) anonymous and pseudonymous works are protected for a

period of fifty years as of the beginning of the calendar year

subsequent to the year in which such works have been first

published,24 Performance or Phonogram, not less than 50

20 For the purposes of this subparagraph the Parties understand that a Party may provide for the retransmission of non-interactive, free over-the-air broadcasts, provided that these retransmissions are lawfully permitted by that Party's government communications authority; any entity engaging in these retransmissions complies with the relevant rules, orders or regulations of that authority; and these retransmissions do not include those delivered and accessed over the Internet. For greater certainty this footnote does not limit a Party's ability to avail itself of this subparagraph.

21 For greater certainty, in implementing this Article, nothing prevents a Party from promoting certainty for the legitimate use and exploitation of a work, performance, or phonogram during its term of protection, consistent with Article 12.39 and that Party's international obligations.

22 The Parties understand that if a Party provides its nationals a term of copyright protection that exceeds life of the author plus 50 years, nothing in this Article or Article 12.7 shall preclude that Party from applying Article 7(8) of the Berne Convention with respect to the term in excess of the term provided in this subparagraph of protection for works of another Party.

23 For greater certainty, for the purposes of subparagraph (b), if a Party's law provides for the calculation of term from fixation rather than from the first authorised publication, that Party may continue to calculate the term from fixation.

24 In case the author of such works has been known or specified or has disclosed his identity, the protection will be lifetime of the author and fifty years thereafter commencing as of the beginning of the calendar year subsequent to the author's death. But nothing shall prevent that Party from applying Article 7(8) of the Berne Convention with respect to the term in excess of the term provided in this subparagraph of protection for works of another Party.

years from the end of the calendar year of the creation of the work, performance or phonogram.

Article 12.39: Limitations and Exceptions

1. With respect to this Section, each Party shall confine limitations or exceptions

to exclusive rights to certain special cases that do not conflict with a normal exploitation

of the work, performance, or phonogram, and do not unreasonably prejudice the

legitimate interests of the right holder.

2. This Article does not reduce or extend the scope of applicability of the limitations and exceptions permitted, the Berne Convention, the WCT, or the WPPT as well as with other international agreements to which the Parties are member.

Article 12.40: Balance in Copyright and Related Rights Systems

Each Party shall endeavour to achieve an appropriate balance in its copyright and related rights system, among other things by means of limitations or exceptions that are consistent with Article 12.39, including those for the digital environment, giving due consideration to legitimate purposes such as, but not limited to: criticism; comment; news reporting; teaching, scholarship, research, and other similar purposes; and facilitating access to published works for persons who are blind, visually impaired, or otherwise print disabled.25, 26

Article 12.41: Contractual Transfers

Each Party shall provide that for copyright and related rights, any person acquiring or holding any economic right27 in a work, performance, or phonogram:

(a) may freely and separately transfer that right by contract; and

(b) by virtue of contract, including contracts of employment underlying the creation of works, performances, or phonograms, shall be able to exercise that

25 As recognised by the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled, done at Marrakesh, 27 June 2013 (Marrakesh Treaty).

26 For greater certainty, a use that has commercial aspects may in appropriate circumstances be considered to have a legitimate purpose under Article 12.39.

27 For greater certainty, this provision does not affect the exercise of moral rights.

right in that person's own name and enjoy fully the benefits derived from that right.28

Article 12.42: Obligations concerning Protection of Technological Measures and Rights Management Information

1. Each Party shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors, performers, or producers of phonograms in connection with the exercise of their rights as provided under Article 12.34, Article 12.35, Article 12.36, and Article 12.37, that restrict acts, in respect of their works, performances, or phonograms, which are not authorised by the authors, performers, or producers of phonograms concerned or permitted by law.

2. Each Party shall provide adequate and effective legal remedies against any

person who knowingly, without authorisation removes, or alter any electronic rights management information and/or distribute, import for distribution, broadcast, or communicate to the public, without authority, works, or copies of works knowing that electronic rights management information29 has been removed or altered without authority.

Article 12.43: Collective Management

The Parties recognise the role of collective management societies for copyright and related rights in collecting and distributing royalties based on practices that are fair, efficient, transparent and accountable, which may include appropriate record keeping and reporting mechanisms.

SECTION H

ENFORCEMENT

Article 12.44: General Obligation in Enforcement

Each Party shall ensure that enforcement procedures as specified in this Section are available under its law so as to permit effective action against any act of infringement of intellectual property rights covered by this Chapter, including expeditious remedies to prevent infringements and remedies that constitute a deterrent to future

28 Nothing in this Article affects a Party's ability to establish: (a) which specific contracts underlying the creation of works, performances, or phonograms shall, in the absence of a written agreement, result in a transfer of economic rights by operation of law; and (b) reasonable limits to protect the interests of the original right holders, taking into account the legitimate interests of the transferees.

29 For the purpose of clarity, "rights management information" shall be interpreted to be as provided under Article 12 of the WCT.

infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Article 12.45: Border Measures

1. Each Party shall, in conformity with its domestic law and regulations and the provisions of international agreements to which Parties are member as is listed in Article 12.5 (International Agreements), adopt or maintain procedures to enable a right holder, who has valid grounds for suspecting that the importations of counterfeit trademark or pirated copyright goods may take place, to lodge an application in writing with the competent authorities, in the Party in which the border measure procedures are applied, for the suspension by that Party's customs authorities of the release into free circulation of such goods.

2. The Parties may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the

requirements of international agreements which Parties are member as in listed in

Article 12.5 are met. A Party may also provide for corresponding procedures concerning

the suspension by the customs authorities of the release of infringing goods destined for exportation from their territory as per its domestic laws and regulation.

CHAPTER 13

ECONOMIC COOPERATION

Article 13.1: Objectives

1. The Parties shall promote cooperation under this Agreement for their mutual

benefit in order to liberalize and facilitate trade and investment between the Parties and

foster economic growth.

2. Economic cooperation under this Chapter shall be built upon a common

understanding between the Parties to support the implementation of this Agreement,

with the objective of maximising its benefits, supporting pathways to trade and

investment facilitation, and further improving market access and openness to contribute

to the sustainable inclusive economic growth and prosperity of the Parties.

Article 13.2: Scope

1. Economic cooperation under this Chapter shall support the effective and

efficient implementation and utilisation of this Agreement through activities that relate

to trade and investment.

2. Economic cooperation areas and activities under this Chapter shall be identified

in the Annual Work Program adopted in accordance with Article 13.3.

Article 13.3: Annual Work Program on Economic Cooperation Activities

1. The Subcommittee on Economic Cooperation shall adopt an Annual Work

Program on Economic Cooperation Activities (“Annual Work Program”) based on

proposals submitted by the Parties.

2. Each activity in an Annual Work Program developed under this Chapter shall:

(a) be guided by the objectives agreed in Article 13.1;

(b) Agreement;

be related to trade or investment and support the implementation of this

(c) involve both Parties;

(d) address the mutual priorities of the Parties;

(e) avoid duplicating existing economic cooperation activities; and

(f) be in conformity with each Party’s laws and regulations.

13-1Article 13.4: Competition Policy

1. The Parties recognise the importance of general cooperation in the area of

competition policy. The Parties may cooperate to exchange information relating to the

development of competition policy, subject to their domestic laws and regulations and available resources. The Parties may conduct such cooperation through their competent authorities.

2. The Parties may consult matters related to anti-competitive practices and their adverse effects to trade. The consultations shall be without prejudice to the autonomy of each Party to develop, maintain and enforce its domestic competition laws and regulations.

Article 13.5: Resources

1. Resources for economic cooperation under this Chapter shall be provided in a manner as agreed by the Parties and in accordance with the laws and regulations of the Parties.

2. The Parties, on the basis of mutual benefit, may consider cooperation with, and contributions from, external parties to support the implementation of the Annual Work Program.

Article 13.6: Means of Cooperation

The Parties will endeavour to encourage technical, technological and scientific economic cooperation, through the following:

(a) joint organization of conferences, seminars, workshops, meetings, training sessions and outreach and education programs;

(b) exchange of delegations, professionals, technicians and specialists from the academic sector, institutions dedicated to research, private sector and governmental agencies, including study visits and internship programs for professional training;

(c) dialogue and exchange of experiences between the Parties' private sector and agencies involved in trade and investment promotion;

(d) initiation of the knowledge-sharing platform aiming to transfer experience and best practices in the field of government development and modernization to other countries through UAE's Government Experience Exchange Program;

13-2(e) and

(f) promote joint business initiatives between entrepreneurs of the Parties;

any other form of cooperation that may be agreed by the Parties.

Article 13.7: Subcommittee on Economic Cooperation

1. 2. 3. For the purposes of the effective implementation and operation of this Chapter, and to achieve better coordination of economic cooperation activities with

efficient and effective allocation and use of resources, the Parties hereby establish a Subcommittee on Economic Cooperation (hereinafter referred to as the “Subcommittee”) under the Joint Committee.

The Parties shall jointly chair the Subcommittee.

The Subcommittee shall undertake the following functions:

(a) monitor and assess the implementation of this Chapter;

(b) identify new opportunities and agree on new ideas for prospective cooperation or capacity building activities;

(c) formulate and develop Annual Work Program proposals and their implementation mechanisms;

(d) evaluations;

suggest amendments to the Annual Work Program through periodic

(e) coordinate, monitor and review progress of the Annual Work Program to assess its overall effectiveness and contribution to the implementation and operation of this Chapter and report about it to the Joint Committee;

(f) cooperate with other subcommittees and/or subsidiary bodies established under this Agreement to perform stocktaking, monitoring, and benchmarking on any issues related to the implementation of this Agreement, as well as to provide feedback and assistance in the implementation and operation of this Chapter; and

(g) report to and, if deemed necessary, consult with the Joint Committee in relation to the implementation and operation of this Chapter.

Article 13.8: Non-Application of Dispute Settlement

Chapter 17 (Dispute Settlement) shall not apply to any matter or dispute arising from this Chapter.

CHAPTER 14

SMALL AND MEDIUM-SIZED ENTERPRISES

Article 14.1: General Principles

1. The Parties, recognizing the fundamental role of SMEs in maintaining dynamism and enhancing competitiveness of their respective economies, shall foster close cooperation between SMEs of the Parties and cooperate in promoting jobs and growth in SMEs.

2. The Parties recognize the integral role of the private sector in the SME cooperation to be implemented under this Chapter.

3. For the purposes of this Chapter, "SME" is defined according to the respective

laws and regulations of each Party.

Article 14.2: Cooperation to Increase Trade and Investment Opportunities for SMEs

With a view to more robust cooperation between the Parties to enhance commercial opportunities for SMEs, each Party shall seek to increase trade and investment opportunities, and in particular shall:

(a) promote cooperation between the Parties' small business support infrastructure, including dedicated SME centres, incubators, and accelerators, export assistance centres, and other centres as appropriate, to create an international network for sharing best practices, exchanging market research, and promoting SME participation in international trade, as well as business growth in local markets;

(b) strengthen its collaboration with the other Party on activities to promote SMEs owned by women and youth, as well as start-ups, and promote partnership among these SMEs and their participation in international trade;

(c) enhance its cooperation with the other Party to exchange information and best practices in areas including improving SME access to capital and credit, SME participation in covered government procurement opportunities, and helping SMEs adapt to changing market conditions; and

(d) encourage participation in purpose-built mobile or web-based platforms, for business entrepreneurs and counsellors to share information and best practices to help SMEs link with international suppliers, buyers, and other potential business partners.

Article 14.3: Information Sharing

1. Each Party shall establish or maintain its own free, publicly accessible website containing information regarding this Agreement, including:

(a) the text of this Agreement;

(b) a summary of this Agreement; and

(c) information designed for SMEs that contains:

(i) a description of the provisions in this Agreement that the Party considers to be relevant to SMEs; and

(ii) any additional information that would be useful for SMEs interested in benefitting from the opportunities provided by this Agreement.

2. Each Party shall include in its website links or information through automated

electronic transfer to:

(a) the equivalent websites of the other Party; and

(b) the websites of its own government agencies and other appropriate

entities that provide information the Party considers useful to any person

interested in trading, investing, or doing business in that Party's territory.

3. Subject to each Party's laws and regulations, the information described in

paragraph 2(b) may include:

(a) customs regulations, procedures, or enquiry points;

(b) regulations or procedures concerning intellectual property, trade secrets,

and patent protection rights;

(c) procedures;

technical regulations, standards, quality, or conformity assessment

(d) exportation;

sanitary or phytosanitary measures relating to importation or

(e) foreign investment regulations;

(f) business registration;

(g) trade promotion programs;

(h) competitiveness programs;

(i) SME investment and financing programs;

(j) taxation, accounting;

(k) government procurement opportunities; and

(l) other information which the Party considers to be useful for SMEs.

4. Each Party shall regularly review the information and links on the website

referred to in paragraphs 1 and 2 to ensure the information and links are up-to-date and accurate.

5. To the extent possible, each Party shall make the information in this Article

available in English. If this information is available in another authentic language of

this Agreement, the Party shall endeavour to make this information available, as

appropriate.

Article 14.4: Subcommittee on SME Issues

1. The Parties hereby establish the Subcommittee on SME Issues (SME Subcommittee), comprising national and local government representatives of each Party.

2. The SME Subcommittee shall:

(a) identify ways to assist SMEs in the Parties' territories to take advantage

of the commercial opportunities resulting from this Agreement and to strengthen

SME competitiveness;

(b) identify and recommend ways for further cooperation between the

Parties to develop and enhance partnerships between SMEs of the Parties;

(c) exchange and discuss each Party's experiences and best practices in supporting and assisting SME exporters with respect to, among other things, training programs, trade education, trade finance, trade missions, trade facilitation, digital trade, identifying commercial partners in the territories of the Parties, and establishing good business credentials;

(d) promote seminars, workshops, webinars, mentorship sessions, or other activities to inform SMEs of the benefits available to them under this Agreement;

(e) explore opportunities for capacity building to facilitate each Party's work in developing and enhancing SME export counselling, assistance, and training programs;

(f) recommend additional information that a Party may include on the website referred to in Article 14.3;

(g) review and coordinate its work program with the work of other subcommittees, working groups, and other subsidiary bodies established under this Agreement, as well as of other relevant international bodies, to avoid duplication of work programs and to identify appropriate opportunities for cooperation to improve the ability of SMEs to engage in trade and investment opportunities resulting from this Agreement;

(h) collaborate with and encourage subcommittees, working groups and other subsidiary bodies established under this Agreement to consider SME-related commitments and activities into their work;

(i) review the implementation and operation of this Chapter and SME-related provisions within this Agreement and report findings and make recommendations to the Joint Committee that can be included in future work and SME assistance programs as appropriate;

(j) facilitate the development of programs to assist SMEs to participate and integrate effectively into the Parties' regional and global supply chains;

(k) promote the participation of SMEs in digital trade in order to take advantage of the opportunities resulting from this Agreement and rapidly access new markets;

(l) facilitate the exchange of information on entrepreneurship education and awareness programs for youth and women to promote the entrepreneurial environment in the territories of the Parties;

(m) submit on an annual basis, unless the Parties decide otherwise, a report

of its activities and make appropriate recommendations to the Joint Committee;

and

(n) consider any other matter pertaining to SMEs as the SME Subcommittee

may decide, including issues raised by SMEs regarding their ability to benefit

from this Agreement.

3. The SME Subcommittee shall convene within one year after the date of entry

into force of this Agreement and thereafter meet annually, unless the Parties decide

otherwise.

4. The SME Subcommittee may seek to collaborate with appropriate experts and

international donor organizations in carrying out its programs and activities.

Article 14.5: Non-Application of Dispute Settlement

Chapter 17 (Dispute Settlement) shall not apply to any matter or dispute arising from this Chapter.

Chapter 15. ADMINISTRATION OF THE AGREEMENT

Article 15.1: Joint Committee

1. The Parties hereby establish a Joint Committee.

2. The Joint Committee:

(a) shall be composed of representatives of the UAE and Azerbaijan; and

(b) may establish standing or ad hoc committees, subcommittees or working

groups and assign any of its powers thereto.

3. The Joint Committee shall meet within one year from the entry into force of this

Agreement. Thereafter, it shall meet every two years unless the Parties agree otherwise, to consider any matter relating to this Agreement. The regular sessions of the Joint Committee shall be held alternately in the territories of the Parties.

4. The Joint Committee shall also hold special sessions without undue delay from

the date of a request thereof from either Party.

5. The functions of the Joint Committee shall be as follows:

(a) to review and assess the results and overall operation of this Agreement

in the light of the experience gained during its application and its objectives;

(b) to consider any amendments to this Agreement that may be proposed by

either Party, including the modification of concessions made under this

Agreement;

(c) to endeavour to amicably resolve disputes between the Parties arising

from the interpretation or application of this Agreement;

(d) to supervise and coordinate the work of all standing or ad hoc

committees, subcommittees and working groups established under this

Agreement;

(e) consider any other matter that may affect the operation of this Agreement;

(f) if requested by either Party, to propose mutually agreed interpretation to be given to the provisions of this Agreement;

(g) adopt decisions or make recommendations as envisaged by this

Agreement; and

(h) to carry out any other functions as may be agreed by the Parties.

6. The Joint Committee shall establish its own rules of working procedures.

7. Meetings of the Joint Committee and of any standing or ad hoc committees,

subcommittees or working groups may be conducted in person or by any other means

as determined by the Parties.

Article 15.2: Communications

1. Each Party shall designate a contact point to receive and facilitate official

communications among the Parties on any matter relating to this Agreement.

2. All official communications in relation to this Agreement shall be in the English

language.

Chapter 16. EXCEPTIONS

Article 16.1: General Exceptions

1. For the purposes of Chapters 2 (Trade in Goods), 3 (Rules of Origin), 4 (Customs Procedures and Trade Facilitation), 6 (Sanitary and Phytosanitary Measures), and 7 (Technical Barriers to Trade), Article XX of the GATT 1994 and its interpretative note are incorporated into and form part of this Agreement, mutatis mutandis.

2. For the purposes of Chapters 8 (Trade in Services) and Chapter 9 (Digital

Trade)1, Article XIV of the GATS, including its footnotes, is incorporated into and

forms part of this Agreement, mutatis mutandis.

Article 16.2: Security Exceptions

Nothing in this Agreement shall be construed:

(a) to require any Party to furnish any information, the disclosure of which

it considers contrary to its essential security interests; or

(b) to prevent any Party from taking any action which it considers necessary

for the protection of its essential security interests:

(i) relating to fissionable and fusionable materials or the

materials from which they are derived;

(ii) relating to the traffic in arms, ammunition and implements of

war and to such traffic in other goods and materials as is

carried on directly or indirectly for the purpose of supplying a

military establishment;

(iii) relating to the supply of services as carried out directly or

indirectly for the purpose of provisioning a military

establishment;

(iv) taken in time of domestic emergency, or war or other

emergency in international relations; or

(c) to prevent any Party from taking any action in pursuance of its

obligations under the United Nations Charter for the maintenance of

international peace and security.

1 This paragraph is without prejudice to whether a Party considers a digital product to be a good or service.

Article 16.3: Taxation

1. Nothing in this Agreement shall apply to any taxation measure.2

2. Nothing in this Agreement shall affect the rights and obligations of the Parties

under any tax convention applicable between them. In the event of any inconsistency

between this Agreement and any such tax convention, that tax convention shall prevail

to the extent of the inconsistency.

2 For the avoidance of doubt, provisions where corresponding rights and obligations are also granted or

imposed under the WTO Agreement shall apply to taxation measures.

Chapter 17. DISPUTE SETTLEMENT

Article 17.1: Objective

The objective of this Chapter is to establish an effective and efficient mechanism for

avoiding and settling disputes between the Parties concerning the interpretation and

application of this Agreement with a view to reaching, where possible, a mutually

agreed solution.

Article 17.2: Cooperation

The Parties shall endeavor to agree on the interpretation and application of this

Agreement, and shall make every attempt through cooperation to arrive at a mutually

satisfactory resolution of any matter that might affect its operation.

Article 17.3: Scope of Application

1. Unless otherwise provided for in this Agreement, this Chapter shall apply with

respect to the settlement of any dispute between the Parties concerning the

interpretation, implementation, or application of this Agreement (hereinafter referred

to as "covered provisions"), wherever a Party considers that:

(a) a measure of the other Party is inconsistent with its obligations under

this Agreement; or

(b) Agreement.

the other Party otherwise failed to carry out its obligations under this

2. This Chapter shall not cover non-violation complaints and other situation complaints.

3. Neither Party shall have recourse to dispute settlement under this Chapter for any matter arising under the following Chapters of this Agreement:

(a) Chapter 10 (Investment Facilitation);

(b) Chapter 11 (Government Procurement);

(c) Chapter 13 (Economic Cooperation); and

(d) Chapter 14 (Small and Medium-Sized Enterprises).

Article 17.4: Contact Points

1. Each Party shall designate a contact point to facilitate communications between the Parties with respect to any dispute initiated under this Chapter.

2. Any request, notification, written submission or other document made in accordance with this Chapter shall be delivered to the other Party through its designated contact point.

Article 17.5: Request for Information

Before a request for consultations, good offices, conciliation or mediation is made pursuant to Article 17.6 or 17.7 respectively, a Party may request in writing any relevant information with respect to a measure at issue. The Party to which that request is made shall make all efforts to provide the requested information in a written response to be submitted no later than 20 days after the date of receipt of the request .

Article 17.6: Consultations

1. The Parties shall endeavor to resolve any dispute referred to in Article 17.3 by entering into consultations in good faith with the aim of reaching a mutually agreed solution.

2. A Party shall seek consultations by means of a written request delivered to the other Party identifying the reasons for the request, including the measure at issue and a description of its factual basis and the legal basis specifying the covered provisions that it considers applicable.

3. The Party to which the request for consultations is made shall reply to the request promptly, but no later than 10 days after the date of receipt of the request. Consultations shall be held within 30 days of the date of receipt of the request. The consultations shall be deemed to be concluded within 60 days of the date of receipt of the request, unless the Parties agree otherwise.

4. Consultations on matters of urgency including those which concern perishable goods, shall be held within 15 days of the date of receipt of the request. The consultations shall be deemed to be concluded within those 15 days unless the Parties

agree otherwise.

5. During consultations each Party shall provide sufficient information so as to allow a complete examination of the measure at issue including how that measure is affecting the operation and application of this Agreement.

6. Consultations, including all information disclosed and positions taken by the Parties during consultations, shall be confidential, and without prejudice to the rights of either Party in any further proceedings.

7. Consultations may be held in person or by any other means of communication agreed by the Parties. Unless the Parties agree otherwise, consultations, if held in person, shall take place in the territory of the Party to which the request is made.

8. If the Party to which the request is made does not respond to the request for consultations within 10 days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article 17.8.

Article 17.7: Good Offices, Conciliation or Mediation

1. The Parties may at any time agree to enter into procedures for good offices conciliation or mediation. They may begin at any time and be terminated by either Party at any time.

2. Proceedings involving good offices conciliation or mediation and the particular positions taken by the Parties in these proceedings, shall be confidential and without prejudice to the rights of either Party in any further proceedings under this chapter or any other proceedings before a forum selected by the Parties.

3. If the Parties agree, procedures for good offices conciliation or mediation may continue while the panel procedures set out in Section C proceed.

Article 17.8: Establishment of a Panel

1. The complaining Party may request the establishment of a panel if:

(a) the respondent Party does not reply to the request for consultations in accordance with the time frames referred in Article 17.6; or

(b) the consultations referred to in Article 17.6 are not held or fail to settle a dispute within 60 days or 15 days in relation to urgent matters including those which concern perishable goods after the date of the receipt of the request for consultations by the respondent Party.

2. The request for the establishment of a panel shall be made by means of a written request delivered to the other Party and shall identify the measure at issue and indicate the factual basis of the complaint and the legal basis specifying the relevant covered provisions in a manner sufficient to present how such measure is inconsistent with those provisions.

3. When a request is made by the complaining Party in accordance with paragraph 1, a panel shall be established.

Article 17.9: Composition of a Panel

1. Unless the Parties agree otherwise, the panel shall consist of three panelists.

2. Within 30 days of the notification of the request for the establishment of a panel, each Party shall notify the other Party of its appointment of a panelist and propose up to four candidates to serve as the chair of the panel. If a Party fails to appoint a panelist within this time, the panelist shall be appointed by the other Party from the candidates proposed for the chair by the Party that failed to appoint a panelist, if such a list exists or, in the absence of such a list, from the other Party's proposed candidates.

3. The Parties, within 45 days of the date of receipt of the notification of the request referred to in Article 17.8, shall endeavour to decide, from among the candidates proposed, on a panelist who will serve as chair. If the Parties fail to decide on a chair within this time period, the chair shall be appointed within another seven days, after being selected by lottery from the candidates proposed, in the presence of representatives of both Parties.

4. If a panelist appointed by a Party withdraws, is removed or becomes unable to serve, a replacement shall be appointed by that Party within 30 days and, in cases of urgency, within 15 days, failing which the replacement shall be appointed by the other Party from the candidates proposed for chair in accordance with the second sentence of paragraph 2.

5. If the chair of the panel withdraws, is removed or becomes unable to serve, the Parties shall endeavour to decide on the appointment of a replacement within 30 days and, in cases of urgency, within 15 days, failing which the replacement shall be appointed in accordance with the second sentence of paragraph 3.

6. If an appointment in paragraph 4 or 5 would require selection from the list of candidates proposed for chair and no candidates remain, each Party shall propose up to three additional candidates within 30 days and, within another seven days, the chair shall be appointed after being selected by lottery from the candidates proposed, in the presence of representatives of both Parties.

7. Any time limit applicable to the proceeding shall be suspended as of the date a panelist or the chair withdraws, is removed or becomes unable to serve, and shall resume on the date the replacement is appointed.

Article 17.10: Decision on Urgency

If a Party so requests, the panel shall decide, within 15 days of its composition, whether the dispute concerns matters of urgency.

Article 17.11: Requirements for Panelists

1. Each panelist shall:

2. (a) have demonstrated expertise in law, international trade, and other

matters covered by this Agreement;

(b) either Party;

be independent of, and not be affiliated with or take instructions from,

(c) serve in their individual capacities and not take instructions from any

organization or government with regard to matters related to the dispute;

(d) comply with the Code of Conduct for Panelists established in Annex

17B (Code of Conduct for Panelists);

(e) judgment.

be chosen strictly on the basis of objectivity, reliability, and sound

The chairperson shall also have experience in dispute settlement procedures.

3. Persons who provided good offices, conciliation or mediation to the Parties,

pursuant to Article 17.7 in relation to the same or a substantially equivalent matter, shall

not be eligible to be appointed as panelists in that matter.

Article 17.12: Replacement of Panelists

If any of the panelists of the original panel becomes unable to act, withdraws or needs

to be replaced because that panelist does not comply with the requirements of the code

of conduct, a successor panelist shall be appointed in the same manner as prescribed for

the appointment of the original panelist and the successor shall have the powers and

duties of the original panelist. The work of the panel shall be suspended during the

appointment of the successor panelist.

Article 17.13: Functions of the Panel

Unless the Parties otherwise agree, the panel:

(a) shall make an objective assessment of the matter before it, including an

objective assessment of the facts of the case and the applicability of and

conformity of the measure at issue with the covered provisions;

(b) shall set out, in its decisions and reports, the findings of fact and law and

the rationale behind any findings and conclusions that it makes; and

(c) should consult regularly with the Parties and provide adequate

opportunities for the development of a mutually agreed solution.

Article 17.14: Terms of Reference

1. Unless the Parties otherwise agree within 15 days after the date of establishment

of the panel, the terms of reference of the panel shall be:

“to examine, in the light of the relevant covered provisions of this Agreement cited by

the Parties, the matter referred to in the request for the establishment of the panel, to

make findings on the conformity of the measure at issue with the relevant covered provisions of this Agreement as well as recommendations, if any, on the means to resolve the dispute, and to deliver a report in accordance with Articles 17.18 and 17.19."

2. If the Parties agree on other terms of reference than those referred to in paragraph 1, they shall notify the agreed terms of reference to the panel no later than 5 days after their agreement.

Article 17.15: Rules of Interpretation

1. The panel shall interpret the covered provisions in accordance with customary rules of interpretation of public international law.

2. When appropriate, the panel may also take into account relevant interpretations in reports of prior panels established under this Agreement and reports of panels and the Appellate Body adopted by the Dispute Settlement Body of the WTO. Reports and decisions of the panel cannot add to or diminish the rights and obligations of the Parties under this Agreement, as long as one Party to the dispute is a Member of WTO.

Article 17.16: Procedures of the Panel

1. Unless the Parties otherwise agree, the panel shall follow the model rules of procedure set out in Annex 17A (Rules of Procedure for the Panel).

2. The panel may, after consulting with the Parties, adopt additional rules of procedure not inconsistent with the model rules of procedures.

3. There shall be no ex parte communications with the panel concerning matters under its consideration.

4. The deliberations of the panel and the documents submitted to it shall be kept confidential.

5. A Party asserting that a measure of the other Party is inconsistent with the provisions of this Agreement shall have the burden of establishing such inconsistency. A Party asserting that a measure is subject to an exception under this Agreement shall have the burden of establishing that the exception applies.

6. The panel should consult with the Parties as appropriate and provide adequate opportunities for the development of a mutually agreed solution.

7. The panel shall make its decisions, including its reports by consensus, but if consensus is not possible then by majority of its members. Any member may furnish separate opinions on matters not unanimously agreed, but dissenting opinions of members shall in no case be disclosed.

Article 17.17: Receipt of Information

1. Upon the request of a Party, or on its own initiative, the panel may seek from the Parties relevant information it considers necessary and appropriate. The Parties shall

respond promptly and fully to any request by the panel for information.

2. Upon the request of a Party or on its own initiative, the panel may seek from any source any information it considers appropriate. The panel also has the right to seek the opinion of experts, as it considers appropriate, and subject to any terms and conditions agreed by the Parties, where applicable.

3. On request of a Party, or on its own initiative, the panel may seek information and technical advice from any individual or body that it deems appropriate, provided that the Parties agree and subject to such terms and conditions as the Parties agree. The panel shall provide the Parties with any information so obtained for comment.

4. Any information obtained by the panel under this Article shall be made available to the Parties and the Parties may provide comments on that information.

Article 17.18: Interim Report

1. The panel shall deliver an interim report to the Parties within 90 days after the date of composition of the panel. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to deliver its interim report. Under no circumstances shall the delay exceed 30 days from the initial 90-day deadline.

2. The interim report shall set out a descriptive part and the panel's findings and conclusions.

3. Each Party may submit to the panel written comments and a written request to review precise aspects of the interim report within 15 days of the date of issuance of the interim report. A Party may comment on the others Party's request within 6 days of the delivery of the request.

4. After considering any written comments and requests by each Party on the interim report, the panel may modify the interim report and make any further examination it considers appropriate.

Article 17.19: Final Report

1. The panel shall deliver its final report to the Parties within 120 days of the date of composition of the panel. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to deliver its final report. Under no circumstances shall the delay exceed 30 days after the deadline.

2. The final report shall include a discussion of any written comments and requests made by the Parties on the interim report. The panel may, in its final report, suggest ways in which the final report could be implemented.

3. The final report shall be made public within 15 days of its delivery to the Parties unless the Parties otherwise agree to publish the final report only in parts or not to publish the final report.

Article 17.20: Implementation of the Final Report

1. Where the panel finds that the respondent Party has acted inconsistently with a covered provision, the respondent Party shall take any measure necessary to comply promptly and in good faith with the findings and conclusions in the final report.

2. The respondent Party shall promptly comply with the ruling of the panel. If it is impracticable to comply immediately, the respondent Party shall, no later than 30 days after the delivery of the final report, notify the complaining Party of the length of the reasonable period of time necessary for compliance with the final report and the Parties shall endeavor to agree on the reasonable period of time required for compliance with the final report.

Article 17.21: Reasonable Period of Time for Compliance

1. If the Parties have not agreed on the length of the reasonable period of time, the complaining Party may, no later than 20 days after the date of receipt of the notification made by the respondent Party in accordance with Article 17.20.2 request in writing the original panel to determine the length of the reasonable period of time. Such request shall be notified simultaneously to the respondent Party. The 20-day period referred to in this paragraph may be extended by mutual agreement of the Parties.

2. The original panel shall deliver its decision to the Parties within 20 days from the relevant request.

3. The length of the reasonable period of time for compliance with the final report may be extended by mutual agreement of the Parties.

Article 17.22: Compliance Review

1. The respondent Party shall deliver a written notification of its progress in complying with the final report to the complaining Party at least one month before the expiry of the reasonable period of time for compliance with the final report unless the Parties agree otherwise.

2. The respondent Party shall, no later than at the date of expiry of the reasonable period of time, deliver a notification to the complaining Party of any measure that it has taken to comply with the final report along with a description on how the measure ensures compliance sufficient to allow the complaining Party to assess the measure before the expiry of the reasonable period of time.

3. Where the Parties disagree on the existence of measures to comply with the final report, or their consistency with the covered provisions, the complaining Party may request in writing the original panel to decide on the matter before compensation can be sought or suspension of benefits can be applied in accordance with Article 17.23.1 (c). Such request shall be notified simultaneously to the respondent Party.

4. The request shall provide the factual and legal basis for the complaint, including the identification of the specific measures at issue and an indication of why any measures taken by the respondent fail to comply with the final report or are otherwise inconsistent with the covered provisions.

5. The panel shall deliver its decision to the Parties within 60 days of the date of delivery of the request.

Article 17.23: Temporary Remedies in Case of Non-Compliance

1. If the respondent Party:

(a) fails to notify any measure taken to comply with the final report before the expiry of the reasonable period of time; or

(b) notifies the complaining Party in writing that it is not possible to comply with the final report within the reasonable period of time; or

(c) the original panel finds that no measure taken to comply exists or that the measure taken to comply with the final report as notified by the Party complained against is inconsistent with the covered provisions;

the respondent Party shall, on request of the complaining Party, enter into consultations with a view to agreeing on a mutually satisfactory agreement or any necessary compensation.

2. If the Parties fail to reach a mutual satisfactory agreement or to agree on compensation within 20 days after the date of receipt of the request made in accordance with paragraph 1, the complaining Party may deliver a written notification to the respondent Party that it intends to suspend the application to that Party of benefits or other obligations under this Agreement. The notification shall specify the level of intended suspension of benefits or other obligations.

3. The complaining Party may begin the suspension of benefits or other obligations referred to in the preceding paragraph 20 days after the date when it served notice on the Party complained against, unless the respondent Party made a request under paragraph 7.

4. The suspension of benefits or other obligations:

(a) shall be at a level equivalent to the nullification or impairment that is caused by the failure of the respondent Party to comply with the final report; and

(b) Agreement.

shall be restricted to benefits accruing to the respondent Party under this

5. In considering what benefits to suspend in accordance with paragraph 2, the

complaining Party shall apply the following principles:

(a) the complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure that the panel has found to be inconsistent with this Agreement or have caused nullification or impairment;1

1 For purposes of this paragraph, "sector" means: (i) with respect to goods, all goods; (ii) with respect to services, a principal sector as identified in the current "Services Sectoral Classification List" which identifies such sectors.

(b) the complaining Party may suspend benefit in other sectors, if it considers that it is not practicable or effective to suspend benefits or other obligations in the same sector.

(c) in the selection of the benefits to suspend, the complaining Party shall endeavor to take into consideration those which least disturb the implementation of this Agreement.

6. The suspension of benefits or other obligations shall be temporary and shall only apply until the inconsistency of the measure with the relevant covered provisions which has been found in the final report has been removed, or until the Parties have agreed on a mutually satisfactory agreement or any necessary compensation.

7. If the respondent Party considers that the suspension of benefits does not comply with paragraphs 4 and 5, that Party may request in writing the original panel to examine the matter no later than 15 days after the date of receipt of the notification referred to in paragraph 2. That request shall be notified simultaneously to the complaining Party. The original panel shall notify to the Parties its decision on the matter no later than 30 days of the receipt of the request from the respondent Party. Benefits or other obligations shall not be suspended until the original panel has delivered its decision. The suspension of benefits or other obligations shall be consistent with this decision.

Article 17.24: Review of any Measure Taken to Comply After the Adoption of Temporary Remedies

1. Upon the notification by the respondent Party to the complaining Party of the measure taken to comply with the final report:

(a) in a situation where the right to suspend benefits or other obligations has been exercised by the complaining Party in accordance with Article 17.23, the complaining Party shall terminate the suspension of benefits or other obligations no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2; or

(b) in a situation where necessary compensation has been agreed, the

respondent Party may terminate the application of such compensation no later than 30 days after the date of receipt of the notification, with the exception of the cases referred to in paragraph 2.

2. If the Parties do not reach an agreement on whether the measure notified in accordance with paragraph 1 is consistent with the relevant covered provisions within 30 days after the date of receipt of the notification, the complaining Party shall request in writing the original panel to examine the matter. That request shall be notified simultaneously to the respondent Party. The decision of the panel shall be notified to the Parties no later than 30 days after the date of submission of the request. If the panel decides that the measure notified in accordance with paragraph 1 is consistent with the relevant covered provisions, the suspension of benefits or other obligations, or the application of the compensation, shall be terminated no later than 15 days after the date of the decision. If the panel determines that the notified measure achieves only partial compliance with the covered provisions, the level of suspension of benefits or other obligations, or of the compensation, shall be adapted in light of the decision of the panel.

Article 17.25: Suspension and Termination of Proceedings

If both Parties so request, the panel shall suspend for a period agreed by the Parties and not exceeding 12 consecutive months. In the event of a suspension of the work of the panel, the relevant time periods under this Chapter shall be extended by the same period of time for which the work of the panel was suspended. The panel shall resume its work before the end of the suspension period at the written request of both Parties. If the work of the panel has been suspended for more than 12 consecutive months, the authority of the panel shall lapse and the dispute settlement procedure shall be terminated.

Article 17.26: Choice of Forum

1. Unless otherwise provided in this article, this Chapter is without prejudice to the rights of the Parties to have recourse to dispute settlement procedures available under other international trade agreements to which they are both Parties.

2. When a dispute arises with regard to the alleged inconsistency of a particular measure with an obligation under this Agreement and a substantially equivalent obligation under another international trade agreement to which both Parties are party, the complaining Party may select the forum in which to settle the dispute.

3. Once a Party has selected the forum and initiated dispute settlement proceedings under this Chapter or under the other international agreement with respect to the particular measure referred to in paragraph 2, that Party shall not initiate dispute settlement proceedings in another forum with respect to that particular measure unless the forum selected first fails to make findings on the issues in dispute for jurisdictional

or procedural reasons.

4. For the purpose of paragraph 3:

(a) dispute settlement proceedings under this Chapter are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 17.8;

(b) dispute settlement proceedings under the WTO Agreement are deemed to be initiated when a Party requests the establishment of a panel in accordance with Article 6 of the DSU, as long as both Parties to the dispute are Member of WTO; and

(c) dispute settlement proceedings under any other agreement are deemed to be initiated when a Party requests the establishment of a dispute settlement panel in accordance with the relevant provisions of that agreement.

Article 17.27: Costs

1. Unless the Parties otherwise agree, the costs of the panel and other expenses associated with the conduct of its proceedings shall be borne in equal parts by both Parties.

2. Each Party shall bear its own expenses and legal costs in the panel proceedings.

Article 17.28: Mutually Agreed Solution

1. The Parties may reach a mutually agreed solution at any time with respect to any dispute referred to in Article 17.3.

2. If a mutually agreed solution is reached during the panel procedure, the Parties shall jointly notify that solution to the chairperson of the panel. Upon such notification, the panel shall be terminated.

3. Each Party shall take measures necessary to implement the mutually agreed solution within the agreed time period.

4. No later than at the expiry of the agreed time period, the implementing Party shall inform the other Party, in writing, of any measure that it has taken to implement the mutually agreed solution.

Article 17.29: Time Periods

1. All time periods laid down in this Chapter shall be counted in calendar days from the day following the act to which they refer.

2. Any time period referred to in this Chapter may be modified by mutual agreement of the Parties.

Article 17.30: Annexes

The Joint Committee may modify Annex 17A (Rules of Procedure for the Panel) and Annex 17B (Code of Conduct for Panelists).

ANNEX 17A. RULES OF PROCEDURE FOR THE PANEL

Timetable

1. After consulting the Parties, the panel shall, whenever possible within 7 days of the appointment of the final panelist, fix the timetable for the panel process. The indicative timetable attached to Chapter should be used as a guide.

2. The panel process shall not exceed in any case 150 days from the date of establishment of the panel until the date of the final report, unless the Parties otherwise agree.

3. Should the panel consider there is a need to modify the timetable, it shall inform the Parties in writing of the proposed modification and the reason for it.

Written Submissions and other Documents

4. Unless the panel otherwise decides, the complaining Party shall deliver its first written submission to the panel no later than 20 days after the date of appointment of the final panelist. The Party complained against shall deliver its first written submission to the panel no later than 20 days after the date of delivery of the complaining Party's first written submission. Copies shall be provided for each panelist.

5. Each Party shall also provide a copy of its first written submission to the other Party at the same time as it is delivered to the panel.

6. Within 10 days of the conclusion of the hearing, each Party may deliver to the panel and the other Party a supplementary written submission responding to any matter that arose during the hearing.

7. The Parties shall transmit all information or written submissions, written versions of oral statements and responses to questions put by the panel to the other Party to the dispute at the same time as it is submitted to the panel.

8. All written documents provided to the panel or by one Party to the other Party shall also be provided in electronic form.

9. Minor errors of a clerical nature in any request, notice, written submission or other document related to the panel proceeding may be corrected by delivery of a new document clearly indicating the changes.

Operation of the Panel

10. The Chair of the panel shall preside at all of its meetings. The panel may delegate to the Chair the authority to make administrative and procedural decisions.

11. Panel deliberations shall be confidential. Only panelists may take part in the deliberations of the panel. The reports of panels shall be drafted without the presence of the Parties in the light of the information provided and the statements made.

12. Opinions expressed in the panel report by individual panelists shall be anonymous.

Hearings

13. The Parties shall be given the opportunity to attend hearings and meetings of the panel.

14. The timetable established in accordance with Rule 1 shall provide for at least one hearing for the Parties to present their cases to the panel.

15. The panel may convene additional hearings if the Parties so agree.

16. All panelists shall be present at hearings. Panel hearings shall be held in closed session with only the panelists and the Parties in attendance. However, in consultation with the Parties, assistants, translators or designated note takers may also be present at hearings to assist the panel in its work. Any such arrangements established by the panel may be modified with the agreement of the Parties.

17. The hearing shall be conducted by the panel in a manner ensuring that the complaining Party and the respondent Party are afforded equal time to present their case. The panel shall conduct the hearing in the following manner: argument of the complaining Party; argument of the respondent Party; the reply of the complaining Party; the counter-reply of the respondent; closing statement of the complaining Party; and closing statement of the respondent Party. The Chair may set time limits for oral arguments to ensure that each Party is afforded equal time.

Questions

18. The panel may direct questions to either Party at any time during the proceedings. The Parties shall respond promptly and fully to any request by the panel for such information as the panel considers necessary and appropriate.

19. Where the question is in writing, each Party shall also provide a copy of its response to such questions to the other Party at the same time as it is delivered to the panel. Each Party shall be given the opportunity to provide written comments on the response of the other Party.

Confidentiality

20. The panel's hearings and the documents submitted to it shall be confidential. Each Party shall treat as confidential information submitted to the panel by the other Party which that Party has designated as confidential.

21. Where a Party designates as confidential its written submissions to the panel, it shall, on request of the other Party, provide the panel and the other Party with a non- confidential summary of the information contained in its written submissions that could be disclosed to the public no later than 10 days after the date of request. Nothing in these Rules shall prevent a Party from disclosing statements of its own positions to the public.

Working Language

22. The working language of the panel proceedings, including for written submissions, oral arguments or presentations, the report of the panel and all written and oral communications between the Parties and with the panel, shall be English.

Venue

23. The venue for the hearings of the panel shall be decided by agreement between the Parties. If there is no agreement, the first hearing shall be held in the territory of the respondent Party complained against, and any additional hearings shall alternate between the territories of the Parties.

Expenses

24. The panel shall keep a record and render a final account of all general expenses incurred in connection with the proceedings, including those paid to its assistants, designated note takers or other individuals that it retains.

Indicative Timetable for the Panel

Panel established on xx/xx/xxxx.

1. Receipt of first written submissions of the Parties:

(a) complaining Party: 20 days after the date of appointment of the final panelist;

(b) respondent Party: 20 days after (a);

2. Date of the first hearing with the Parties: 20 days after receipt of the first submission of the respondent Party against;

3. Receipt of written supplementary submissions of the Parties: 10 days after the date of the first hearing;

4. Issuance of initial report to the Parties: 90 days of the date of composition of the panel;

5. Deadline for the Parties to provide written comments on the initial report: 15 days after the issuance of the initial report; and

6. Issuance of final report to the Parties: within 120 days of the date of composition of the panel.

ANNEX 17B. CODE OF CONDUCT FOR PANELISTS

Definitions

1. For the purposes of this Annex:

(a) assistant means a person who, under the terms of appointment of a panelist, conducts research or provides support for the panelist;

(b) panelist means a member of a panel established under Article 17.8;

(c) proceeding, unless otherwise specified, means the proceeding of a panel under this Chapter; and

(d) staff, in respect of an panelist, means persons under the direction and control of the panelist, other than assistants.

Responsibilities to the Process

2. Every panelist shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement process are preserved. Former panelists shall comply with the obligations established in paragraphs 18 through 21.

Disclosure Obligations

3. Prior to confirmation of his or her selection as a panelist under this Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.

4. Once selected, a panelist shall continue to make all reasonable efforts to become aware of any interests, relationships and matters referred to in paragraph 3 and shall disclose them by communicating them in writing to the Joint Committee for consideration by the Parties. The obligation to disclose is a continuing duty, which requires a panelist to disclose any such interests, relationships and matters that may arise during any stage of the proceeding.

Performance of Duties by Panelists

5. A panelist shall comply with the provisions of this Chapter and the applicable rules of procedure.

6. On selection, a panelist shall perform his or her duties thoroughly and expeditiously throughout the course of the proceeding with fairness and diligence.

7. A panelist shall not deny other panelists the opportunity to participate in all aspects of the proceeding.

8. A panelist shall consider only those issues raised in the proceeding and necessary to rendering a decision and shall not delegate the duty to decide to any other person.

9. A panelist shall take all appropriate steps to ensure that the panelist's assistant and staff are aware of, and comply with, paragraphs 2, 3, 4, 19, 20 and 21.

10. A panelist shall not engage in ex parte contacts concerning the proceeding.

11. A panelist shall not communicate matters concerning actual or potential violations of this Annex by another panelist unless the communication is to both Parties or is necessary to ascertain whether that panelist has violated or may violate this Annex.

Independence and Impartiality of Panelists

12. A panelist shall be independent and impartial. A panelist shall act in a fair manner and shall avoid creating an appearance of impropriety or bias.

13. A panelist shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party or fear of criticism.

14. A panelist shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of the panelist's duties.

15. A panelist shall not use his or her position on the panel to advance any personal or private interests. A panelist shall avoid actions that may create the impression that others are in a special position to influence the panelist. A panelist shall make every effort to prevent or discourage others from representing themselves as being in such a position.

16. A panelist shall not allow past or existing financial, business, professional, family or social relationships or responsibilities to influence the panelist's conduct or judgment.

17. A panelist shall avoid entering into any relationship, or acquiring any financial interest, that is likely to affect the panelist's impartiality or that might reasonably create an appearance of impropriety or bias.

Duties in Certain Situations

18. A panelist or former panelist shall avoid actions that may create the appearance that the panelist was biased in carrying

out the panelist's duties or would benefit from the decision or report of the panel.

Maintenance of Confidentiality

19. A panelist or former panelist shall not at any time disclose or use any non-public information concerning the proceeding or acquired during the proceeding except for the purposes of the proceeding and shall not, in any case, disclose or use any such information to gain personal advantage, or advantage for others, or to affect adversely the interest of others.

20. publication.

A panelist shall not disclose a panel report, or parts thereof, prior to its

21. A panelist or former panelist shall not at any time disclose the deliberations of a panel, or any panelist's view, except as required by legal or constitutional requirements.

Chapter 18. FINAL PROVISIONS

Article 18.1. Annexes, Side Letters, and Footnotes

The Annexes, Side letters, and footnotes to this Agreement constitute an integral part of this Agreement.

Article 18.2. Amendments

1. Either Party may submit proposals for amendments to this Agreement to the Joint Committee for consideration.

2. Amendments to this Agreement shall be submitted to the Parties for ratification, acceptance or approval in accordance with the constitutional requirements or legal procedures of the respective Parties.

3. Amendments to this Agreement shall enter into force in the same manner as provided for in Article 18.5, unless otherwise agreed by the Parties.

Article 18.3. Accession

Any country or group of countries may accede to this Agreement subject to such terms and conditions as may be agreed between the country or group of countries and the Parties and following approval in accordance with the applicable legal requirements and procedures of each Party and acceding country.

Article 18.4. Duration and Termination

1. This Agreement is concluded for an indefinite period.

2. Either Party may, at any time, notify the other Party in written form through diplomatic channels of its intention to terminate this Agreement. The termination of this Agreement shall take effect 80 days after the receiving of such notification.

Article 18.5. Entry Into Force

This Agreement shall enter into force on the date of receipt by the Parties of the last written notification through diplomatic channels confirming the completion of their respective internal procedures required for the entry into force of this Agreement.

Done at ____ on _____ 20 in two original copies each in the Arabic, Azerbaijani, and English languages all texts being equally authentic. In case of any divergence in interpretation of this Agreement the English text shall prevail.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

For the Government of the United Arab Emirates

H.E. Dr Thani bin Ahmed Al Zeyoudi

Minister of Foreign Trade

For the Government of the Republic of Azerbaijan

H.E. Mikayil Jabbarov

Minister of Economy