STRATEGIC PARTNERSHIP AND COOPERATION AGREEMENT BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND GEORGIA

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, hereinafter referred to as the "United Kingdom" or "the UK", of the one part, and GEORGIA, of the other part, hereafter jointly referred to as "the Parties",

REAFFIRMING their commitment to a broad strategic partnership, political dialogue and an intense bilateral agenda with an emphasis on defence, security, economic, commercial, educational, science, cultural and people-to-people dimensions;

CONSIDERING the strong links and common values of the Parties, and recognising the common desire of the Parties to further develop, strengthen and extend their relations in an ambitious and innovative way;

STRESSING the special importance of the Wardrop Strategic Dialogue as a core framework that successfully covers the full range of issues of bilateral cooperation;

ACKNOWLEDGING the European aspirations and European choice of Georgia as an European State;

RECOGNISING the significant progress Georgia has made to date in reform in support of Georgia's EU membership aspirations;

RECOGNISING Georgia's continuing reform of its defence and security sectors, its strong commitment and contribution to international security, and the significant progress it has made in realising its Euro-Atlantic aspirations, including towards NATO membership;

RECOGNISING the common values of democracy, respect for human rights and fundamental freedoms, and the rule of law;

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

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

WILLING to cooperate through wide-ranging spectrum of areas of common interest, such as the development of civil society, good governance, including in the field of taxation, trade integration and enhanced economic cooperation, institution building, public administration and civil service reform and fight against corruption, the reduction of poverty, and cooperation in the field of freedom, security and justice necessary to effectively implement this Agreement;

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

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

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

HAVING IN MIND Russia's illegal military presence and steps towards de-facto annexation of the Georgian regions of Abkhazia and Tskhinvali region/South Ossetia, in violation of fundamental norms and principles of international law;

RECOGNISING the importance of peace and security in Georgia, including the peaceful resolution of the Russia-Georgia conflict, and reconciliation and confidence building between the communities divided by conflict, in full respect of the sovereignty and territorial integrity of Georgia within its internationally recognised borders;

FULLY SUPPORTING the firm commitment of Georgia to peace and security, and its efforts to restore its territorial integrity in pursuit of a comprehensive policy of peaceful and lasting conflict resolution, and the UK's commitment to support a peaceful and lasting resolution of the conflict;

RECOGNISING in this context the importance of ensuring the implementation of the EU-mediated 12 August 2008 ceasefire agreement signed by Georgia and Russia; of meaningful international presence for maintaining peace and security on the ground; of safe and dignified return of all internally displaced persons and refugees to their homes in line with the principles of international law; of achieving tangible results in the Geneva International Discussions; of pursuing a firm non-recognition policy; and taking forward engagement with and reconciliation and confidence building between the communities divided by conflict;

COMMITTED to provide the benefits of strategic partnership and cooperation between the UK and Georgia to all citizens of Georgia, including the communities affected by conflict, in close coordination between the Governments of the UK and Georgia;

ACKNOWLEDGING the necessity of maintaining peaceful conflict resolution in Georgia high on the international agenda and COMMITTED in this context to coordinate efforts with other relevant international actors and organisations to contribute to peace and security in Georgia;

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

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

DESIROUS to further develop regular political dialogue on bilateral and international issues of mutual interest;

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

COMMITTED to recognizing the importance of national control of migration and to cooperating on mobility, migration, asylum and border management, paying attention to legal migration, including circular migration, and the need to cooperate to tackle illegal migration and trafficking in human beings and appreciating the benefits of immigration under current and future national frameworks;

COMMITTED to the principles of free market economy and the readiness of the UK to contribute to the economic reforms in Georgia;

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

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

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

COMMITTED to enhancing the security of energy supply, including the development of the Southern Corridor by, inter alia, promoting the development of appropriate projects in Georgia, including promoting energy efficiency and the use of renewable energy sources;

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

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

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

RECOGNISING that the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part, done at Brussels on 27 June 2014 (the EU-Georgia Agreement) will cease to apply to the United Kingdom when it ceases to be a Member State of the European Union or at the end of any transitional arrangement during which the rights and obligations under these Agreements continue to apply to the United Kingdom;

HAVE DECIDED TO CONCLUDE THIS AGREEMENT:

Article 1. Objectives

1. A strategic partnership is hereby established between the UK of the one part, and Georgia, of the other part.

2. The aims of this strategic partnership are:

(a) to promote political partnership and economic cooperation between the Parties based on common values, common interests and close links;

(b) to provide a strengthened framework for enhanced strategic political dialogue, currently titled as the Wardrop Strategic Dialogue on all areas of mutual interest, allowing the development of close political relations between the Parties;

(c) to contribute to the strengthening of democracy and to political, economic and institutional stability on the basis of our shared values;

(d) to promote, preserve and strengthen peace and stability regionally and internationally, based on the principles of the Charter of the United Nations and the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe, including through joining efforts to eliminate sources of tension, enhance border security, and to promote cross-border cooperation and good neighbourly relations;

(e) to enhance cooperation aimed at peace and security in Georgia, including the peaceful resolution of the Russia-Georgia conflict, and reconciliation and confidence building between the communities divided by conflict, in full respect of the sovereignty and territorial integrity of Georgia within its internationally recognised borders;

(f) to enhance cooperation in the area of freedom, security and justice with the aim of reinforcing the rule of law and the respect for human rights and fundamental freedoms;

(g) to support Georgia's integration into European and Euro-Atlantic structures and to promote dialogue and cooperation on related matters;

(h) to support the efforts of Georgia to develop its economic potential through international cooperation;

(i) to establish conditions for enhanced economic and trade relations, including by setting up a Deep and Comprehensive Free Trade Area as stipulated in Title IV (Trade and Trade-related Matters) of this Agreement;

(j) to support and develop cooperation in the fields of education, science, culture, youth and sport with the aim of fostering people-to-people ties and collaboration between the Parties and their institutions operating in these domains;

(k) to establish conditions for increasingly close cooperation in other areas of mutual interest.

Title I. GENERAL PRINCIPLES

Article 2. General Principles

1. Respect for the democratic principles, human rights and fundamental freedoms, as proclaimed in the United Nations Universal Declaration of Human Rights of 1948 and as defined in the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950, the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe and the Charter of Paris for a New Europe of 1990 shall form the basis of the domestic and external policies of the Parties and constitutes an essential element of this Agreement. Countering the proliferation of weapons of mass destruction, related materials and their means of delivery also constitute essential elements of this Agreement.

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

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

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

Title II. Strategic Political Dialogue and Reform, Cooperation In the Field of Foreign and Security Policy

Article 3. Aims of Strategic Political Dialogue

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

2. The aims of the Strategic political dialogue shall be:

(a) to deepen partnership and increase political and security policy cooperation and effectiveness;

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

(c) to promote peaceful conflict resolution in Georgia, in full respect of the sovereignty and territorial integrity of Georgia within its internationally recognised borders;

(d) to provide all benefits of the Strategic, Partnership and Cooperation Agreement between the UK and Georgia to all citizens of Georgia within its internationally recognised borders, in close coordination between the Governments of the UK and Georgia;

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

(f) to strengthen cooperation and dialogue between the Parties on international security and crisis management, in particular in order to address global and regional challenges and key threats;

(g) to strengthen the cooperation in the fight against the proliferation of weapons of mass destruction (WMD) and their delivery systems including the conversion to alternative employment of scientists formerly employed in WMD programmes,

(h) to foster result-oriented and practical cooperation between the Parties for achieving peace, security and stability on the European continent;

(i) to strengthen respect for democratic principles, the rule of law and good governance, human rights and fundamental freedoms, including media freedom and the rights of persons belonging to minorities, and to contribute to consolidating domestic political reforms;

(j) to develop dialogue and to deepen the cooperation of the Parties in the field of security and defence;

(k) to work to further promote regional cooperation in various formats;

(l) to deepen cooperation in the field of protection and management of critical infrastructure; and

(m) to consider enhancing and intensifying cooperation for countering and combating hybrid threats.

Article 4. Cooperation on Developing Democratic Institutions

The Parties shall cooperate on developing, consolidating and increasing the stability and effectiveness of democratic institutions and the rule of law; on ensuring respect for human rights and fundamental freedoms; on making further progress on judicial and legal reform, so that the independence of the judiciary is guaranteed, strengthening its administrative capacity and guaranteeing impartiality and effectiveness of law enforcement bodies; on further pursuing the

public administration reform and on building an accountable, efficient, effective, transparent and professional civil service; and on continuing the effective fight against corruption, particularly in view of enhancing international cooperation on combating corruption, and ensuring effective implementation of relevant international legal instruments, such as the United Nations Convention Against Corruption of 2003.

Article 5. Foreign and Security Policy

1. The Parties shall intensify their dialogue and cooperation in the area of foreign and security policy, and shall address in particular issues of conflict prevention, peaceful conflict resolution and crisis management, regional stability, disarmament, non-proliferation, arms control and export control. Cooperation shall be based on common values and mutual interests, and shall aim at increasing policy effectiveness, making use of bilateral, international and regional fora.

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

3. The Parties shall intensify their dialogue and cooperation in support of Georgiaâs continuing reform of its defence and security sectors, recognising its strong commitment and contribution to international security, and the significant progress it has made in realising its Euro-Atlantic aspirations, including towards NATO membership.

Article 6. Peaceful Conflict Resolution

1. The Parties reiterate their commitment to peace and security in Georgia, including the resolution of the Russia-Georgia conflict, and reconciliation and confidence building between the communities divided by conflict, in full respect of the sovereignty and territorial integrity of Georgia within its internationally recognised borders. Pending a sustainable solution to the conflict and without prejudice to the existing formats for addressing conflict-related issues, peaceful conflict resolution will constitute one of the central subjects on the agenda of strategic political dialogue between the Parties, as well as in dialogue with other relevant international actors.

The parties fully support the firm commitment of Georgia to peace and security, and its efforts to restore its territorial integrity in pursuit of a comprehensive policy of peaceful and lasting conflict resolution.

2. In this context the Parties recognise the importance of ensuring the implementation of the EU-mediated 12 August 2008 ceasefire agreement signed by Georgia and Russia; of meaningful international presence for maintaining peace and security on the ground; of safe and dignified return of all internally displaced persons and refugees to their places of origin in line with the principles of international law; of achieving tangible results in the Geneva International Discussions; of pursuing a firm non-recognition policy; and taking forward engagement with and reconciliation and confidence building between the communities divided by conflict;

3. The Parties affirm the commitment to provide the benefits of the Strategic Partnership and Cooperation Agreement between the UK and Georgia to all citizens of Georgia, including the communities affected by conflict, in close coordination between the Governments of the UK and Georgia;

4. The Parties underline the necessity of maintaining peaceful conflict resolution in Georgia high on the international agenda and express the commitment in this context to coordinate efforts with other relevant international actors and organisations to contribute to peace and security in Georgia, including in relation to humanitarian and human rights issues in conflict-affected areas.

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

Article 7. Serious Crimes of International Concern

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

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

Article 8. Conflict Prevention and Crisis Management

The Parties shall enhance practical cooperation in conflict prevention and crisis management.

Article 9. Regional Stability

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

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

Article 10. Weapons of Mass Destruction

1. The Parties consider that the proliferation of weapons of mass destruction (WMD) and their means of delivery, both to state and non-state actors, represents one of the most serious threats to international peace and stability. The Parties therefore agree to cooperate and to contribute to countering the proliferation of WMD and their means of delivery through full compliance with, and national implementation of, their existing obligations under international disarmament and non-proliferation treaties and agreements, and other relevant international obligations. The Parties agree that this provision constitutes an essential element of this Agreement.

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

(a) taking steps to sign, ratify, or accede to, as appropriate, and fully implement, all other relevant international instruments; and.

(b) establishing an effective system of national export controls, controlling the export as well as transit of WMD-related goods, including a WMD end-use control on dual-use technologies, and containing effective sanctions for breaches of export controls.

3. The Parties agree to make this a subject of the strategic political dialogue provided for in this Agreement.

Article 11. Small Arms and Light Weapons and Conventional Arms Exports Control

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

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

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

4. Furthermore, the Parties agree to continue to cooperate in the area of conventional arms export control.

5. The Parties agree to make this a subject of the political dialogue provided for in this Agreement.

Article 12. Fight Against Terrorism

1. The Parties reaffirm the importance of the fight against and the prevention of terrorism and agree to work together at a bilateral, regional and international level to prevent and combat terrorism in all its forms and manifestations.

2. The Parties agree that the fight against terrorism must be conducted with full respect for the rule of law and in full conformity with international law including international human rights law, international refugee law and international humanitarian law, the principles of the Charter of the United Nations, and all relevant international counter-terrorism related instruments.

3. The Parties stress the importance of the universal ratification and full implementation of all UN counter-terrorism related conventions and protocols. The Parties agree to cooperate in the implementation of the United Nations Global Counter Terrorism Strategy, as well as all relevant UN Security Council resolutions and Council of Europe conventions. The Parties also agree to cooperate to promote international consensus on the prevention of and fight against terrorism.

Title III. Freedom, Security and Justice

Article 13. Rule of Law and Respect for Human Rights and Fundamental Freedoms

1. In their cooperation in the area of freedom, security and justice the Parties shall attach particular importance to further promoting the rule of law, including the independence of the judiciary, access to justice, and the right to a fair trial.

2. The Parties will cooperate fully on the effective functioning of institutions in the areas of law enforcement and the administration of justice.

3. Respect for human rights and fundamental freedoms will guide all cooperation on freedom, security and justice.

Article 14. Protection of Personal Data

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

Article 15. Cooperation on Migration, Asylum and Border Management

1. The Parties reaffirm the importance of a joint management of migration flows between their territories and agree to maintain dialogue as appropriate on migration-related issues, including legal migration, international protection and the fight against illegal migration, smuggling and trafficking of human beings.

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

(a) the root causes and the consequences of migration;

(b) the development and implementation of national legislation and practices as regards international protection, with a view to satisfying the provisions of the Geneva Convention relating to the Status of Refugees of 1951 and of the Protocol relating to the Status of Refugees of 1967 and of other relevant international instruments, such as the European Convention on the Protection of Human Rights and Fundamental Freedoms of 1950, and to ensuring the respect of the principle of "non-refoulement";

(c) the admission rules and rights and status of persons admitted, fair treatment and integration of lawfully residing non-nationals, education and training and measures against racism and xenophobia;

(d) the enhancement of an effective and preventive policy against illegal migration, smuggling of migrants and trafficking in human beings including the issue of how to combat networks of smugglers and traffickers and how to protect the victims of such trafficking;

(e) in the areas of document security and border management, issues such as organisation, training, best practices and other operational measures;

(f) Cooperation may also facilitate circular migration for the benefit of development; and

(g) The Parties agree that they may enter into dialogue regarding legal migration within the current or future national frameworks governing these issues.

3. The Parties shall ensure that the treatment accorded to nationals of the other Contracting Party, legally employed on its

territory shall be free from any discrimination based on nationality, as regards working conditions, remuneration or dismissal, as compared to its own nationals.

Article 16. Law Enforcement and Security

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

(a) smuggling and trafficking in human beings as well as small arms and illicit drugs;

(b) smuggling and trafficking in goods;

(c) illegal economic and financial activities such as counterfeiting, fiscal fraud and public procurement fraud;

(d) embezzlement in projects funded by international donors;

(e) active and passive corruption, both in the private and public sector;

(f) forging documents, submitting false statements; and

(g) cybercrime.

2. The Parties shall enhance bilateral, regional and international cooperation among law enforcement and security bodies. This would include, where appropriate and possible, cooperation within the International Criminal Police Organization (Interpol) and other relevant International institutions/Organisations. The Parties will actively use the channels of liaison officers/police or security attachÃ©s for the purposes of law enforcement and security cooperation. The Parties are committed to implementing effectively the relevant international standards, and in particular those enshrined in the United Nations Convention against Transnational Organised Crime (UNTOC) of 2000 and the respective Protocols thereto and in the United Nations Convention against Corruption of 2003.

Article 17. Illicit Drugs

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

2. The Parties shall agree on the necessary methods of cooperation to attain these objectives. Actions shall be based on commonly agreed principles along the lines of the relevant international conventions, and taking into account the 2009 Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem and the outcome document of the thirtieth special session of the General Assembly 2016 on the world drug problem, entitled âOur joint commitment to effectively addressing and countering the world drug problemâ.

Article 18. Money Laundering and Terrorism Financing

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

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

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

Article 19. Cooperation In the Fight Against Terrorism

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

(a) ensuring the criminalisation of terrorist offences, as appropriate;

(b) exchanging information on terrorist groups and individuals and their support networks, in accordance with international and national law, in particular as regards data protection and the protection of privacy;

(c) exchanging experience in the prevention and suppression of terrorism, means and methods and their technical aspects, as well as on training, in accordance with applicable law;

(d) sharing information on best practices in addressing and countering radicalisation and recruitment, and on promoting rehabilitation;

(e) exchanging views and experience concerning cross-border movement and travel of terrorist suspects as well as concerning terrorist threats in accordance with international and national law;

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

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

2. Cooperation may consider relevant available assessments, such as those of the relevant bodies of the UN and the Council of Europe and conducted in mutual consultation between the Parties.

Article 20. Legal Cooperation

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

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

Title IV. Trade and Trade-related Matters

Chapter 1. National Treatment and Market Access for Goods

Section 1. Common Provisions

Article 21. Objective

The Parties shall establish a free trade area starting from the entry into force of this Agreement, in accordance with the provisions of this Agreement and in conformity with Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994).

Article 22. Scope and Coverage

1. The provisions of this Chapter shall apply to trade in goods (1) between the Parties.

2. For the purposes of this Chapter, "originating" means qualifying under the rules of origin set out in Protocol I to this Agreement.

(1) For the purposes of this Agreement, "goods" means products as understood in GATT 1994 unless otherwise provided in this Agreement. Goods falling under the scope of the WTO Agreement on Agriculture are referred to in this Chapter as "agricultural products" or "products".

Section 2. Elimination of Customs Duties, Fees and other Charges

Article 23. Definition of Customs Duties

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

(a) charge equivalent to an internal tax imposed consistently with Article 30 of this Agreement;

(b) duties imposed consistently with Chapter 2 (Trade Remedies) of Title IV (Trade and Trade-related Matters) of this Agreement;

(c) fees or other charges imposed consistently with Article 29 of this Agreement.

Article 24. Classification of Goods

The classification of goods in trade between the Parties shall be that set out in each Party's respective tariff nomenclature in conformity with the 2012 Harmonised System based on the International Convention on the Harmonised Commodity Description and Coding System of 1983 (HS) and subsequent amendments thereto.

Article 25. Elimination of Customs Duties on Imports

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

2. The products listed in Annex II-A to this Agreement shall be imported into the United Kingdom free of customs duties within the limits of the tariff rate quotas set out in that Annex. The most-favoured-nation (MFN) customs duty rate shall apply to imports exceeding the tariff rate quota limit.

3. The products listed in Annex II-B to this Agreement may be subject to an import duty when imported into the United Kingdom with exemption of the ad valorem component of that import duty.

4. The import of products originating in Georgia listed in Annex II-C to this Agreement shall be subject to the anti-circumvention mechanism set out in Article 26 of this Agreement.

5. At the request of cither Party, the Parties shall consult to consider broadening the scope of the liberalisation of customs duties in the trade between the Parties. A decision under this paragraph shall be made by the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement.

Article 26. Anti-circumvention Mechanism for Agricultural Products and Processed Agricultural Products

1. The products listed in Annex II-C to this Agreement are subject to the anti- circumvention mechanism set out in this Article. The average annual volume of imports from Georgia into the United Kingdom for each category of those products is provided in Annex II-C to this Agreement.

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

The suspension shall be applicable for a period of six months and shall take effect on the date of publication of the decision to suspend preferential treatment. Upon entry into force of this Agreement, the United Kingdom shall provide Georgia with details on the United Kingdom's means of publication. The United Kingdom's means of publication shall be directly accessible by electronic means free of charge through a single point of access on the internet.

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

4. A temporary suspension shall be lifted before the expiry of six months from its entry into force by the United Kingdom if Georgia provides robust and satisfactory evidence within the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, that the volume of the relevant category of products imported in excess of the volume referred to in Annex II-C to this Agreement results from a change in the level of production and export capacity of Georgia for the product(s) concerned.

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

Article 27. Standstill

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

Article 28. Customs Duties on Exports

Neither Party shall adopt or maintain any customs duty or tax, other than internal charges applied in conformity with Article 29 of this Agreement, on, or in connection with, the export of goods to the territory of the other Party.

Article 29. Fees and other Charges

Each Party shall ensure, in accordance with Article VII of GATT 1994 and the interpretative notes thereon, that all fees and charges of whatever character other than customs duties or other measures referred to in Article 25 of this Agreement, imposed on, or in connection with, the import or export of goods are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

Section 3. Non - Tariff Measures

Article 30. National Treatment

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

Article 31. Import and Export Restrictions

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

Section 4. Specific Provisions Related to Goods

Article 32. General Exceptions

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

Section 5. Administrative Cooperation and Coordination with other Countries

Article 33. Temporary Withdrawal of Preferences

1. The Parties agree that administrative cooperation and assistance is essential for the implementation and the control of

preferential tariff treatment granted under this Chapter and underline their commitment to combat irregularities and fraud in customs and related matters.

2. Where a Party has made a finding, on the basis of objective information, of a failure of the other Party to provide administrative cooperation or assistance and/or of irregularities or fraud under this Chapter, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned in accordance with this Article.

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

(a) a repeated failure to respect the obligations to verify the originating status of the good(s) concerned;

(b) a repeated refusal or undue delay in carrying out and/or communicating the results of subsequent verification of the proof of origin;

(c) arepeated refusal or undue delay in obtaining authorisation to conduct enquiry visits to determine the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.

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

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

(a) the Party which has made a finding, on the basis of objective information, ofa failure to provide administrative cooperation or assistance and/or of irregularities or fraud from the other Party, shall without undue delay notify the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, of its finding together with the objective information and enter into consultations within the Strategic Partnership and Cooperation Forum, on the basis of all relevant information and objective findings, with a view to reaching a solution acceptable to both Parties;

(b) where the Parties have entered into consultations within the Strategic Partnership and Cooperation Forum in Trade configuration and have failed to agree on an acceptable solution within three months following the notification, the Party concerned may temporarily suspend the relevant preferential treatment of the good(s) concerned. A temporary suspension shall be notified to the Strategic Partnership and Cooperation Forum in Trade configuration without undue delay;

(c) temporary suspensions under this Article shall be limited to that necessary to protect the financial interests of the Party concerned. They shall not exceed a period of six months, which may be renewed, if at the date of expiry nothing has changed with respect to the condition that gave rise to the initial suspension. They shall be subject to periodic consultations within the Strategic Partnership and Cooperation Forum in Trade configuration, in particular with a view to their termination as soon as the conditions for their application no longer apply.

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

Article 34. Management of Administrative Errors

In case of an error by the competent authorities in the proper management of the preferential system at export, and in particular in the application of the provisions of Protocol I to this Agreement concerning the definition of originating products and methods of administrative cooperation, where this error leads to consequences in terms of import duties, the Party facing such consequences may request the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, to examine the possibilities of adopting all appropriate measures with a view to resolving the situation.

Article 35. Agreements with other Countries

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier traffic except in so faras they conflict with trade arrangements provided for in this Agreement.

2. Consultations between the Parties shall take place within the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, at the request of either Party, concerning agreements establishing customs unions, free trade areas or arrangements for frontier traffic and on other major issues related to their respective trade policy with third countries.

Chapter 2. Trade Remedies

Section 1. Global Safeguard Measures

Article 36. General Provisions

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

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

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

Article 37. Transparency

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

2. Notwithstanding Article 36 of this Agreement, at the request of the other Party, the Party initiating a safeguard investigation and intending to apply safeguard measures shall provide immediately ad hoc written notification of all the pertinent information leading to the initiation of a safeguard investigation and the imposition of safeguard measures, including, where relevant, information on the initiation of a safeguard investigation, on the provisional findings and on the final findings of the investigation, as well as offer the possibility for consultations to the other Party.

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

Article 38. Application of Measures

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

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

Section 2. Anti-dumping and Countervailing Measures

Article 39. General Provisions

1. The Parties confirm their rights and obligations under Article VI of GATT 1994, the Agreement on Implementation of Article VI of GATT 1994, contained in Annex 1A to the WTO Agreement ("Anti-Dumping Agreement") and the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement ("SCM Agreement").

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

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

Article 40. Transparency

1. The Parties agree that anti-dumping and countervailing measures should be used in full compliance with the requirements of the Anti-Dumping Agreement and the SCM Agreement, respectively, and should be based on a fair and transparent system.

2. The Parties shall ensure, immediately after the imposition of provisional measures and before the final deter-mination is made, full and meaningful disclosure ofall essential facts and considerations which form the basis for the decision to apply measures, without prejudice to Article 6.5 of the Anti-Dumping Agreement and Article 12.4 of the SCM Agreement. Disclosures shall be made in writing and allow interested parties sufficient time to make their comments.

3. Provided it does not unnecessarily delay the conduct of the investigation, each interested Party shall be granted the possibility to be heard in order to express their views during anti-dumping and anti-subsidy investigations.

Article 41. Consideration of Public Interest

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

Article 42. Lesser Duty Rule

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

Chapter 3. Technical Barriers to Trade, Standardisation, Metrology, Accreditation and Conformity Assessment

Article 43. Scope and Definitions

1. This Chapter applies to the preparation, adoption and application of standards, technical regulations, and conformity assessment procedures as defined in the Agreement on Technical Barriers to Trade, contained in Annex 1A to the WTO Agreement ("TBT Agreement") that may affect trade in goods between the Parties.

2. Notwithstanding paragraph 1, this Chapter does not apply to sanitary and phytosanitary measures as defined in Annex A to the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement ("SPS Agreement"), nor to purchasing specifications prepared by public authorities for their own production or consumption requirements.

3. For the purposes of this Chapter, the definitions of Annex 1 to the TBT Agreement shall apply.

Article 44. Affirmation of the TBT Agreement

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

Article 45. Technical Cooperation

1. The Parties shall strengthen their cooperation in the field of standards, technical regulations, metrology, market surveillance, accreditation and conformity assessment systems with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets. To that end, they may establish regulatory dialogues at both horizontal and sectoral levels.

2. In their cooperation, the Parties shall seek to identify, develop and promote trade facilitating initiatives which may include, but are not limited to:

(a) reinforcing regulatory cooperation through the exchange of data and experience, and through scientific and technical cooperation, with a view to improving the quality of their technical regulations, standards, market surveillance, conformity assessment and accreditation, and making efficient use of regulatory resources;

(b) promoting and encouraging cooperation between their respective organisations, public or private, responsible for metrology, standardisation, market surveillance, conformity assessment and accreditation;

(c) fostering the development of the quality infrastructure for standardisation, metrology, accreditation, conformity assessment and the market surveillance system in Georgia;

(d) promoting the participation of Georgia in the work of related European organisations;

(e) seeking solutions to technical barriers to trade that may arise; and (f} where appropriate, undertaking efforts to coordinate their positions on matters

of mutual interest in international trade and regulatory organisations such as the WTO and the United Nations Economic Commission for Europe (UNECE).

Article 46. Technical Regulations, Standards, and Conformity Assessment

1. Georgia shall achieve and maintain the level of administrative and institutional effectiveness necessary to provide an effective and transparent system that is required for the implementation of this Chapter.

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

Article 47. Agreement on Conformity Assessment and Acceptance of Industrial Products

The Parties may ultimately agree to add an Agreement on Conformity Assessment and Acceptance of Industrial Products as a Protocol to this Agreement covering one or more sectors agreed upon.

Article 48. Marking and Labelling

1. Without prejudice to the provisions of Articles 46 and 47 of this Agreement, and with respect to technical regulations relating to labelling or marking requirements, the Parties reaffirm the principles of Chapter 2.2 of the TBT Agreement that such requirements are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade. For this purpose, such labelling or marking requirements shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks that non- fulfilment would create.

2. Regarding obligatory marking or labelling in particular, the Parties agree that: they will endeavour to minimise their needs for marking or labelling, except as required for the protection of health, safety or the environment, or for other reasonable public policy purposes;

(a) a Party may determine the form of labelling or marking but shall not require the approval, the registration or the certification of labels; and

(b) the Parties retain the right to require the information on the label or marking to be ina specified language.

Chapter 4. Sanitary and Phytosanitary Measures

Article 49. Objective

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

(a) ensuring full transparency as regards measures applicable to trade, listed in Annex III to this Agreement;

(b) recognising the animal and plant health status of the Parties and applying the principle of regionalisation;

(c) establishing a mechanism for the recognition of equivalence of measures maintained by a Party, listed in Annex III to this Agreement;

(d) continuing to implement the SPS Agreement;

(e) establishing mechanisms and procedures for trade facilitation; and

(f) improving communication and cooperation between the Parties on measures listed in Annex III to this Agreement.

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

Article 50. Multilateral Obligations

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

Article 51. Scope

This Chapter shall apply to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties, including all measures listed in Annex III to this Agreement.

Article 52. Definitions

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

(1) "sanitary and phytosanitary measures" means measures as defined in paragraph 1 of Annex A to the SPS Agreement (SPS measures);

(2) "animals" means animals as defined in the Terrestrial Animal Health Code or the Aquatic Animal Health Code of the World Organisation for Animal Health (OIE), respectively;

(3) "animal products" means products of animal origin, including aquatic animal products as defined in the Aquatic Animal Health Code of the OIE;

(4) "animal by-products not intended for human consumption" means entire bodies or parts of animals, products of animal origin or other products obtained from animals that are not intended for human consumption as listed in Part 2(I1) of Annex IU-A to this Agreement;

(5) "plants" means living plants and specified living parts thereof, including seeds and germplasm:

(a) fruits, in the botanical sense, other than those preserved by deep freezing;

(b) vegetables, other than those preserved by deep freezing;

(c) tubers, corms, bulbs, rhizomes;

(d) cut flowers;

(e) branches with foliage;

(f) cut trees retaining foliage;

(g) plant tissue cultures;

(h) leaves, foliage;

(i) live pollen; and

(j) bud-wood, cuttings, scions.

(6) "plant products" means products of plant origin, unprocessed or having undergone simple preparation in so far as these are not plants, set out in Part 3 of Annex III-A to this Agreement;

(7) "seeds" means seeds in the botanical sense, intended for planting;

(8) "pests" means any species, strain or biotype of plant, animal or pathogenic agent injurious to plants or plant products (harmful organisms);

(9) "animal disease" means a clinical or pathological manifestation in animals of an infection;

(10) "aquaculture disease" means clinical or non-clinical infection with one or more of the aetiological agents of the diseases referred to in the Aquatic Animal Health Code of the OIE;

(11) "infection in animals" means the situation where animals maintain an infectious agent with or without presence of clinical or pathological manifestation of an infection;

(12) "animal welfare standards" means standards for the protection of animals developed and applied by the Parties and, as appropriate, in line with the OJE standards;

(13) "appropriate level of sanitary and phytosanitary protection" means the appropriate level of sanitary and phytosanitary protection as defined in paragraph 5 of Annex A to the SPS Agreement;

(14) "region" means with regard to animal health a zone or a region as defined in the Terrestrial Animal Health Code of the OIE, and with regard to aquaculture a zone as defined in the Aquatic Animal Health Code of the OIE;

(15) "pest free area (PFA)" means an area in which a specific pest does not occur as demonstrated by scientific evidence and in which, where appropriate, this condition is being officially maintained;

(16) "regionalisation" means the concept of regionalisation as described in Article 6 of the SPS Agreement;

(17) "consignment of animals or animal products" means a number of animals or a quantity of animal products of the same type, covered by the same certificate or document, conveyed by the same means of transport, consigned by a single consignor and originating in the same exporting Party or region(s) of the Party. A consignment of animals may be composed of one or more commodities or lots;

(18) "consignment of plants or plant products" means a quantity of plants, plant products and/or other objects being moved from a Party to another Party and covered, when required, by a single phytosanitary certificate. A consignment may be composed of one or more commodities or lots;

(19) "lot" means a number or units of a single commodity, identifiable by its homogeneity of composition and origin, and forming part of a consignment;

(20) "equivalence for trade purposes" (equivalence) means that the measures listed in Annex III to this Agreement applied in the exporting Party, whether or not different from the measures listed in that Annex applied in the importing Party, objectively achieve the importing Party's appropriate level of protection or acceptable level of risk;

(21) "sector" means the production and trade structure for a product or category of products in a Party;

(22) "sub-sector" means a well-defined and controlled part of a sector;

(23) "commodity" means the products or objects referred to in points 2 to 7;

(24) "specific import permit" means a formal prior authorisation by the competent authorities of the importing Party addressed to an individual importer as a condition for import of a single consignment or multiple consignments of a commodity from the exporting Party, within the scope of this Chapter;

(25) "working days" means weekdays except Sunday, Saturday and public holidays in one of the Parties;

(26) "inspection" means the examination of any aspect of feed, food, animal health and animal welfare in order to verify that such aspect(s) comply with the legal requirements of feed and food law and animal health and animal welfare rules;

(27) "plant health inspection" means official visual examination of plants, plant products or other regulated objects to determine if pests are present and/or to determine compliance with phytosanitary regulations;

(28) "verification" means checking, by examination and consideration of objective evidence, whether specified requirements have been fulfilled.

Article 53. Competent Authorities

The Parties shall inform each other about the structure, organisation and division of competences of their competent authorities during the first meeting of the Sanitary and Phytosanitary Sub-Committee referred to in Article 63 of this Agreement ("SPS Sub-Committee"). The Parties shall inform each other of any change of the structure, organisation and division of competences, including of the contact points, concerning such competent authorities.

Article 54. Recognition for Trade Purposes of Animal Health and Pest Status and Regional Conditions

Recognition of status for animal diseases, infections in animals or pests

1. As regards animal diseases and infections in animals (including zoonosis), the following shall apply:

(a) the importing Party shall recognise for trade purposes the animal health status of the exporting Party or its regions determined in accordance with the procedure set out in Annex V to this Agreement, with respect to animal diseases specified in Annex IV-A to this Agreement;

(b) where a Party considers that it has, for its territory or a region within its territory, a special status with respect to a specific animal disease other than a disease listed in Annex IV-A to this Agreement, it may request recognition of this status in accordance with the procedure laid down in Annex V Part C to this Agreement. In this regard, the importing Party may request guarantees, accompanied with an explanatory note, in respect of imports of live animals and animal products, which are appropriate to the agreed status of the Parties;

(c) the Parties recognise as the basis for trade between them the status of the territories or the regions, or the status in a sector or a sub-sector of the Parties related to the prevalence or the incidence of an animal disease other than a disease listed in Annex IV-A to this Agreement, or related to infections in animals and/or the associated risk, as appropriate, as determined by the OIE. In this regard, the importing Party may request guarantees, in respect of imports of live animals and animal products, which are appropriate to the defined status in accordance with the recommendations of OIE; and

(d) without prejudice to Articles 56, 58 and 62 of this Agreement, and unless the importing Party raises an explicit objection and requests supporting or additional information, consultations and/or verification, each Party shall take without undue delay the necessary legislative and administrative measures to allow trade on the basis of the provisions of points (a), (b) and (c) of this paragraph.

2. As regards pests, the following shall apply:

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

(b) without prejudice to Articles 56, 58 and 62 of this Agreement, and unless the importing Party raises an explicit objection and requests supporting or additional information, consultations and/or verification, each Party shall take without undue delay the necessary legislative and administrative measures to allow trade on the basis of the provision of point (a) of this paragraph.

Recognition of regionalisation/zoning and pest free areas (PFAs)

3. The Parties recognise the concept of regionalisation and PFAs as specified in the relevant International Plant Protection Convention of 1997 (IPPC) and the International Standards for Phytosanitary Measures (ISPMs) of the Food and Agriculture Organisation (FAO).

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

5. As regards animal diseases in accordance with the provisions of Article 56 of this Agreement the exporting Party seeking recognition of its regionalisation decision by the importing Party shall notify its measures with full explanations and supporting data for its determinations and decisions. Without prejudice to Article 57 of this Agreement, and unless the importing Party raises an explicit objection and requests additional information, consultations and/or verification within 15 working days following receipt of the notification, the regionalisation decision so notified shall be deemed accepted.

The consultations referred to in the first subparagraph of this paragraph shall take place in accordance with Article 57(3) of this Agreement. The importing Party shall assess the additional information within 15 working days following receipt of the additional information. The verification referred to in the first subparagraph of this paragraph shall be carried out in accordance with Article 60 of this Agreement within 25 working days following receipt of the request for verification.

6. As regards pests, each Party shall ensure that trade in plants, plant products and other objects takes account, as appropriate, of the pest status in an area recognised as a PFA by the other Party. A Party seeking recognition of its PFA by the other Party shall notify its measures and, upon request, provide full explanation and supporting data for its establishment and maintenance, as guided by appropriate FAO or IPPC standards, including ISPMs. Without prejudice to Article 62 of this Agreement, and unless a Party raises an explicit objection and requests additional information, consultations and/or verification within three months following the notification, the regionalisation decision for PFA so notified shall be deemed accepted.

The consultations referred to in the first subparagraph of this paragraph shall take place in accordance with Article 57(3) of this Agreement. The importing Party shall assess the additional information within three months following the receipt of the additional information. The verification referred to in the first subparagraph of this paragraph shall be carried out in

accordance with Article 60 of this Agreement within 12 months following the receipt of the request for verification, taking into account the biology of the pest and the crop concerned.

7. After finalisation of the procedures of paragraphs 4 to 6, and without prejudice to Article 62 of this Agreement, cach Party shall take, without undue delay, the necessary legislative and administrative measures to allow trade on that basis.

Compartmentalisation

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

Article 55. Recognition of Equivalence

1. Equivalence may be recognised in relation to:

(a) an individual measure;

(b) a group of measures; or

(c) a system applicable to a sector, sub-sector, commodities or a group of commodities.

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

3. Upon request of the exporting Party concerning recognition of equivalence as set out in paragraph 1 of this Article the Parties shall without delay and no later than three months following the receipt of such a request by the importing Party, initiate the consultation process which includes the steps set out in Annex VII to this Agreement. In case of multiple requests from the exporting Party, the Parties, upon request of the importing Party, shall agree within the SPS Sub-Committee referred to in Article 63 of this Agreement on a time schedule in which they shall initiate and conduct the process referred to in this paragraph.

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

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

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

(a) in accordance with the provisions of Article 56(2) of this Agreement, the exporting Party shall inform the importing Party of any proposal for amendment of its measures for which equivalence of measures is recognised and the likely effect of the proposed measures on the equivalence which has been recognised. Within 30 working days following the receipt of this information, the importing Party shall inform the exporting Party whether or not equivalence would continue to be recognised on the basis of the proposed measures;

(b) in accordance with the provisions of Article 56(2) of this Agreement, the importing Party shall promptly inform the exporting Party of any proposal for amendment of its measures on which recognition of equivalence has been based and the likely effect of the proposed measures on the equivalence which has been recognised. Should the importing Party not continue to recognise equivalence, the Parties may agree on the conditions under which to reinitiate the process referred to in paragraph 3 of this Article on the basis of the proposed measures.

7. The recognition, suspension or withdrawal of equivalence rests solely with the importing Party acting in accordance with its administrative and legislative framework. That Party shall provide to the exporting Party in writing full explanation and supporting data used for the determinations and decisions covered by this Article. In case of non-recognition, suspension or withdrawal of equivalence, the importing Party shall indicate to the exporting Party the required conditions on the basis of which the process referred to in paragraph 3 may be reinitiated.

8. Without prejudice to Article 62 of this Agreement, the importing Party may not withdraw or suspend equivalence before the proposed new measures of either Party enter into force.

9. In case equivalence is formally recognised by the importing Party, on the basis of the consultation process as set out in

Annex VII to this Agreement, the SPS Sub- Committee shall, in accordance with the procedure set out in Article 63(5) of this Agreement, declare the recognition of equivalence in trade between the Parties. This decision may also provide for the reduction of physical checks at the frontiers, simplification of certificates and pre-listing procedures for the establishments, as applicable.

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

Article 56. Transparency and Exchange of Information

1. Without prejudice to Article 57 of this Agreement, the Parties shall cooperate to enhance mutual understanding of the other Party's official control structure and mechanisms tasked with the application of the measures listed in Annex III to this Agreement and of the performance of such structure and mechanism. This can be achieved, inter alia, through reports of international audits when these are made public and the Parties can exchange information on the results of such audits or other information, as appropriate.

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

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

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

Article 57. Notification, Consultation and Facilitation of Communication

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

(a) any measures affecting regionalisation decisions referred to in Article 54 of this Agreement;

(b) the presence or evolution of any animal disease listed in Annex IV-A to this Agreement or of the regulated pests listed in Annex IV-B to this Agreement;

(c) findings of epidemiological importance or important associated risks with respect to animal diseases and pests which are not listed in Annexes IV-A and IV- B to this Agreement or which are new animal diseases or pests; and

(d) any additional measures beyond the basic requirements to their respective measures taken to control or eradicate animal diseases or pests or protect public or plant health and any changes in prophylactic policies, including vaccination policies.

2. Notifications shall be made in writing to the contact points referred to in Article 56(2) of this Agreement.

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

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

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

5. Upon request of a Party, consultations as referred to in paragraphs 3 and 4 of this Article shall be held by video or audio conference. The requesting Party shall ensure the preparation of the minutes of the consultation, which shall be formally approved by the Parties. For the purposes of this approval, the provisions of Article 56(2) of this Agreement shall apply.

6. A mutually applied rapid alert system and early warning mechanism for any veterinary and phytosanitary emergencies will start at a later stage after the Parties have decided on the arrangements for the functioning of such mechanisms.

Article 58. Trade Conditions

1. Import conditions prior to recognition of equivalence:

(a) The Parties agree to subject imports of any commodity covered by Annexes I-A and III-C(2) and (3) to this Agreement to conditions prior to recognition of equivalence. Without prejudice to the decisions taken in accordance with Article 54 of this Agreement, the import conditions of the importing Party shall be applicable to the total territory of the exporting Party. Upon entry into force of this Agreement and in accordance with the provisions of Article 56 of this Agreement, the importing Party shall inform the exporting Party of its sanitary and/or phytosanitary import requirements for commodities referred to in Annexes III-A and III-C to this Agreement. This information shall include, as appropriate, the models for the official certificates or declarations or commercial documents, as prescribed by the importing Party; and

(b) (i) Any amendment or proposed amendment of the conditions referred to in paragraph 1(a) of this Article shall comply with the relevant notification procedures of the SPS Agreement,

(ii) Without prejudice to the provisions of Article 62 of this Agreement, the importing Party shall take into account the transport time between the Parties to establish the date of entering into force of the amended conditions referred to in paragraph 1(a) of this Article; and

(iii) If the importing Party fails to comply with the notification requirements referred to in paragraph 1(a) of this Article, it shall continue to accept the certificate or the attestation guaranteeing the previously applicable conditions until 30 days after the amended import conditions enter into force.

2. Import conditions after recognition of equivalence:Import conditions after recognition of equivalence:

(a) Within 90 days following the date of the decision on recognition of equivalence as specified in Article 55(9) of this Agreement, the Parties shall take the necessary legislative and administrative measures to implement the recognition of equivalence in order to allow on that basis trade between them of commodities referred to in Annexes III-A and III-C(2) and (3) to this Agreement. For those commodities, the model for the official certificate or official document required by the importing Party may, then, be replaced by a certificate drawn up as provided for in Annex IX-B to this Agreement;

(b) For commodities in sectors or sub-sectors for which not all measures are recognised as equivalent, trade shall continue on the basis of compliance with the conditions referred to in paragraph 1(a) of this Article. Upon request of the exporting Party, the provisions of paragraph 5 of this Article shall apply.

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

4. Forconditions affecting trade of the commodities referred to in paragraph 1(a) of this Article, upon request of the exporting Party, the Parties shall enter into consultations within the SPS Sub-Committee in accordance with the provisions of Article 63 of this Agreement, in order to agree on alternative or additional import conditions of the importing Party. Such alternative or additional import conditions may, when appropriate, be based on measures of the exporting Party recognised as equivalent by the importing Party. If agreed, the importing Party shall within 90 days take the necessary legislative and/or administrative measures to allow import on the basis of the agreed import conditions.

5. List of establishments, provisional approval

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

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

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

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

Article 59. Certification Procedure

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

2. The SPS Sub-Committee referred to in Article 63 of this Agreement may agree on the rules to be followed in case of electronic certification, withdrawal or replacement of certificates.

3. The Parties shall agree on common models of certificates, where appropriate.

Article 60. Verification

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

(a) to carry out verification of all or part of the inspection and certification system of the other Party's authorities, and/or of other measures, where applicable, in accordance with the relevant international standards, guidelines and recommendations of Codex Alimentarius, OIE and IPPC;

(b) to receive information from the other Party about its control system and be informed of the results of the controls carried out under that system respecting the confidentiality provisions applicable in either Party.

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

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

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

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

6. For clarity the results of verification may contribute to the procedures referred to in Articles 55 and 61 of this Agreement conducted by the Parties or one of the Parties.

Article 61. Import Checks and Inspection Fees

1. The Parties agree that import checks by the importing Party of consignments from the exporting Party shall respect the principles set out in Part A of Annex VIII to this Agreement. The results of these checks may contribute to the verification process referred to in Article 60 of this Agreement.

2. The frequencies of physical import checks applied by each Party are set out in Part B of Annex VIII to this Agreement. A Party may amend these frequencies within its competences and in accordance with its internal legislation, as a result of progress made in accordance with Articles 55 and 58 of this Agreement, or as a result of verifications, consultations or other measures provided for in this Agreement. The SPS Sub-Committee referred to in Article 63 shall modify Part B of Annex VIII to this Agreement by decision, accordingly.

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

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

5. From a date to be determined by the SPS Sub-Committee referred to in Article 63 of this Agreement, the Parties may

agree on the conditions to approve each other's controls referred to in Article 60(1)(b) of this Agreement with a view to adapt and reciprocally reduce, where applicable, the frequency of physical import checks for the commodities referred to in Article 58(2)(a) of this Agreement.

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

Article 62. Safeguard Measures

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

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

3. The Party adopting measures under paragraph 2 of this Article shall inform the other Party no later than one working day following the date of the adoption of the measures. Upon request of either Party, and in accordance with the provisions of Article 57(3) of this Agreement, the Parties shall hold consultations regarding the situation within 15 working days of the notification. The Parties shall take due account of any information provided through such consultations and shall endeavour to avoid unnecessary disruption to trade, taking into account, where applicable, the outcome of the consultations provided for in Article 57(3) of this Agreement.

Article 63. Sanitary and Phytosanitary Sub-Committee

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

2. The SPS Sub-Committee shall have the following functions: (a) to consider any matter relating to this Chapter,

(b) to monitor the implementation of this Chapter and examine all matters which may arise in relation to its implementation;

(c) to review the Annexes III to X to this Agreement, notably in the light of progress made under the consultations and procedures provided for under this Chapter;

(d) to modify by means of an endorsement decision Annexes III to X to this Agreement in the light of the review provided for in point (c) of this paragraph, or as otherwise provided in this Chapter; and

(e) to give opinions and make recommendations to other bodies as defined in Title VIII (Institutional, General and Final Provisions) of this Agreement in light of the review provided for in point (c) of this paragraph.

3. The Parties agree to establish technical working groups, when appropriate, consisting of expert-level representatives of the Parties, which shall identify and address technical and scientific issues arising from the application of this Chapter. When additional expertise is required, the Parties may establish ad hoc groups, including scientific and expert groups. Membership of such ad hoc groups need not be restricted to representatives of the Parties.

4. The SPS Sub-Committee shall regularly inform by means of a report the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, on its activities and decisions taken within competence.

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

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

Chapter 5. Customs and Trade Facilitation

Article 64. Objectives

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

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

Article 65. Legislation and Procedures

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

(a) protect and facilitate legitimate trade through effective enforcement of and compliance with legislative requirements;

(b) avoid unnecessary or discriminatory burdens on economic operators, prevent fraud and provide further facilitation for economic operators having a high level of compliance;

(c) apply a Single Administrative Document (SAD) for the purposes of customs declarations;

(d) take measures which lead to greater efficiency, transparency and simplification of customs procedures and practices at the border;

(e) apply modern customs techniques, including risk assessment, post clearance controls and company audit methods in order to simplify and facilitate the entry, exit and the release of goods;

(f} aimatreducing compliance costs and increasing predictability for all economic operators;

(g) without prejudice to the application of objective risk assessment criteria, ensure the non-discriminatory administration of requirements and procedures applicable to imports, exports and goods in transit;

(h) apply the international instruments applicable in the field of customs and trade including those developed by the World Customs Organisation (WCO), the Istanbul Convention on temporary admission of 1990, the International Convention on the Harmonised System of 1983, the WTO, the UN TIR Convention of 1975, the 1982 Convention on harmonisation of frontier controls of goods; and may take into account the WCO Framework of Standards to Secure and Facilitate Global Trade where relevant;

(i) take the necessary measures to reflect and implement the provisions of the Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures of 1973;

(j) provide for advance binding rulings on tariff classification and rules of origin. The Parties ensure that a ruling may be revoked or annulled only after notification to the affected operator and without retroactive effect, unless the rulings have been made on the basis of incorrect or incomplete information;

(k) introduce and apply simplified procedures for authorised traders according to objective and non-discriminatory criteria;

(l) set rules that ensure that any penalties imposed for breaches of customs regulations or procedural requirements be proportionate and non-discriminatory and, that their application, does not result in unwarranted and unjustified delays; and

(m) apply transparent, non-discriminatory and proportionate rules where government agencies provide services also provided by the private sector.

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

(a) take further steps towards the reduction, the simplification and the standardisation of data and documentation required by customs and other relevant authorities;

(b) simplify requirements and formalities wherever possible, with respect to the rapid release and clearance of goods;

(c) provide effective, prompt and non-discriminatory procedures guaranteeing the right of appeal against customs and other relevant authoritiesâ administrative actions, rulings and decisions affecting the goods submitted to customs. Such procedures for appeal shall be easily accessible and any costs shall be reasonable and commensurate with the costs incurred by the authorities to ensure the right of appeal;

(d) take steps to ensure that where a disputed administrative action, ruling or decision is the subject of an appeal, goods should normally be released and duty payments may be left pending, subject to any safeguard measures judged necessary. Where required, the release of the goods should be subject to the provision of a guarantee, such as a surety or a deposit; and

(e) ensure that the highest standards of integrity be maintained, in particular at the border, through the application of measures reflecting the principles of the relevant international conventions and instruments in this field, in particular the WCO Revised Arusha Declaration of 2003, where appropriate.

3. The Parties agree to eliminate:

(a) any requirements for the mandatory use of customs brokers; and

(b) any requirements for the mandatory use of pre-shipment or destination inspections.

4. With regard to transit:

(a) for the purposes of this Agreement, the transit rules and definitions set out in the WTO provisions, in particular Article V of GATT 1994, and related provisions, including any clarifications and amendments resulting from the Doha Round negotiations on trade facilitation shall apply. Those provisions also apply when the transit of goods begins or ends in the territory of a Party;

(b) the Parties shall pursue the progressive interconnectivity of their respective customs transit systems, with a view to the future participation of Georgia in the common transit system (1);

(c) the Parties shall ensure cooperation and coordination between all relevant authorities in their territories to facilitate traffic in transit. Parties shall also promote cooperation between the authorities and the private sector in relation to transit.

(1) Convention of 20 May 1987 on a common transit procedure.

Article 66. Relations with the Business Community

The Parties agree:

(a) to ensure that their respective legislation and procedures are transparent, publicly available, as far as possible through electronic means, and contain a justification for their adoption. There should be regular consultations and a reasonable time period between the publication of new or amended provisions and their entry into force;

(b) on the need for timely and regular consultations with trade representatives on legislative proposals and procedures related to customs and trade issues;

(c) to make publicly available relevant notices of administrative nature, including authority's requirements and entry or exit procedures, hours of operations and operating procedures for customs offices at ports and border crossing points, and points of contact for information enquiries;

(d) to foster cooperation between operators and relevant administrations, using non-arbitrary and publicly accessible procedures based, inter alia, on those promulgated by the WCO; and

(e) to ensure that their respective customs and customs-related requirements and procedures continue to meet the legitimate needs of the trading community, follow best practices, and remain the least trade-restrictive possible.

Article 67. Fees and Charges

1. The Parties shall prohibit administrative fees having an equivalent effect to import or export duties or charges.

2. With regard to all fees and charges of whatever character imposed by the customs authorities of each Party, including fees and charges for tasks undertaken on behalf of the said authorities, upon or in connection with import or export and without prejudice to the relevant provisions of Chapter 1 (National Treatment and Market Access for Goods) of Title IV (Trade and Trade-related Matters) of this Agreement:

(a) fees and charges may only be imposed for services provided at the request of the declarant outside normal working conditions, hours of operation and in places other than those referred to in the customs regulations, as well as for any formality related to such services and required for undertaking such import or export;

(b) fees and charges shall not exceed the cost of the service provided; (c) fees and charges shall not be calculated on an ad valorem basis;

(d) the information on the fees and the charges shall be published via an officially designated medium, and where feasible and possible, an official website. This information shall include the reason for the fee or the charge for the service provided, the responsible authority, the fees and the charges that will be applied, and when and how payment is to be made; and

(e) new or amended fees and charges shall not be imposed until information on them is published and made readily available.

Article 68. Customs Valuation

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

2. The Parties shall cooperate with a view to reaching a common approach to issues relating to customs valuation.

Article 69. Customs Cooperation

The Parties shall strengthen cooperation in the area of customs to ensure implementation of the objectives of this Chapter in order to further trade facilitation, while ensuring effective control, security and prevention of fraud.

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

(a) exchange information concerning customs legislation and procedures;

(b) develop joint initiatives relating to import, export and transit procedures, as well as work towards ensuring that an effective service is provided to the business community;

(c) cooperate on the automation of customs and other trade procedures;

(d) exchange, where appropriate, information and data subject to respect of the confidentiality of sensitive data and the protection of personal data;

(e) cooperate in preventing and combating illicit cross-border traffic in goods, including in tobacco products;

(f) exchange information or enter into consultations with a view to establishing where possible, common positions in international organisations in the field of customs such as the WTO, the WCO, the UN, the United Nations Conference on Trade And Development (UNCTAD) and the UN-ECE;

(g) cooperate in the planning and delivery of technical assistance, notably to facilitate customs and trade facilitation reforms in accordance with the relevant provisions of this Agreement;

(h) exchange best practices in customs operations, in particular on risk based customs control systems and on intellectual property rights enforcement, especially in relation to counterfeited products;

(i) promote coordination between all border authorities of the Parties to facilitate border crossing process and enhance control, taking into account joint border controls, where feasible and appropriate; and

(j) establish, where relevant and appropriate, mutual recognition of trade partnership programmes and customs controls, including equivalent trade facilitation measures.

Article 70. Mutual Administrative Assistance In Customs Matters

Without prejudice to other forms of cooperation envisaged in this Agreement, in particular in Article 69 of this Agreement, the Parties shall provide mutual administrative assistance in customs matters in accordance with the provisions of Protocol II on Mutual Administrative Assistance in Customs Matters to this Agreement.

Article 71. Technical Assistance and Capacity Building

The Parties shall cooperate with a view to providing technical assistance and capacity building for the implementation of

trade facilitation and customs reforms.

Article 72. Customs Sub-Committee

1. The Customs Sub-Committee is hereby established. It shall report to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement.

2. The function of the Sub-Committee shall include regular consultations and monitoring of the implementation and the administration of this Chapter, including but not limited to the issues of customs cooperation, cross-border customs cooperation and management, technical assistance, rules of origin, trade facilitation, as well as mutual administrative assistance in customs matters.

3. The Customs Sub-Committee shall, inter alia:

(a) see to the proper functioning of this Chapter and of Protocols I and II to this Agreement;

(b) adopt practical arrangements, measures and decisions to implement this chapter and Protocols I and II to this Agreement, including on exchange of information and data, mutual recognition of customs controls and trade partnership programmes, and mutually agreed benefits;

(c) exchange views on any points of common interest, including future measures and the resources needed for their implementation and application;

(d) make recommendations where appropriate; and

(e) adopt its internal rules of procedure.

Chapter 6. Establishment, Trade In Services and Electronic Commerce

Section 1. General Provisions

Article 73. Objective, Scope and Coverage

1. The Parties, reaffirming their respective commitments under the WTO Agreement hereby lay down the necessary arrangements for the progressive reciprocal liberalisation of establishment and trade in services and for cooperation on electronic commerce.

2. Public procurement is covered in Chapter 8 (Public procurement) of Title IV (Trade and Trade-related Matters) of this Agreement and nothing in this Chapter shall be construed to impose any obligation with respect to public procurement.

3. Subsidies are covered in Chapter 10 (Competition) of Title IV (Trade and Trade-related Matters) of this Agreement and the provisions of this Chapter shall not apply to subsidies granted by the Parties.

4. Consistent with the provisions of this Chapter, each Party retains the right to regulate and to introduce new regulations to meet legitimate policy objectives.

5. This Chapter shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.

6. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment in this Chapter and Annex XI to this Agreement (1).

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

Article 74. Definitions

For the purposes of this Chapter:

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

(b) "measures adopted or maintained by a Party" means measures taken by:

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

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

(c) "natural person of a Party" means a national of the United Kingdom or a national of Georgia in accordance with the respective legislation;

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

(e) "juridical person of a Party" means a juridical person as defined in point (d) and set up in accordance with the law of the United Kingdom or of Georgia respectively, and having its registered office, central administration, or principal place of business in the territory to which, and to the extent and under the conditions which, the EU-Georgia Association Agreement applied immediately before it ceased to apply to the United Kingdom in regards to the United Kingdom and the following territories for whose international relations it is responsible: (a) Gibraltar; (b) the Channel Islands and the Isle of Man (1), or in the territory of Georgia, respectively;

Should that juridical person have only its registered office or central administration in the territory to which, and to the extent and under the conditions which, the EU-Georgia Association Agreement applied immediately before it ceased to apply to the United Kingdom in regards to the United Kingdom and the following territories for whose international relations it is responsible: (a) Gibraltar; (b) the Channel Islands and the Isle of Man, or in the territory of Georgia respectively, it shall not be considered as a juridical person of the United Kingdom or a juridical person of Georgia respectively, unless its operations possess a real and continuous link with the economy of the United Kingdom or of Georgia, respectively;

Notwithstanding the preceding subparagraph, shipping companies established outside the United Kingdom or Georgia and controlled by nationals of the United Kingdom or of Georgia, respectively, shall also be beneficiaries under this Agreement, if their vessels are registered in accordance with their respective legislation, in the United Kingdom or in Georgia and fly the flag of the United Kingdom or of Georgia;

(f) "subsidiary" of a juridical person of a Party means a juridical person which is owned or effectively controlled by that juridical person (2)

(g) "branch" of a juridical person means a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management structure and is materially equipped to negotiate business with third parties so that the latter, although knowing that there will, if necessary, be a legal link with the parent body, the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension;

(h) "establishment" means:

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

(ii) as regards natural persons, the right of natural persons of the United Kingdom or of Georgia to take up and pursue economic activities as self-employed persons, and to set up undertakings, in particular companies, which they effectively control.

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

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

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

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

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

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

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

(n) "service supplier" of a Party means any natural or juridical person of a Party that seeks to supply or supplies a service;

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

(1) For greater certainty, that territory shall include the exclusive economic zone and continental shelf, as provided for in the United Nations Convention on the Law of the Sea (UNCLOS).

(2) A judicial person is controlled by another juridical person if the latter has the power to name a majority of its directors or otherwise to legally direct its actions.

Section 2. Establishment

Article 75. Scope

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

(a) mining, manufacturing and processing (1) of nuclear materials;

(1) For greater certainty, processing of nuclear materials includes all the activities contained in UN ISIC Rev.3.1 code 2330

(b) production of or trade in arms, munitions and war materiel;

(c) audio-visual services;

(d) national maritime cabotage (1), and

(e) domestic and international air transport services (2), whether scheduled or non-scheduled, and services directly related to the exercise of traffic rights, other than:

(i) aircraft repair and maintenance services during which an aircraft is withdrawn from service;

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

(iii) computer reservation system (CRS) services;

(iv) ground-handling services;

(v) airport operation services.

(1) Without prejudice to the scope of activities which may be considered as cabotage under the relevant domestic legislation, national maritime cabotage under this Chapter covers transportation of passengers or goods between a port or point located in Georgia or the United Kingdom and another port or point located in Georgia or the United Kingdom, including on its continental shelf, as provided in the UNCLOS and traffic originating and terminating in the same port or point located in Georgia or the United Kingdom.

(2) The conditions of mutual market access in air transport shall be dealt with by an agreement or arrangement governing air services between Georgia and the United Kingdom.

Article 76. National Treatment and Most Favoured Nation Treatment

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

Agreement:

- as regards the establishment of subsidiaries, branches and representative offices of juridical persons of the United Kingdom: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better;

- as regards the operation of subsidiaries, branches and representative offices of juridical persons of the United Kingdom in Georgia, once established: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better (3).

(3) This obligation does not extend to the investment protection provisions not covered by this Chapter, including provisions relating to investor-to-state dispute settlement procedures, as found in other agreements.

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

i) as regards the establishment of subsidiaries, branches and representative offices of juridical persons of Georgia: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better;

ii) as regards the operation of subsidiaries, branches and representative offices of juridical persons of Georgia in the United Kingdom, once established: treatment no less favourable than that accorded to its own juridical persons, their branches and representative offices; or to subsidiaries, branches and representative offices of any third country's juridical persons, whichever is the better (1).

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

(1) This obligation does not extend to the investment protection provisions not covered by this Chapter, including provisions relating to investor-to-state dispute settlement procedures, as found in other agreements.

Article 77. Review

1. With a view to progressively liberalising the establishment conditions, the Parties shall regularly review the provisions of this Section and the list of reservations referred to in Article 76 of this Agreement as well as the establishment environment, consistent with their commitments in international agreements.

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

Article 78. Other Agreements

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

Article 79. Standard of Treatment for Branches and Representative Offices

1. The provisions of Article 76 of this Agreement do not preclude the application by a Party of particular rules concerning the establishment and operation in its territory of branches and representative offices of juridical persons of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches and representative offices as compared to branches and representative offices of juridical persons incorporated in its territory or, as regards financial services, for prudential reasons.

2. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences

or, as regards financial services, for prudential reasons.

Section 3. Cross-border Supply of Services

Article 80. Scope

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

(a) audio-visual services;

(b) national maritime cabotage (1), and

(1) Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, national maritime cabotage under this Chapter covers transportation of passengers or goods between a port or point located in Georgia or the United Kingdom and another port or point located in Georgia or the United Kingdom, including on its continental shelf, as provided in the UNCLOS and traffic originating and terminating in the same port or point located in Georgia or the United Kingdom.

(c) domestic and international air transport services (1), whether scheduled or non- scheduled, and services directly related to the exercise of traffic rights other than:

(i) aircraft repair and maintenance services during which an aircraft is withdrawn from service;

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

(iii) computer reservation system (CRS) services;

(iv) ground-handling services;

(v) airport operation services.

(1) The conditions of mutual market access in air transport shall be dealt with by an agreement or arrangement governing air services between Georgia and the United Kingdom.

Article 81. Market Access

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

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

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

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

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

Article 82. National Treatment

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

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

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

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

Article 83. Lists of Commitments

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

Article 84. Review

With a view to the progressive liberalisation of the cross-border supply of services between the Parties, the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, shall regularly review the list of commitments referred to in Article 83 of this Agreement. This review shall take into account Article 117 and its impact on the elimination of remaining obstacles to cross-border supply of services between the Parties.

Section 4. Temporary Presence of Natural Persons for Business Purposes

Article 85. Scope and Definitions

1. This Section applies to measures of the Parties concerning the entry and temporary stay in their territories of key personnel, graduate trainees, business sellers, contractual service suppliers and independent professionals in accordance with Article 73(5) of this Agreement.

2. For the purposes of this Section:

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

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

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

(1) managers: persons working in a senior position within a juridical person, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or from stockholders of the business or their equivalent, including at least:

- directing the establishment or a department or sub-division thereof;

- supervising and controlling the work of other supervisory, professional or managerial employees; and

- having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions;

(2) specialists: persons working within a juridical person who possess uncommon knowledge essential to the establishment's production, research equipment, techniques, processes, procedures or management. In assessing such knowledge, account will be taken not only of knowledge specific to the establishment, but also of whether the person has a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession.

(b) "graduate trainees" means natural persons who have been employed by a juridical person of one Party or its branch for at least one year, possess a university degree and are temporarily transferred to an establishment of the juridical person in

the territory of the other Party, for career development purposes or to obtain training in business techniques or methods (1);

(c) "business sellers" (2) means natural persons who are representatives of a services or goods supplier of one Party seeking entry and temporary stay in the territory of the other Party for the purpose of negotiating the sale of services or goods, or entering into agreements to sell services or goods for that supplier. They do not engage in making direct sales to the general public and do not receive remuneration from a source located within the host Party, nor are they commission agents;

(d) "contractual services suppliers" means natural persons employed by a juridical person of one Party which itself is not an agency for placement and supply services of personnel nor acting through such an agency, has no establishment in the territory of the other Party and has concluded a bona fide contract to supply services with a final consumer in the latter Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services;

(e) "independent professionals" means natural persons engaged in the supply of a service and established as self-employed in the territory of a Party who have no establishment in the territory of the other Party and who have concluded a bona fide contract (other than through an agency for placement and supply services of personnel) to supply services with a final consumer in the latter Party, requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services;

(f) "qualifications" means diplomas, certificates and other evidence (of formal qualification) issued by an authority designated pursuant to legislative, regulatory or administrative provisions and certifying successful completion of professional training.

(1) The recipient establishment may be required to submit a training programme covering the duration of the stay for prior approval, demonstrating that the purpose of the stay is for training.

(2) The category of business sellers is only recognised for services sellers.

Article 86. Key Personnel and Graduate Trainees

1. For every sector committed in accordance with Section 2 (Establishment) of this Chapter and subject to any reservations listed in Annexes XI-A and XI-E to this Agreement, or in Annexes XI-C and XI-G to this Agreement, each Party shall allow entrepreneurs of the other Party to employ in their establishment natural persons of that other Party provided that such employees are key personnel or graduate trainees as defined in Article 85 to this Agreement. The temporary entry and temporary stay of key personnel and graduate trainees shall be for a period of no longer than three years for intra-corporate transferees, 90 days in any 12-month period for business visitors for establishment purposes, and one year for graduate trainces.

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

Article 87. Business Sellers

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

Article 88. Contractual Service Suppliers

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

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

(a) the natural persons must be engaged in the supply of a service on a temporary basis as employees of a juridical person, which has obtained a service contract not exceeding 12 months;

(b) the natural persons entering the other Party should be offering such services as employees of the juridical person supplying the services for at least the year immediately preceding the date of submission of an application for entry into the other Party. In addition, the natural persons must possess, at the date of submission of an application for entry into the other Party, at least three years professional experience (1) in the sector of activity which is the subject of the contract;

(c) the natural persons entering the other Party must possess:

(i) a university degree or a qualification demonstrating knowledge of an equivalent level (2); and

(ii) professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or legal requirements of the Party where the service is supplied;

(d) the natural person shall not receive remuneration for the provision of services in the territory of the other Party other than the remuneration paid by the juridical person employing the natural person;

(e) the entry and temporary stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months in any 12-month period or for the duration of the contract, whichever is less;

(f} access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract and does not confer entitlement to exercise the professional title of the Party where the service is supplied;

(g) the number of persons covered by the service contract shall not be larger than necessary to fulfil the contract, as it may be requested by the laws, regulations or other legal requirements of the Party where the service is supplied.

(1) Obtained after having reached the age of majority, as defined under applicable domestic legislation.

(2) Where the degree or qualification has not been obtained in the Party where the service is supplied, that Party may evaluate whether this is equivalent to a university degree required in its territory.

Article 89. Independent Professionals

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

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

(a) the natural persons must be engaged in the supply of a service on a temporary basis as self-employed persons established in the other Party and must have obtained a service contract for a period not exceeding 12 months;

(b) the natural persons entering the other Party must possess, at the date of submission of an application for entry into the other Party, at least six years professional experience in the sector of activity which is the subject of the contract;

(c) the natural persons entering the other Party must possess:

(i) a university degree or a qualification demonstrating knowledge of an equivalent level (1) and

(ii) professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or other legal requirements of the Party where the service is supplied;

(d) the entry and temporary stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months in any 12-month period or for the duration of the contract, whichever is less;

(e) access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract and does not confer entitlement to exercise the professional title of the Party where the service is provided.

(1) Where the degree or qualification has not been obtained in the Party where the service is supplied, that Party may evaluate whether this is equivalent to a university degree required in its territory.

Section 5. Regulatory Framework

Subsection 1. Domestic Regulation

Article 90. Scope and Definitions

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

(a) cross-border supply of services;

(b) establishment in their territory of juridical and natural persons defined in Article 74 of this Agreement, and

(c) temporary stay in their territory of categories of natural persons as defined in points (a) to (c) of Article 85(2) of this Agreement.

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

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

4. For the purposes of this Section:

(a) "licencing requirements" means substantive requirements, other than qualification requirements, with which a natural or a juridical person is required to comply in order to obtain, amend or renew authorisation to carry out the activities as defined in points (a) to (c) of paragraph 1;

(b) "licencing procedures" means administrative or procedural rules that a natural or a juridical person, seeking authorisation to carry out the activities as defined in points (a) to (c) of paragraph 1, including the amendment or renewal of a licence, must adhere to in order to demonstrate compliance with licencing requirements;

(c) "qualification requirements" means substantive requirements relating to the competence of a natural person to supply a service, and which are required to be demonstrated for the purpose of obtaining authorisation to supply a service;

(d) "qualification procedures" means administrative or procedural rules that a natural person must adhere to in order to demonstrate compliance with qualification requirements, or the purpose of obtaining authorisation to supply a service;

(e) "competent authority" means any central, regional or local government and authority or non-governmental body in the exercise of powers delegated by central or regional or local governments or authorities, which takes a decision concerning the authorisation to supply a service, including through establishment or concerning the authorisation to establish in an economic activity other than services

Article 91. Conditions for Licencing and Qualification

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

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

(a) proportionate to a public policy objective;

(b) clear and unambiguous;

(c) objective;

(d) pre-established;

(e) made public in advance;

(f) transparent and accessible.

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

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

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

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

Article 92. Licencing and Qualification Procedures

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

2. Licencing and qualification procedures and formalities shall be as simple as possible and shall not unduly complicate or delay the provision of the service. Any licencing fees (1) which the applicants may incur from their application should be reasonable and proportionate to the cost of the authorisation procedures in question.

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

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

5. Each Party shall ensure that the processing of an application, including reaching a final decision, is completed within a reasonable timeframe from the submission of a complete application. Each Party shall endeavour to establish the normal timeframe for processing of an application.

6. The competent authority shall, within a reasonable period of time after receipt of an application which it considers incomplete, inform the applicant, to the extent feasible identify the additional information required to complete the application, and provide the opportunity to correct deficiencies.

7. Authenticated copies should be accepted, where possible, in place of original documents.

8. If an application is rejected by the competent authority, the applicant shall be informed in writing and without undue delay. In principle, the applicant shall, upon request, also be informed of the reasons for rejection of the application and of the timeframe for an appeal against the decision.

9. Each Party shall ensure that a licence or an authorisation, once granted, enters into effect without undue delay in accordance with the terms and conditions specified therein.

(1) Licencing fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

Subsection 2. Provisions of General Application

Article 93. Mutual Recognition

1. Nothing in this Chapter shall prevent a Party from requiring that natural persons must possess the necessary qualifications and/or professional experience specified in the territory where the service is supplied, for the sector of activity concerned.

2. Each Party shall encourage the relevant professional bodies in their respective territories to provide recommendations on mutual recognition to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, for the purpose of the fulfilment, in whole or in part, by entrepreneurs and service suppliers of the criteria applied by each Party for the authorisation, licensing, operation and certification of entrepreneurs and service suppliers and, in particular, professional services.

3. On receipt of a recommendation referred to in paragraph 2, Strategic Partnership and Cooperation Forum in Trade configuration shall, within a reasonable time, review that recommendation with a view to determine whether it is consistent with this Agreement, and on the basis of the information contained therein, assess in particular

(a) the extent to which the standards and criteria applied by each Party for the authorisation, licenses, operation and certification of services providers and entrepreneurs are converging, and

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

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

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

Article 94. Transparency and Disclosure of Confidential Information

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

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

Subsection 3. Computer Services

Article 95. Understanding on Computer Services

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

2. CPC (1) 84, the UN code used for describing computer and related services, covers the basic functions used to provide all computer and related services:

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

(b) data processing and storage, and

(c) related services, such as consultancy and training services for staff of clients.

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

(1) CPC means the Central Products Classification as set out in Statistical Office of the UN, Statistical Papers, Series M, N° 77, CPC prov, 1991.

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

(a) consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance, or management of or for computers or computer systems;

(b) computer programmes defined as sets of instructions required to make computers work and communicate (in and of themselves), plus consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance, management or use of or for computer programs; or

(c) data processing, data storage, data hosting or database services; or maintenance and repair services for office machinery and equipment, including computers; or training services for staff of clients, related to computer programmes, computers or computer systems, and not elsewhere classified.

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

Subsection 4. Postal and Courier Services

Article 96. Scope and Definitions

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

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

(a) "licence" means an authorisation, granted to an individual supplier by a regulatory authority, which is required before supplying a given service;

(b) "universal service" means the permanent provision of a postal service of specified quality at all points in the territory of a Party at affordable prices for all users.

Article 97. Universal Service

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

Article 98. Licences

1. A licence may only be required for services which are within the scope of the universal service.

2. Where a licence is required, the following shall be made publicly available:

(a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and

(b) the terms and conditions of licences.

3. The reasons for the denial of a licence shall be made known to the applicant upon request and an appeal procedure through an independent body will be established by each Party. Such a procedure will be transparent, non-discriminatory and based on objective criteria.

Article 99. Independence of the Regulatory Body

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

Subsection 5. Electronic Communication Networks and Services

Article 100. Scope and Definitions

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

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

(a) "electronic communication services" means all services which consist wholly or mainly in the conveyance of signals on electronic communication networks, including telecommunication services and transmission services in networks used for broadcasting. Those services exclude services providing, or exercising editorial control over, content transmitted using electronic communication networks and services;

(b) "public communication network" means an electronic communication network used wholly or mainly for the provision of publicly available electronic communication services;

(c) "electronic communication network" means transmission systems and, where applicable, switching or routing equipment and other resources which permit the conveyance of signals by wire, by radio, by optical or by other electromagnetic means, including satellite networks, fixed (circuit- and packet-switched, including internet) and mobile terrestrial networks, electricity cable systems, to the extent that they are used for the purpose of transmitting signals, networks used for radio and television broadcasting, and cable television networks, irrespective of the type of information conveyed;

(d) a "regulatory authority" in the electronic communication sector means the body or bodies charged with the regulation of electronic communication mentioned in this Sub-Section;

(e) a services supplier shall be deemed to have "significant market power" if, either individually or jointly with others, it enjoys a position equivalent to dominance, that is to say a position of economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and ultimately consumers;

(f) "interconnection" means the physical and logical linking of public communication networks used by the same or a different supplier in order to allow the users of one services supplier to communicate with users of the same or another services supplier, or to access services provided by another services supplier. Services may be provided by the parties involved or other parties who have access to the network. Interconnection is a specific type of access implemented between public network operators;

(g) "universal service" means the set of services of specified quality that is made available to all users in the territory of a Party regardless of their geographical location and at an affordable price; its scope and implementation are decided by each Party;

(h) "access" means the making available of facilities and/or services, to another services supplier, under defined conditions, on either an exclusive or non-exclusive basis, for the purpose of providing electronic communication services. It covers, inter alia, access to network elements and associated facilities, which may involve the connection of equipment, by fixed or non-fixed means (in particular this includes access to the local loop and to facilities and services necessary to provide services over the local loop), access to physical infrastructure, including buildings, ducts, and masts; access to relevant software systems, including operational support systems; access to numbering translation or systems offering equivalent functionality; access to fixed and mobile networks, in particular for roaming; access to conditional access systems for digital televisions services; access to virtual network services;

(i) "end-user" means a user not providing public communication networks or publicly available electronic communication services;

(j) "local loop" means the physical circuit connecting the network termination point at the subscriber's premises to the main distribution frame or equivalent facility in the fixed public communication network.

Article 101. Regulatory Authority

1. Each Party shall ensure that regulatory authorities for electronic communication services shall be legally distinct and functionally independent from any supplier of electronic communication services. If a Party retains ownership or control of a supplier providing electronic communication networks or services, such Party shall ensure the effective structural

separation of the regulatory function from activities associated with ownership or control.

2. Each Party shall ensure that the regulatory authority shall be sufficiently empowered to regulate the sector. The tasks to be undertaken by a regulatory authority shall be made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body.

3. Each Party shall ensure that the decisions of and the procedures used by the regulatory authorities are impartial with respect to all market participants and transparent.

4. The regulatory authority shall have the power to carry out an analysis of relevant product and service markets liable to an ex ante regulation. Where the regulatory authority is required to determine under Article 103 of this Agreement whether to impose, maintain, amend or withdraw obligations it shall determine on the basis of a market analysis whether the relevant market is effectively competitive.

5. Where the regulatory authority determines that a relevant market is not effectively competitive, it shall identify and designate services suppliers with significant market power on that market and shall impose, maintain or amend specific regulatory obligations referred to in Article 103 of this Agreement as it is appropriate. Where the regulatory authority concludes that the market is effectively competitive it shall not impose or maintain any of the regulatory obligations referred to in Article 103 of this Agreement.

6. Each Party shall ensure that a services supplier affected by the decision of a regulatory authority shall have a right to appeal against that decision to an appeal body that is independent of the parties involved in the decision, Each Party shall ensure that the merits of the case are duly taken into account. Pending the outcome of any such appeal, the decision of the regulator shall stand, unless the appeal body decides otherwise. Where the appeal body is not judicial in character, written reasons for its decision shall always be given and its decisions shall also be subject to review by an impartial and independent judicial authority. Decisions taken by appeal bodies shall be effectively enforced.

7. Each Party shall ensure that where the regulatory authorities intend to take measures related to any of the provisions of this Sub-Section and which have a significant impact to the relevant market, they give the interested parties the opportunity to comment on the draft measure within a reasonable period of time. Regulators shall publish their consultation procedures. The results of the consultation procedure shall be made publicly available except in the case of confidential information.

8. Each Party shall ensure that suppliers providing electronic communication networks and services provide all the information, including financial information, necessary for regulatory authorities to ensure conformity with the provisions of this Sub-Section or decisions made in accordance with this Sub-Section. These suppliers shall provide such information promptly on request and to the time-table and level of detail required by the regulatory authority. The information requested by the regulatory authority shall be proportionate to the performance of that task. The regulatory authority shall give the reasons justifying its request for information.

Article 102. Authorisation to Provide Electronic Communication Services

1. Each Party shall ensure that the provision of services shall, as much as possible, be authorised following mere notification.

2. Each Party shall ensure that a licence can be required to address issues of attributions of numbers and frequencies. The terms and conditions for such licences shall be made publicly available.

3. Each Party shall ensure that where a licence is required:

(a) all the licensing criteria and a reasonable period of time normally required to reach a decision concerning an application for a licence shall be made publicly available;

(b) the reasons for the denial of a licence shall be made known in writing to the applicant upon request;

(c) the applicant of a licence shall be able to seek recourse before an appeal body in case that a licence is unduly denied;

(d) licence fees (1) required by any Party for granting a licence shall not exceed the administrative costs normally incurred in the management, control and enforcement of the applicable licences. Licence fees for the use of radio spectrum and numbering resources are not subject to the requirements of this paragraph.

(1) Licence fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

Article 103. Access and Interconnection

1. Each Party shall ensure that any services suppliers authorised to provide electronic communication services have the right and obligation to negotiate access and interconnection with suppliers of publicly available electronic communication networks and services. Access and interconnection should in principle be agreed on the basis of commercial negotiation between the services suppliers concerned.

2. Each Party shall ensure that services suppliers that acquire information from another services supplier during the process of negotiating interconnection arrangements use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored.

3. Each Party shall ensure that upon the finding in accordance with Article 101 of this Agreement that a relevant market is not effectively competitive, the regulatory authority shall have the power to impose on the supplier designated as having significant market power one or more of the following obligations in relation to interconnection and/or access:

(a) obligation on non-discrimination to ensure that the operator applies equivalent conditions in equivalent circumstances to other suppliers providing equivalent services, and provides services and information to others under the same conditions and of the same quality as it provides for its own services, or those of its subsidiaries or partners;

(b) obligation ofa vertically integrated company to make transparent its wholesale prices and its internal transfer prices, where there is a requirement for non-discrimination or for prevention of unfair cross-subsidy. The regulatory authority may specify the format and accounting methodology to be used;

(c) obligations to meet reasonable requests for access to, and use of, specific network elements and associated facilities, including unbundled access to the local loop, inter alia, in situations where the regulatory authority considers that denial of access or unreasonable terms and conditions having a similar effect would hinder the emergence of a sustainable competitive market at the retail level, or would not be in the end user's interest.

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

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

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

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

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

(f) to publish the specific obligations imposed on services suppliers by the regulatory authority identifying the specific product/service and geographical markets. Up-to-date information, provided that it is not confidential and it does not comprise business secrets is made publicly available in a manner that guarantees all interested parties easy access to that information;

(g) obligations for transparency requiring operators to make public specified information and, in particular, where an operator has obligations of non-discrimination, the regulator may require that operator to publish a reference offer, which shall be sufficiently unbundled to ensure that services suppliers are not required to pay for facilities which are not necessary for the service requested, giving a description of the relevant offerings broken down into components according to market needs, and the associated terms and conditions including prices.

4. Each Party shall ensure that a service supplier requesting interconnection with a supplier designated as having significant market power shall have recourse, cither at any time or after a reasonable period of time which has been made publicly known, to an independent domestic body, which may be a regulatory body as referred to in Article 100(2)(d) of this

Agreement, to resolve disputes regarding terms and conditions for interconnection and/or access.

Article 104. Scarce Resources

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

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

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

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

Article 105. Universal Service

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

2. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, objective and non-discriminatory way. The administration of such obligations shall also be neutral with respect to competition and be not more burdensome than necessary for the kind of universal service defined by the Party.

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

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

Article 106. Cross-border Provision of Electronic Communication Services

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

Article 107. Confidentiality of Information

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

Article 108. Disputes between Services Suppliers

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

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

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

Subsection 6. Financial Services

Article 109. Scope and Definitions

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

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

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

(i) insurance and insurance-related services:

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

(a) life;

(b) non-life;

(2) reinsurance and retrocession;

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

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

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

(1) acceptance of deposits and other repayable funds from the public;

(2) lending of all types, including consumer credit, mortgage credit, factoring and. financing of commercial transaction;

(3) financial leasing;

(4) all payment and moncy transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

(5) guarantees and commitments;

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

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

(b) foreign exchange;

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

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

(e) transferable securities;

(f) other negotiable instruments and financial assets, including bullion;

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

(8) money broking;

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

(10) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable

instruments;

(11) provision and transfer of financial information, and financial data processing and related software;

(12) advisory, intermediation and other auxiliary financial services on all the activities listed in points (1) through (11), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

(b) "financial service supplier" means any natural or juridical person ofa Party that seeks to provide or provides financial services. The term âfinancial service supplierâ does not include a public entity;

(c) "public entity" means:

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

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

(d) "new financial service" means a service of a financial nature, including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a Party but which is supplied in the territory of the other Party.

Article 110. Prudential Carve-out

1. Each Party may adopt or maintain measures for prudential reasons, such as:

(a) the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier;

(b) ensuring the integrity and stability of a Party's financial system.

2. Those measures shall not be more burdensome than necessary to achieve their aim.

3. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual consumers or any confidential or proprietary information in the possession of public entities.

Article 111. Effective and Transparent Regulation

1. Each Party shall make its best endeavours to provide in advance to all interested persons any measure of general application that the Party proposes to adopt in order to allow an opportunity for such persons to comment on the measure. Such measure shall be provided:

(a) by means of an official publication; or (b) in other written or electronic form.

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

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

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

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

Article 112. New Financial Services

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

Article 113. Data Processing

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

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

Article 114. Specific Exceptions

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

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

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

Article 115. Self-regulatory Organisations

When a Party requires membership or participation in, or access to, any self- regulatory body, securities or futures exchange or market, clearing agency, or any other organization or association, in order for financial service suppliers of the other Party to supply financial services on an equal basis with financial service suppliers of the Party, or when the Party provides directly or indirectly such entities, privileges or advantages in supplying financial services, the Party shall ensure observance of the obligations of Articles 76 and 82 of this Agreement.

Article 116. Clearing and Payment Systems

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

Article 117. International Standards

With a view to considering further liberalisation of trade in services, the Parties recognise the importance of the gradual alignment of the existing and future legislation of Georgia to the international best practices standards listed under Article 111(3) of this Agreement.

Subsection 7. Transport Services

Article 118. Scope

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

Article 119. International Maritime Transport

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

(a) "international maritime transport" includes door-to-door and multi-modal transport operations, which is the carriage of goods using more than one mode of transport, involving a sea-leg, under a single transport document, and to this effect the right to directly contract with providers of other modes of transport;

(b) "maritime cargo handling services" means activities exercised by stevedore companies, including terminal operators, but not including direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:

(i) the loading/discharging of cargo to/from a ship; (ii) the lashing/unlashing of cargo;

(iii) the reception/delivery and safekeeping of cargoes before shipment or after discharge;

(c) "customs clearance services" (alternatively "customs house brokers' services") means activities consisting in carrying out on behalf of another Party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of that service provider or a usual complement of the service provider's main activity;

(d) "container station and depot services" means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments;

(e) "maritime agency services" means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:

(i) marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;

(ii) acting on behalf of the companies organising the call of the ship or taking over cargoes when required;

(f) "freight forwarding services" means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information;

(g) "feeder services" means the pre- and onward transportation of international cargoes by sea, notably containerised, between ports located in a Party.

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

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

(a) each Party shall apply effectively the principle of unrestricted access to the international maritime markets and trades on a commercial and non-discriminatory basis;

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

3. In applying these principles, each Party shall:

(a) not introduce cargo-sharing arrangements in future agreements with third countries concerning maritime transport services, including dry and liquid bulk and liner trade, and terminate, within a reasonable period of time, such cargo- sharing arrangements in case they exist in previous agreements; and

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

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

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

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

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

Article 120. Air Transport

The progressive liberalisation of air transport between the Parties adapted to their reciprocal commercial needs and the conditions of mutual market access shall be governed by an agreement or arrangement governing air services between Georgia and the United Kingdom.

Section 6. Electronic Commerce

Subsection 1. General Provisions

Article 121. Objective and Principles

1. The Parties, recognising that electronic commerce increases trade opportunities in many sectors, agree to promote the development of electronic commerce between them, in particular by cooperating on the issues raised by electronic commerce under the provisions of this Chapter.

2. The Parties agree that the development of electronic commerce must be compatible with the international standards of data protection in order to ensure the confidence of users of electronic commerce.

3. The Parties agree that electronic transmissions shall be considered as the provision of services, within the meaning of Section 3 (Cross-border supply of services) of this Chapter, which cannot be subject to customs duties.

Article 122. Cooperation In Electronic Commerce

1. The Parties shall maintain a dialogue on regulatory issues raised by electronic commerce, which will inter alia address the following issues:

(a) the recognition of certificates of electronic signatures issued to the public and the facilitation of cross-border certification services;

(b) the liability of intermediary service providers with respect to the transmission, or storage of information;

(c) the treatment of unsolicited electronic commercial communications;

(d) the protection of consumers in the ambit of electronic commerce, and

(e) any other issue relevant for the development of electronic commerce.

2. Such cooperation can take the form of exchange of information on the Parties' respective legislation on those issues as well as on the implementation of such legislation.

Subsection 2. Liability of Intermediary Service Providers

Article 123. Use of Intermediaries' Services

1. The Parties recognise that the services of intermediaries can be used by third parties for infringing activities and shall

provide the measures for intermediary service providers as laid down in this Sub-Section.

2. For the purposes of Article 124 of this Agreement, "service provider" means a provider of transmission, routing, or connections for digital online communication between or among points specified by the user, of material of the user's choosing without modification of its content. For the purposes of Articles 125 and 126 of this Agreement "service provider" means a provider or operator of facilities for online services or network access.

Article 124. Liability of Intermediary Service Providers: "mere Conduit"

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

(a) does not initiate the transmission;

(b) does not select the receiver of the transmission; and

(c) does not select or modify the information contained in the transmission.

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

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

Article 125. Liability of Intermediary Service Providers: "caching"

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

(a) the provider does not modify the information;

(b) the provider complies with conditions on access to the information;

(c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;

(d) the provider does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information, and

(e) the provider acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge (1) of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement.

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

(1) For the purposes of this Sub-Section, the term "actual knowledge" shall be interpreted in accordance with each Party's domestic law.

Article 126. Liability of Intermediary Service Providers: "hosting"

1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, each Party shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:

(a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent, or

(b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when the recipient of the service is acting under the authority or the control of the provider.

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with the Parties' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for a Party of establishing procedures governing the removal or disabling of access to information.

Article 127. No General Obligation to Monitor

1. The Parties shall not impose a general obligation on providers, when providing the services covered by Articles 124, 125 and 126 of this Agreement, to monitor the information which they transmit or store, nor shall they impose a general obligation to actively seek facts or circumstances indicating illegal activity.

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

Section 7. Exceptions

Article 128. General Exceptions

1. Without prejudice to general exceptions set in Article 357 of this Agreement, the provisions of this Chapter and of Annexes XI-A and XI-E, XI-B and XI-F, XI-C and XI-G, XI-D and XI-H to this Agreement are subject to the exceptions contained in this Article.

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

(a) necessary to protect public security or public morals or to maintain public order;

(b) necessary to protect human, animal or plant life or health; (c) relating to the conservation of exhaustible natural resources if such measures are applied in conjunction with restrictions on domestic entrepreneurs or on the domestic supply or consumption of services;

(d) necessary for the protection of national treasures of artistic, historic or archacological value;

(e) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter, including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;

(iii) safety;

(f) inconsistent with Articles 76 and 82 of this Agreement, provided that the difference in treatment is aimed at ensuring the effective or equitable imposition or collection of direct taxes in respect of economic activities, entrepreneurs or services suppliers of the other Party (1).

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

(1) Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which: (a) apply to non-resident entrepreneurs and services suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory; (b) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory; (c) apply to non-residents or residents in order to prevent the avoidance or

evasion of taxes, including compliance measures; (d) apply to consumers of services supplied in or from the territory of another Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory; (e) distinguish entrepreneurs and service suppliers subject to tax on worldwide taxable items from other entrepreneurs and service suppliers, in recognition of the difference in the nature of the tax base between them; or (f) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base. Tax terms or concepts in point (f) of this provision and in this footnote are determined in accordance with tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

Article 129. Recognition and Taxation Measures

The most-favoured-nation treatment granted in accordance with the provisions of this Chapter shall not apply to:

a) treatment granted under measures providing for recognition of qualifications, licences, or prudential measures in accordance with Article VII of GATS or its Annex on Financial Services;

b) the tax treatment granted under any international agreement or arrangement relating wholly or mainly to taxation.

Article 130. Security Exceptions

1. Nothing in this Agreement shall be construed:

(a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;

(b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests:

(i) connected with the production of or trade in arms, munitions or war matÃ©riel;

(ii) relating to economic activities carried out directly or indirectly for the purpose of provisioning a military establishment;

(iii) relating to fissionable and fusionable materials or the materials from which they are derived; or

(iv) taken in time of war or other emergency in international relations; or

(c) to prevent any Party from taking any action in pursuance of obligations it has accepted for the purpose of maintaining international peace and security.

Chapter 7. Current Payments and Movement of Capital

Article 131. Current Payments

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

Article 132. Capital Movements

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

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

(a) the free movement of capital relating to credits for commercial transactions or for the provision of services in which a resident of one of the Parties is participating;

(b) the free movement of capital relating to portfolio investments, financial loans and credits by the investors of the other

Party.

Article 133. Safeguard Measures

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

Article 134. Facilitation and Evolution Provisions

1. The Parties shall consult with a view to facilitating the movement of capital between the Parties in order to promote the objectives of this Agreement.

Chapter 8. Public Procurement

Article 135. Objectives

1. The Parties recognise the contribution of transparent, non-discriminatory, competitive and open tendering to sustainable economic development and set as their objective the effective, reciprocal and gradual opening of their respective procurement markets.

2. This Chapter envisages mutual access to public procurement markets on the basis of the principle of national treatment at national, regional and local level for public contracts and concessions in the traditional sector as well as in the utilities sector.

Article 136. Scope

1. This Chapter applies to works, supplies and services public contracts, as well as works, supplies and services contracts in the utilities sectors and, if and where such contracts are used, to works and services concessions.

2. This Chapter applies to any contracting authority and any contracting entity which meets the definitions of the United Kingdom and Georgian public procurement domestic law (hereinafter referred to as "the contracting entities"). It covers also bodies governed by public law and public undertakings in the field of utilities such as state-owned enterprises carrying out the relevant activities and private undertakings operating on the basis of special and exclusive rights in the field of utilities (1).

3. This Chapter applies to contracts above the value thresholds set out in Annex XII-A to this Agreement.

4. The calculation of the estimated value of a public contract shall be based on the total amount payable, net of taxes on value added. When applying these thresholds, Georgia shall calculate and convert contract values into its national currency, using the conversion rate of its national bank.

5. Value thresholds shall be revised regularly every two years, beginning in the year of entry into force of this Agreement, based on the average daily value of the euro, expressed in Special Drawing Rights, over the 24 months terminating on the last day of August preceding the revision with effect from January 1. The value of the thresholds thus revised shall, where necessary, be rounded down to nearest thousand euro. The revision of the thresholds shall be adopted by the decision of the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement.

(1) The expression "private undertakings operating on the basis of special and exclusive rights" shall be interpreted in accordance with the Utilities Contracts Regulations 2016 and the Utilities Contracts (Scotland) Regulations 2016

Article 137. Institutional Background

1. Each Party shall establish or maintain an appropriate institutional framework and mechanisms necessary for the proper functioning of the public procurement system and the implementation of the principles in this Chapter.

2. Each Party shall designate in particular:

(a) an executive body at central government level tasked with guaranteeing a coherent policy and its implementation in all areas related to public procurement. That body shall facilitate and coordinate the implementation of this Chapter;

(b) an impartial and independent body tasked with the review of decisions taken by contracting authorities or entities during the award of contracts. In this context, "independent" means that that body shall be a public authority which is separate from all contracting entities and economic operators. There shall be a possibility to subject the decisions taken by this body to judicial review or, where that body is a judicial body, appeal to a higher judicial body.

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

Article 138. Basic Standards Regulating the Award of Contracts

1. The Parties shall comply with a set of basic standards for the award of all contracts as stipulated in paragraphs 2 to 15 of this Article. These basic standards derive directly from the rules and principles of public procurement including the principles of non-discrimination, equal treatment, transparency and proportionality.

Publication

2. Each Party shall ensure that all intended procurements are published in an appropriate media (1) in a manner that is sufficient:

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

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

(1) The means of publication shall be directly accessible by electronic means free of charge through a single point of access on the internet.

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

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

Award of contracts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Judicial protection

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

Article 139. Market Access

1. The Parties agree that the effective and reciprocal opening of their respective markets shall be attained gradually and simultancously.

2. Insofar as a Party has, in accordance with Annex XII-B to this Agreement, opened its procurement market to the other Party:

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

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

3. The Parties will examine the possibility to mutually grant market access with regard to procurement below the value thresholds set out in Annex XII-A to this Agreement.

Article 140. Information

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

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

Article 141. Cooperation

1. The Parties shall enhance their cooperation through exchanges of experience and information relating to their best practices and regulatory frameworks.

2. The United Kingdom shall facilitate the implementation of this Chapter, including through technical assistance where appropriate. In line with the provisions on financial cooperation in Title VII (Financial Assistance, and Anti-fraud and Control Provisions) of this Agreement, specific decisions on financial assistance shall be taken through the relevant United Kingdom funding mechanisms and instruments.

3. An indicative list of issues for cooperation is included in Annex XII-C to this Agreement.

Chapter 9. Intellectual Property Rights

Section 1. General Provisions

Article 142. Objectives

The objectives of this Chapter are to:

(a) facilitate the production and commercialisation of innovative and creative products between the Parties; and

(b) achieve an adequate and effective level of protection and enforcement of intellectual property rights.

Article 143. Nature and Scope of Obligations

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

2. For the purposes of this Agreement, the expression "intellectual property" refers at least to all categories of intellectual property that are covered by Articles 145 to 181 of this Agreement.

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

Article 144. Exhaustion

The Parties shall be free to establish their own regime for exhaustion of intellectual property rights, subject to the provisions of the TRIPS Agreement.

Section 2. Standards Concerning Intellectual Property Rights

Subsection 1. Copyright and Related Rights

Article 145. Protection Granted

The Parties reaffirm their commitment to:

(a) the rights and obligations set out in the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention);

(b) the International Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations of 1961;

(c) the TRIPS Agreement,

(d) the WIPO Copyright Treaty;

(e) the WIPO Performances and Phonograms Treaty.

Article 146. Authors

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

(a) the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part of their works;

(b) any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof;

(c) any communication to the public of their works, by wire or wireless means, including the making available to the public of

their works in such a way that members of the public may access them from a place and at a time individually chosen by them.

Article 147. Performers

Each Party shall provide for performers the exclusive right to:

(a) authorise or prohibit the fixation! of their performances;

(b) authorise or prohibit the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of fixations of their performances;

(c) make available to the public, by sale or otherwise, fixations of their performances;

(d) authorise or prohibit the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, of fixations of their performances;

(e) authorise or prohibit the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation.

Article 148. Producers of Phonograms

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

(a) authorise or prohibit the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of their phonograms;

(b) make available to the public, by sale or otherwise, their phonograms, including copies thereof;

(c) authorise or prohibit the making available of their phonograms to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

(1) For the purposes of this Chapter, "fixation" means the embodiment of sounds or images, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device.

Article 149. Broadcasting Organisations

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

(a) the fixation of their broadcasts;

(b) the reproduction of fixations of their broadcasts;

(c) the making available to the public, by wire or wireless means, of fixations of their broadcasts; and

(d) the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

Article 150. Broadcasting and Communication to the Public

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

2. Each Party may, in the absence of agreement between the performers and phonogram producers, lay down the conditions as to the sharing of this remuneration between them.

Article 151. Term of Protection

1. The rights of an author of a literary or artistic work within the meaning of Article 2 of the Berne Convention shall run for no less than the life of the author and for 70 years after his/her death, irrespective of the date when the work is lawfully

made available to the public.

2. The term of protection of a musical composition with words shall expire 70 years after the death of the last of the following persons to survive, whether or not those persons are designated as co-authors: the author of the lyrics and the composer of the musical composition, provided that both contributions were specifically created for the respective musical composition with words.

3. The rights of performers shall expire no less than 50 years after the date of the performance. However:

(a) if a fixation of the performance otherwise than in a phonogram is lawfully published or lawfully communicated to the public within this period, the rights shall expire 50 years from the date of the first such publication or the first such communication to the public, whichever is the earlier,

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

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

(a) ifa phonogram has been lawfully published within this period, the said rights shall expire no less than 70 years from the date of the first lawful publication. If no lawful publication has taken place within the period mentioned in the first sentence, and if the phonogram has been lawfully communicated to the public within this period, the said rights shall expire not less than 70 years from the date of the first lawful communication to the public;

(b) if 50 years after a phonogram is lawfully published or communicated to the public, the phonogram producer does not offer copies of the phonogram for sale in sufficient quantity, or does not make it available to the public, the performer may terminate the contract by which he/she has transferred or assigned his/her rights in the fixation of his/her performance to a phonogram producer.

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

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

Article 152. Protection of Technological Measures

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

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

(a) are promoted, advertised or marketed for the purpose of circumvention of any effective technological measures;

(b) have only a limited commercially significant purpose or use other than to circumvent any effective technological measures, or

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

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

Article 153. Protection of Rights Management Information

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

(a) the removal or alteration of any electronic rights-management information, or

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

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

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

Article 154. Exceptions and Limitations

1. In accordance with the conventions and international treaties to which they are Parties, each Party may provide for limitations or exceptions to the rights set out in Articles 146 to 151 of this Agreement only in certain special cases which do not conflict with a normal exploitation of the protected subject matter and which do not unreasonably prejudice the legitimate interests of the right holders.

2. Each Party shall provide that temporary acts of reproduction referred to in Articles 147 to 150 of this Agreement, which are transient or incidental, which are an integral and essential part of a technological process and the sole purpose of which is to enable:

(a) a transmission in a network between third parties by an intermediary, or

(b) alawful use of a work or other protected subject matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Articles 147 to 150 of this Agreement.

Article 155. Artists' Resale Right In Works of Art

1. Each Party shall provide, for the benefit of the author of an original work of art, a resale right, to be defined as an inalienable right, which cannot be waived, even in advance, to receive a royalty based on the sale price obtained for any resale of the work, subsequent to the first transfer of the work by the author.

2. The right referred to in paragraph 1 shall apply to all acts of resale involving as sellers, buyers or intermediaries art market professionals, such as salesrooms, art galleries and, in general, any dealers in works of art.

3. Each Party may provide that the right referred to in paragraph 1 shall not apply to acts of resale where the seller has acquired the work directly from the author less than three years before that resale and where the resale price does not exceed a certain minimum amount.

4. The royalty shall be payable by the seller. Each Party may provide that one of the natural or legal persons referred to in paragraph 2 other than the seller shall alone be liable or shall share liability with the seller for payment of the royalty.

5. The protection provided may be claimed to the extent permitted by the Party where this protection is claimed. The procedure for collection and the amounts shall be matters for determination by domestic law.

Article 156. Cooperation on Collective Management of Rights

The Parties shall endeavour to promote dialogue and cooperation between their respective collective management societies for the purpose of promoting the

availability of works and other protected subject matter and the transfer of royalties for the use of such works or other protected subject matter.

Subsection 2. Trademarks

Article 157. International Agreements

The Parties reaffirm their commitment to:

(a) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, and

(b) the Nice Agreement Concerning the International Classification of Goods and. Services for the Purposes of the Registration of Marks.

Article 158. Registration Procedure

1. Each Party shall provide for a system for the registration of trademarks in which each final negative decision taken by the relevant trademark administration shall be communicated to the applicant in writing and shall be duly reasoned.

2. Each Party shall provide for the possibility to oppose applications to register trademarks. Such opposition proceedings shall be adversarial.

3. The Parties shall provide a publicly available electronic database of applications and registrations of trademarks.

Article 159. Well-known Trademarks

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

Article 160. Exceptions to the Rights Conferred by a Trademark

Each Party shall provide for limited exceptions to the rights conferred by a trademark, such as the fair use of descriptive terms, the protection of geographical indications as provided for in Article 168, or other limited exceptions that take account of the legitimate interests of the owner of the trademark and of third parties.

Subsection 3. Geographical Indications

Article 161. Scope

1. This Sub-Section applies to the recognition and protection of geographical indications which are originating in the territories of the Parties.

2. In order for a geographical indication of a Party to be protected by the other Party, it shall cover products within the scope of the legislation of that Party referred to in Article 162 of this Agreement.

Article 162. Established Geographical Indications

1. Having examined the Law of Georgia on appellations of origin and Geographical Indications of Goods, adopted on 22 August 1999, the United Kingdom concludes that that law meets the elements laid down in Annex XIII-A to this Agreement.

2. Having examined Council Regulation (EEC) No 1601/91 of 10 June 1991 laying down general rules on the definition, description and presentation of aromatised wines, aromatized wine-based drinks and aromatized wine- product cocktails, Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, with its implementing rules, for the registration, control and protection of geographical indications of agricultural products and foodstuffs in the European Union, Section I of Chapter I of Title II of Part II of Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) and Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks, Georgia concludes that those laws, rules and procedures meet the elements laid down in Annex XII-A to this Agreement.

3. Georgia shall protect the geographical indications of the United Kingdom listed in Annex XIII-C to this Agreement and the

geographical indications for wines, aromatised wines and spirit drinks listed in Annex XIII-D to this Agreement, which have been registered by the United Kingdom under the legislation referred to in paragraph 2 of this Article, according to the level of protection laid down in this Sub- Section.

4. The United Kingdom shall protect the geographical indications of Georgia listed in Annex XIII-C to this Agreement and the geographical indications for wines, aromatised wines and spirit drinks listed in Annex XIII-D to this Agreement, which are registered by Georgia under the legislation referred to in paragraph 1, according to the level of protection laid down in this Sub-Section.

Article 163. Addition of New Geographical Indications

1. The Parties agree on the possibility to add new geographical indications to be protected in Annexes XIII-C and XIII-D to this Agreement in accordance with the procedure set out in Article 171(3) of this Agreement after having completed the objection procedure as referred to in Annex XII-B of this Agreement and after having examined a summary of the product specifications to the satisfaction of both Parties.

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

Article 164. Scope of Protection of Geographical Indications

1. The geographical indications listed in Annexes XIII-C and XIII-D to this Agreement, as well as those added pursuant to Article 163 of this Agreement, shall be protected against:

(a) any direct or indirect commercial use of a protected name:

(i) for comparable products not compliant with the product specification of the protected name, or

(ii) in so far as such use exploits the reputation of a geographical indication;

(b) any misuse, imitation or evocation (1), even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.

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

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

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

(1) The term "evocation" means, in particular, the use in any way for products falling under heading 20.09 of the HS, although only in so far as they are referred to as wines falling under heading 22.04, aromatised wines falling under heading 22.05 and spirit drinks falling under heading 22.08 of that system.

Article 165. Protection of Transcription of Geographical Indications

1. Geographical indications protected under this Sub-Section in the characters of the Georgian alphabet shall be protected together with their transcription in Latin characters. This transcription may also be used for labelling purposes for the products concerned.

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

Article 166. Right of Use of Geographical Indications

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

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

Article 167. Enforcement of Protection

The Parties shall enforce the protection provided for in Articles 162 to 166 of this Agreement by appropriate administrative action by their public authorities. They shall also enforce such protection at the request of an interested party.

Article 168. Relationship with Trademarks

1. The Parties shall refuse to register or shall invalidate, ex officio or at the request of any interested party in conformity with the legislation of each Party, a trademark that corresponds to any of the situations referred to in Article 164(1) of this Agreement in relation to a protected geographical indication for like products, provided an application to register the trademark is submitted after the date of application for protection of the geographical indication in the territory concerned.

2. For geographical indications referred to in Article 162 of this Agreement, the date of application for protection shall be 1 April 2012, except for those geographical indications which are listed in Annexes XIII-C and XII-D and accompanied by an asterisk (*) for which the date of application for protection shall be the date of the transmission of a request to the other Party to protect such geographical indication pursuant to the EU-Georgia Association Agreement.

3. For geographical indications referred to in Article 163 of this Agreement, the date of application for protection shall be the date of the transmission of a request to the other Party to protect a geographical indication.

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

5. Without prejudice to paragraph 4, the Parties shall protect geographical indications also where a prior trademark exists. A prior trademark shall mean a trademark the use of which corresponds to one of the situations referred to in Article 164(1) of this Agreement, which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in the territory of one of the Parties before the date on which the application for protection of the geographical indication is submitted by the other Party under this Sub-Section. Such trademark may continue to be used and renewed notwithstanding the protection of the geographical indication, provided that no grounds for the trademark's invalidity or revocation exist in the legislation on trademarks of the Parties.

Article 169. General Rules

1. This Sub-Section shall apply without prejudice to the rights and obligations of the Parties under the WTO Agreement.

2. The import, export and marketing of any product referred to in Articles 162 and 163 of this Agreement shall be conducted in compliance with the laws and regulations applying in the territory of the importing Party.

3. Any matter arising from technical specifications of registered names shall be dealt with in the Sub-Committee established in Article 171 of this Agreement.

4. Geographical indications protected under this Sub-Section may only be cancelled by the Party in which the product originates.

5. A product specification referred to in this Sub-Section shall be that approved, including any amendments also approved, by the authorities of the Party in the territory of which the product originates.

Article 170. Cooperation and Transparency

1. The Parties shall, either directly or through the Geographical Indications Sub- Committee established pursuant to Article 171 of this Agreement, maintain contact on all matters relating to the implementation and the functioning of this Sub-Section. In particular, a Party may request from the other Party information relating to product specifications and their modification, and contact points for control provisions.

2. Each Party may make publicly available the specifications or a summary thereof and contact points for control provisions corresponding to geographical indications of the other Party protected pursuant to this Article.

Article 171. Geographical Indications Sub-Committee

1. The Geographical Indications Sub-Committee is hereby established. It shall consist of representatives of the United Kingdom and of Georgia with the purpose of monitoring the development of this Sub-Section and of intensifying their cooperation and dialogue on geographical indications. It shall report to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement.

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

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

(a) amending Article 162(1) and (2) of this Agreement, as regards the references to the law applicable in the Parties;

(b) modifying Annexes XII-C and XII-D to this Agreement as regards geographical indications;

(c) exchanging information on legislative and policy developments on geographical indications and any other matter of mutual interest in the area of geographical indications; (d) exchanging information on geographical indications for the purpose of considering their protection in accordance with this Sub-Section.

Subsection 4. Designs

Article 172. International Agreements

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

Article 173. Protection of Registered Designs

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

(1) For the purposes of this Article, a Party may consider that a design having individual character is original.

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

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

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

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

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

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

Article 174. Exceptions and Exclusions

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

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

Article 175. Relationship to Copyright

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

Subsection 5. Patents

Article 176. International Agreements

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

Article 177. Patents and Public Health

1. The Parties recognise the importance of the Declaration of the Ministerial Conference of the WTO on the TRIPS Agreement and Public Health adopted on 14 November 2001.

2. The Parties shall respect the Decision of the WTO General Council of 30 August 2003 on paragraph 6 of the declaration referred to in paragraph 1 of this Article and shall contribute to its implementation.

Article 178. Supplementary Protection Certificate

1. The Parties recognise that medicinal and plant protection products protected by a patent on their respective territory may be subject to an administrative authorisation procedure before being put on their market. They recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on their respective market, as defined for that purpose by domestic law, may shorten the period of effective protection under the patent.

2. Each Party shall provide for a further period of protection for a medicinal or plant protection product which is protected by a patent and which has been subject to an administrative authorisation procedure, that period being equal to the period referred to in the second sentence of paragraph 1, reduced by a period of five years.

3. Notwithstanding paragraph 2, the duration of the further period of protection may not exceed five years.

4. In the case of medicinal products for which paediatric studies have been carried out, and provided that the results of those studies are reflected in the product information, the Parties shall provide for a further six months extension of the period of protection referred to in paragraph 2.

Article 179. Protection of Data Submitted to Obtain a Marketing Authorisation for Medicinal Products (1)

1. The Parties shall implement a comprehensive system to guarantee the confidentiality, non-disclosure and non- reliance of data submitted for the purpose of obtaining an authorisation to put a medicinal product on the market.

2. Each Party shall ensure, in its law, that any information submitted to obtain an authorisation to put a medicinal product on the market remains confidential and undisclosed to third parties and benefits from protection against unfair commercial use.

3. For that purpose, each Party shall not, for a period of at least six years from the date of the first authorisation in one of the Parties, permit other applicants to market the same or a similar product, on the basis of the marketing authorisation granted to the applicant which had provided the test data or studies, unless the applicant which had provided the test data or studies has given his consent. During such period, the test data or studies submitted for the first authorisation shall not be used for the benefit of any subsequent applicant aiming to obtain a marketing authorisation for a medicinal product, except when the consent of the first applicant is provided.

4. The six year period referred to in paragraph 3 shall be extended to a maximum of seven years if, during the first six years after obtaining the initial authorisation, the holder obtains an authorisation for one or more new therapeutic indications which are considered of significant clinical benefit in comparison with existing therapies.

(1) This Article shall be without prejudice to Georgian Governmental Regulation No 188 of 22 October 2009 on the establishment of the list of countries and relevant authorities eligible for the simplified regime of registration of medicinal products in Georgia. The list established by the above Regulation refers to the following countries/authorities: EMA - European Medicines Agency; Australia; Austria; Belgium; Bulgaria; Canada; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Italy; Japan; Korea; Latvia; Lithuania; Luxemburg; Malta; Netherlands; New Zealand; Norway; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden; Switzerland; United Kingdom; USA.

Article 180. Protection of Data to Obtain a Marketing Authorisation for Plant Protection Products

1. Each Party shall determine safety and efficacy requirements before authorising the placing on the market of plant protection products.

2. Each Party shall ensure that data submitted for the first time by an applicant to obtain a marketing authorisation for a plant protection product benefits from protection against unfair commercial use and is not used for the benefit of any other person aiming to obtain a marketing authorisation, unless the proof of the explicit consent of the first holder is provided.

3. The test or study report submitted for the first time to obtain a marketing authorisation shall fulfil the following conditions:

(a) that it is for the authorisation, or for an amendment of an authorisation in order to allow the use on other crops, and

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

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

Article 181. Plant Varieties

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

Section 3. Enforcement of Intellectual Property Rights

Article 182. General Obligations

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

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

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

(1) For the purposes of this Section the notion of "intellectual property rights" includes at least the following rights: copyright; rights related to copyright; sui generis right of a database maker; rights of the creator of the topographies of a semi-conductor product; trademark rights; design rights; patent rights, including rights derived from supplementary protection certificates; geographical indications; utility model rights; plant variety rights; trade names in so far as these are protected as exclusive rights by domestic law.

Article 183. Entitled Applicants

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

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

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

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

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

Subsection 1. Civil Enforcement

Article 184. Measures for Preserving Evidence

1. Each Party shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his/her claims that his/her intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information.

2. Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the alleged infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto. Those measures shall be taken, if necessary without the other party being heard, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.

3. Where measures to preserve evidence are adopted without the other party having been heard, the parties affected shall be given notice without delay and at the latest after the execution of the measures.

Article 185. Right of Information

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

(a) was found in possession of the infringing goods on a commercial scale;

(b) was found to be using the infringing services on a commercial scale;

(c) was found to be providing on a commercial scale services used in infringing activities; or

(d) was found to be producing, manufacturing or distributing infringing goods or to be providing services, through information provided by any person referred to in points (a), (b), or (c). 2. The information referred to in paragraph 1 shall, as appropriate, comprise:

(a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the

goods or services, as well as the intended wholesalers and retailers, and

(b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

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

(a) grant the right holder rights to receive fuller information;

(b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;

(c) govern responsibility for misuse of the right of information;

(d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit to his/her own participation or that of his/her close relatives in an infringement of an intellectual property right; or

(e) govern the protection of confidentiality of information sources or the processing of personal data.

Article 186. Provisional Measures

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

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

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

Article 187. Measures Resulting from a Decision on the Merits of the Case

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

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

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

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

Article 188. Damages

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

(a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as moral prejudice, caused to the right holder by the infringement; or

(b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

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

Article 189. Legal Costs

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

Article 190. Publication of Judicial Decisions

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

Article 191. Presumption of Authorship or Ownership

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

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

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

Subsection 2. Other Provisions

Article 192. Border Measures

1. This Article establishes the general principles of this Agreement governing the enforcement of intellectual property rights by customs authorities and the obligations of the customs authorities of the Parties to engage in cooperation.

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

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

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

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

exchange such information swiftly and with due respect to data protection laws of the Parties.

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

7. The Sub-Committee referred to in Article 72 of this Agreement shall establish the necessary practical arrangements concerning the exchange of data and information referred to in this Article. 8. Protocol II on Mutual Administrative Assistance in Customs Matters to this Agreement shall be applicable in respect to breaches of intellectual property rights, without prejudice to forms of cooperation resulting from the application of paragraphs 5 to 7 of this Article. 9. The Sub-Committee referred to in Article 72 of this Agreement shall act as the responsible Sub-Committee to ensure the proper functioning and implementation of this Article.

Article 193. Codes of Conduct

The Parties shall encourage:

(a) the development by trade or professional associations or organisations of codes of conduct aimed at contributing towards the enforcement of intellectual property rights;

(b) the submission to their respective competent authorities of draft codes of conduct and of any evaluations of the application of those codes of conduct.

Article 194. Cooperation

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

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

(a) exchange of information on the legal framework concerning intellectual property rights and relevant rules of protection and enforcement; exchange of experiences on legislative progress in those areas;

(b) exchange of experiences and information on the enforcement of intellectual property rights;

(c) exchange of experiences on central and sub-central enforcement by customs, police, administrative and judiciary bodies; coordination to prevent exports of counterfeit goods, including with other countries;

(d) capacity-building; exchange and training of personnel;

(e) promotion and dissemination of information on intellectual property rights in, inter alia, business circles and civil society; public awareness of consumers and right holders;

(f) enhancement of institutional cooperation, for example between intellectual property offices;

(g) actively promoting awareness and education of the general public on policies concerning intellectual property rights: formulate effective strategies to identify key audiences and create communication programmes to increase consumer and media awareness on the impact of intellectual property violations, including the risk to health and safety and the connection to organised crime.

Chapter 10. Competition

Article 195. Principles

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

Article 196. Antitrust and Mergers Legislation and Its Implementation

1. Each Party shall maintain in its respective territory comprehensive competition laws, which effectively address anti-competitive agreements, concerted practices and anti-competitive unilateral conduct of enterprises with dominant market

power and which provide effective control of concentrations to avoid significant impediment to effective competition and abuse of dominant position.

2. Each Party shall maintain an authority responsible and appropriately equipped for the effective enforcement of the competition laws referred to in paragraph 1.

3. The Parties recognise the importance of applying their respective competition laws in a transparent and non-discriminatory manner, respecting the principles of procedural fairness and rights of defence of the enterprises concerned.

Article 197. State Monopolies, State Enterprises and Enterprises Entrusted with Special or Exclusive Rights

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

2. With regard to state monopolies of a commercial character, state enterprises and enterprises entrusted with special or exclusive rights, each Party shall ensure that such enterprises are subject to the competition laws referred to in Article 196(1), in so far as the application of those laws does not obstruct the performance, in law or in fact, of the particular tasks of public interest assigned to the enterprises in question.

Article 198. Subsidies

1. For the purpose of this Article, a "subsidy" is a measure which fulfils the conditions of Article 1 of the SCM Agreement irrespective whether it is granted in relation to the production of goods or the supply of services and which is specific within the meaning of Article 2 of that Agreement.

2. Each Party shall ensure transparency in the area of subsidies. To that end, each Party shall report every two years to the other Party on the legal basis, the form, the amount or the budget and, where possible, the recipient of the subsidy granted by its government or a public body in relation to the production of goods. Such report is deemed to have been provided if the relevant information is made available by each Party on a publicly accessible website.

3. On request of a Party, the other Party shall promptly provide information and respond to questions pertaining to particular subsidies relating to the supply of services.

Article 199. Dispute Settlement

The provisions on the dispute settlement mechanism in Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade- related Matters) of this Agreement shall not apply to Articles 195, 196 and 197 of this Agreement.

Article 200. Relationship with the WTO

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

Article 201. Confidentiality

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

Chapter 11. Trade-related Energy Provisions

Article 202. Definitions

For the purposes of this Chapter:

(a) "energy goods" means crude oil (HS code 27.09), natural gas (HS code 27.11) and electrical energy (HS code 27.16);

(b) "energy transport facilities" means high-pressure natural gas transmission pipelines; high-voltage electricity transmission grids and lines, including interconnectors used to connect different gas or electricity transmission networks; crude oil transmission pipelines, railways and other fixed facilities handling the transit of energy goods.

(c) "transit" means the passage of energy goods across the territory of a Party, with

or without trans-shipment, ware- housing, breaking bulk, or change in the mode of transport, where such passage is only a portion of a complete journey beginning and terminating beyond the frontier of the Party across whose territory the traffic passes.

(d) "unauthorised taking" means any activity consisting of the unlawful taking of energy goods from energy transport facilities.

Article 203. Transit

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

Article 204. Unauthorised Taking of Goods In Transit

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

Article 205. Uninterrupted Transit

1. A Party shall not take from or interfere otherwise with the transit of energy goods through their territory, except where such taking or other interference is specifically provided for in a contract or other agreement governing such transit or where a continued operation of the energy transport facilities without prompt corrective action creates an unreasonable threat to public security, cultural heritage, health, safety or the environment, subject to the requirement that such action is not carried out in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction of international trade.

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

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

Article 206. Transit Obligation for Operators

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

(a) minimise the risk of accidental interruption or reduction of transit;

(b) expeditiously restore the normal operation of such transit, which has been accidentally interrupted or reduced.

Article 207. Regulatory Authorities

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

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

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

Article 208. Organisation of Markets

1. The Parties shall ensure that energy markets are operated with a view to achieving competitive, secure and environmentally sustainable conditions and shall not discriminate between enterprises as regards rights or obligations.

2. Notwithstanding paragraph 1, a Party may impose on enterprises, in the general economic interest, obligations which may relate to security, including security of supply; regularity, quality and price of supplies; and environmental protection, including energy efficiency, energy from renewable sources and climate protection. Such obligations shall be clearly defined, transparent, proportionate and verifiable.

3. Where a Party regulates the price at which gas and electricity are sold on the domestic market, that Party shall ensure that the methodology underlying the calculation of the regulated price is published prior to the entry into force of the regulated price.

Article 209. Access to Energy Transport Facilities

1. Each Party shall ensure on its territory the implementation of a system of third party access to energy transport facilities and Liquefied Natural Gas and storage facilities applicable to all users and applied in a transparent, objective and non-discriminatory manner.

2. Each Party shall ensure that the access tariff to energy transport facilities and all other conditions related to access to an energy transport facility are objective, reasonable, transparent and shall not discriminate on the basis of origin, ownership or destination of the energy good.

3. Each Party shall ensure that all technical and contracted capacity, both physical and virtual, is allocated through transparent and non-discriminatory criteria and procedures.

4. In case of refusal to grant third party access, the Parties shall ensure that, upon request, the energy transport facility operators provide a duly substantiated explanation to the requesting party, subject to legal redress.

5. A Party may exceptionally derogate from the provisions in paragraphs 1 to 4 according to objective criteria laid down in its legislation. In particular, a Party may implement in its legislation a possibility to grant, on a case-by-case basis, for a limited period of time, an exemption to the third party access rules for major new energy transport facilities.

Article 210. Relationship with the Energy Community Treaty

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

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

3. The provisions of paragraphs 1 and 2 of this Article shall not apply to the United Kingdom.

Chapter 12. Transparency

Article 211. Definitions

(a) "measure of general application" includes laws, regulations, judicial decisions, procedures and administrative rulings that may have an impact on any matter covered by Title IV (Trade and Trade-related Matters) of this Agreement. It does not include measures that are addressed to a particular person or a group of persons;

(b) "interested person" means any natural or legal person established in the territory of a Party that may be directly affected by a measure of general application.

Article 212. Objective

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

Article 213. Publication

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

(a) are promptly and readily available via an officially designated medium and where feasible, electronic means, in such a manner as to enable any person to become acquainted with them;

(b) provide an explanation of the objective of, and the rationale for, such measures; and

(c) allow for sufficient time between the publication and entry into force of such measures, except in duly justified cases including security or emergency issues.

2. Each Party shall:

(a) endeavour to make publicly available at an appropriate carly stage any proposal to adopt or to amend any measure of general application, including an explanation of the objective of, and rationale for such proposal;

(b) provide reasonable opportunities for interested persons to comment on such proposal, allowing, in particular, for sufficient time for such opportunities; and

(c) endeavour to take into consideration the comments received from interested persons with respect to such proposal.

Article 214. Enquiries and Contact Points

1. In order to facilitate the communication between the Parties on any matter covered by Title IV (Trade and Trade-related Matters) of this Agreement, each Party shall designate a contact point acting as coordinator.

2. Each Party shall establish or maintain appropriate mechanisms for responding to enquiries from any person regarding any measure of general application which is proposed or in force, and its application. Enquiries may be addressed through the contact point established under paragraph 1 or through any other mechanism, as appropriate.

3. The Parties recognise that any response provided for in paragraph 2 may not be definitive or legally binding but for information purposes only, unless otherwise provided for in their respective laws and regulations.

4. Upon request of a Party, the other Party shall promptly provide information and respond to questions pertaining to any measure of general application or any proposal to adopt or to amend any measure of general application that the requesting Party considers might affect the operation of Title IV (Trade and Trade-related Matters) of this Agreement, regardless of whether the requesting Party has been previously notified of that measure.

Article 215. Administration of Measures of General Application

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

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

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

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

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

Article 216. Review and Appeal

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

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

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

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

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

Article 217. Regulatory Quality and Performance and Good Administrative Behaviour

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

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

Article 218. Specific Rules

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

Chapter 13. Trade and Sustainable Development

Article 219. Context and Objectives

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

2. The Parties reaffirm their commitment to pursue sustainable development and recognise that economic development, social development and environmental protection are its interdependent and mutually reinforcing pillars. They underline the benefit of considering trade-related labour (1) and environmental issues as part of a global approach to trade and sustainable development.

(1) When labour is referred to in this Chapter, it includes the issues relevant to the strategic objectives of the ILO, through which the Decent Work Agenda is expressed, as agreed on in the ILO 2008 Declaration on Social Justice for a Fair Globalisation.

Article 220. Right to Regulate and Levels of Protection

1. The Parties recognise the right of each Party to determine its sustainable development policies and priorities, to establish its own levels of domestic environmental and labour protection, and to adopt or modify accordingly its relevant law and policies, consistently with their commitment to the internationally recognised standards and agreements referred to in Articles 221 and 222 of this Agreement.

2. In that context, each Party shall strive to ensure that its law and policies provide for and encourage high levels of

environmental and labour protection and shall strive to continue to improve its law and policies and the underlying levels of protection.

Article 221. Multilateral Labour Standards and Agreements

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

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

(a) the freedom of association and the effective recognition of the right to collective bargaining;

(b) the elimination of all forms of forced or compulsory labour; (c) _ the effective abolition of child labour; and (d) _ the elimination of discrimination in respect of employment and occupation.

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

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

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

Article 222. Multilateral Environmental Governance and Agreements

1. The Parties recognise the value of multilateral environmental governance and agreements as a response of the international community to global or regional environmental problems, and stress the need to enhance the mutual supportiveness between trade and environmental policies. In this context, the Parties commit to consult and cooperate as appropriate with respect to negotiations on trade-related environmental issues and with respect to other trade-related environmental matters of mutual interest.

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

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

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

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

Article 223. Trade and Investment Promoting Sustainable Development

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

(a) the Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and they shall seck greater policy coherence between trade policies, on the one hand, and labour policies on the other;

(b) the Parties shall strive to facilitate and promote trade and investment in environmental goods and services, including through addressing related non-tariff barriers;

(c) the Parties shall strive to facilitate the removal of obstacles to trade or investment concerning goods and services of particular relevance to climate change mitigation, such as sustainable renewable energy and energy efficient products and services. This may include the adoption of appropriate technologies and the promotion of standards that respond to environmental and economic needs and minimise technical obstacles to trade;

(d) the Parties agree to promote trade in goods that contribute to enhanced social conditions and environmentally sound practices, including goods that are the subject of voluntary sustainability assurance schemes such as fair and ethical trade schemes and eco-labels;

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

Article 224. Biological Diversity

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

2. To that end, the Parties commit to:

(a) promoting trade in natural resource-based products obtained through a sustainable use of biological resources and contributing to the conservation of biodiversity;

(b) exchanging information on actions on trade in natural resource-based products aimed at halting the loss of biological diversity and reducing pressures on biodiversity and, where relevant, cooperating to maximise the impact and ensure the mutual supportiveness of their respective policies;

(c) promoting the listing of species under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) where the conservation status of those species is considered at risk; and

(d) cooperating at the regional and global levels with the aim of promoting the conservation and the sustainable use of biological diversity in natural or agricultural ecosystems, including endangered species, their habitat, specially protected natural areas and genetic diversity; the restoration of ecosystems, and the elimination or the reduction of negative environmental impacts resulting from the use of living and non-living natural resources or of ecosystems.

Article 225. Sustainable Management of Forests and Trade In Forest Products

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

2. To that end, the Parties commit to:

(a) promoting trade in forest products derived from sustainably managed forests, harvested in accordance with the domestic legislation of the country of harvest, which could include bilateral or regional agreements to that end;

(b) exchanging information on measures to promote the consumption of timber and timber products from sustainably managed forests and, where relevant, cooperate to developing such measures;

(c) adopting measures to promote the conservation of forest cover and combat illegal logging and related trade, including with respect to third countries, as appropriate;

(d) exchanging information on actions for improving forest governance and where relevant cooperating to maximise the impact and ensure the mutual supportiveness of their respective policies aiming at excluding illegally harvested timber and timber products from trade flows;

(e) promoting the listing of timber species under CITES where the conservation status of those species is considered at risk; and

(f} cooperating at the regional and the global levels with the aim of promoting the conservation of forest cover and the sustainable management of all types of forests.

Article 226. Trade In Fish Products

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

(a) promoting best practices in fisheries management with a view to ensuring the conservation and the management of fish stocks in a sustainable manner, and based on the ecosystem approach;

(b) taking effective measures to monitor and control fishing activities;

(c) complying with long-term conservation measures and sustainable exploitation of marine living resources as defined in the main UN and FAO instruments relating to these issues;

(d) promoting coordinated data collection schemes and scientific cooperation between the Parties in order to improve current scientific advice for fisheries management,

(e) cooperating with and within relevant Regional Fisheries Management Organisations as widely as possible; and

(f) cooperating in the fight against illegal, unreported and unregulated (IUU) fishing and fishing related activities with comprehensive, effective and transparent measures. The Parties shall also implement policies and measures to exclude IUU products from trade flows and their markets.

Article 227. Upholding Levels of Protection

1. The Parties recognise that it is inappropriate to encourage trade or investment by lowering the levels of protection afforded in domestic environmental or labour law.

2. A Party shall not waive or derogate from, or offer to waive or derogate from, its environmental or labour law as an encouragement for trade or the establishment, the acquisition, the expansion or the retention of an investment of an investor in its territory.

3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental and labour law, as an encouragement for trade or investment.

Article 228. Scientific Information

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

Article 229. Transparency

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

Article 230. Review of Sustainability Impacts

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

Article 231. Working Together on Trade and Sustainable Development

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

(a) labour or environmental aspects of trade and sustainable development in international fora, including in particular the WTO, the ILO, United Nations Environment Programme, and MEAs;

(b) methodologies and indicators for trade sustainability impact assessments;

(c) the impact of labour and environment regulations, norms and standards on trade, as well as the impact of trade and investment rules on labour and environmental law, including on the development of labour and environmental regulations and policy;

(d) the positive and negative impacts of Title IV (Trade and Trade-related Matters) of this Agreement on sustainable development and ways to enhance, prevent or mitigate them, respectively, also taking into account the sustainability impact assessments carried out by either or both Parties;

(e) exchanging views and best practices on promoting the ratification and the effective implementation of fundamental, priority and other up-to-date ILO conventions and MEAs of relevance in a trade context;

(f) promoting private and public certification, traceability and labelling schemes, including eco-labelling;

(g) promoting corporate social responsibility, for instance through actions concerning awareness raising, implementation and dissemination of internationally recognised guidelines and principles;

(h) trade related aspects of the ILO Decent Work Agenda, including on the interlink between trade and full and productive employment, labour market adjustment, core labour standards, labour statistics, human resources development and lifelong learning, social protection and social inclusion, social dialogue and gender equality;

(i) trade-related aspects of MEAs, including customs cooperation;

(j) trade-related aspects of the current and future international climate change regime, including means to promote low-carbon technologies and energy efficiency;

(k) trade-related measures to promote the conservation and the sustainable use of biological diversity;

(l) trade-related measures to promote the conservation and sustainable management of forests, thereby reducing pressure on deforestation including with regard to illegal logging; and

(m) trade-related measures to promote sustainable fishing practices and trade in sustainably managed fish products.

Article 232. Institutional Set-up and Overseeing Mechanisms

1. Each Party shall designate a contact point within its administration that shall serve as the contact point with the other Party for purposes of implementing this Chapter.

2. The Trade and Sustainable Development Sub-Committee is hereby established. It shall report on its activities to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement. It shall comprise senior officials from within the administrations of each Party.

3. The Trade and Sustainable Development Sub-Committee shall meet within the first year after the date this Agreement enters into force, and thereafter as necessary, to oversee the implementation of this Chapter, including cooperative activities undertaken under Article 231 of this Agreement. That Sub-Committee shall establish its own rules of procedure.

4. Each Party shall convene new or consult existing domestic advisory group(s) on sustainable development with the task of advising on issues relating to this Chapter. Such group(s) may submit views or recommendations on the implementation of this Chapter, including on its (their) own initiative.

5. The domestic advisory group(s) shall comprise independent representative organisations of civil society in a balanced representation of economic, social, and environmental stakeholders, including, among others, employers and workers organisations, non-governmental organisations, business groups, as well as other relevant stakeholders.

Article 233. Joint Civil Society Dialogue Forum

1. The Parties shall facilitate a joint forum with civil society organisations established in their territories, including members of their domestic advisory group(s), and the public at large to conduct a dialogue on sustainable development aspects of this Agreement. The Parties shall promote a balanced representation of relevant interests, including independent representative organisations of employers, workers, environmental interests and business groups, as well as other relevant stakeholders,

as appropriate.

2. The joint civil society dialogue forum shall be convened once a year unless otherwise agreed by the Parties. The Parties shall agree on the operation of the joint civil society dialogue forum no later than one year after the entry into force of this Agreement.

3. The Parties shall present an update on the implementation of this Chapter to the joint civil society dialogue forum. The views and the opinions of a joint civil society dialogue forum shall be submitted to the Parties and shall be publicly available.

Article 234. Government Consultations

1. For any matter arising under this Chapter the Parties shall only have recourse to the procedures established under this Article and Article 235 of this Agreement.

2. A Party may request consultations with the other Party regarding any matter arising under this Chapter by delivering a written request to the contact point of the other Party. The request shall present the matter clearly, identifying the problem at issue and providing a brief summary of the claims under this Chapter. Consultations shall start promptly after a Party delivers a request for consultations.

3. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter. The Parties shall take into account the activities of the ILO or relevant multilateral environmental organisations or bodies so as to promote greater cooperation and coherence between the work of the Parties and these organisations. Where relevant, the Parties may seek advice from these organisations or bodies, or any person or body they deem appropriate, in order to fully examine the matter.

4. Ifa Party considers that the matter needs further discussion, that Party may request that the Trade and Sustainable Development Sub-Committee be convened to consider the matter by delivering a written request to the contact point of the other Party. That Sub-Committee shall convene promptly and endeavour to agree on a resolution of the matter.

5. Where appropriate, that Sub-Committee may seek the advice of the domestic advisory group(s) of either or both Party(ies) or other expert assistance.

6. Any resolution reached by the consulting Parties on the matter shall be made publicly available.

Article 235. Panel of Experts

1. Each Party may, 90 days after the delivery of a request for consultations under Article 234(2) of this Agreement, request that a Panel of Experts be convened to examine a matter that has not been satisfactorily addressed through government consultations.

2. The provisions of Sub-Section 1 (Arbitration procedure) and Sub-Section 3 (Common provisions), of Section 3 (Dispute settlement procedures), and of Article 261 of Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement, as well as the Rules of Procedure in Annex XVI to this Agreement and the Code of Conduct for Arbitrators and Mediators ("Code of Conduct") set out in Annex XVII to this Agreement shall apply, except as otherwise provided in this Article.

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

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

5. For matters arising under this Chapter, the Panel of Experts shall be composed of experts from the list referred to in paragraph 3 of this Article, in accordance with Article 241 of this Agreement and rule 8 of the Rules of Procedure set out in Annex XVI to this Agreement.

6. The Panel of Experts may seek information and advice from either Party, the domestic advisory group(s) or any other

source it deems appropriate. In matters related to the respect of multilateral agreements as set out in Article 221 and 222 of this Agreement, the Panel of Experts should seek information and advice from the ILO or MEA bodies.

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

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

Chapter 14. Dispute Settlement

Section 1. Objective and Scope

Article 236. Objective

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

Article 237. Scope of Application

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

Section 2. Consultations and Mediation

Article 238. Consultations

1. The Parties shall endeavour to resolve any dispute referred to in Article 237 of this Agreement by entering into consultations in good faith with the aim of reaching a mutually agreed solution.

2. A Party shall seek consultations by means of a written request to the other Party, copied to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, giving reasons for the request, including by identifying the measure at issue and the provisions referred to in Article 237 of this Agreement that it considers applicable.

3. Consultations shall be held within 30 days of the date of receipt of the request and take place, unless the Parties agree otherwise, in the territory of the Party to which the request is made. The consultations shall be deemed concluded within 30 days of the date of receipt of the request, unless both Parties agree to continue consultations. Consultations, in particular all information disclosed and positions taken by the Parties during the consultations, shall be confidential, and without prejudice to the rights of either Party in any further proceedings.

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

5. If the Party to which the request is made does not respond to the request for consultations within ten days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 of this Article respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article 240 of this Agreement.

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

7. Where consultations concern the transport of energy goods through networks and one Party views the resolution of the

dispute as urgent because of an interruption, in full or in part, of transport of natural gas, oil or electricity between the Parties the consultations shall be held within three days of the date of submission of the request, and shall be deemed concluded three days after the date of submission of the request unless both Parties agree to continue consultations.

Article 239. Mediation

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

Section 3. Dispute Settlement Procedures

Subsection 1. Arbitration Procedure

Article 240. Initiation of the Arbitration Procedure

1. Where the Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 238 of this Agreement, the Party that sought consultations may request the establishment of an arbitration panel in accordance with this Article.

2. The request for the establishment of an arbitration panel shall be made in writing to the other Party and the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement. The complaining Party shall identify in its request the measure at issue, and it shall explain how such measure is inconsistent with the provisions referred to in Article 237 of this Agreement in a manner sufficient to present the legal basis for the complaint clearly.

Article 241. Establishment of the Arbitration Panel

1. An arbitration panel shall be composed of three arbitrators.

2. Upon receipt of the request for the establishment of an arbitration panel, the Parties shall consult promptly and shall endeavour to reach an agreement on the composition of the arbitration panel. Notwithstanding paragraphs 3 and 4 of this Article, the Parties may at any time before the establishment of the arbitration panel decide to compose the arbitration panel by mutual agreement.

3. Either Party may request to apply the procedure for panel composition laid down in this paragraph after five days from the request for the establishment of a panel, if no agreement has been found on the composition of the arbitration panel. Each Party may appoint an arbitrator from the list established under Article 259 of this Agreement within ten days from the date of request to apply the procedure in this paragraph. If any of the Parties fails to appoint the arbitrator, the arbitrator shall, upon request of the other Party, be selected by lot by the chair or co-chairs of the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, or their delegates, from the sub-list of that Party contained in the list established under Article 259 of this Agreement. Unless the Parties have reached an agreement concerning the chairperson of the arbitration panel, upon request of any of the Parties, the chair or co- chairs of the Strategic Partnership and Cooperation Forum in Trade configuration or their delegates, shall select by lot the chairperson of the arbitration panel from the sub-list of chairpersons contained in the list established under Article 259 of this Agreement.

4. In the event of selection by lot of one or more arbitrators, the draw shall take place within five days of the request to select by lot referred to in paragraph 3.

5. The date of establishment of the arbitration panel shall be the date on which the last of the three selected arbitrators accepted the appointment in accordance with the Rules of Procedure in Annex XVI to this Agreement.

6. Should any of the lists provided for in Article 259 of this Agreement not be established or not contain sufficient names at the time a request is made pursuant to paragraph 3, the arbitrators shall be drawn by lot. The draw shall take place from the individuals who have been formally proposed by each of the Parties or, in case one Party has failed to make such proposal, the draw shall be made from the individuals proposed by the other Party.

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

to the other steps provided for in paragraph 3 of this Article, and the period referred to in paragraph 4 of this Article shall be two days.

Article 242. Preliminary Ruling on Urgency

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

Article 243. Arbitration Panel Report

1. The arbitration panel shall notify an interim report to the Parties setting out the findings of fact, the applicability of relevant provisions and the basic rationale behind any findings and recommendations that it makes, no later than 90 days after the date of establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, in writing, stating the reasons for the delay and the date on which the panel plans to notify its interim report. Under no circumstances should the interim report be notified later than 120 days after the date of establishment of the arbitration panel. The interim report shall not be made public.

2. A Party may submit a written request to the arbitration panel to review precise aspects of the interim report within 14 days of its notification.

3. In cases of urgency, including those involving perishable goods or seasonal goods or services, the arbitration panel shall make every effort to notify its interim report within 45 days and, in any case, no later than 60 days after the date of establishment of the arbitration panel. A Party may submit a written request to the arbitration panel to review precise aspects of the interim report, within 7 days of the notification of the interim report.

4. After considering any written comments by the Parties on the interim report, the arbitration panel may modify its report and make any further examination it considers appropriate. The findings of the final panel ruling shall include a sufficient discussion of the arguments made at the interim review stage, and shall answer clearly to the questions and observations of the two Parties.

5. In respect of a dispute concerning Chapter 11 (Trade-related energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be urgent because of an interruption, in full or in part, of any transport of natural gas, oil or electricity or a threat thereof, between the Parties, the interim report shall be notified 20 days after the date of establishment of the arbitration panel, and any request pursuant to paragraph 2 of this Article shall be made within five days of the notification of the written report. The arbitration panel may also decide to dispense with the interim report.

Article 244. Conciliation for Urgent Energy Disputes

1. In respect of a dispute concerning Chapter 11 (Trade-related energy) of Title IV (Trade and Trade-related Matters) of this Agreement which a Party considers to be urgent because of an interruption, in full or in part, of any transport of natural gas, oil, or electricity or a threat thereof between the Parties, either Party may request the chairperson of the arbitration panel to act as a conciliator concerning any matter related to the dispute by making a request to the notified panel.

2. The conciliator shall seek an agreed resolution of the dispute or seek to agree a procedure to achieve such resolution. If within 15 days of his/her appointment he/she has failed to secure such agreement, he/she shall recommend a resolution to the dispute or a procedure to achieve such resolution and shall decide on the terms and conditions to be observed from a date which he/she shall specify until the dispute is resolved.

3. The Parties and the entities under their control or jurisdiction shall respect recommendations made under paragraph 2 on the terms and conditions for three months following the conciliator's decision or until resolution of the dispute, whichever is earlier.

4. The conciliator shall respect the Code of Conduct set out in Annex XVII to this Agreement.

Article 245. Notification of the Ruling of the Arbitration Panel

1. The arbitration panel shall notify its final ruling to the Parties and to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, within 120 days from the date of establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Strategic Partnership and Cooperation Forum in Trade configuration in writing, stating the reasons for

the delay and the date on which the panel plans to notify its ruling. Under no circumstances should the ruling be notified later than 150 days after the date of establishment of the arbitration panel.

2. In cases of urgency, including those involving perishable goods or seasonal goods or services, the arbitration panel shall make every effort to notify its ruling within 60 days from the date of its establishment. Under no circumstances should the ruling be notified later than 75 days after the date of its establishment.

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

Subsection 2. Compliance

Article 246. Compliance with the Arbitration Panel Ruling

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

Article 247. Reasonable Period of Time for Compliance

1. If immediate compliance is not possible, the Parties shall endeavour to agree on the period of time to comply with the ruling. In such a case, the Party complained against shall, no later than 30 days after the receipt of the notification of the arbitration panel ruling, notify the complaining Party and the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, of the time it will require for compliance ("reasonable period of time").

2. â If there is disagreement between the Parties on the reasonable period of time to comply with the arbitration panel ruling, the complaining Party shall, within 20 days of the date of receipt of the notification made under paragraph 1 by the Party complained against, request in writing the original arbitration panel to determine the length of the reasonable period of time. Such request shall be notified simultaneously to the other Party and to the Strategic Partnership and Cooperation Forum in Trade configuration. The original arbitration panel shall notify its ruling to the Parties and to the Strategic Partnership and Cooperation Forum in Trade configuration within 20 days from the date of submission of the request.

3. The Party complained against shall inform the complaining Party in writing of its progress to comply with the arbitration panel ruling at least one month before the expiry of the reasonable period of time.

4. The reasonable period of time may be extended by mutual agreement of the Parties.

Article 248. Review of Any Measure Taken to Comply with the Arbitration Panel Ruling

1. The Party complained against shall notify the complaining Party and the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, before the end of the reasonable period of time of any measure that it has taken to comply with the arbitration panel ruling.

2. In the event that there is disagreement between the Parties concerning the existence or the consistency of any measure under paragraph 1, taken to comply with the provisions referred to in Article 237 of this Agreement, the complaining Party may request in writing the original arbitration panel to rule on the matter. Such request shall identify the specific measure at issue and explain how such measure is inconsistent with the provisions referred to in Article 237 of this Agreement, in a manner sufficient to present the legal basis for the complaint clearly. The original arbitration panel shall notify its ruling to the Parties and to the Strategic Partnership and Cooperation Forum in Trade configuration within 45 days of the date of submission of the request.

Article 249. Temporary Remedies In Case of Non-compliance

1. If the Party complained against fails to notify any measure taken to comply with the arbitration panel ruling before the expiry of the reasonable period of time, or if the arbitration panel rules that no measure taken to comply exists or that the measure notified under Article 248(1) of this Agreement, is inconsistent with that Party's obligations under the provisions referred to in Article 237 of this Agreement, the Party complained against shall, if so requested by the complaining Party and after consultations with that Party, present an offer for temporary compensation.

2. If the complaining Party decides not to request an offer for temporary compensation under paragraph 1 of this Article, or, in case such request is made, if no agreement on compensation is reached within 30 days after the end of the reasonable period of time or of the notification of the arbitration panel ruling under Article 248 of this Agreement that no measure taken to comply exists or that a measure taken to comply is inconsistent with the provisions referred to in Article 237 of this Agreement, the complaining Party shall be entitled, upon notification to the other Party and to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, to suspend concessions or obligations arising from any provision referred to in Article 237 of this

Agreement, at an adequate level, equivalent to the nullification or impairment caused by the violation. The notification shall specify the level of suspension of concessions or obligations. The complaining Party may implement the suspension at any moment after the expiry of ten days after the date of receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration under paragraph 4 of this Article.

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

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

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

(a) the Parties have reached a mutually agreed solution pursuant to Article 254 of this Agreement; or

(b) the Parties have agreed that the measure notified under Article 248(1) of this Agreement brings the Party complained against into conformity with the provisions referred to in Article 237 of this Agreement; or

(c) any measure found to be inconsistent with the provisions referred to in Article 237 has been withdrawn or amended so as to bring it into conformity with those provisions, as ruled under Article 248(2) of this Agreement.

Article 250. Remedies for Urgent Energy Disputes

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

2. By way of derogation from Articles 247, 248 and 249 of this Agreement, the complaining Party may suspend concessions or other obligations arising under Title IV (Trade and Trade-related Matters) of this Agreement to an adequate level, equivalent to the nullification or impairment caused by the Party failing to bring itself into compliance with the arbitration panel ruling within 15 days of its notification. That suspension may take effect immediately. Such suspension may be maintained as long as the Party complained against has not complied with the arbitration panel ruling.

3. Should the Party complained against dispute the existence of a failure to comply or the level of the suspension due to the failure to comply, it may initiate proceedings under Articles 249(4) and 251 of this Agreement which shall be examined expeditiously. The complaining Party shall be required to remove or adjust the suspension only once the Panel has ruled on the matter, and may maintain the suspension pending the proceedings.

Article 251. Review of Any Measure Taken to Comply after the Adoption of Temporary Remedies for Non-compliance

1. The Party complained against shall notify the complaining Party and the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, of the measure it has taken to comply with the ruling of the arbitration panel following the suspension of concessions or other obligations or following the application of temporary compensation, as the case may be. With the exception of cases under paragraph 2 of this Article, the complaining Party shall terminate the suspension of concessions or other obligations within 30 days from the receipt of the notification. In cases

where compensation has been applied, and with the exception of cases under paragraph 2 of this Article, the Party complained against may terminate the application of such compensation within 30 days from its notification that it has complied with the ruling of the arbitration panel.

2. If the Parties do not reach an agreement on whether the notified measure brings the Party complained against into conformity with the provisions referred to in Article 237 of this Agreement, within 30 days of the date of receipt of the notification, the complaining Party shall request in writing the original arbitration panel to rule on the matter. Such a request shall be notified simultaneously to the other Party and to the Strategic Partnership and Cooperation Forum in Trade configuration. The arbitration panel ruling shall be notified to the Parties and to the Strategic Partnership and Cooperation Forum in Trade configuration within 45 days of the date of submission of the request. If the arbitration panel rules that the measure taken comply with the provisions referred to in Article 237 of this Agreement, the suspension of concessions or other obligations or compensation, as the case may be, shall be terminated. Where relevant, the complaining Party shall adapt the level of suspension of concessions or other obligations to the level determined by the arbitration panel.

Article 252. Replacement of Arbitrators

If in an arbitration proceeding under this Chapter, the original panel, or some of its members, are unable to participate, withdraw, or need to be replaced because they do not comply with the requirements of the Code of Conduct set out in Annex XVII to this Agreement, the procedure set out in Article 241 of this Agreement shall apply. The time-limit for the notification of the arbitration panel ruling shall be extended by 20 days with the exception of the urgent disputes referred to in paragraph 7 of Article 241, for which the time-limit shall be extended by five days.

Subsection 3. Common Provisions

Article 253. Suspension and Termination of Arbitration and Compliance Procedures

The arbitration panel shall, at the written request of both Parties, suspend its work at any time for a period agreed by the Parties not exceeding 12 consecutive months. The arbitration panel shall resume its work before the end of that period at the written request of both Parties or at the end of this period at the written request of any Party. The requesting Party shall inform the chair or co-chairs of the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, and the other Party, accordingly. If a Party does not request the resumption of the arbitration panel's work at the expiry of the agreed suspension period, the procedure shall be terminated. The suspension and termination of the arbitration panel's work are without prejudice to the rights of either Party in another proceeding subject to Article 260 of this Agreement.

Article 254. Mutually Agreed Solution

The Parties may reach a mutually agreed solution to a dispute under Title IV (Trade and Trade-related Matters) of this Agreement at any time. They shall jointly notify the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, and the chairperson of the arbitration panel, where applicable, of any such solution. If the solution requires approval pursuant to the relevant domestic procedures of either Party, the notification shall refer to this requirement, and the dispute settlement procedure shall be suspended. If such approval is not required, or if the completion of any such domestic procedures is notified, the dispute settlement procedure shall be terminated.

Article 255. Rules of Procedure

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

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

Article 256. Information and Technical Advice

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

Article 257. Rules of Interpretation

The arbitration panel shall interpret the provisions referred to in Article 237 of this Agreement, in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention on the Law of Treaties of 1969. The panel shall also take into account relevant interpretations established in reports of panels and the Appellate Body adopted by the WTO Dispute Settlement Body (DSB). The rulings of the arbitration panel cannot add to or diminish the rights and obligations of the Parties provided under this Agreement.

Article 258. Decisions and Rulings of the Arbitration Panel

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

2. The rulings of the arbitration panel shall be unconditionally accepted by the Parties. They shall not create any rights or obligations for natural or legal persons. The rulings shall set out the findings of fact, the applicability of the relevant provisions referred to in Article 237 of this Agreement and the basic rationale behind any findings and conclusions that they make. The Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, shall make the rulings of the arbitration panel publicly available in their entirety within ten days of their notification, unless it decides not to do so in order to ensure the confidentiality of information that is designated as confidential by the Party that provided it, on the basis of its legislation.

Section 4. General Provisions

Article 259. Lists of Arbitrators

1. The Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, shall, no later than six months after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: one sub-list for each Party and one sub-list of individuals that are not nationals of either Party and who may serve as chairperson to the arbitration panel. Each sub-list shall include at least five individuals. The Strategic Partnership and Cooperation Forum in Trade configuration shall ensure that the list is always maintained at that level.

2. Arbitrators shall have specialised knowledge and experience of law and international trade. They shall be independent, serve in their individual capacities and not take instructions from any organisation or government, or be affiliated with the government of any of the Parties, and shall comply with the Code of Conduct set out in Annex XVII to this Agreement.

3. The Strategic Partnership and Cooperation Forum in Trade configuration may establish additional lists of 12 individuals with knowledge and experience in specific sectors covered by this Agreement. Subject to the agreement of the Parties, such additional lists shall be used to compose the arbitration panel in accordance with the procedure set out in Article 241 of this Agreement.

Article 260. Relation with WTO Obligations

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

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

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

(a) dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes contained in Annex 2 to the WTO Agreement (DSU) and are deemed to be concluded when the DSB adopts that

panel's report, and the Appellate Body's report as the case may be, under Articles 16 and 17.14 of the DSU; and

(b) dispute settlement proceedings under this Chapter are deemed to be initiated by a Party's request for the establishment of an arbitration panel under Article 240 of this Agreement and are deemed to be concluded when the arbitration panel notifies its ruling under Article 245 of this Agreement to the Parties and to the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement.

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

Article 261. Time-limits

1. All time-limits laid down in this Chapter, including the time-limits for an arbitration panel to notify its ruling, shall be counted in calendar days from the day following the act or fact to which they refer, unless otherwise specified. 2. Any time-limit referred to in this Chapter may be modified by mutual agreement of the Parties to the dispute. The arbitration panel may at any time propose to the Parties to modify any time-limit referred to in this Chapter, stating the reasons for that proposal.

Title V. Economic Cooperation

Chapter 1. Economic Dialogue

Article 262.

1. The UK and Georgia shall facilitate the process of economic reform by improving the understanding of the fundamentals of their respective economies andthe formulation and implementation of economic policies.

2. The Parties shall strive to ensure sound macroeconomic policies.

Article 263.

To that end, the Parties agree to conduct a regular economic dialogue aimed at:

(a) exchanging information on macroeconomic trends and policies, as well as on structural reforms, including strategies for economic development;

(b) exchanging expertise and best practices in areas such as public finance, monetary and exchange rate policy frameworks, financial sector policy and economic statistics;

(c) reviewing status of bilateral cooperation in the economic, financial and statistical fields.

Chapter 2. Management of Public Finances and Financial Control

Article 264.

The Parties shall cooperate in the area of public internal financial control (PIFC) and external audit with the following objectives:

(a) further development and implementation of the PIFC system based on the principle of managerial accountability, and including a functionally independent internal audit function in the entire public sector, by means of harmonisation with generally accepted international standards and methodologies, on the basis of the PIFC policy paper approved by the Government of Georgia,

(b) to reflect in the PIFC policy paper if and under which conditions a financial inspection system may be implemented, in which case such function will be complaint driven and will complement but not duplicate the internal audit function;

(c) effective cooperation between the actors defined by the PIFC policy paper to foster the development of governance;

(d) supporting the Central Harmonisation Unit for PIFC and strengthening its competences;

(e) further strengthening of the State Audit Office of Georgia as a supreme audit institution of Georgia in terms of its

independence, organisational and audit capacity, financial and human resources and implementation of internationally accepted external audit (INTOSAI) standards by the supreme audit institution; and

(f} exchange of information, experiences and good practices through inter alia personnel exchange and joint training in these fields.

Chapter 3. Taxation

Article 265.

The Parties shall cooperate to enhance good governance in the tax area, with a view to the further improvement of economic relations, trade, investment and fair competition.

Article 266.

With reference to Article 265 of this Agreement, the Parties recognise and commit themselves to implement the principles of good governance in the tax area, i.e. the

principles of transparency, exchange of information and fair tax competition. To that effect, the Parties will improve international cooperation in the tax area, facilitate the collection of legitimate tax revenues, and develop measures for the effective implementation of the above mentioned principles.

Article 267.

The Parties shall strive to enhance cooperation and sharing of experiences in combating tax fraud, in particular carousel fraud.

Article 268.

The Parties shall develop their cooperation in counteracting and fighting fraud and smuggling of excisable products. To that end, the Parties will look to strengthen their cooperation within the regional context.

Article 269.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 4. Statistics

Article 270.

The Parties shall develop and strengthen their cooperation on statistical issues, thereby contributing to the long-term objective of providing timely, internationally comparable and reliable statistical data. It is expected that a sustainable, efficient and professionally independent national statistical system shall produce information relevant for citizens, businesses and decision-makers in Georgia and in the UK, enabling them to take informed decisions on this basis. The national statistical system should respect the UN Fundamental Principles of Official Statistics, taking into account international standards and best practice, in order to align the national statistical system with internationally comparable norms and standards.

Article 271.

Cooperation shall aim at:

(a) further strengthening the capacity of the national statistical system, focusing on the sound legal basis, production of adequate data and metadata, dissemination policy and user friendliness, taking into account various groups of users, in particular public and private sectors, academic community and other users;

(b) fine-tuning of data provision, taking into account the application of relevant international methodologies, including classifications;

(c) enhancing the professional and management capacity of the national statistical staff to facilitate the application of

statistical standards and to contribute to the development of the Georgian statistical system;

(d) exchanging experience between the Parties on the development of statistical know-how; and

(e) promoting total quality management of all statistical production processes and dissemination.

Article 272.

The Parties shall further cooperate, inter alia, on the areas of:

(a) macroeconomic statistics, including national accounts, foreign trade statistics, balance of payments statistics, foreign direct investment statistics;

(b) demographic statistics, including censuses and social statistics;

(c) agricultural statistics, including agricultural censuses and environment statistics;

(d) business statistics, including business registers and use of administrative sources for statistical purposes;

(e) energy statistics, including balances; (f} regional statistics;

(g) horizontal activities, including statistical classifications, quality management, training, dissemination, use of modern information technologies; and

(h) other relevant areas.

Article 273.

The Parties shall, inter alia, exchange information and expertise and shall develop their cooperation, taking into account the already accumulated experience in the reform of the statistical system. The emphasis in the statistical data production process shall be the further development of sample surveys and use of administrative records, while taking into account the need to reduce the response burden. The data shall be relevant for the designing and monitoring of policies in key areas of social and economic life.

Article 274.

A regular dialogue may take place on the issues covered by this Chapter.

Title VI. Other Cooperation Policies

Chapter 1. Transport

Article 275.

The Parties shall:

(a) expand and strengthen their transport cooperation in order to contribute to the development of sustainable transport systems;

(b) promote efficient, safe and secure transport operations as well as intermodality and interoperability of transport systems; and

(c) endeavour to enhance the main transport links between their territories.

Article 276.

This cooperation shall cover, inter alia, the following areas:

(a) development of a sustainable national transport policy covering all modes of transport, particularly with a view to ensuring environmentally friendly, efficient, safe and secure transport systems and promoting the integration of these considerations in the sphere of transport into other policy areas;

(b) development of sector strategies in light of the national transport policy, including legal requirements for the upgrading

of technical equipment and transport fleets;

(c) strengthening of the infrastructure policy in order to better identify and evaluate infrastructure projects in the various modes of transport;

(d) development of funding policies focusing on maintenance, capacity constraints and missing link infrastructure as well as activating and promoting the participation of the private sector in transport projects;

(e) accession to relevant international transport organisations and agreements including procedures for ensuring strict implementation and effective enforcement of international transport agreements and conventions;

(f) scientific and technical cooperation and exchange of information for the development and improvement of technologies in transport, such as intelligent transport systems; and

(g) promotion of the use of intelligent transport systems and information technology in managing and operating all relevant modes of transport as well as supporting intermodality and cooperation in the use of space systems and commercial applications facilitating transport.

Article 277.

1. Cooperation shall also aim at improving the movement of passengers and goods, increasing fluidity of transport flows between Georgia, the UK and third countries in the region, by removing administrative, technical and other obstacles, improving transport networks and upgrading the infrastructure in particular on the main networks connecting the Parties. This cooperation shall include actions to facilitate border-crossings.

2. Cooperation shall include information exchange and joint activities:

(a) at regional level, in particular taking into consideration and integrating progress achieved under various regional transport cooperation arrangements and other transport initiatives; and

(b) at international level, including with regard to international transport organisations and international agreements and conventions ratified by the Parties.

Article 278.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 2. Energy Cooperation

Article 279.

The cooperation should be based on the principles of partnership, mutual interest, transparency and predictability, taking into account the need to ensure access to secure, environmentally friendly and affordable energy.

Article 280.

The cooperation may cover, inter alia, the following areas:

(a) energy strategies and policies;

(b) the development of competitive, transparent and efficient energy markets allowing third parties non-discriminatory access to networks and consumer, including the development of the relevant regulatory framework, as required and with reference to Article 210;

(c) development of an attractive and stable investment climate by addressing institutional, legal, fiscal and other conditions;

(d) energy infrastructures of common interest, in order to diversify energy sources, suppliers and transportation routes in an economic and environmentally sound manner;

(e) enhancement of security of energy supply;

(f) enhancement and strengthening of long-term stability and security of energy trade, transit and transport, and pricing policies, including a general cost based system for the transmission of energy resources, on a mutually beneficial and non-

discriminatory basis in accordance with international rules, including the Energy Charter Treaty and with reference to Article 210;

(g) promotion of energy efficiency and energy savings in economic and environmentally sound manner;

(h) development and support of diverse types of renewable energies and promotion of bilateral and regional integration in this field;

(i) scientific and technical cooperation and exchange of information for the development and improvement of technologies in energy production, transportation, supply and end use with particular attention to energy efficient and environmentally friendly technologies;

(j) cooperation on nuclear safety, security and radiation protection, in accordance with the principles and standards of the International Atomic Energy Agency (IAEA) and the relevant international treaties and conventions concluded within the framework of the IAEA; and

(k) Cooperation in education, focusing on energy security in the context of technical, economic, environmental, policy and legal aspects of energy, including development of mutually beneficial academic programmes and courses, exchange of academic staff and research assistants for main purposes of teaching, exchange of students for study and research, together with, exchange of documentation, pedagogical information and research material.

Article 281.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 3. Environment

Article 282.

The Parties shall develop and strengthen their cooperation on environmental issues, thereby contributing to the long-term objective of sustainable development and greening the economy. It is expected that enhanced environment protection will bring benefits to citizens and businesses in Georgia and in the UK, including through improved public health, preserved natural resources, increased economic and environmental efficiency, as well as use of modern, cleaner technologies contributing to more sustainable production patterns. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account the interdependence existing between the Parties in the field of environment protection, and multilateral agreements in the field.

Article 283.

1. Cooperation shall aim at preserving, protecting, improving and rehabilitating the quality of the environment, protecting human health, sustainable utilisation of natural resources and promoting measures at international level to deal with regional or global environmental problems, including in the areas of:

(a) environmental governance and horizontal issues, including strategic planning, environmental impact assessment and strategic environmental assessment, education and training, monitoring and environmental information systems, inspection and enforcement, environmental liability, combating environmental crime, regional cooperation, public access to environmental information, decision-making processes and effective administrative and judicial review procedures;

(b) air quality;

(c) water quality and resource management, including flood risk management, water scarcity and droughts as well as marine environment;

(d) waste management;

(e) nature protection, including forestry and conservation of biological diversity;

(f) industrial pollution and industrial hazards; and.

(g) chemicals management.

2. Cooperation shall also aim at integrating environment into policy areas other than environment policy.

Article 284.

The Parties shall, inter alia, exchange information and expertise; cooperate at bilateral, regional and international levels, especially with regard to multilateral environment agreements ratified by the Parties, and cooperate in the framework of relevant agencies, as appropriate.

Article 285.

The cooperation shall cover, inter alia, the following objective:

(a) the promotion of integration of the environment into other policy areas; and

(b) the identification of the necessary human and financial resources.

Article 286.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 4. Climate Action

Article 287.

The Parties shall develop and strengthen their cooperation to combat climate change. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit and taking into account the inter-dependence existing between bilateral and multilateral commitments in this area.

Article 288.

Cooperation shall aim at mitigating and adapting to climate change, as well as promoting measures at international level, including in the areas of:

(a) mitigation of climate change;

(b) adaptation to climate change;

(c) carbon trading;

(d) research, development, demonstration, deployment and diffusion of safe and sustainable low carbon and adaptation technologies.

Article 289.

The Parties shall, inter alia, exchange information and expertise; implement joint research activities and exchange of information on cleaner technologies; implement joint activities, including with regard to multilateral environment agreements ratified by the Parties and joint activities in the framework of relevant agencies as appropriate. The Parties shall pay special attention to regional cooperation.

Article 290.

Based on mutual interests, the cooperation may cover, inter alia, the development and implementation of:

(a) nationally appropriate mitigation actions;

(b) measures to promote technology transfer on the basis of Nationally Determined Contributions;

(c) measures related to ozone-depleting substances and fluorinated greenhouse gases.

Article 291.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 5. Industrial and Enterprise Policy, Innovation and Mining

Article 292.

The Parties shall develop and strengthen their cooperation on innovation, industrial and enterprise policy, thereby improving the business environment for all economic operators, but with particular emphasis on small and medium-sized enterprises (SMEs) as they are defined in UK and Georgian legislation respectively. Enhanced cooperation should improve the administrative and regulatory framework for both UK and Georgian businesses operating in the UK and Georgia, taking into account internationally recognised principles and practices in this field.

Article 293.

To these ends, the Parties shall cooperate in order to:

(a) implement policies for SME development. This cooperation will also include a focus on startup and craft enterprises, which are extremely important for both the UK and Georgian economies;

(b) create better framework conditions, via the exchange of information and good practices, thereby contributing to improving competitiveness. This cooperation will include the management of structural issues (restructuring) such as environment and energy;

(c) simplify and rationalise regulations and regulatory practice, with specific focus on exchange of good practices on regulatory techniques;

(d) encourage the development of innovation policy, via the exchange of information and good practices regarding the commercialisation of research and development (including support instruments for technology-based business start- ups, cluster development and access to finance);

(e) encourage greater contacts between UK and Georgian businesses and between these businesses and the authorities in the UK and Georgia;

(f) encourage export promotion activities between the UK and Georgia;

(g) facilitate the modernisation and restructuring of the UK and Georgian industry in sectors, where appropriate;

(h) develop and strengthen the cooperation in the area of mining industries, and production of raw materials, with the objectives of promoting mutual understanding, improvement of the business environment, and information exchange and cooperation in the area of non-energy mining, in particular metallic ores and industrial minerals. The exchange of information will cover developments in mining and raw materials sector, trade in raw materials, best practices in relation to sustainable development of mining industries as well as training, skills and health and safety.

Article 294.

A regular dialogue may take place on the issues covered by this Chapter. This will also involve representatives of UK and Georgian businesses.

Chapter 6. Company Law, Accounting and Auditing and Corporate Governance

Article 295.

1. Recognising the importance of an effective set of rules and practices in the areas of company law and corporate governance, as well as in accounting and auditing, for creating a fully-functioning market economy and for fostering trade, the Parties agree to cooperate in relation to:

a) protecting shareholders, creditors and other stakeholders;

b) using relevant international standards at national level, and developing appropriate domestic systems, in the field of accounting and auditing;

c) further developing corporate governance policy in line with international standards, in particular the OECD Principles on

Corporate Governance.

Article 296.

The Parties will aim at sharing information and expertise on both existing systems and relevant new developments in these areas. In addition, the Parties will seek to ensure effective information exchange between business registers of the UK and the national register of companies of Georgia.

Article 297.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 7. Financial Services

Article 298.

Recognising the relevance of an effective set of rules and practices in the areas of financial services to establish a fully-functioning market economy and in order to foster trade exchanges among both Parties, the Parties agree to cooperate in the areaof financial services in line with the following objectives:

(a) supporting the process of adapting financial services regulation to the needs of an open market economy;

(b) ensuring effective and adequate protection of investors and other consumers of financial services;

(c) ensuring the stability and integrity of the Georgian financial system in its entirety;

(d) promoting cooperation between different actors of the financial system, including regulators and supervisors; and

(e) ensuring independent and effective supervision.

Article 299.

1. The Parties shall encourage cooperation between relevant regulatory and supervisory authorities, including information exchange, sharing of expertise on financial markets and other such measures.

2. Special attention shall be paid to the development of administrative capacity of such authorities, including through personnel exchange and joint training.

Article 300.

A regular dialogue may take place on the issues covered by this Chapter.

Article 301.

The parties shall promote gradual approximation to recognized international standards on regulation and supervision in the area of financial services.

Chapter 8. Cooperation In the Field of Information Society

Article 302.

The Parties shall promote cooperation on the development of the Information Society to benefit citizens and businesses through the widespread availability of information and communication technologies (ICT) and through better quality of services at affordable prices. This cooperation should aim at facilitating access to electronic communications markets, encourage competition and investment in the sector.

Article 303.

Cooperation Will Cover, Inter Alia, the Following Subjects:

(a) exchange of information and best practices on the implementation of national information society initiatives, including, inter alia, those aiming at promoting broadband access, safe internet, improving network security and developing public online services, new technologies and ICT innovations; and

(b) exchange of information, best practices and experience to promote the development of a comprehensive policy and regulatory framework for electronic communications, and in particular strengthen the institutional capacity of the national independent regulator and foster a better use of spectrum resources.

Article 304.

The Parties shall promote cooperation between the national administrations and regulatory authorities in the field of electronic communications of Georgia and the UK.

Chapter 9. Tourism

Article 305.

The Parties shall cooperate in the field of tourism, with the aim of strengthening the development of a competitive and sustainable tourism industry as a generator of economic growth and empowerment, employment and international exchange.

Article 306.

Cooperation at bilateral level shall be based on the following principles:

(a) respect for the integrity and interests of local communities, particularly in rural areas, bearing in mind local development needs and priorities;

(b) the importance of cultural and natural heritage; and

(c) positive interaction between tourism and environmental preservation.

Article 307.

The cooperation shall focus on the following topics:

(a) exchange of information, best practices, experience and "know-how";

(b) maintenance of partnership between public, private and community interests in order to ensure the sustainable development of tourism, including ecotourism;

(c) promotion and development of tourism flows, products and markets, infrastructure, human resources and institutional structures;

(d) development and implementation of efficient policies;

(e) tourism training and capacity building in order to improve service standards; and

(f) development and promotion of, inter alia, community-based tourism.

Article 308.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 10. Agriculture and Rural Development

Article 309.

The Parties shall cooperate to promote agricultural and rural development.

Article 310.

Cooperation between the Parties in the field of agriculture and rural development shall cover, inter alia, the following areas:

(a) facilitating the mutual understanding of agricultural and rural development policies;

(b) promoting the modernisation and the sustainability of agricultural production;

(c) sharing knowledge and best practices of rural development policies to promote economic well-being for rural communities;

(d) improving the competitiveness of the agricultural sector and the efficiency and transparency for all stakeholders in the markets;

(e) promoting quality policies and their control mechanisms, including geographical indications and organic farming;

(f) wine production and agro tourism;

(g) disseminating knowledge and promoting extension services to agricultural producers; and

(h) striving for the harmonisation of issues dealt within the framework of international organisations of which both Parties are members.

Article 311.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 11. Fisheries and Maritime Governance

Section 1. Fisheries Policy

Article 312.

1. The Parties shall cooperate on the following mutually beneficial areas of common interest in the fisheries sector, including conservation and management of living aquatic resources, inspection and control, data collection, and the fight against illegal, unreported and unregulated (IUU) fishing as defined in the FAO International Plan of Action (POA) of 2001 to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing.

2. That cooperation will respect the international obligations of the Parties concerning management and conservation of living aquatic resources.

Article 313.

The Parties shall take joint actions, exchange information and provide support to each other in order to promote:

(a) good governance and best practices in fisheries management with a view to ensuring conservation and management of fish stocks in a sustainable manner, and based on the principle of ecosystem approach;

(b) responsible fishing and fisheries management consistent with the principles of sustainable development, so as to conserve fish stocks and ecosystems in a healthy state, and regional cooperation, including through Regional Fisheries Management Organisations, as appropriate.

Article 314.

The Parties will support initiatives, such as mutual exchange of experience and providing support, in order to ensure the implementation of a policy ensuring sustainable fisheries, based on priority areas of interest for the Parties in this field, including:

(a) management of living aquatic resources, fishing effort and technical measures;

(b) inspection and control of fishing activities, using the necessary surveillance equipment, including electronic monitoring devices and traceability tools, as well as ensuring enforceable legislation and control mechanisms;

(c) collection of compatible catch, landing, fleet, biological and economic data;

(d) management of fishing capacity, including a functioning fishing fleet register;

(e) market efficiency, in particular by promoting producer organisations, providing information to consumers and through marketing standards and traceability; and

(f) development of a structural policy for the fisheries sector providing sustainability in economic, environment and social terms.

Section 2. Maritime Policy

Article 315.

Taking into account their cooperation in the spheres of fisheries, sea-related transport, environment and other policies, and in accordance with the relevant international agreements on the law of the sea based on the United Nations Convention on the Law of the Sea, the Parties shall also develop cooperation on an integrated maritime policy, in particular:

(a) promoting an integrated approach to maritime affairs, good governance and exchange of best practices in the use of the marine space;

(b) promoting maritime spatial planning as a tool contributing to improved decision-making for arbitrating between competing human activities, in line with the ecosystem approach;

(c) promoting integrated coastal zone management, in line with the ecosystem approach, to ensure sustainable coastal development and to enhance the resilience of coastal regions to coastal risks including the impacts of climate change;

(d) promoting innovation and resource efficiency in maritime industries as a generator of economic growth and employment, including through the exchange of best practices;

(e) promoting strategic alliances between maritime industries, services and scientific institutions specialising in marine and maritime research;

(f) endeavouring to enhance cross-border and cross-sectoral maritime surveillance in order to address the increasing risks related to intensive maritime traffic, operational discharges of vessels, maritime accidents and illegal activities at sea; and

(g) establishing a regular dialogue and promoting different networks between maritime stakeholders.

Article 316.

This cooperation shall include:

(a) exchange of information, best practices, experience and maritime "know-how" transfer, including on innovative technologies in maritime sectors and on marine environment issues;

(b) exchange of information and best practices on financing options for projects, including public-private partnerships;

(c) enhancing cooperation between the Parties in the relevant international maritime fora; and

(d) building closer cooperation by sharing of information relevant to the maintenance of maritime security.

Article 317.

A regular dialogue between the Parties may take place on the issues covered by this Chapter.

Chapter 12. Cooperation In Research, Technological Development and Demonstration

Article 318.

The Parties may promote cooperation in all areas of civil scientific research and technological development and demonstration (RTD) on the basis of mutual benefit and subject to appropriate and effective levels of protection of intellectual property rights.

Article 319.

ARTICLE 319 Cooperation in RTD may cover:

(a) policy dialogue and the exchange of scientific and technological information;

(b) facilitating adequate access to the respective programmes of the Parties;

(c) the promotion of joint projects for research in all areas of RTD;

(d) training activities and mobility programmes for scientists researchers and other research staff engaged in RTD activities of the Parties in line with national legislation;

(e) other forms of cooperation in RTD on the basis of mutual agreement.

Chapter 13. Consumer Policy

Article 320.

The Parties shall cooperate in order to ensure a high level of consumer protection.

Article 321.

In order to achieve these objectives the cooperation may comprise, when appropriate:

(a) aiming at avoiding barriers to trade;

(b) promoting exchange of information on consumer protection systems, including consumer legislation and its enforcement, consumer product safety, information exchange systems, consumer education/awareness and empowerment, and consumer redress;

(c) training activities for administration officials and other consumer interest representatives,

(d) facilitating the activity of independent consumer associations and contacts between consumer representatives

Chapter 14. Employment, Social Policy and Equal Opportunities

Article 322.

The Parties shall strengthen their dialogue and cooperation on promoting the Decent Work Agenda, employment policy, health and safety at work, social dialogue, social protection, social inclusion, gender equality and anti-discrimination, and corporate social responsibility and thereby contribute to the promotion of more and better jobs, poverty reduction, enhanced social cohesion, sustainable development and improved quality of life.

Article 323.

Cooperation, based on exchange of information and best practices, may cover a selected number of issues to be identified among the following areas:

(a) poverty reduction and the enhancement of social cohesion;

(b) employment policy, aiming at more and better jobs with decent working conditions, including with a view to reduce the informal economy and informal employment;

(c) promoting active labour market measures and efficient employment services, as appropriate, to modernise the labour markets and to adapt to labour market needs of the Parties;

(d) fostering more inclusive labour markets and social safety systems that integrate disadvantaged people, including people with disabilities and people from minority groups,

(e) equal opportunities and anti-discrimination, aiming at enhancing gender equality and ensuring equal opportunities between men and women, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief,

disability, age or sexual orientation;

(f) social policy, aiming at enhancing the level of social protection and the social protection systems, in terms of quality, accessibility and financial sustainability;

(g) enhancing the participation of social partners and promoting social dialogue, including through strengthening the capacity of all relevant stakeholders;

(1) promoting health and safety at work; and

(i) awareness and dialogue in the field of corporate social responsibility.

Article 324.

The Parties shall encourage the involvement of all relevant stakeholders, including civil society organisations and in particular social partners, in policy development and reforms and in the cooperation between the Parties as provided for in the relevant part of Title VIII (Institutional, General and Final Provisions) of this Agreement.

Article 325.

The Parties shall aim at enhancing cooperation on employment and social policy matters in all relevant regional, multilateral and international fora and organisations.

Article 326.

The Parties shall promote corporate social responsibility and accountability and encourage responsible business practices, such as those promoted by a number of international corporate social responsibility guidelines and especially the OECD Guidelines for Multinational Enterprises.

Article 327.

A regular dialogue may take place on the issues covered by this Chapter.

Chapter 15. Public Health

Article 328.

The Parties agree to develop their cooperation in the field of public health, with a view to raising the level of public health safety and protection of human health as an essential component of sustainable development and economic growth.

Article 329.

The cooperation shall cover the following areas, in particular:

(a) strengthening of the public health system of Georgia, in particular through continuing health sector reform, ensuring high-quality healthcare, development of human resources for health, improving health governance and healthcare financing;

(b) epidemiological surveillance and control of communicable diseases, such as for example HIV/AIDS, viral hepatitis and tuberculosis, as well as antimicrobial resistance, as well as increased preparedness for public health threats and emergencies;

(c) prevention and control of non-communicable diseases, mainly through exchange of information and best practices, promoting healthy lifestyles, physical activity and addressing major health determinants, such as nutrition, addiction to alcohol, drugs and tobacco;

(d) quality and safety of substances of human origin; (ec) health information and knowledge; and (effective implementation of international health agreements to which the Parties are party.

Chapter 16. Education, Training and Youth

Article 330.

The Parties shall cooperate in the field of education and training to intensify cooperation and dialogue, including dialogue on policy issues. The Parties shall cooperate to promote lifelong learning, encourage cooperation and transparency at all levels of education and training, with a special focus on higher education.

Article 331.

This cooperation in the field of education and training shall focus, inter alia, on the following areas:

(a) promoting lifelong learning, which is a key to growth and jobs, and can allow citizens to participate fully in society;

(b) modernising education and training systems, including arts education, enhancing quality, relevance and access throughout the education ladder from early childhood education and care to tertiary education;

(c) promoting quality in higher education in a manner which is consistent with the Bologna Process;

(d) reinforcing international academic cooperation;

(e) encouraging the learning of foreign languages;

(f) promoting progress towards recognition of qualifications and competences and ensuring transparency in the area;

(g) promoting cooperation in vocational education and training.

Article 332.

The Parties agree to cooperate in the field of youth to:

(a) reinforce cooperation and exchanges in the field of youth policy and non- formal education for young people and youth workers;

(b) support young people's and youth workers' mobility as a means to promote intercultural dialogue and the acquisition of knowledge, skills and competences outside the formal educational systems, including through volunteering in line with national legislation;

(c) promote cooperation between youth organisations.

Chapter 17. Cooperation In the Cultural Field

Article 333.

The Parties will promote cultural cooperation taking duly into account the principles enshrined in the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005. The Parties may seek a regular policy dialogue in areas of mutual interest, including the development of cultural industries in the UK and Georgia. Cooperation between the Parties will foster intercultural dialogue, including through the participation of the culture sector and civil society from the UK and Georgia.

Article 334.

The Parties shall concentrate their cooperation in a number of fields in line with national legislation:

(a) cultural cooperation and cultural exchanges;

(b) mobility of art and artists and strengthening of the capacity of the cultural sector;

(c) intercultural dialogue;

(d) dialogue on cultural policy; and

(e) cooperation in international fora such as UNESCO and the Council of Europe, inter alia, in order to foster cultural diversity, and preserve and valorise cultural and historical heritage.

Chapter 18. Cooperation In the Audiovisual and Media Fields

Article 335.

The Parties will promote cooperation in the audio-visual field. Cooperation shall strengthen the audio-visual industries in the UK and Georgia in particular through training of professionals and exchange of information.

Article 336.

1. The Parties may develop a regular dialogue in the field of audio-visual and media policies and cooperate to reinforce independence and professionalism of the media, in compliance with relevant European standards, including standards of the Council of Europe and the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005.

2. Cooperation could include, inter alia, the issue of the training of journalists and other media professionals.

Article 337.

The Parties may concentrate their cooperation on a number of fields:

(a) dialogue on audio-visual and media policies;

(b) dialogue in international fora (such as UNESCO and the WTO); and

(c) audio-visual and media cooperation including cooperation in the field of cinema.

Article 338.

The Parties will facilitate cooperation between national regulatory authorities in the field of broadcasting of Georgia and the UK.

Chapter 19. Cooperation In the Field of Sport and Physical Activity

Article 339.

The Parties shall promote cooperation in the field of sport and physical activity through the exchange of information and good practices in order to promote a healthy lifestyle and the social and educational values of sport, mobility in sport and in order to fight global threats to sport such as doping, racism and violence.

Chapter 20. Civil Society Cooperation

Article 340.

The Parties may enhance a dialogue on civil society cooperation, with the following objectives:

(a) to strengthen contacts and exchange of information and experience between all sectors of civil society in the UK and in Georgia;

(b) to ensure a better knowledge and understanding of each other's policies and values, as well as history and culture in their respective countries and in particular among civil society organisations based in the parties territories, thus allowing fora better awareness of opportunities and challenges for future relations.

Article 341.

The Parties shall promote dialogue and cooperation between civil society stakeholders from both sides as an integral part of the relations between the UK and Georgia. The aims of such a dialogue and such cooperation are:

(a) to ensure involvement of civil society in UK-Georgia relations, in particular in the implementation of the provisions of this Agreement;

(b) to enhance civil society participation in the public decision-making process, particularly by maintaining an open, transparent and regular dialogue between the public institutions and representative associations and civil society;

(c) to facilitate an enabling environment for institution-building and development of civil society organisations in various ways, including inter alia advocacy support, informal and formal networking, mutual visits and workshops enabling legal framework for civil society, and

(d) to enable civil society representatives from each side to become acquainted with the processes of consultation and dialogue between civil society, including social partners, and public authorities in particular with a view to strengthen civil society in the public policy-making process.

Article 342.

A regular dialogue may take place between the Parties on the issues covered by this Chapter.

Chapter 21. Regional Development and Regional Level Cooperation

Article 343.

The Parties shall promote mutual understanding, and bilateral cooperation in the field of regional and local development policy, with the objective of establishing channels of communication and enhancing exchange of information and experience between national and local authorities, socio-economic actors and civil society, including promoting regional economic and business networks and supportive institutions.

Article 344.

The Parties shall, intensify cooperation between their regions, as well as between local level authorities and to promote their economic and institutional development by implementing projects of common interest.

Chapter 22. Civil Protection

Article 345.

The Parties shall develop and strengthen their cooperation on natural and man-made disasters. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account the interdependence existing between the Parties and multilateral activities in the field.

Article 346.

Cooperation shall aim at improving the prevention of, preparation for and response to natural and man-made disasters.

Article 347.

The Parties shall, inter alia, exchange information and expertise and implement joint activities on bilateral basis and/or within the framework of multilateral programmes. Cooperation can take place, inter alia, through the implementation of specific agreements and/or administrative arrangements in this field concluded between the Parties.

Article 348.

The cooperation may cover the following objectives:

(a) to exchange and regularly update contact details in order to ensure continuity of dialogue and in order to be able to contact each other on a 24-hour basis;

(b) facilitating mutual assistance in case of major emergencies, as appropriate and subject to the availability of sufficient resources;

(c) exchanging early warnings, including requests for and offers of assistance;

(d) exchanging information on the provision of assistance by the Parties to third countries for emergencies;

(e) cooperating on Host Nation Support when requesting/providing assistance;

(f) exchange of best practices and guidelines in the field of disaster prevention, preparedness and response;

(g) cooperating on Disaster Risk Reduction by addressing, inter alia, institutional linkages and advocacy; information, education and communication; and best practices aiming at preventing or mitigating the impact of natural hazards;

(h) cooperating on improving the knowledge base on disasters and on hazard and risk assessment for disaster management;

(i) cooperating on the assessment of the environmental and public health impact of disasters;

(j) inviting experts to specific technical workshops and symposia on civil protection issues;

(k) inviting, on a case-by-case basis, observers to specific exercises and trainings organised by the UK and/or Georgia; and

(l) strengthening cooperation on the most effective use of available civil protection capabilities.

Title VII. Financial Assistance, and Anti-fraud and Control Provisions

Chapter 1. Financial Assistance

Article 349.

1. Georgia may benefit from financial assistance to contribute to achieving the objectives of this Agreement, if agreed by both Parties. Any financial assistance will be provided in accordance with the following Articles of this Agreement.

2. Financial assistance covers a range of forms of such assistance and means by which it may occur, including assistance provided through multilateral and regional organisations.

Article 350.

In order to make the best use of the resources available, the Parties shall endeavour to implement any assistance in close cooperation and coordination with other donor countries, donor organisations and international financial institutions, and in line with international principles of aid effectiveness.

Article 351.

The Parties shall implement any assistance in accordance with the principles of sound financial management and shall cooperate in protecting the financial interests of the UK and of Georgia. The Parties shall take effective measures to prevent and fight fraud, corruption and any other illegal activities, inter alia by means of mutual administrative assistance and mutual legal assistance in the fields covered by this Agreement.

Title VII. Institutional, General, and Final Provisions

Chapter 1. Institutional Framework

Article 352.

The Parties shall hold a regular Strategic Partnership and Cooperation Forum, currently titled as the Wardrop Strategic Dialogue, in the configuration, and at the level and frequency agreed by mutual consent.

Article 353. Strategic Partnership and Cooperation Forum

1. The Strategic Partnership and Cooperation Forum established by Article 352 shall supervise and monitor the application and implementation of this Agreement and periodically review the functioning of this Agreement in the light of its objectives.

2. In addition to supervising and monitoring the application and implementation of this Agreement, the Strategic Partnership and Cooperation Forum shall examine any major issues arising within the framework of this Agreement, and any other bilateral or international issues of mutual interest.

Article 354.

1. The Strategic Partnership and Cooperation Forum shall consist of the representatives of the Parties, at the level agreed by the Parties.

2. The Strategic Partnership and Cooperation Forum shall establish its own rules of procedure, and shall adopt any decisions by consensus.

3. Notwithstanding Article 352, the Strategic Partnership and Cooperation Forum shall meet in a specific configuration to address all issues related to Title IV (Trade and Trade-related Matters) of this Agreement. The Strategic Partnership and Cooperation Forum shall meet in that configuration at least once a year. The Parties may establish specific rules of procedure for the Strategic Partnership and Cooperation Forum in this configuration.

4. The sub-committees established under Title IV (Trade and Trade-related Matters) of this Agreement shall inform the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in paragraph 3, of the date and agenda of their meetings sufficiently in advance of their meetings. They shall report on their activities at each regular meeting of the Strategic Partnership and Cooperation Forum in Trade configuration.

5. The existence of any sub-committees established under Title IV (Trade and Trade-related Matters) shall not prevent cither Party from bringing any matter directly to the Strategic Partnership and Cooperation Forum, including in its Trade configuration, as set out in paragraph 3.

6. Nothing in this Agreement shall restrict cooperation between the UK Parliament and the Parliament of Georgia.

7. Upon entry into force of this Agreement, any decisions adopted by the Association Council, Association Committee or any other Committees or sub- committees established by the EU-Georgia Agreement before the EU-Georgia Agreement ceased to apply to the United Kingdom shall, to the extent those decisions relate to the Parties to this Agreement, be deemed to have been adopted, mutatis mutandis and subject to the provisions of this Agreement, by the equivalent body, or sub-committee in this Agreement.

8. The Strategic Partnership and Cooperation Forum shall be chaired in turn by a representative of the UK and a representative of Georgia, unless otherwise agreed by the Parties.

Article 355.

1. For the purpose of attaining the objectives of this Agreement, the Strategic Partnership and Cooperation Forum by agreement between the Parties shall have the power to take decisions within the scope of this Agreement, including in its Trade configuration as set out in Article 354(3). The decisions shall be binding upon the Parties, which shall take appropriate measures, including if necessary action by bodies established under this Agreement, in line with provisions of this Agreement to implement the decisions taken. The Strategic Partnership and Cooperation Forum may also make recommendations.

2. In accordance with paragraph 1 of this Article, the Strategic Partnership and Cooperation Forum shall have the power to update or amend the Annexes to this Agreement, without prejudice to any specific provisions under Title IV (Trade and Trade-related Matters) of this Agreement. Where the Strategic Partnership and Cooperation Forum has agreed to update or amend an Annex to this Agreement, such updates or amendments that are subject to the fulfilment of each Party's domestic legal requirements shall enter into force in accordance with those domestic legal requirements, or, in other cases, in accordance with the decision of the Strategic Partnership and Cooperation Forum.

Chapter 2. General and Final Provisions

Article 356. Access to Courts and Administrative Organs

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

Article 357. Security Exceptions

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

(a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;

(b) which relate to the production of, or trade in, arms, munitions or war materiel or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;

(c) which it considers essential to its own security, in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 358. Non-discrimination

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

(a) the arrangements applied by Georgia in respect of the UK shall not give rise to any discrimination between nationals, companies or firms of the UK;

(b) the arrangements applied by the UK in respect of Georgia shall not give rise to any discrimination between nationals, companies or firms of Georgia.

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

Article 359. Fulfilment of Obligations

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

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

3. The Parties shall refer to the Strategic Partnership and Cooperation Forum any dispute related to the interpretation, implementation or the application in good faith of this Agreement in accordance with Article 360. The Strategic Partnership and Cooperation Forum may settle a dispute by means of a binding decision.

Article 360. Dispute Settlement

1. When a dispute arises between the Parties concerning the interpretation, implementation or the application in good faith of this Agreement, any Party shall submit to the other Party and the Strategic Partnership and Cooperation Forum a formal request that the matter in dispute be resolved. By way of derogation, disputes concerning the interpretation, implementation or the application in good faith of Title IV (Trade and Trade-related Matters) of this Agreement shall be governed exclusively by Chapter 14 (Dispute Settlement) of that Title.

2. The Parties shall endeavour to resolve the dispute by entering into good faith consultations within the Strategic Partnership and Cooperation Forum created in Article 352 of this Agreement, with the aim of reaching a mutually acceptable solution in the shortest time possible.

3. Notwithstanding the provisions of Article 352 if a Party makes a formal request that a dispute be resolved, the Parties shall meet in the Strategic Partnership and Cooperation Forum within 1 month of that request being made. Without prejudice to other configurations of the Strategic Partnership and Cooperation Forum, the Parties shall provide the Strategic Partnership and Cooperation Forum in this configuration with all information required for a thorough examination of the situation.

4. Notwithstanding the provisions of Article 352, as long as a dispute is not resolved, the Strategic Partnership and Cooperation Forum shall meet at regular intervals to discuss the dispute. A dispute shall be deemed to be resolved when the Strategic Partnership and Cooperation Forum has taken a binding decision to settle the matter as provided for in paragraph 3 of Article 359 of this Agreement, or when it has declared that the dispute is at an end.

5. All information disclosed during the dispute shall remain confidential.

Article 361. Appropriate Measures In Case of Non-fulfilment of Obligations

1. A Party may take appropriate measures, if the matter is not resolved within three months of the date of notification of a formal request for dispute settlement in accordance with Article 360 of this Agreement and if the complaining Party continues to consider that the other Party has failed to fulfil an obligation under this Agreement. The requirement for a three month consultation period may be waived by mutual agreement of the Parties and shall not apply to exceptional cases set out in paragraph 3 of this Article.

2. In the selection of appropriate measures, priority shall be given to those which least disturb the functioning of this Agreement. Except in cases described in paragraph 3 of this Article, such measures may not include the suspension of any rights or obligations provided for under provisions of this Agreement set out in Title IV (Trade and Trade-related Matters). The measures taken under paragraph 1 of this Article shall be notified immediately to the Strategic Partnership and Cooperation Forum and shall be the subject of consultations in accordance with Article 359(2) of this Agreement, and of dispute settlement in accordance with Article 359(3) and Article 360 of this Agreement.

3. The exceptions referred to in paragraphs 1 and 2 of this Article shall concern:

(a) denunciation of this Agreement not sanctioned by the general rules of international law, or

(b) violation by the other Party of any of the essential elements of this Agreement, referred to in Article 2 of Title I (General Principles) of this Agreement.

Article 362.

Amendments Without prejudice to Article 355(2) or any specific provision under Title IV (Trade and Trade-related Matters) of this Agreement, the Parties may agree, in writing, to amend this Agreement. An amendment shall enter into force on the date of receipt of the later of the Parties' notifications that they have completed their internal procedures, or on such date as the Parties may agree.

Article 363. Annexes and Protocols

The Annexes and Protocols to this Agreement shall form an integral part thereof.

Article 364. Duration

1. This Agreement is concluded for an unlimited period.

2. Either Party may denounce this Agreement by notifying the other Party. Subject to Article 366(7), this Agreement shall terminate six months from the date of receipt of such notification.

Article 365. Territorial Application

1. This Agreement shall apply, to the extent that and under the conditions which the EU-Georgia Agreement applied immediately before it ceased to apply to the United Kingdom, on the one hand, to the United Kingdom and the following territories for whose international relations it is responsible: (a) Gibraltar; (b) the Channel Islands and the Isle of Man and, on the other hand, to the territory of Georgia.

2. The application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, in relation to Georgia's regions of Abkhazia and Tskhinvali region/South Ossetia over which the Government of Georgia does not exercise effective control, shall commence once Georgia ensures the full implementation and enforcement of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, on its entire territory.

3. The Strategic Partnership and Cooperation Forum shall adopt a decision on when the full implementation and enforcement of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, on the entire territory of Georgia, is ensured.

4. Should a Party consider that the full implementation and enforcement of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, is no longer ensured in the regions of Georgia referred to in paragraph 2 of this Article, that Party may request the Strategic Partnership and Cooperation Forum to reconsider the continued application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, in relation to the regions concerned. The Strategic Partnership and Cooperation Forum shall examine the situation and adopt a decision on the continued application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, within three months of the request. If the Strategic Partnership and Cooperation Forum does not adopt a decision within three months of the

request, the application of this Agreement, or of Title IV (Trade and Trade-related Matters) thereof, respectively, shall be suspended in relation to the regions concerned until the Strategic Partnership and Cooperation Forum adopts a decision.

5. Decisions of Strategic Partnership and Cooperation Forum under this Article on the application of Title IV (Trade and Trade-related Matters) of this Agreement shall cover the entirety of that Title and cannot only cover parts of that title.

Article 366. Entry Into Force and Provisional Application

1. This Agreement shall be ratified or approved in accordance with each of the Parties' own internal procedures. Each Party shall notify the other Party of the completion of those procedures.

2. This Agreement shall enter into force on the later of:

(a) the date on which the EU-Georgia Agreement ceases to apply to the United Kingdom, or

(b) The date of receipt of the later of the Parties' notifications that they have completed their internal procedures.

3. Pending entry into force of this Agreement, the Parties may agree to provisionally apply this Agreement in accordance with each of the Parties' own internal legislation and procedures.

4. Where agreed pursuant to Article 366(3), this Agreement shall be applied provisionally between the Parties on the later of:

(a) the date on which the EU-Georgia Agreement ceases to apply to the United Kingdom, or

(b) the date of receipt of the later of the notification of provisional application from the United Kingdom or of the ratification or provisional application from Georgia.

5. Notifications regarding completion of internal procedures under paragraphs 1 and 3 of this Article shall be submitted by the United Kingdom to Georgia's Ministry of Foreign Affairs or its successor and by Georgia to the United Kingdom's Foreign and Commonwealth Office or its successor.

6. If pending the entry into force of this Agreement it is provisionally applied pursuant to paragraphs 3 and 4, unless this instrument provides otherwise, all references in this Agreement to the date of entry into force shall be deemed to refer to the date such provisional application takes effect, to the extent permitted by national legislation.

7. Either Party may give written notification to the other Party of its intention to terminate the provisional application of this Agreement. Notwithstanding Article 364(2), termination of provisional application shall take effect two months after receipt of the notification by the other Party.

Article 367. Reference to EU Law

1 Except as otherwise provided, reference in this Agreement to EU law are to be read as reference to that EU law in force as incorporated or implemented in United Kingdom law as retained EU law on the day after the UK ceases to be bound by the relevant EU law.

2 In this Article "United Kingdom law" includes the law of the territories for whose international relations in the United Kingdom is responsible to whom this Agreement extends, as set out in Paragraph 1 of Article 365.

Article 368. Authentic Texts

This Agreement shall be drawn up in duplicate in the English and Georgian languages, each text being equally authentic.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Authorities, have signed this Agreement.

Done in duplicate at London on this 21st day of October 2019 in the English and Georgian languages, both texts being equally authoritative.

For the United Kingdom of Great Britain and Northern Ireland:

DOMINIC RAAB

For Georgia:

Annex XI. LIST OF RESERVATIONS ON ESTABLISHMENT; LIST OF COMMITMENTS ON CROSS-BORDER SUPPLY OF SERVICES; LIST OF RESERVATIONS ON KEY PERSONNEL, GRADUATE TRAINEES AND BUSINESS SELLERS; LIST OF RESERVATIONS ON CONTRACTUAL SERVICES SUPPLIERS AND INDEPENDENT PROFESSIONALS

United Kingdom

1. List of reservations on establishment: Annex XI-A

2. List of commitments on cross-border supply of services: Annex XI-B

3. List of reservations on key personnel, graduate trainees and business sellers: Annex XI-C

4. List of reservations on contractual services suppliers and independent professionals: Annex XI-D

Georgia

5. List of reservations on establishment: Annex XI-E

6. List of commitments on cross-border supply of services: Annex XI-F 7. List of reservations on key personnel, graduate trainees and business sellers: Annex XI-G 8. List of reservations on contractual services suppliers and independent professionals: Annex XI-H

The following abbreviations are used for the purpose of Annexes XI-A, XI-B, XI-C and XI-D:

UK United Kingdom

The following abbreviation is used for the purpose of Annexes XI-E, XI-F, XI-G and XI-H:

GE Georgia

The Parties may, by mutual agreement, invite representatives of third parties to take part in the consultations or monitoring referred to in paragraphs 8 and 12.

The Parties may agree to adapt the provisions of this Annex in view of establishing an early warning mechanism between them and other Parties.

A violation of the provisions in this Annex cannot serve as a basis for dispute settlement procedures under Title IV (Trade and Trade-related Matters) of this Agreement or any other agreement applicable to disputes between the Parties. Moreover, a Party shall not rely on or introduce as evidence in such dispute settlement procedures:

(a) positions taken or proposals made by the other Party in the course of the procedure set out in this Annex, or

(b) the fact that the other Party has indicated its willingness to accept a solution to the emergency situation subject to this mechanism.

Annex XI-A. LIST OF RESERVATIONS ON ESTABLISHMENT (United Kingdom)

1. The list of reservations below indicates the economic activities where reservations to national treatment or most favoured treatment by the United Kingdom pursuant to Article 76(2) of this Agreement apply to establishments and entrepreneurs of Georgia.

The list is composed of the following elements:

(a) a list of horizontal reservations applying to all sectors or sub-sectors;

(b) a list of sector or sub-sector specific reservations indicating the sector or sub-sector concerned along with the reservation(s) applying.

A reservation corresponding to an activity which is not liberalised (Unbound) is expressed as follows: ‘No national treatment and most favoured nation treatment obligations’.

2. In accordance with Article 73(3) of this Agreement, the list below does not include measures concerning subsidies granted by the Parties.

3. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

4. In accordance with Article 76 of this Agreement, non-discriminatory requirements, such as those concerning the legal form or the obligation to obtain licences or permits applicable to all providers operating on the territory without distinction based on nationality, residency or equivalent criteria, are not listed in this Annex as they are not prejudiced by the Agreement.

5. Where the United Kingdom maintains a reservation that requires that a service supplier be a national, permanent resident or resident of its territory as a condition to the supply of a service in its territory, a reservation listed in Annex XI-C to this Agreement shall operate as a reservation with respect to establishment under this Annex, to the extent applicable.

Horizontal reservations

Most-Favoured Nation

The United Kingdom reserves the right to adopt or maintain any measure which accords differential treatment to a country pursuant to any existing or future bilateral or multilateral agreement which:

a) creates an internal market in services and investment;

b) grants the right of establishment; or

c) requires the approximation of legislation in one or more economic sectors.

An internal market on services and establishment means an area without internal frontiers in which the free movement of services, capital and persons is ensured.

The right of establishment means an obligation to abolish in substance all barriers to establishment among the parties to the regional economic integration agreement by the entry into force of that agreement. The right of establishment shall include the right of nationals of the Parties to the regional economic integration agreement to set up and operate enterprises under the same conditions provided for nationals under the law of the country where such establishment takes place.

The approximation of legislation means:

(a) the alignment of the legislation of one or more of the parties to the regional economic integration agreement with the legislation of the other Party or Parties to that agreement; or

(b) the incorporation of common legislation into the law of the parties to the regional economic integration agreement.

Such alignment or incorporation shall take place, and shall be deemed to have taken place, only at such time that it has been enacted in the law of the Party or Parties to the regional economic integration agreement.

Public utilities

Economic activities considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators (1).

Types of establishment

Treatment accorded to subsidiaries (of Georgian companies) formed in accordance with the law of the United Kingdom and having their registered office, central administration or principal place of business within the United Kingdom is not extended to branches or agencies established in the United Kingdom by Georgian companies .

(1) Public utilities exist in sectors such as related scientific and technical consulting services, R&D services on social sciences and humanities, technical testing and analysis services, environmental services, health services, transport services and services auxiliary to all modes of transport. Exclusive rights on such services are often granted to private operators, for instance operators with concessions from public authorities, subject to specific service obligations. Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical. This reservation does not apply to telecommunications and to computer and related services.

Annex XI-E. LIST OF RESERVATIONS ON ESTABLISHMENT (GEORGIA) (1)

1. The list below indicates the economic activities where reservations to national treatment or most favoured nation treatment by Georgia pursuant to Article 76(1) of this Agreement apply to establishments and entrepreneurs of the United Kingdom.

The list is composed of the following elements:

(a) a list of horizontal reservations applying to all sectors or sub-sectors and

(b) a list of sector or sub-sector specific reservations indicating the sector or sub-sector concerned along with the reservation(s) applying.

A reservation corresponding to an activity which is not liberalised (Unbound) is expressed as follows: 'No national treatment and most favoured nation treatment obligations'.

In the sectors, where reservation is not made by Georgia, country undertakes obligations of Article 76(1) of this Agreement without reservations (the absence of reservation in a given sector is without prejudice to horizontal reservations).

2. In accordance with Article 73(3) of this Agreement, the list below does not include measures concerning subsidies granted by the Parties.

3. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

4. In accordance with Article 76 of this Agreement, non-discriminatory requirements, such as those concerning the legal form or the obligation to obtain licenses or permits applicable to all providers operating on the territory without distinction based on nationality, residency or equivalent criteria, are not listed in this Annex as they are not prejudiced by the Agreement.

5. Where Georgia maintains a reservation that requires that a service supplier be a national, permanent resident or resident of its territory as a condition to the supply of a service in its territory, a reservation listed in Annex XI-G to this Agreement shall operate as a reservation with respect to establishment under this Annex, to the extent applicable.

Horizontal Reservations

Most-Favoured Nation

Georgia reserves the right to adopt or maintain any measure which accords differential treatment to a country pursuant to any existing or future bilateral or multilateral agreement which:

a) creates an internal market in services and investment;

b) grants the right of establishment; or

c) requires the approximation of legislation in one or more economic sectors.

An internal market on services and establishment means an area without internal frontiers in which the free movement of services, capital and persons is ensured.

The right of establishment means an obligation to abolish in substance all barriers to establishment among the parties to the regional economic integration agreement by the entry into force of that agreement. The right of establishment shall include the right of nationals of the Parties to the regional economic integration agreement to set up and operate enterprises under the same conditions provided for nationals under the law of the country where such establishment takes place.

The approximation of legislation means:

(a) the alignment of the legislation of one or more of the parties to the regional economic integration agreement with the legislation of the other Party or Parties to that agreement; or

(b) the incorporation of common legislation into the law of the parties to the regional economic integration agreement.

Such alignment or incorporation shall take place, and shall be deemed to have taken place, only at such time that it has been enacted in the law of the Party or Parties to the regional economic integration agreement.

Subsidies

Eligibility for subsidies may be limited to persons established in a particular geographical sub-division of Georgia.
Privatization

An organization, in which the Government's share exceeds 25 %, has no right to participate as a buyer in privatization process (market access limitation).

At least one manager of a ‘corporation with limited liability’ must have his domicile in Georgia. The establishment of a branch requires a representative (natural person) with domicile in Georgia who is duly authorised by the company to fully represent it.

(1) This document is prepared based on WTO Services Sectoral Classification List (MTN.GNS/W/120) of 10 July 1991.

Annex XV. MEDIATION MECHANISM

I. Objective

The objective of this Annex is to facilitate the finding of a mutually agreed solution through a comprehensive and expeditious procedure with the assistance of a mediator.

Section 1. PROCEDURE UNDER THE MEDIATION MECHANISM

2. Request for Information

1. Before the initiation of the mediation procedure, a Party may request at any time in writing information regarding a measure adversely affecting its trade interests. The Party to which such request is made shall provide, within 20 days, a written response containing its comments on the information contained in the request.

2. Where the responding Party considers that a response within 20 days is not practicable, it shall inform the requesting Party of the reasons for the delay, together with an estimate of the shortest period within which it will be able to provide its response.

3. Initiation of the Procedure

1. A Party may request, at any time, that the Parties enter into a mediation procedure. Such request shall be addressed to the other Party in writing. The request shall be sufficiently detailed to present clearly the concerns of the requesting Party and shall:

(a) identify the specific measure at issue;

(b) provide a statement of the alleged adverse effects that the requesting Party believes the measure has, or will have, on its trade interests, and {c) explain how the requesting Party considers that those effects are linked to the measure. 2. The mediation procedure may only be initiated by mutual agreement of the Parties. The Party to which a request pursuant to paragraph 1 is addressed shall give sympathetic consideration to the request and reply by accepting or rejecting it in writing within ten days of its receipt.

4. Selection of the Mediator

1. Upon launch of the mediation procedure, the Parties shall endeavour to agree on a mediator no later than 15 days after the receipt of the reply to the request referred to in Article 3 of this Annex.

2. In the event that the Parties are unable to agree on the mediator within the time frame laid down in paragraph 1, either Party may request the chair or co-chairs of the Strategic Partnership and Cooperation Forum in Trade configuration, as set out in Article 354(3) of this Agreement, or their delegates, to select the mediator by lot from the list established under Article 259 of this Agreement. Representatives of both Parties shall be invited, with sufficient advance notice, to be present when lots are drawn. In any event, the lot shall be carried out with the Party/Parties that are present.

3. The chair or co-chairs of the Strategic Partnership and Cooperation Forum in Trade configuration, or their delegates, shall select the mediator within five working days of the request made by either Party under paragraph 2 of this Article.

4. Should the list provided for in Article 259 of this Agreement not be established at the time a request is made pursuant to Article 3 of this Annex, the mediator shall be drawn by lot from the individuals which have been formally proposed by one or both of the Parties.

A mediator shall not be a citizen of either Party, unless the Parties agree otherwise.

6. The mediator shall assist, in an impartial and transparent manner, the Parties in bringing clarity to the measure and its possible trade effects, and in reaching a mutually agreed solution. The Code of Conduct for Arbitrators and Mediators set out in Annex XVII to this Agreement shall apply to mediators, mutatis mutandis. Rules 3 through 7 (notifications) and 41 through 45 (translation and interpretation) of the Rules of Procedure of Annex XVI to this Agreement shall also apply, mutatis mutandis.

5. Rules of the Mediation Procedure

1. Within ten days after the appointment of the mediator, the Party having invoked the mediation procedure shall present, in writing, a detailed description of the problem to the mediator and to the other Party, in particular of the operation of the measure at issue and its trade effects. Within 20 days after the date of delivery of this submission, the other Party may provide, in writing, its comments to the description of the problem. Either Party may include in its description or comments any information that it deems relevant.

2. The mediator may decide on the most appropriate way of bringing clarity to the measure concerned and its possible trade effects. In particular, the mediator may organise meetings between the Parties, consult the Parties jointly or individually, seek the assistance of, or consult with, relevant experts and stakeholders and provide any additional support requested by the Parties. However, before seeking the assistance of or consulting with relevant experts and stakeholders, the mediator shall consult with the Parties.

3. The mediator may offer advice and propose a solution for the consideration of the Parties which may accept or reject the proposed solution or may agree on a different solution. However, the mediator shall not advise or give comments on the consistency of the measure at issue with this Agreement.

4. The procedure shall take place in the territory of the Party to which the request was addressed, or by mutual agreement in any other location or by any other means.

5. The Parties shall endeavour to reach a mutually agreed solution within 60 days from the appointment of the mediator. Pending a final agreement, the Parties may consider possible interim solutions, especially if the measure relates to perishable goods or seasonal goods and services.

6. The solution may be adopted by means of a decision of the Strategic Partnership and Cooperation Forum

in Trade configuration as set out in Article 354(3) of this Agreement. Either Party may make such solution subject to the completion of any necessary internal procedures. Mutually agreed solutions shall be made publicly available. The version disclosed to the public may not contain any information that a Party has designated as confidential. A Party may, for example, designate information as confidential as a result of domestic legislation.

7. On request of the Parties, the mediator shall notify to the Parties, in writing, a draft factual report, providing a brief summary of (a) the measure at issue in these procedures; (b) the procedures followed; and (c) any mutually agreed solution reached as the final outcome of these procedures, including possible interim solutions. The mediator shall provide the Parties 15 days to comment on the draft report. After considering the comments of the Parties submitted within the period, the mediator shall submit, in writing, a final factual report to the Parties within 15 days. The factual report shall not include any interpretation of this Agreement.

8. The procedure shall be terminated:

(a) by the adoption of a mutually agreed solution by the Parties, on the date of the adoption thereof;

(b) by a mutual agreement of the Parties at any stage of the procedure, on the date of that agreement;

(c) by a written declaration of the mediator, after consultation with the Parties, that further efforts at mediation would be to no avail, on the date of that declaration, or

(d) by a written declaration of a Party after exploring mutually agreed solutions under the mediation procedure and after having considered any advice and proposed solutions by the mediator, on the date of that declaration.

Section 2. IMPLEMENTATION

6. Implementation of a Mutually Agreed Solution

1. Where the Parties have agreed to a solution, each Party shall take the measures necessary to implement the mutually agreed solution within the agreed timeframe.

2. The implementing Party shall inform the other Party in writing of any steps or measures taken to implement the mutually agreed solution.

Section 3. GENERAL PROVISIONS

7. Confidentiality and Relationship to Dispute Settlement

1. Unless the Parties agree otherwise, and without prejudice to Article 5(6) of this Annex, all steps of the procedure, including any advice or proposed solution, are confidential. However, any Party may disclose to the public that mediation is taking place.

2. The mediation procedure is without prejudice to the Parties' rights and obligations under the provisions on Dispute Settlement of Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement or any other agreement.

3. Consultations under Chapter 14 (Dispute Settlement) of Title [V (Trade and Trade-related Matters) of this Agreement are not required before initiating the mediation procedure. However, a Party should normally avail itself of the other available cooperation or consultation provisions in this Agreement before initiating the mediation procedure.

4. A Party shall not rely on or introduce as evidence in other dispute settlement procedures under this Agreement or any other agreement, nor shall a panel take into consideration:

(a) positions taken by the other Party in the course of the mediation procedure or information gathered under Article 5(1) and (2) of this Annex;

(b) the fact that the other Party has indicated its willingness to accept a solution to the measure subject to mediation or

(c) advice given or proposals made by the mediator.

5. A mediator may not serve as a panellist in a dispute settlement proceeding under this Agreement or under the WTO Agreement involving the same matter for which he/she has been a mediator.

8. Time-limits

Any time-limit referred to in this Annex may be modified by mutual agreement between the Parties involved in these procedures.

9. Costs

1. Each Party shall bear its own expenses derived from its participation in the mediation procedure.

2. The Parties shall share jointly and equally the expenses derived from organisational matters, including the remuneration and expenses of the mediator. The remuneration of the mediator shall be in accordance with that foreseen for the chairperson of an arbitration panel in accordance with Rule 8(e) of the Rules of Procedure.

Annex XVI. RULES OF PROCEDURE FOR DISPUTE SETTLEMENT

General provisions

1. In Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement and under these Rules:

(a) "adviser" means a person retained by a Party to the dispute to advise or assist that Party in connection with the arbitration panel proceeding;

(b) "arbitrator" means a member of an arbitration panel established under Article 241 of this Agreement;

(c) "assistant" means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to that arbitrator (1);

(d) "complaining Party" means any Party that requests the establishment of an arbitration panel under Article 240 of this Agreement;

(e) "party complained against" means the Party that is alleged to be in violation of the provisions referred to in Article 237 of this Agreement;

(f) "arbitration panel" means a panel established under Article 241 of this Agreement;

(g) "representative of a Party" means an employee or any person appointed by a government department or agency or any other public entity of a Party who represents the Party for the purposes of a dispute under this Agreement;

(h) "day" means a calendar day.

2. The Party complained against shall be in charge of the logistical administration of dispute settlement proceedings, in particular the organisation of hearings, unless otherwise agreed. The Parties shall share the expenses derived from organisational matters, including the remuneration and the expenses of the arbitrators.

Nodfications

3. Each Party to the dispute and the arbitration panel shall transmit any request, notice, written submission or other document by e-mail to the other Party, and as regards written submissions and requests in the context of arbitration to each of the arbitrators. The arbitration panel shall circulate documents to the Parties also by e-mail. Unless proven otherwise, an e-mail message shall be deemed to be received on the date of its sending. If any of the supporting documents are above ten megabytes, they shall be provided in another electronic format to the other Party and where relevant to each of the arbitrators within two days from the sending of the e-mail.

4. A copy of the documents transmitted in accordance with Rule 3 above shall be submitted to the other Party and where relevant to each of the arbitrators on the day of sending the e-mail by either facsimile transmission, registered post, courier, delivery against receipt or any other means of telecommunication that provides a record of the sending thereof.

5. All notifications shall be addressed to the Ministry of Economy and Sustainable Development of Georgia and to the Department for International Trade of the United Kingdom, or its successor, respectively.

6. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitration panel proceeding may be corrected by delivery of a new document clearly indicating the changes.

7. If the last day for delivery of a document falls on an official legal holiday of Georgia or of the United Kingdom, the document shall be deemed delivered within the deadline on the next business day.

(1) Each arbitrator shall not appoint more than one assistant.

Commencing the arbitration

8. (a) If pursuant to Article 241 of this Agreement or to Rules 19, 20 or 46 of these Rules, an arbitrator is selected by lot, the lot shall be carried out at a time and place decided by the complaining Party to be promptly communicated to the Party complained against. The Party complained against may, if it so chooses, be present during the lot. In any event, the lot shall be carried out with the Party/Parties that are present.

(b) If pursuant to Article 241 of this Agreement or to Rules 19, 20 or 46 of these Rules an arbitrator is to be selected by lot and there are two chairpersons of the Strategic Partnership and Cooperation Forum in Trade configuration as set out in Article 354(3) of this Agreement, the lot shall be performed by both chairpersons, or their delegates. However, in cases where one chairperson or his delegate or his delegate does not accept to participate in the lot, the selection by lot shall be performed by the other chairperson alone.

(c) The Parties shall notify the selected arbitrators regarding their appointment.

(d) An arbitrator who has been appointed according to the procedure established in Article 241 of this Agreement shall confirm his/her availability to serve as member of the arbitration panel to the Strategic Partnership and Cooperation Forum in Trade configuration within five days of the date in which he/she was informed of his/her appointment.

(e) Unless the Parties to the dispute agree otherwise, they shall meet the arbitration panel within seven days of its

establishment in order to determine such matters that the Parties or the arbitration panel deem appropriate, including the remuneration and expenses to be paid to the arbitrators, which will be in accordance with WTO standards. The remuneration for each arbitrator's assistant shall not exceed 50% of the remuneration of that arbitrator. Arbitrators and representatives of the Parties to the dispute may take part in this meeting via telephone or video conference.

9. (a) Unless the Parties agree otherwise within five days from the date of the selection of the arbitrators, the terms of reference of the arbitration panel shall be: "To examine, in the light of the relevant provisions of the Agreement invoked by the parties to the dispute, the matter referred to in the request for establishment of the arbitration panel, to rule on the compatibility of the measure in question with the provisions referred to in Article 237 of the Strategic Partnership and Cooperation Agreement and to make a ruling in accordance with Article 243 of that Agreement".

(b) The Parties shall notify the agreed terms of reference to the arbitration panel within three days of their agreement.

Initial submissions

10. The complaining Party shall deliver its initial written submission no later than 20 days after the date of establishment of the arbitration panel. The Party complained against shall deliver its written counter-submission no later than 20 days after the date of receipt of the initial written submission.

Working of arbitration panels

11. The chairperson of the arbitration panel shall preside at all its meetings. An arbitration panel may delegate to the chairperson authority to make administrative and procedural decisions.

12. Unless otherwise provided in Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement, the arbitration panel may conduct its activities by any means, including telephone, facsimile trans- missions or computer links.

13. Only arbitrators may take part in the deliberations of the arbitration panel, but the arbitration panel may permit its assistants to be present at its deliberations.

14. The drafting of any ruling shall remain the exclusive responsibility of the arbitration panel and shall not be delegated.

15. Where a procedural question arises that is not addressed by Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade- related Matters) of this Agreement and its annexes, the arbitration panel, after consulting the Parties, may adopt an appropriate procedure that is compatible with those provisions.

16. When the arbitration panel considers that there is a need to modify any of the time-limits for its proceedings other than the time-limits set out in Chapter 14 (Dispute Settlement) of Title [V (Trade and Trade-related Matters) of this Agreement or to make any other procedural or administrative adjustment, it shall inform the Parties to the dispute in writing of the reasons for the change or the adjustment and of the period of time or adjustment needed.

Replacement

17. If in an arbitration proceeding an arbitrator is unable to participate, withdraws, or must be replaced because of non-compliance with the requirements of the Code of Conduct, a replacement shall be selected in accordance with Article 241 of this Agreement and Rule 8 of these Rules.

18. Where a Party to the dispute considers that an arbitrator does not comply with the requirements of the Code of Conduct and for this reason should be replaced, that Party shall notify the other Party to the dispute within 15 days from the time at which it obtained evidence of the circumstances underlying the arbitrator's material violation of the Code of Conduct.

19. Where a Party to the dispute considers that an arbitrator other than the chairperson does not comply with the requirements of the Code of Conduct, the Parties to the dispute shall consult and, if they so agree, select a new arbitrator in accordance with Article 241 of this Agreement and Rule 8 of these Rules.

If the Parties to the dispute fail to agree on the need to replace an arbitrator, any Party to the dispute may request that such matter be referred to the chairperson of the arbitration panel, whose decision shall be final.

If, pursuant to such a request, the chairperson finds that an arbitrator does not comply with the requirements of the Code of Conduct, the new arbitrator shall be selected in accordance with Article 241 of this Agreement and Rule 8 of these Rules.

20. Where a Party considers that the chairperson of the arbitration panel does not comply with the requirements of the Code of Conduct, the Parties shall consult and, if they so agree, select a new chairperson in accordance with Article 241 of this Agreement and Rule 8 of these Rules.

If the Parties fail to agree on the need to replace the chairperson, any Party may request that such matter be referred to one of the remaining members of the pool of individuals from the sub-list of chairpersons established under paragraph 1 of Article 259 of this Agreement. Within five days from the request, his/her name shall be drawn by lot in accordance with Rule 8 of these Rules. The decision by the selected person on the need to replace the chairperson shall be final.

If the selected person decides that the original chairperson does not comply with the requirements of the Code of Conduct, he/she shall select a new chairperson by lot among the remaining pool of individuals from the sub-list of chairpersons referred to under paragraph 1 of Article 259 of this Agreement. The selection of the new chairperson shall be carried out within five days of the date of the decision by the selected person that the original chairperson does not comply with the requirements of the Code of Conduct.

21. The arbitration panel proceedings shall be suspended for the period taken to carry out the procedures provided for in Rules 18, 19 and 20 of these Rules.

Hearings

22. The chairperson of the arbitration panel shall fix the date and the time of the hearing in consultation with the Parties to the dispute and the other arbitrators, and shall confirm this in writing to the Parties to the dispute. This information shall also be made publicly available by the Party in charge of the logistical administration of the proceedings, unless the hearing is closed to the public. Unless a Party disagrees, the arbitration panel may decide not to convene a hearing.

The hearing shall be open to the public, unless it must be partially or fully closed in order to ensure the confidentiality of confidential information. In addition, the Parties may, by mutual agreement, decide that the hearing be partially or fully closed to the public on the basis of other objective considerations.

23. Unless the Parties agree otherwise, the hearing shall be held in London, if the complaining Party is Georgia and in Tbilisi, if the complaining Party is the United Kingdom.

24. The arbitration panel may convene additional hearings, if the Parties so agree.

25. All arbitrators shall be present during the entirety of any hearings.

26. The following persons may attend the hearing, irrespective of whether the proceedings are open to the public or not:

(a) representatives of the Parties to the dispute;

(b) advisers to the Parties to the dispute;

(c) administrative staff, interpreters, translators and court reporters and

(d) arbitrators' assistants.

Only the representatives and advisers of the Parties to the dispute may address the arbitration panel.

27. No later than five days before the date of a hearing, each Party to the dispute shall deliver to the arbitration panel a list of the names of individuals who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.

28. The arbitration panel shall conduct the hearing in the following manner, ensuring that the complaining Party and the Party complained against are afforded equal time:

Argument

(a) argument of the complaining Party

(b) counter-argument of the Party complained against

Rebuttal Argument

(a) argument of the complaining Party

(b) counter-argument of the Party complained against 29. The arbitration panel may direct questions to either Party to the dispute at any time during the hearing.

30. The arbitration panel shall arrange for a transcript of each hearing to be prepared and delivered as soon as possible to the Parties to the dispute. The Parties to the dispute may comment on the transcript and the arbitration panel may consider

those comments.

31. Each Party to the dispute may deliver a supplementary written submission concerming any matter that arose during the hearing within ten days of the date of the hearing.

Questions in writing

32. The arbitration panel may at any time during the proceedings address questions in writing to one or both Parties to the dispute. Each of the Parties to the dispute shall receive a copy of any questions put by the arbitration panel.

33. A Party to the dispute shall also provide a copy of its written response to the arbitration panel's questions to the other Party to the dispute. Each Party to the dispute shall be given the opportunity to provide written comments on the other Party's reply within five days of the date of receipt of such reply.

Confidentiality

34. Each Party to the dispute and its advisers shall treat as confidential any information submitted by the other Party to the dispute to the arbitration panel which that Party has designated as confidential A Party may, for example, designate information as confidential as a result of domestic legislation. Where a Party to the dispute submits a confidential version of its written submissions to the arbitration panel, it shall also, upon request of the other Party, provide a non-confidential summary of the information contained in its submissions that could be disclosed to the public. That Party shall provide the non-confidential summary no later than 15 days after the date of either the request or the submission, whichever is later and an explanation why the non-disclosed information is confidential. Nothing in these Rules shall preclude a Party to the dispute from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential. The arbitration panel shall meet in closed session when the submission and the arguments of a Party contain confidential information. The Parties to the dispute and their advisers shall maintain the confidentiality of the arbitration panel hearings where the hearings are held in closed session.

Ex parte contacts

35. The arbitration panel shall not meet or communicate with a Party in the absence of the other Party.

36. No arbitrator may discuss any aspect of the subject matter of the proceedings with one Party or both Parties to the dispute in the absence of the other arbitrators.

Amicus curiae submissions

37. Unless the Parties agree otherwise within three days of the date of the establishment of the arbitration panel, the arbitration panel may receive unsolicited written submissions from natural or legal persons established in the territory of a Party to the dispute who are independent from the governments of the Parties to the dispute, provided that they are made within ten days of the date of the establishment of the arbitration panel, that they are concise and in no case longer than 15 pages typed at double space and that they are directly relevant to a factual or a legal issue under consideration. by the arbitration panel.

38. The submission shall contain a description of the person making the submission, whether natural or legal, including its nationality or place of establishment, the nature of its activities, its legal status, general objectives and the source of its financing, and specify the nature of the interest that the person has in the arbitration proceeding. It shall be drafted in the languages chosen by the Parties to the dispute in accordance with Rules 41 and 42 of these Rules.

39. The arbitration panel shall list in its ruling all the submissions it has received that conform to Rules 37 and 38 of these Rules. The arbitration panel shall not be obliged to address in its ruling the arguments made in such submissions. Any such submission shall be notified by the arbitration panel to the Parties to the dispute for their comments. The comments of the Parties to the dispute shall be submitted within ten days from the notification of the arbitration panel and any such comments shall be taken into consideration by the arbitration panel.

Urgent cases

40. In cases of urgency referred to in Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement, the arbitration panel, after consulting the Parties, shall adjust the time-limits referred to in these Rules as appropriate and shall notify the Parties of such adjustments.

Translation and interpretation

41. During the consultations referred to in Article 238 of this Agreement, and no later than the meeting referred to in Rule

8(e) of these Rules, the Parties to the dispute shall endeavour to agree on a common working language for the proceedings before the arbitration panel.

42. If the Parties to the dispute are unable to agree on a common working language, each Party shall make its written submissions in its chosen language. Such Party shall provide at the same time a translation in the language chosen by the other Party, unless its submissions are written in English. The Party complained against shall arrange for the interpretation of oral submissions into the languages chosen by the Parties to the dispute.

43. Arbitration panel rulings shall be notified in the language or languages chosen by the Parties to the dispute.

44. Any Party to the dispute may provide comments on the accuracy of the translation of any translated version of a document drawn up in accordance with these Rules.

45. Each Party shall bear the costs of the translation of its written submissions. Any costs incurred for translation of an arbitration ruling shall be borne equally by the Parties to the dispute.

Other procedures

46. These Rules are also applicable to procedures established under Article 238, Article 247(2), Article 248(2), Article 249(2), and Article 251(2) of this Agreement. However, the time-limits laid down in these Rules shall be adjusted by the arbitration panel in line with the special time-limits provided for the adoption of a ruling by the arbitration panel in those other procedures.

Annex XVII. CODE OF CONDUCT FOR ARBITRATORS AND MEDIATORS

Definitions

1. In this Code of Conduct:

(a) "arbitrator" means a member of an arbitration panel established under Article 241 of this Agreement;

(b) "candidate" means an individual whose name is on the list of arbitrators referred to in Article 259 of this Agreement and who is under consideration for selection as an arbitrator under Article 241 of this Agreement;

(c) "assistant" means a person who, under the terms of appointment of an arbitrator, conducts, researches or provides assistance to the arbitrator;

(d) "proceeding", unless otherwise specified, means an arbitration panel proceeding under Chapter 14 (Dispute Settlement) of Title IV (Trade and Trade-related Matters) of this Agreement;

(e) "staff", in respect of an arbitrator, means persons under the direction and control of the member, other than assistants;

(f) "mediator" means a person who conducts a mediation procedure in accordance with Annex XV to this Agreement.

Responsibilities to the process

2. Throughout the proceedings, every candidate and arbitrator 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 mechanism is preserved. Former arbitrators must comply with the obligations established in Rules 15, 16, 17 and 18 of this Code of Conduct.

Disclosure obligations

3. Prior to confirmation of his/her selection as an arbitrator under Chapter 14 (Dispute Settlement) of Title [V (Trade and Trade-related Matters) of this Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his/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. A candidate or an arbitrator shall communicate matters concerning actual or potential violations of this Code of Conduct only to the Strategic Partnership and Cooperation Forum in Trade configuration as set out in Article 354(3) of this Agreement for consideration by the Parties.

5. Once selected, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in Rule 3 of this Code of Conduct and shall disclose them. The disclosure obligation is a continuing

duty which requires an arbitrator to disclose any such interests, relationships or matters that may arise during any stage of the proceeding. The arbitrator shall disclose such interests, relationships or matters by informing the Strategic Partnership and Cooperation Forum in Trade configuration in writing, for consideration by the Parties.

Duties of arbitrators

6. Upon confirmation of his/her selection, an arbitrator shall be available to perform and shall perform his/her duties thoroughly and expeditiously throughout the proceeding, and with fairness and diligence.

7. An arbitrator shall consider only those issues raised in the proceeding and necessary for a ruling and shall not delegate that duty to any other person.

8. An arbitrator shall take all appropriate steps to ensure that his/her assistant and staff are aware of, and comply with, Rules 2, 3, 4, 5, 16, 17 and 18 of this Code of Conduct.

9. An arbitrator shall not engage in ex parte contacts concerning the proceeding.

Independence and impartiality of arbitrators

10. An arbitrator shall be independent and impartial, and avoid creating an appearance of impropriety or bias and shall not be influenced by self-interest, outside pressure, political considerations, public clamour and loyalty to a Party or fear of criticism.

11. An arbitrator 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 his/her duties.

12. An arbitrator shall not use his/her position on the arbitration panel to advance any personal or private interests and shall avoid actions that may create the impression that others are in a special position to influence him/her.

13. An arbitrator shall not allow financial, business, professional, personal, or social relationships or responsibilities to influence his/her conduct or judgement.

14. An arbitrator shall avoid entering into any relationship or acquiring any financial interest that is likely to affect his/her impartiality or that might reasonably create an appearance of impropriety or bias.

Obligations of former arbitrators

15. All former arbitrators shall avoid actions that may create the appearance that they were biased in carrying out their duties or derived advantage from the decision or ruling of the arbitration panel.

Confidentiality

16. No arbitrator or former arbitrator shall at any time disclose or use any non-public information concerning a proceeding or acquired during a proceeding except for the purposes of that proceeding and shall not, in any case, disclose or use any such information to gain personal advantage or advantage for others or to adversely affect the interest of others.

17. An arbitrator shall not disclose an arbitration panel ruling or parts thereof prior to its publication in accordance with Chapter 14 (Dispute Settlement) of Title [V (Trade and Trade-related Matters) of this Agreement.

18. An arbitrator or a former arbitrator shall not disclose the deliberations of an arbitration panel, or any arbitrator's view at any time.

Expenses

19. Each arbitrator shall keep a record and render a final account of the time devoted to the procedure and of his/her expenses, as well as the time and expenses of his/her assistant and staff.

Mediators

20. The disciplines described in this Code of Conduct as applying to arbitrators or former arbitrators shall apply, mutatis mutandis, to mediators.