

No. 32134

MULTILATERAL

Agreement between the EFTA States and the Czech and Slovak Federal Republic relating to trade (with protocols, annexes and record of understanding). Signed at Prague on 20 March 1992

Authentic text: English.

Registered by Sweden on 22 September 1995.

Successions by the Czech Republic and Slovakia

MULTILATÉRAL

Accord entre les pays membres de l'AELE et la République fédérale tchèque et slovaque relatif au commerce (avec protocoles, annexes et procès-verbal d'interprétation). Signé à Prague le 20 mars 1992

Texte authentique : anglais.

Enregistré par la Suède le 22 septembre 1995.

Successions par la République tchèque et la Slovaquie

AGREEMENT¹ BETWEEN THE EFTA STATES AND THE CZECH AND SLOVAK FEDERAL REPUBLIC

Preamble

The Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden, the Swiss Confederation (hereinafter called the EFTA States) and the Czech and Slovak Federal Republic (hereinafter called the CSFR),

Recalling their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to co-operate in seeking ways and means to strengthen this process,

Considering the importance of the links existing between the EFTA States and the CSFR and the common values they share, and recognizing that the EFTA States and the CSFR wish to strengthen these links and to establish close and lasting relations,

Having regard to the Declaration signed by the EFTA States and the CSFR in Gothenburg in June 1990,

Recalling their firm commitment to the Final Act of the Conference on Security and Co-operation in Europe,² the Charter of Paris for a new Europe,³ and in particular the principles contained in the final document of the CSCE Bonn Conference on Economic Co-operation in Europe,⁴

Reaffirming their commitment to pluralistic democracy based on the rule of law, human rights and fundamental freedoms, and recalling their membership in the Council of Europe,

Firmly convinced that this Agreement will foster the creation of an enlarged and harmonious free trade area within Europe, thus constituting an important contribution to European integration,

Resolved to this end to eliminate progressively the obstacles to substantially all their trade, in accordance with the General Agreement on Tariffs and Trade,⁵

¹ Came into force on 1 July 1992 for the following signatory States which had deposited their instrument of ratification or acceptance with the Government of Sweden, including the Czech and Slovak Federal Republic, in accordance with article 39 (2):

<i>Participant</i>	<i>Date of deposit of the instrument of ratification</i>
Czech and Slovak Federal Republic.....	9 June 1992
Norway	30 June 1992
Sweden.....	18 June 1992

Subsequently, the Agreement came into force for the following signatory States on the first day of the second month following the deposit of their instruments of ratification or succession with the Government of Sweden, in accordance with article 39 (3)

<i>Participant</i>	<i>Date of deposit of the instrument of ratification or succession (d)</i>
Finland	13 October 1992
(With effect from 1 December 1992.)	
Switzerland.....	29 October 1992
(With effect from 1 December 1992. Applied provisionally from 1 July 1992.)	
Austria*.....	30 October 1992
(With effect from 1 December 1992.)	
Iceland.....	27 November 1992
(With effect from 1 January 1993.)	

* See p. 672 of this volume for the text of the declaration made upon ratification.

² *International Legal Materials*, vol. XIV (1975), p. 1292 (American Society of International Law).

³ United Nations, *Official Records of the General Assembly, Forty-fifth Session*, document A/45/859, p. 3.

⁴ *International Legal Materials*, vol. XXIX, No. 4 (1990), p. 1054 (American Society of International Law).

⁵ United Nations, *Treaty Series*, vol. 55, p. 187.

Declaring their readiness to examine, in the light of any relevant factor, the possibility of developing and deepening their relations in order to extend them to fields not covered by this Agreement,

Considering that no provision of this Agreement may be interpreted as exempting the States Parties to this Agreement from their obligations under other international agreements, especially the General Agreement on Tariffs and Trade,

Have decided, in pursuit of the above, to conclude this Agreement:

Article 1

Objectives

1. The EFTA States and the CSFR shall during a transitional period ending on 30 June 2002 gradually establish a free trade area, in accordance with the provisions of the present Agreement.

2. The objectives of this Agreement, which is based on trade relations between market economies, are:

(a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the EFTA States and thus to foster in the EFTA States and in the CSFR the advance of economic activity, the improvement of living and employment conditions, and increased productivity and financial stability;

(b) to provide fair conditions of competition for trade between the States Parties to this Agreement;

(c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

Article 2

Scope

The Agreement shall apply:

(a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description

and Coding System, excluding the products listed in Annex I;¹

(b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;

(c) to fish and other marine products as provided for in Annex II;

originating in an EFTA State or the CSFR.

Article 3

Rules of origin and co-operation in customs administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.

2. The States Parties to this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative cooperation, to ensure that the provisions of Articles 4 to 9, 14 and 23 of the Agreement and Protocol B are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

Article 4

Customs duties on imports and charges having equivalent effect

1. No new customs duty on imports or charge having equivalent effect shall be introduced in trade between the EFTA States and the CSFR.

2. Upon the date of entry into force of this Agreement, the EFTA States shall abolish all customs duties on imports and any charges having equivalent effect for products originating in the CSFR, except for products specified in Annex III for which customs duties on imports and charges having equivalent effect shall be progressively abolished in accordance with the provisions laid down in that Annex.

¹ See "International Convention on the Harmonized Commodity Description and Coding System" in United Nations, *Treaty Series*, vol. 1503, p. 3.

3. For the products specified in Annex IV originating in an EFTA State, the CSFR shall abolish all customs duties on imports and charges having equivalent effect in accordance with the provisions laid down in that Annex.

Article 5

Basic duties

1. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied, shall in respect of the EFTA States be the Most Favoured Nation rate of duty applicable on 1 October 1991.

2. The basic duty in respect of the CSFR shall be the Most Favoured Nation rate of duty applicable on 1 January 1992.

3. If, after the entry into force of this Agreement, any tariff reduction is applied on an *erga omnes* basis, in particular reductions resulting from the tariff agreement concluded as a result of the Uruguay Round of Multilateral Trade Negotiations, such reduced duties shall replace the basic duties referred to in paragraph 1 as from that date.

4. The reduced duties calculated in accordance with Article 4 shall be applied rounded to the first decimal place or, in case of specific duties, to the second decimal place.

Article 6

Customs duties of a fiscal nature

1. The provisions of paragraphs 1 to 3 of Article 4 shall also apply to customs duties of a fiscal nature, except as provided for in Protocol C.

2. The States Parties to this Agreement may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.

Article 7

Customs duties on exports and charges having equivalent effect

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between the EFTA States and the CSFR.

2. The EFTA States and the CSFR shall abolish between them on the date of entry into force of this Agreement any customs duties on exports and any charges having equivalent effect, except as provided for in Annex V.

Article 8

Quantitative restrictions on imports and measures having equivalent effect

1. No new quantitative restriction on imports or measures having equivalent effect shall be introduced in trade between the EFTA States and the CSFR.

2. Quantitative restrictions and measures having equivalent effect on imports to the EFTA States shall be abolished on the date of entry into force of this Agreement, except as provided for in Annex VI.

3. Quantitative restrictions and measures having equivalent effect on imports into the CSFR shall be abolished on the date of entry into force of the Agreement, except as provided for in Annex VII.

Article 9

Quantitative restrictions on exports and measures having equivalent effect

1. No new quantitative restriction on exports or measures having equivalent effect shall be introduced in trade between the EFTA States and the CSFR.

2. Quantitative restrictions on exports from the EFTA States and measures having equivalent effect shall be abolished on the date of entry into force of the Agreement except as provided for in Annex VIII.

3. Quantitative restrictions on exports from the CSFR and measures having equivalent effect shall be abolished on the date of entry into force of the Agreement except as provided for in Annex IX.

Article 10

General exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public

morality, public policy or public security; the protection of health and life of humans, animals or plants and the environment; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property; rules relating to gold or silver; or the conservation of exhaustible natural resources, if such measures are made effective in conjunction with restrictions on domestic production or consumption. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the States Parties to this Agreement.

Article 11

State monopolies

1. The States Parties to this Agreement shall ensure that any state monopoly of a commercial character be adjusted, subject to the provisions laid down in Protocol D, so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the EFTA States and of the CSFR.

2. The provisions of this Article shall apply to any body through which the competent authorities of the States Parties to this Agreement, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the States Parties to this Agreement. These provisions shall likewise apply to monopolies delegated by the State to others.

Article 12

Information procedure on draft technical regulations

The EFTA States and the CSFR shall notify each other, at the earliest practicable stage and in accordance with the provisions laid down in Annex X, of draft technical regulations and draft amendments thereto which they intend to issue.

Article 13

Trade in agricultural products

1. The States Parties to this Agreement declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.

2. In pursuance of this objective each individual EFTA State and the CSFR shall conclude a bilateral arrangement providing for measures to facilitate trade in agricultural products.

3. The States Parties to this Agreement shall apply their regulations in veterinary, plant health and health matters in a non-discriminatory fashion and shall not introduce any new measures that have the effect of unduly obstructing trade.

Article 14

Internal taxation

1. The States Parties to this Agreement shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in an EFTA State and like products originating in the CSFR.

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

Article 15

Payments

1. Payments relating to trade between an EFTA State and the CSFR and the transfer of such payments to the territory of the State, Party to this agreement, where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short and me-