

Official Journal

of the European Communities

ISSN 0378-6978

L 229

Volume 42

31 August 1999

English edition

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COUNCIL AND COMMISSION

COUNCIL AND COMMISSION DECISION

of 31 May 1999

on the conclusion of the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Uzbekistan, of the other part

(1999/593/EC, ECSC, Euratom)

THE COUNCIL OF THE EUROPEAN UNION,

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 44(2), the last sentence of Article 47(2), and Articles 55, 57(2), 71, 80(2), 93, 94, 133 and 308, in conjunction with the second sentence of Article 300(2) and the second subparagraph of Article 300(3) thereof,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 95 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular the second paragraph of Article 101 thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament⁽¹⁾,

Having consulted the ECSC Consultative Committee and with the assent of the Council,

Having regard to the approval of the Council given in accordance with Article 101 of the Treaty establishing the European Atomic Energy Community,

(1) Whereas conclusion of the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the

one part, and the Republic of Uzbekistan, of the other part, signed on 21 June 1996 in Florence, will contribute to the achievement of the objectives of the European Communities;

(2) Whereas the purpose of that Agreement is to strengthen the links established in particular by the Agreement between the European Economic Community and the European Atomic Energy Community and the Union of Soviet Socialist Republics on trade and commercial and economic cooperation, signed on 18 December 1989 and approved by Decision 90/116/EEC⁽²⁾;

(3) Whereas certain obligations, provided for by the Partnership and Cooperation Agreement outside the scope of Community trade policy, affect or are likely to affect the arrangements laid down by Community acts adopted in the areas of the right of establishment, transport and the treatment of enterprises;

(4) Whereas the said Agreement imposes on the European Community certain obligations regarding capital movements and payments between the Community and the Republic of Uzbekistan;

(5) Whereas, in addition, in so far as the said Agreement affects Council Directive 90/434/EEC of 23 July 1990 on the common system of taxation applicable to mergers, divisions, transfers of assets and exchanges of shares concerning companies of different Member States⁽³⁾, and Council Directive 90/435/EEC of 23 July 1990 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Members States⁽⁴⁾, which are based on Article 94 of the Treaty

⁽²⁾ OJ L 68, 15.3.1990, p. 1.

⁽³⁾ OJ L 225, 20.8.1990, p. 1.

⁽⁴⁾ OJ L 225, 20.8.1990, p. 6.

⁽¹⁾ OJ C 175, 21.6.1999, p. 432.

establishing the European Community, that Article should be used as a legal basis;

- (6) Whereas certain provisions of the said Agreement impose on the Community obligations in the field of the provision of services which go beyond the crossborder framework;
- (7) Whereas for certain provisions of the said Agreement which are to be implemented by the Community, the Treaty establishing the European Community makes no provision for specific powers; whereas it is therefore necessary to resort to Article 308 of the Treaty establishing the European Community,

HAVE DECIDED AS FOLLOWS:

Article 1

The Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Uzbekistan, of the other part, together with the Protocol, Declarations and the Exchange of Letters, are hereby approved on behalf of the European Community, the European Coal and Steel Community and the European Atomic Energy Community.

The texts are attached to this Decision.

Article 2

1. The position to be taken by the Community within the Cooperation Council and within the Cooperation Committee

when the latter is empowered to act by the Cooperation Council shall be laid down by the Council, on a proposal by the Commission, or, where appropriate, by the Commission, each in accordance with the corresponding provisions of the Treaties establishing the European Community, the European Coal and Steel Community and the European Atomic Energy Community.

2. In accordance with Article 79 of the Partnership and Cooperation Agreement, the President of the Council shall chair the Cooperation Council and shall present the Community's position. A representative of the Commission shall chair the Cooperation Committee in accordance with its rules of procedure and shall present the Community's position.

3. The decision to publish the recommendations of the Cooperation Council and the Cooperation Committee in the *Official Journal of the European Communities* shall be taken on a case-by-case basis by the Council and the Commission.

Article 3

The President of the Council shall give the notification provided for in Article 101 of the Agreement on behalf of the European Community. The President of the Commission shall give such notification on behalf of the European Coal and Steel Community and the European Atomic Energy Community.

Done at Brussels, 31 May 1999.

For the Commission

The President

J. SANTER

For the Council

The President

O. SCHILY

PARTNERSHIP AND COOPERATION AGREEMENT

establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Uzbekistan, of the other part

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Parties to the Treaty establishing the European Community, the Treaty establishing the European Coal and Steel Community and the Treaty establishing the European Atomic Energy Community,

hereinafter referred to as 'Member States', and

THE EUROPEAN COMMUNITY, THE EUROPEAN COAL AND STEEL COMMUNITY, AND THE EUROPEAN ATOMIC ENERGY COMMUNITY,

hereinafter referred to as 'the Community',

on the one part, and

THE REPUBLIC OF UZBEKISTAN,

of the other part,

CONSIDERING the links between the Community, its Member States and the Republic of Uzbekistan and the common values that they share,

RECOGNISING that the Community and the Republic of Uzbekistan wish to strengthen these links and to establish partnership and cooperation which would strengthen and widen the relations established in the past in particular by the Agreement between the European Economic Community and the European Atomic Energy Community and the Union of Soviet Socialist Republics on Trade and Commercial and Economic Cooperation, signed on 18 December 1989,

CONSIDERING the commitment of the Community and its Member States and of the Republic of Uzbekistan to strengthening the political and economic freedoms which constitute the very basis of the partnership,

RECOGNISING in that context that support of the independence, sovereignty and territorial integrity of the Republic of Uzbekistan will contribute to safeguarding of peace and stability in Central Asia,

CONSIDERING the commitment of the Parties to promote international peace and security, as well as the peaceful settlement of disputes and to cooperate to this end in the framework of the United Nations and the Organization for Security and Cooperation in Europe (OSCE),

CONSIDERING the firm commitment of the Community and its Member States and of the Republic of Uzbekistan to the full implementation of all principles and provisions contained in the Final Act of the Conference on Security and Cooperation in Europe (CSCE), the Concluding Documents of the Madrid and Vienna Follow-Up Meetings, the Document of the CSCE Bonn Conference on Economic Cooperation, the Charter of Paris for a New Europe and the CSCE Helsinki Document 1992 'The Challenges of Change', and other fundamental documents of the OSCE,

CONVINCED of the paramount importance of the rule of law and respect for human rights, particularly those of persons belonging to minorities, the establishment of a multiparty system with free and democratic elections and economic liberalisation aimed at setting up a market economy,

BELIEVING that full implementation of this Partnership and Cooperation Agreement will both depend on and contribute to continuation and accomplishment of the political, economic and legal reforms in the Republic of Uzbekistan, as well as the introduction of the factors necessary for cooperation, notably in the light of the conclusions of the CSCE Bonn Conference,

DESIROUS of encouraging the process of regional cooperation in the areas covered by this Agreement with neighbouring countries in order to promote the prosperity and stability of the region,

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

RECOGNISING AND SUPPORTING the wish of the Republic of Uzbekistan to establish close cooperation with European institutions,

CONSIDERING the necessity of promoting investment in the Republic of Uzbekistan, including in the energy sector, and in this context the importance attached by the Community and its Member States to equitable conditions for transit for export of energy products; confirming the attachment of the Community and its Member States and of the Republic of Uzbekistan to the European Energy Charter, and to the full implementation of the Energy Charter Treaty and the Energy Charter Protocol on energy efficiency and related environmental aspects.

TAKING ACCOUNT of the Community's willingness to provide for economic cooperation and technical assistance as appropriate,

BEARING IN MIND the utility of the Agreement in favouring a gradual rapprochement between the Republic of Uzbekistan and a wider area of cooperation in Europe and neighbouring regions and its progressive integration into the open international system,

CONSIDERING the commitment of the Parties to liberalize trade, in conformity with World Trade Organisation (WTO) rules, and convinced that the Republic of Uzbekistan's accession to the WTO will allow the further intensification of trade relations between them,

CONSCIOUS of the need to improve conditions affecting business and investment, and conditions in areas such as establishment of companies, labour, provision of services and capital movements,

CONVINCED that this Agreement will create a new climate for economic relations between the Parties and in particular for the development of trade and investment, which are essential to economic restructuring and technological modernisation,

DESIROUS of establishing close cooperation in the area of environment protection taking into account the interdependence existing between the Parties in this field,

RECOGNISING that cooperation for the prevention and control of illegal immigration constitutes one of the primary objectives of this Agreement,

DESIROUS of establishing cultural cooperation and improving the flow of information,

HAVE AGREED AS FOLLOWS:

Article 1

A Partnership is hereby established between the Community and its Member States of the one part, and the Republic of Uzbekistan, of the other part. The objectives of this partnership are:

- to support the independence and sovereignty of the Republic of Uzbekistan,
- to support the Republic of Uzbekistan's efforts to consolidate its democracy and to develop its economy and to complete the transition into a market economy,
- to provide an appropriate framework for the political dialogue between the Parties allowing the development of political relations,
- to promote trade and investment and harmonious economic relations between the Parties and so to foster their sustainable economic development,
- to provide a basis for legislative, economic, social, financial, civil scientific, technological and cultural cooperation,
- to assist in the construction of a civil society in Uzbekistan based upon the rule of law.

TITLE I

GENERAL PRINCIPLES

Article 2

Respect for democracy, principles of international law and human rights as defined in particular in the United Nations Charter, the Helsinki Final Act and the Charter of Paris for a New Europe, as well as the principles of market economy, including those enunciated in the documents of the CSCE Bonn Conference, underpin the internal and external policies of the Parties and constitute essential elements of partnership and of this Agreement.

Article 3

The Parties consider that it is essential for their future prosperity and stability that the newly independent States which have emerged from the dissolution of the Union of Soviet Socialist Republics, hereinafter called 'Independent States', should maintain and develop cooperation among themselves in compliance with the principles of the Helsinki Final Act and with international law and in the spirit of good neighbourly relations and will make every effort to encourage this process.

TITLE II

POLITICAL DIALOGUE*Article 4*

A regular political dialogue shall be established between the Parties which they intend to develop and intensify. It shall accompany and consolidate the rapprochement between the Community and the Republic of Uzbekistan, support the political and economic changes underway in that country and contribute to the establishment of new forms of cooperation. The political dialogue:

- will strengthen the links of the Republic of Uzbekistan with the Community and its Member States, and thus with the community of democratic nations as a whole. The economic convergence achieved through this Agreement will lead to more intense political relations;
- will bring about an increasing convergence of positions on international issues of mutual concern thus increasing security and stability in the region,
- shall foresee that the Parties endeavour to cooperate on matters pertaining to the observance of the principles of democracy, and the respect, protection and promotion of human rights, particularly those of persons belonging to minorities and shall hold consultations, if necessary, on relevant matters.

Such dialogue may take place on a regional basis.

Article 5

At ministerial level, political dialogue shall take place within the Cooperation Council established in Article 78 and on other occasions by mutual agreement.

Article 6

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

- regular meetings at senior official level between representatives of the Community and its Member States on the one hand, and representatives of the Republic of Uzbekistan on the other hand,
- taking full advantage of diplomatic channels between the Parties including appropriate contacts in the bilateral as well as the multilateral field, such as United Nations, OSCE meetings and elsewhere,
- any other means, including the possibility of expert meetings which would contribute to consolidating and developing this dialogue.

Article 7

Political dialogue at parliamentary level shall take place within the framework of the Parliamentary Cooperation Committee established in Article 83.

TITLE III

TRADE IN GOODS*Article 8*

1. The Parties shall accord to one another most-favoured-nation treatment in all areas in respect of:

- customs duties and charges applied to imports and exports, including the method of collecting such duties and charges,
- provisions relating to customs clearance, transit, warehouses and trans-shipment,
- taxes and other internal charges of any kind applied directly or indirectly to imported goods,

- methods of payment and the transfer of such payments,

- the rules relating to the sale, purchase, transport, distribution and use of goods on the domestic market.

2. The provisions of paragraph 1 shall not apply to:

- (a) advantages granted with the aim of creating a customs union or a free-trade area or pursuant to the creation of such a union or area;
- (b) advantages granted to particular countries in accordance with WTO rules and with other international arrangements in favour of developing countries;

(c) advantages accorded to adjacent countries in order to facilitate frontier traffic.

3. The provisions of paragraph 1 shall not apply, during a transitional period expiring on the date of the Republic of Uzbekistan acceding to the WTO or on 31 December 1998, whichever is earlier, to advantages defined in Annex I granted by the Republic of Uzbekistan to other states which have emerged from the dissolution of the USSR.

Article 9

1. The Parties agree that the principle of free transit is an essential condition of attaining the objectives of this Agreement.

In this connection each Party shall secure unrestricted transit via or through its territory of goods originating in the customs territory or destined for the customs territory of the other Party.

2. The rules described in Article V, paragraphs 2, 3, 4 and 5 of the GATT are applicable between the two Parties.

3. The rules contained in this Article are without prejudice to any special rules relating to specific sectors, in particular such as transport, or products agreed between the Parties.

Article 10

Without prejudice to the rights and obligations stemming from international conventions on the temporary admission of goods which bind both Parties, each Party shall furthermore grant the other Party exemption from import charges and duties on goods admitted temporarily, in the instances and according to the procedures stipulated by any other international convention on this matter binding upon it, in conformity with its legislation. Account shall be taken of the conditions under which the obligations stemming from such a convention have been accepted by the Party in question.

Article 11

1. Goods originating in the Republic of Uzbekistan shall be imported into the Community free of quantitative restrictions and measures of equivalent effect, without prejudice to the provisions of Articles 13, 16 and 17 of this Agreement.

2. Goods originating in the Community shall be imported into the Republic of Uzbekistan free of all quantitative restrictions and measures of equivalent effect, without prejudice to the provisions of Articles 13, 16 and 17 of this Agreement.

Article 12

Goods shall be traded between the Parties at market-related prices.

Article 13

1. Where any product is being imported into the territory of one of the Parties in such increased quantities or under such conditions as to cause or threaten to cause injury to domestic producers of like or direct competitive products, the Community or the Republic of Uzbekistan, whichever is concerned, may take appropriate measures in accordance with the following procedures and conditions.

2. Before taking any measures, or in cases to which paragraph 4 applies as soon as possible thereafter, the Community or the Republic of Uzbekistan, as the case may be, shall supply the Cooperation Council with all relevant information with a view to seeking a solution acceptable to both Parties as provided for in Title XI.

3. If, as a result of the consultations, the Parties do not reach agreement within 30 days of referral to the Cooperation Council on actions to avoid the situation, the Party which requested consultations shall be free to restrict imports of the products concerned to the extent and for such time as is necessary to prevent or remedy the injury, or to adopt other appropriate measures.

4. In critical circumstances where delay would cause damage difficult to repair, the Parties may take the measures before the consultations, on the condition that consultations shall be offered immediately after taking such action.

5. In the selection of measures under this Article, the Parties shall give priority to those which cause least disturbance to the achievement of the aims of this Agreement.

6. Nothing in this Article shall prejudice or affect in any way the taking, by either Party, of anti-dumping or countervailing measures in accordance with Article VI of the GATT, the Agreement on implementation of Article VI of the GATT, the Agreement on interpretation and application of Articles VI, XVI and XXIII of the GATT or related internal legislation.

Article 14

The Parties undertake to consider development of the provisions in this Agreement on trade in goods between them, as circumstances allow, including the situation arising from the accession of the Republic of Uzbekistan to the WTO. The Cooperation Council may make recommendations on such developments to the Parties which could be put into effect, where accepted, by virtue of agreement between the Parties in accordance with their respective procedures.

Article 15

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; the protection of natural resources; the protection of national treasures of artistic, historic or archaeological value or the protection of intellectual, industrial and commercial property or rules relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 16

This Title shall not apply to trade in textile products falling under Chapters 50 to 63 of the Combined Nomenclature. Trade in these products shall be governed by a separate agreement, initialled on 4 December 1995 and applied provisionally since 1 January 1996.

Article 17

1. Trade in products covered by the Treaty establishing the European Coal and Steel Community shall be governed by the provisions of this Title, with the exception of Article 11.

2. A contact group on coal and steel matters shall be set up, comprising representatives of the Community on the one hand, and representatives of the Republic of Uzbekistan on the other.

The contact group shall exchange, on a regular basis, information on all coal and steel matters of interest to the Parties.

Article 18

Trade in nuclear materials shall be subject to the provisions of a specific Agreement to be concluded between the European Atomic Energy Community and the Republic of Uzbekistan.

TITLE IV

PROVISIONS AFFECTING BUSINESS AND INVESTMENT

CHAPTER I

LABOUR CONDITIONS

Article 19

1. Subject to the laws, conditions and procedures applicable in each Member State, the Community and the Member States shall endeavour to ensure that the treatment accorded to nationals of the Republic of Uzbekistan legally employed in the territory of a Member State shall be free from any discrimination based on nationality, as regards working conditions, remuneration or dismissal, as compared to its own nationals.

2. Subject to the laws, conditions and procedures applicable in the Republic of Uzbekistan, the Republic of Uzbekistan shall ensure that the treatment accorded to nationals of a Member State legally employed in the territory of the Republic of Uzbekistan shall be free from any discrimination based on nationality, as regards working conditions, remuneration or dismissal, as compared to its own nationals.

Article 20

The Cooperation Council shall examine which improvements can be made in working conditions for business people consistent with the international commitments of the Parties, including those set out in the document of the CSCE Bonn Conference.

Article 21

The Cooperation Council shall make recommendations for the implementation of Articles 19 and 20.

CHAPTER II

CONDITIONS AFFECTING THE ESTABLISHMENT AND OPERATION OF COMPANIES

Article 22

1. The Community and its Member States shall grant, for the establishment of Uzbek companies as defined in Article 24(d), treatment no less favourable than that accorded to any third country companies.

2. Without prejudice to the reservations listed in Annex II, the Community and its Member States shall grant to subsidiaries of Uzbek companies established in their territories a treatment no less favourable than that granted to any Community companies, in respect of their operation.

3. The Community and its Member States shall grant to branches of Uzbek companies established in their territories treatment no less favourable than that accorded to branches of companies of any third country, in respect of their operations.

4. Without prejudice to the reservations listed in Annex III, the Republic of Uzbekistan shall grant, for the establishment of Community companies as defined in Article 24(d), treatment no less favourable than that accorded to Uzbek companies or to any third country companies, whichever is the better.

5. The Republic of Uzbekistan shall grant to subsidiaries and branches of Community companies established in its territory treatment no less favourable than that accorded to its own companies or branches or to any third country company or branch, whichever is the better, in respect of their operations.

Article 23

1. The provisions of Article 22 shall not apply to air transport, inland waterways transport and maritime transport.

2. However, in respect of activities, as indicated below, undertaken by shipping agencies for the provision of services to international maritime transport, including intermodal transport operations involving a sea-leg, each Party shall permit the companies of the other Party to have a commercial presence in its territory in the form of subsidiaries or branches, under conditions of establishment and operation no less favourable than those accorded to its own companies or to subsidiaries or branches of companies of any third country, whichever are the better.

3. Such activities include but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, whether these services are operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- (b) purchase and use, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of an integrated service;
- (c) preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;

(d) provision of business information by any means, including computerised information systems and electronic data interchange (subject to any non-discriminatory restrictions concerning telecommunications);

(e) setting up of any business arrangement, including participation in the company's stock and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the relevant provisions of this Agreement), with any locally established shipping agency;

(f) acting on behalf of the companies, *inter alia*, in organising the call of the vessel or taking over cargoes when required.

Article 24

For the purpose of this Agreement:

- (a) a 'Community company' or an 'Uzbek company' respectively shall mean a company set up in accordance with the laws of a Member State or of the Republic of Uzbekistan respectively and having its registered office or central administration, or principal place of business in the territory of the Community or the Republic of Uzbekistan respectively. However, should the company, set up in accordance with the laws of a Member State or the Republic of Uzbekistan respectively, have only its registered office in the territory of the Community or the Republic of Uzbekistan respectively, the company shall be considered a Community or Uzbek company respectively if its operations possess a real and continuous link with the economy of one of the Member States or the Republic of Uzbekistan respectively.
- (b) 'subsidiary' of a company shall mean a company which is effectively controlled by the first company.
- (c) 'branch' of a company shall mean 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 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.
- (d) 'establishment' shall mean the right of Community or Uzbek companies as referred to in point (a), to take up economic activities by means of the setting up of subsidiaries and branches in the Republic of Uzbekistan or in the Community respectively.
- (e) 'operation' shall mean the pursuit of economic activities.

- (f) 'economic activities' shall mean activities of an industrial, commercial and professional character.

With regard to international maritime transport, including inter modal operations involving a sea-leg, nationals of the Member States or the Republic of Uzbekistan established outside the Community or the Republic of Uzbekistan respectively, and shipping companies established outside the Community or the Republic of Uzbekistan and controlled by nationals of a Member State or nationals of the Republic of Uzbekistan respectively, shall also be beneficiaries of the provisions of this Chapter and Chapter III if their vessels are registered in that Member State or in the Republic of Uzbekistan respectively in accordance with their respective legislation.

Article 25

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

2. Nothing in this Agreement shall be construed as requiring a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

3. For the purpose of this Agreement, 'financial services' shall mean those activities described in Annex IV.

Article 26

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

Article 27

1. Notwithstanding the provisions of Chapter I of this Title, a Community company or an Uzbek company established in the territory of the Republic of Uzbekistan or the Community respectively shall be entitled to employ, or have employed by one of its subsidiaries or branches, in accordance with the legislation in force in the host country of establishment, in the territory of the Republic of Uzbekistan and the Community respectively, employees who are nationals of Community Member States and the Republic of Uzbekistan respectively, provided that such employees are key personnel as defined in paragraph 2, and that they are employed exclusively by

companies, or branches. The residence and work permits of such employees shall only cover the period of such employment.

2. Key personnel of the abovementioned companies herein referred to as 'organisations' are 'intra-corporate transferees' as defined in (c) in the following categories, provided that the organisation is a legal person and that the persons concerned have been employed by it or have been partners in it (other than majority shareholders), for at least the year immediately preceding such movement:

- (a) Persons working in a senior position with an organisation, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or stockholders of the business or their equivalent, including:

- directing the establishment or a department or subdivision of the establishment,
- supervising and controlling the work of other supervisory, professional or managerial employees,
- having the authority personally to hire and fire or recommend hiring, firing or other personnel actions;

- (b) Persons working within an organisation who possess uncommon knowledge essential to the establishment's service, research equipment, techniques or management. The assessment of such knowledge may reflect, apart from knowledge specific to the establishment, a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession;

- (c) An 'intra-corporate transferee' is defined as a natural person working within an organisation in the territory of a Party, and being temporarily transferred in the context of pursuit of economic activities in the territory of the other Party; the organisation concerned must have its principal place of business in the territory of a Party and the transfer be to an establishment (branch, subsidiary) of that organisation, effectively pursuing like economic activities in the territory of the other Party.

Article 28

1. The Parties shall use their best endeavours to avoid taking any measures or actions which render the conditions for the establishment and operation of each other's companies more restrictive than the situation existing on the day preceding the date of signature of this Agreement.

2. The provisions of this Article are without prejudice to those of Article 36: the situations covered by such Article 36 shall be solely governed by its provisions to the exclusion of any other.

3. Acting in the spirit of partnership and cooperation and in the light of the provisions of Article 42, the Government of the Republic of Uzbekistan shall inform the Community of its intentions to submit new legislation or adopt new regulations which may render the conditions for the establishment or operation in the Republic of Uzbekistan of subsidiaries and branches of Community companies more restrictive than the situation existing on the day preceding the date of signature of this Agreement. The Community may request the Republic of Uzbekistan to communicate the drafts of such legislation or regulations and to enter into consultations about those drafts.

4. Where new legislation or regulations introduced in the Republic of Uzbekistan would result in rendering the conditions for operation of subsidiaries and branches of Community companies established in the Republic of Uzbekistan more restrictive than the situation existing on the day of signature of this Agreement, such respective legislation or regulations shall not apply during three years following the entry into force of the relevant act to those subsidiaries and branches already established in the Republic of Uzbekistan at the time of entry into force of the relevant act.

CHAPTER III

CROSS BORDER SUPPLY OF SERVICES BETWEEN THE COMMUNITY AND THE REPUBLIC OF UZBEKISTAN

Article 29

1. The Parties undertake in accordance with the provisions of this Chapter to take the necessary steps to allow progressively the supply of services by Community or Uzbek companies which are established in a Party other than that of the person for whom the services are intended taking into account the development of the service sectors in the Parties.

2. The Cooperation Council shall make recommendations for the implementation of paragraph 1.

Article 30

The Parties shall cooperate with the aim of developing a market oriented service sector in the Republic of Uzbekistan.

Article 31

1. The Parties undertake to apply effectively the principle of unrestricted access to the international maritime market and traffic on a commercial basis:

- (a) the above provision does not prejudice the rights and obligations arising from the United Nations Convention on a Code of Conduct for Liner Conferences, as applicable to one or other Party to this Agreement. Non-conference lines will be free to operate in competition with a conference as long as they adhere to the principle of fair competition on a commercial basis;
- (b) the Parties affirm their commitment to a freely competitive environment as being an essential feature of the dry and liquid bulk trade.

2. In applying the principles of paragraph 1, the Parties shall:

- (a) not apply, as from the entry into force of this Agreement, any cargo sharing provisions of bilateral agreements between any Member States of the Community and the former Soviet Union;
- (b) not introduce cargo sharing clauses into future bilateral agreements with third countries, other than in those exceptional circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;
- (c) prohibit cargo sharing arrangements in future bilateral agreements concerning dry and liquid bulk trade;
- (d) abolish upon entry into force of this Agreement, all unilateral measures, administrative, technical and other obstacles which could have restrictive or discriminatory effects on the free supply of services in international maritime transport.

Article 32

With a view to assuring a coordinated development of transport between the Parties, adapted to their commercial needs, the conditions of mutual market access and provision of services in transport by road, rail and inland waterways and, if applicable, in air transport may be dealt with by specific agreements where appropriate negotiated between the Parties after entry into force of this Agreement.

CHAPTER IV

GENERAL PROVISIONS

Article 33

1. The provisions of this Title shall be applied subject to limitations justified on grounds of public policy, public security or public health.

2. They shall not apply to activities which in the territory of either Party are connected, even occasionally, with the exercise of official authority.

Article 34

For the purpose of this Title, nothing in this Agreement shall prevent the Parties from applying their laws and regulations regarding entry and stay, work, labour conditions and establishment of natural persons and supply of services, provided that, in so doing, they do not apply them in a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific provision of this Agreement. The above provision does not prejudice the application of Article 33.

Article 35

Companies which are controlled and exclusively owned by Uzbek companies and Community companies jointly shall also be beneficiaries of the provisions of Chapters II, III and IV.

Article 36

Treatment granted by either Party to the other thereunder shall, as from the day one month prior to the date of entry into force of the relevant obligations of the General Agreement on Trade in Services (GATS), in respect of sectors or measures covered by the GATS, in no case be more favourable than that accorded by such first Party under the provisions of GATS and this in respect of each service sector, sub-sector and mode of supply.

Article 37

For the purposes of Chapters II, III and IV, no account shall be taken of treatment accorded by the Community, its Member States or the Republic of Uzbekistan pursuant to commitments entered into in economic integration agreements in accordance with the principles of Article V of GATS.

Article 38

1. The most-favoured-nation treatment granted in accordance with the provisions of this Title shall not apply to the tax advantages which the Parties are providing or will provide in the future on the basis of agreements to avoid double taxation, or other tax arrangements.

2. Nothing in this Title shall be construed to prevent the adoption or enforcement by the Parties of any measure aimed

at preventing the avoidance or evasion of taxes pursuant to the tax provisions of agreements to avoid double taxation and other tax arrangements, or domestic fiscal legislation.

3. Nothing in this Title shall be construed to prevent Member States or the Republic of Uzbekistan from distinguishing, in the application of the relevant provisions of their fiscal legislation, between tax payers who are not in identical situations, in particular as regards their place of residence.

Article 39

Without prejudice to Article 27, no provision of Chapters II, III and IV shall be interpreted as giving the right to:

- nationals of the Member States or of the Republic of Uzbekistan respectively to enter, or stay in, the territory of the Republic of Uzbekistan or the Community respectively in any capacity whatsoever, and in particular as a shareholder or partner in a company or manager or employee thereof or supplier or recipient of services,
- Community subsidiaries or branches of Uzbek companies to employ or have employed in the territory of the Community nationals of the Republic of Uzbekistan,
- Uzbek subsidiaries or branches of Community companies to employ or have employed in the territory of the Republic of Uzbekistan nationals of the Member States,
- Uzbek companies or Community subsidiaries or branches of Uzbek companies to supply Uzbek persons to act for and under the control of other persons by temporary employment contracts,
- Community companies or Uzbek subsidiaries or branches of Community companies to supply workers who are nationals of the Member States by temporary employment contracts.

CHAPTER V

CURRENT PAYMENTS AND CAPITAL

Article 40

1. The Parties undertake to authorise in freely convertible currency, any current payments between residents of the Community and of the Republic of Uzbekistan connected with

the movement of goods, services or persons made in accordance with the provisions of this Agreement.

2. With regard to transactions on the capital account of balance of payments, from entry into force of this Agreement, the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II, and the liquidation or repatriation of these investments and of any profit stemming therefrom shall be ensured.

3. Without prejudice to paragraph 2 or to paragraph 5, as from the entry into force of this Agreement, no new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and the Republic of Uzbekistan shall be introduced and the existing arrangements shall not become more restrictive.

4. The Parties shall consult each other with a view to facilitating the movements of forms of capital other than those referred to in paragraph 2 above between the Community and the Republic of Uzbekistan in order to promote the objectives of this Agreement.

5. With reference to the provisions of this Article, until a full convertibility of the Uzbek currency within the meaning of Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) is introduced, the Republic of Uzbekistan may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short and medium-term financial credits to the extent that such restrictions are imposed on the Republic of Uzbekistan for the granting of such credits and are permitted according to the Republic of Uzbekistan's status under the IMF. The Republic of Uzbekistan shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Republic of Uzbekistan shall inform the Cooperation Council promptly of the introduction of such measures and of any changes therein.

6. Without prejudice to paragraphs 1 and 2, where, in exceptional circumstances, movement of capital between the Community and the Republic of Uzbekistan cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the Republic of Uzbekistan, the Community and the Republic of Uzbekistan, respectively, may take safeguard measures with regard to movements of capital between the Community and the Republic of Uzbekistan for a period not exceeding six months if such measures are strictly necessary.

CHAPTER VI

INTELLECTUAL, INDUSTRIAL AND COMMERCIAL PROPERTY PROTECTION

Article 41

1. Pursuant to the provisions of this Article and of Annex V, the Republic of Uzbekistan shall continue to improve the protection of intellectual, industrial and commercial property rights in order to provide, by the end of the fifth year after the entry into force of this Agreement, for a level of protection similar to that existing in the Community, including effective means of enforcing such rights.

2. By the end of the fifth year after entry into force of this Agreement, the Republic of Uzbekistan shall accede to the multilateral conventions on intellectual, industrial and commercial property rights referred to in paragraph 1 of Annex V to which Member States are parties or which are *de facto* applied by Member States, according to the relevant provisions contained in these conventions.

TITLE V

LEGISLATIVE COOPERATION

Article 42

1. The Parties recognise that an important condition for strengthening the economic links between the Republic of Uzbekistan and the Community is the approximation of the Republic of Uzbekistan's existing and future legislation to that of the Community. The Republic of Uzbekistan shall endeavour to ensure that its legislation will be gradually made compatible with that of the Community.

2. The approximation of laws shall extend to the following areas in particular: customs law, company law, laws on banking and other financial services, company accounts and taxes, intellectual property, protection of workers at the workplace, rules on competition including any related issues and practices affecting trade, public procurement, protection of health and life of humans, animals and plants, the environment, consumer protection, indirect taxation, technical rules and standards, nuclear laws and regulations, transport and telecommunications.

3. The Community shall provide the Republic of Uzbekistan with technical assistance for the implementation of these measures, which may include, *inter alia*:

- the exchange of experts,
- the provision of early information especially on relevant legislation,
- organisation of seminars,

— training of personnel involved in the drafting and implementation of legislation,

— aid for translation of Community legislation in the relevant sectors.

4. The Parties agree to examine ways to apply their respective competition laws on a concerted basis in such cases where trade between them is affected.

TITLE VI

ECONOMIC COOPERATION

Article 43

1. The Community and the Republic of Uzbekistan shall establish economic cooperation aimed at contributing to the process of economic reform and recovery and sustainable development of the Republic of Uzbekistan. Such cooperation shall strengthen existing economic links, to the benefit of both parties.

2. Policies and other measures will be designed to bring about economic and social reforms and restructuring of the economic and trading systems in the Republic of Uzbekistan and will be guided by the requirements of sustainability and harmonious social development; they will also fully incorporate environmental considerations.

3. To this end, cooperation will concentrate, in particular, on economic and social development, human resources development, support for enterprises (including privatisation, investment and development of financial services, agriculture and food, energy and civil nuclear safety, transport, tourism, postal services and telecommunications, environmental protection and regional cooperation.

4. Special attention shall be devoted to measures capable of fostering regional cooperation.

5. Where appropriate, economic cooperation and other forms of cooperation provided for in this Agreement may be supported by technical assistance from the Community, taking into account the Community's relevant Council regulation applicable to technical assistance in the Independent States, the priorities agreed upon in the indicative programme related to Community technical assistance to the Republic of Uzbekistan and its established coordination and implementation procedures.

Article 44

Cooperation in the field of trade in goods and services

The Parties will cooperate with a view to ensuring that the Republic of Uzbekistan's international trade is conducted in conformity with the rules of the WTO.

Such cooperation shall include specific issues directly relevant to trade facilitation, in particular with a view to assisting the Republic of Uzbekistan to harmonise its legislation and regulations with WTO rules and so to fulfil as soon as possible the conditions of accession to that Organisation. These include:

- formulation of policy on trade and trade-related questions, including payments and clearing mechanisms,
- drafting of relevant legislation.

Article 45

Industrial cooperation

1. Cooperation shall aim at promoting the following in particular:

- the development of business links between economic operators of both sides,
- Community participation in the Republic of Uzbekistan's efforts to restructure its industry,
- the improvement of management,
- the development of the quality of industrial products,

— the development of efficient production and processing capacity in the raw materials sector,

Article 47

— the development of appropriate commercial rules and practices, including product marketing,

— environmental protection,

— defence conversion,

— training of management personnel.

2. The provisions of this Article shall not affect the enforcement of Community competition rules applicable to undertakings.

Article 46

Investment promotion and protection

1. Bearing in mind the respective powers and competences of the Community and the Member States, cooperation shall aim to establish a favourable climate for private investment, both domestic and foreign, especially through better conditions for investment protection, the transfer of capital and the exchange of information on investment opportunities.

2. The aims of cooperation shall be in particular:

— the conclusion, where appropriate, between the Member States and the Republic of Uzbekistan of agreements for the promotion and protection of investment,

— the conclusion, where appropriate, between the Member States and the Republic of Uzbekistan of agreements to avoid double taxation,

— the creation of favourable conditions for attracting foreign investments into the Uzbek economy,

— to establish stable and adequate business law and conditions, and to exchange information on laws, regulations and administrative practices in the field of investment,

— to exchange information on investment opportunities in the form of, *inter alia*, trade fairs, exhibitions, trade weeks and other events.

Public procurement

The Parties shall cooperate to develop conditions for open and competitive award of contracts for goods and services in particular through calls for tenders.

Article 48

Cooperation in the field of standards and conformity assessment

1. Cooperation between the Parties shall promote alignment with internationally agreed criteria, principles and guidelines followed in the field of quality. The required actions will facilitate progress towards mutual recognition in the field of conformity assessment, as well as the improvement of Uzbek product quality.

2. To this end the Parties shall seek to cooperate in technical assistance projects which will:

— promote appropriate cooperation with organisations and institutions specialised in these fields,

— promote the use of Community technical regulations and the application of European standards and conformity assessment procedures,

— permit the sharing of experience and technical information in the field of quality management.

Article 49

Mining and raw materials

1. The Parties shall aim at increasing investment and trade in mining and raw materials.

2. The cooperation shall focus in particular on the following areas:

— exchange of information on the prospects of the mining and non-ferrous metals sectors;

— the establishment of a legal framework for cooperation;

— trade matters;

— the adoption and implementation of environmental legislation;

- training;
- safety in the mining industry.

Article 50

Cooperation in science and technology

1. The Parties shall promote cooperation in civil scientific research and technological development (RTD) on the basis of mutual benefit and, taking into account the availability of resources, adequate access to their respective programmes and subject to appropriate levels of effective protection of intellectual, industrial and commercial property rights (IPR).

2. Science and technology cooperation shall cover:

- the exchange of scientific and technical information,
- joint RTD activities,
- training activities and mobility programmes for scientists, researchers and technicians engaged in RTD on both sides.

Where such cooperation takes the form of activities involving education and/or training, it should be carried out in accordance with the provisions of Article 51.

The Parties, on the basis of mutual agreement, can engage in other forms of cooperation in science and technology.

In carrying out such cooperation activities, special attention shall be devoted to the redeployment of scientists, engineers, researchers and technicians which are or have been engaged in research and/or production of weapons of mass destruction.

3. The cooperation covered by this Article shall be implemented according to specific arrangements to be negotiated and concluded in accordance with the procedures adopted by each Party, and which shall set out, *inter alia*, appropriate IPR provisions.

Article 51

Education and training

1. The Parties shall cooperate with the aim of raising the level of general education and professional qualifications in the Republic of Uzbekistan, both in the public and private sectors.

2. The cooperation shall focus in particular on the following areas:

- updating higher education and training systems in the Republic of Uzbekistan including the system of certification of higher educational establishments and diplomas of higher education;
- the training of public and private sector executives and civil servants in priority areas to be determined;
- cooperation between educational establishments and between educational establishments and firms;
- mobility for teachers, graduates, administrators, young scientists and researchers, and young people;
- promoting teaching in the field of European Studies within the appropriate institutions;
- teaching Community languages;
- post-graduate training of conference interpreters;
- training of journalists;
- training of trainers.

3. The possible participation of one Party in the respective programmes in the field of education and training of the other Party could be considered in accordance with their respective procedures and, where appropriate, institutional frameworks and plans of cooperation will then be established building on participation of the Republic of Uzbekistan in the Community's Tempus programme.

Article 52

Agriculture and the agro-industrial sector

The purpose of cooperation in this area shall be the pursuance of agrarian reform, the modernisation, privatisation and restructuring of agriculture, the agro-industrial and service sectors in the Republic of Uzbekistan, development of domestic and foreign markets for Uzbek products, in conditions that ensure the protection of the environment, taking into account the necessity to improve security of food supply as well as the development of agri-business, the processing and distribution of agricultural products. The Parties shall also aim at the gradual approximation of Uzbek standards to Community technical regulations concerning

industrial and agricultural food products including sanitary and phytosanitary standards.

Article 54

Article 53

Energy

1. Cooperation shall take place within the principles of the market economy and the European Energy Charter, against a background of the progressive integration of the energy markets in Europe.

2. Cooperation shall concentrate, *inter alia*, upon the formulation and development of energy policy. It shall include among others the following areas:

- improvement in management and regulation of the energy sector in line with a market economy;
- improvement of energy supply, including security of supply, in an economic and environmentally sound manner;
- promotion of energy saving and energy efficiency and implementation of the Energy Charter Protocol on Energy Efficiency and related environmental aspects;
- modernisation of energy infrastructures;
- improvement of energy technologies in supply and end use across the range of energy types;
- management and technical training in the energy sector;
- transportation and transit of energy materials and products;
- the introduction of the range of institutional, legal, fiscal and other conditions necessary to encourage increased energy trade and investment;
- development of hydro-electric and other renewable energy resources.

3. The Parties shall exchange relevant information relating to investment projects in the energy sector, in particular concerning the production of energy resources and the construction and refurbishing of oil and gas pipelines or other means of transporting energy products. The Parties attach particular importance to cooperation regarding investments in the energy sector and the manner in which these are regulated. They shall cooperate with a view to implementing as efficaciously as possible the provisions of Title IV and of Article 46, in respect of investments in the energy sector.

Environment and human health

1. Bearing in mind the European Energy Charter, the Declarations of the Lucerne Conference of 1993 and of the Sofia Conference of October 1995, and taking into account the Energy Charter Treaty, and especially its Article 19, and the Energy Charter Protocol on Energy Efficiency and related environmental aspects, the Parties shall develop and strengthen their cooperation on environment and human health.

2. Cooperation shall aim at combating the deterioration of the environment and in particular:

- effective monitoring of pollution levels and assessment of the environment; system of information on the state of the environment,
- combating local, regional and transboundary air and water pollution,
- ecological restoration,
- sustainable, efficient and environmentally effective production and use of energy,
- safety of industrial plants,
- classification and safe handling of chemicals,
- water quality,
- waste reduction, recycling and safe disposal, implementation of the Basle Convention,
- the environmental impact of agriculture, soil erosion, and chemical pollution,
- the protection of forests,
- the conservation of biodiversity, protected areas and sustainable use and management of biological resources,
- land-use planning, including construction and urban planning,
- use of economic and fiscal instruments,
- global climate change,
- environmental education and awareness,
- implementation of the Espoo Convention on Environmental Impact Assessment in a transboundary context.

3. Cooperation shall take place particularly through:

- disaster planning and other emergency situations;
- exchange of information and experts, including information and experts dealing with the transfer of clean technologies and the safe and environmentally sound use of biotechnologies;
- joint research activities;
- improvement of laws towards Community standards;
- cooperation at regional level, including cooperation within the framework of the European Environment Agency, and at international level;
- development of strategies, particularly with regard to global and climatic issues and also with a view to achieving sustainable development;
- environmental impact studies.

4. The Parties shall seek to develop their cooperation on questions of human health, in particular through technical assistance on the prevention and combating of infectious diseases and the protection of mothers and young children.

Article 55

Transport

The Parties shall develop and strengthen their cooperation in the field of transport.

This cooperation shall, *inter alia*, aim at restructuring and modernising transport systems and networks in the Republic of Uzbekistan; developing and ensuring, where appropriate, compatibility of transportation systems in the context of achieving a more global transport system; and identifying and elaborating priority projects and seeking to attract investment for their implementation.

The cooperation shall include, *inter alia*:

- the modernisation of management and operations of road transport, railways, ports, airports and urban passenger transport systems,
- modernisation and development of railways, waterways, roads, ports, airports and air navigation infrastructure including the modernisation of major routes of common interest and the trans-European links for the above modes, particularly those related to the Traceca project,

- promotion and development of multi-modal transport,
- the promotion of joint research and development programmes,
- preparation of the legislative and institutional framework for policy development and implementation including privatisation of the transport sector.

Article 56

Postal services and telecommunications

Within their respective powers and competences the Parties shall expand and strengthen cooperation in the following areas:

- the establishment of policies and guidelines for the development of the telecommunications sector and postal services;
- development of principles of a tariff policy and marketing in telecommunications and postal services;
- transferring technology and know how, including on European Technical standards and certification systems;
- encouraging the development of projects for telecommunications and postal services and attracting investment;
- enhancing efficiency and quality of the provision of telecommunications and postal services, amongst others through liberalisation of activities of sub-sectors;
- advanced application of telecommunications, notably in the area of electronic funds transfer;
- management of telecommunications networks and their 'optimisation';
- an appropriate regulatory basis for the provision of telecommunications and postal services and for the use of the radio frequency spectrum;
- training in the field of telecommunications and postal services for operations in market conditions.

Article 57

Financial services and fiscal institutions

1. Cooperation shall in particular aim at facilitating the involvement of the Republic of Uzbekistan in universally accepted systems of mutual settlements. Technical assistance shall focus on:

- the development of a stock market and a securities market,

- the development of banking services, the development of a common market of credit resources, the involvement of the Republic of Uzbekistan in a universally accepted system of mutual settlements,
- the development of insurance services, which would, *inter alia*, create a favourable framework for Community companies' participation in the establishment of joint ventures in the insurance sector in the Republic of Uzbekistan, as well as the development of export credit insurance.

This cooperation shall in particular contribute to foster the development of relations between the Parties in the financial services sector.

2. The Parties shall cooperate in developing the fiscal system and fiscal institutions in the Republic of Uzbekistan. This cooperation shall include the exchange of information and experience on fiscal matters and the training of personnel involved in the formulation and implementation of fiscal policy.

Article 58

Enterprise restructuring and privatisation

Recognising that privatisation is of fundamental importance to a sustainable economic recovery, the Parties agree to cooperate in the development of the necessary institutional, legal and methodological framework. Particular attention will be paid to the orderly and transparent nature of the privatisation process.

Technical assistance shall focus on, *inter alia*:

- the further development of an institutional base within the Government of the Republic of Uzbekistan to assist with defining and managing the privatisation process;
- the further development of the privatisation strategy of the Government of the Republic of Uzbekistan, including the legislative framework, and implementation mechanisms;
- furthering market approaches to land use and ownership, and the privatisation of land;
- the restructuring of those enterprises not yet ready for privatisation;
- the development of private enterprise, particularly in the small and medium enterprise sector;
- the development of investment privatisation funds systems.

The objective of this cooperation is also to contribute to the promotion of Community investment in the Republic of Uzbekistan.

Article 59

Regional development

1. The Parties shall strengthen cooperation on regional development and land-use planning.
2. To this end, the Parties shall encourage the exchange of information by national, regional and local authorities on regional and land-use planning policy and on methods of formulation of regional policies with special emphasis on the development of disadvantaged areas.

They shall also encourage direct contacts between the respective regions and public organisations responsible for regional development planning with the aim, *inter alia*, to exchange methods and ways of fostering regional development.

Article 60

Social cooperation

1. With regard to health and safety, the Parties shall develop cooperation between them with the aim of improving the level of protection of the health and safety of workers.

The cooperation shall include notably:

- education and training on health and safety issues with specific attention to high risk sectors of activity,
- development and promotion of preventive measures to combat work related diseases and other work related ailments,
- prevention of major accident hazards and the management of toxic chemicals,
- research to develop the knowledge base in relation to working environment and the health and safety of workers.

2. With regard to employment, the cooperation shall include notably technical assistance to:

- optimisation of the labour market,
- modernisation of the job-finding and consulting services,
- planning and management of the restructuring programmes,
- encouragement of local employment development,
- exchange of information on the programmes of flexible employment, including those stimulating self-employment and promoting entrepreneurship.

3. The Parties shall pay special attention to cooperation in the sphere of social protection which, *inter alia*, shall include cooperation in planning and implementing social protection reforms in the Republic of Uzbekistan.

These reforms shall aim to develop in the Republic of Uzbekistan methods of protection intrinsic to market economies and shall comprise all forms of social protection.

Article 61

Tourism

The Parties shall increase and develop cooperation between them, which shall include:

- facilitating the tourist trade,
- increasing the flow of information,
- transferring know-how,
- studying the opportunities for joint operations,
- cooperation between official tourism bodies, including the preparation of promotional material,
- training for tourism development.

Article 62

Small and medium-sized enterprises

1. The Parties shall aim to develop and strengthen small and medium-sized enterprises (SMEs) and their associations and cooperation between SMEs in the Community and the Republic of Uzbekistan.

2. Cooperation shall include technical assistance, in particular in the following areas:

- the development of a legislative framework for SMEs;
- the development of an appropriate infrastructure to support SMEs; to promote communication between SMEs both within Uzbekistan and further afield; and to train SMEs in the skills necessary to access funding;

- training in the areas of marketing, accounting and control of the quality of products.

Article 63

Information and communication

The Parties shall support the development of modern methods of information handling, including the media, and stimulate the effective mutual exchange of information. Priority shall be given to programmes aimed at providing the general public with basic information about the Community and the Republic of Uzbekistan, including, where possible, access to databases, in full respect of intellectual property rights.

Article 64

Consumer protection

The Parties will enter into close cooperation aimed at achieving compatibility between their systems of consumer protection. This cooperation may include the exchange of information on legislative work and institutional reform, establishment of permanent systems of mutual information on dangerous products, the improvement of information provided to consumers especially on prices, characteristics of products and services offered, the development of exchanges between the consumer interest representatives, and increasing the compatibility of consumer protection policies, and the organisation of seminars and training periods.

Article 65

Customs

1. The aim of cooperation shall be to guarantee compliance with all the provisions scheduled for adoption in connection with trade and fair trade and to achieve the approximation of the Republic of Uzbekistan's customs system to that of the Community.

2. Cooperation shall include the following in particular:

- the exchange of information;
- the improvement of working methods;
- the introduction of the Combined Nomenclature and the single administrative document;
- the interconnection between the transit systems of the Community and the Republic of Uzbekistan;
- simplification of inspections and formalities in respect of the carriage of goods;

— support for the introduction of modern customs information systems;

— the organisation of seminars and training periods.

Technical assistance shall be provided where necessary.

3. Without prejudice to further cooperation foreseen in this Agreement and in particular Title VIII, mutual assistance in customs matters between administrative authorities of the Parties shall take place in accordance with the provisions of the Protocol attached to this Agreement.

Article 66

Statistical cooperation

Cooperation in this area shall have as its aim the development of an efficient statistical system to provide the reliable statistics needed to support and monitor the process of economic reform and contribute to the development of private enterprise in the Republic of Uzbekistan.

The Parties, in particular, shall cooperate in the following fields:

— adaptation of the Uzbek statistical system to international methods, standards and classification;

— exchange of statistical information;

— provision of necessary statistical macro- and microeconomic information to implement and manage economic reforms.

The Community shall contribute to this end by rendering technical assistance to the Republic of Uzbekistan.

Article 67

Economics

The Parties shall facilitate the process of economic reform and the coordination of economic policies by cooperating to improve understanding of the fundamentals of their respective economies and the design and implementation of economic policy in market economies. To this end, the Parties shall exchange information on macroeconomic performance and prospects.

The Community shall provide technical assistance so as to:

— assist the Republic of Uzbekistan in the process of economic reform by providing expert advisory and technical assistance,

— encourage cooperation among economists in order to expedite the transfer of know-how for the drafting of economic policies, and provide for wide dissemination of policy-relevant research,

— improve the Republic of Uzbekistan's capacity to formulate economic models.

TITLE VII

COOPERATION ON MATTERS RELATING TO DEMOCRACY AND HUMAN RIGHTS

Article 68

The Parties shall cooperate on all questions relevant to the establishment or reinforcement of democratic institutions, including those required in order to strengthen the rule of law, and the protection of human rights and fundamental freedoms according to international law and OSCE principles.

This cooperation shall take the form of technical assistance programmes intended to assist, *inter alia*, in the drafting of relevant legislation and regulations; the implementation of such legislation; the functioning of the judiciary; the role of the State in questions of justice; and the operation of the electoral system. They may include training where appropriate. The Parties shall encourage contacts and exchanges between their national, regional and judicial authorities, parliamentarians, and non-governmental organisations.

TITLE VIII

COOPERATION ON PREVENTION OF ILLEGAL ACTIVITIES AND THE PREVENTION AND CONTROL OF ILLEGAL IMMIGRATION*Article 69*

The Parties shall establish cooperation aimed at preventing illegal activities such as:

- illegal activities in the sphere of economics, including corruption;
- illegal transactions of various goods, including industrial waste, illicit traffic of arms;
- counterfeiting.

Cooperation in the abovementioned areas will be based on mutual consultation and close interaction. Technical and administrative assistance may be provided, including in the following areas:

- drafting of national legislation in the sphere of preventing illegal activities;
- creation of information centres;
- increasing the efficiency of institutions engaged in preventing illegal activities;
- training of personnel and development of research infrastructure;
- elaboration of mutually acceptable measures impeding illegal activities.

*Article 70***Money laundering**

1. The Parties agree on the necessity of making efforts and cooperating in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offences in particular.

2. Cooperation in this area shall include administrative and technical assistance with the purpose of establishing suitable standards against money laundering equivalent to those adopted by the Community and international fora in this field, including the Financial Action Task Force (FATF).

*Article 71***Drugs**

Within the framework of their respective powers and competencies the Parties shall cooperate in increasing the effectiveness and efficiency of policies and measures to counter the illicit production, supply and traffic of narcotic drugs and psychotropic substances, including the prevention of diversion of precursor chemicals, as well as in promoting drug demand prevention and reduction. The cooperation in this area shall be based on mutual consultation and close coordination between the Parties over the objectives and measures on the various drug-related fields.

*Article 72***Illegal immigration**

1. The Member States and the Republic of Uzbekistan agree to cooperate in order to prevent and control illegal immigration. To this end:

- the Republic of Uzbekistan agrees to readmit any of its nationals illegally present on the territory of a Member State, upon request by the latter and without further formalities, and
- each Member State agrees to readmit any of its nationals, as defined for community purposes, illegally present on the territory of the Republic of Uzbekistan, upon request by the latter and without further formalities.

The Member States and the Republic of Uzbekistan will also provide their nationals with appropriate identity documents for such purposes.

2. The Republic of Uzbekistan agrees to conclude bilateral agreements with Member States which so request, regulating specific obligations for readmission including an obligation for the readmission of nationals of other countries and stateless persons who have arrived on territory of any such Member State from the Republic of Uzbekistan or who have arrived on the territory of the Republic of Uzbekistan from any such Member State.

3. The Cooperation Council shall examine what other joint efforts can be made to prevent and control illegal immigration.

TITLE IX

CULTURAL COOPERATION*Article 73*

The Parties undertake to promote, encourage and facilitate cultural cooperation. Where appropriate, the Community's cultural cooperation programmes or those of one or more Member States may be the subject of cooperation and further activities of mutual interest may be developed.

TITLE X

FINANCIAL COOPERATION IN THE FIELD OF TECHNICAL ASSISTANCE*Article 74*

In order to achieve the objectives of this Agreement and in accordance with Articles 75, 76 and 77, the Republic of Uzbekistan shall benefit from temporary financial assistance from the Community by way of technical assistance in the form of grants. The purpose of this assistance shall be to accelerate the economic transformation of the Republic of Uzbekistan.

Article 75

This financial assistance shall be covered within the framework of TACIS as foreseen in the Community's relevant Council Regulation.

Article 76

The objectives and the areas of the Community's financial assistance shall be laid down in an indicative programme reflecting established priorities to be agreed between the two Parties taking into account the Republic of Uzbekistan's needs, sectoral absorption capacities and progress with reform. The Parties shall inform the Cooperation Council thereof.

Article 77

In order to permit optimum use of the resources available, the Parties shall ensure that Community technical assistance contributions are made in close coordination with those from other sources such as the Member States, other countries, and international organisations such as the International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

TITLE XI

INSTITUTIONAL, GENERAL AND FINAL PROVISIONS*Article 78*

A Cooperation Council is hereby established which shall supervise the implementation of this Agreement. It shall meet at ministerial level once a year. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest for the purpose of attaining the objectives of this Agreement. The Cooperation Council may also make appropriate recommendations, by agreement between the two Parties.

Article 79

1. The Cooperation Council shall consist of the members of the Council of the European Union and members of the Commission of the European Communities, on the one hand, and of members of the Government of the Republic of Uzbekistan, on the other.
2. The Cooperation Council shall establish its rules of procedure.

3. The office of President of the Cooperation Council shall be held alternately by a representative of the Community and by a member of the Government of the Republic of Uzbekistan.

Article 80

1. The Cooperation Council shall be assisted in the performance of its duties by a Cooperation Committee composed of representatives of the members of the Council of the European Union and of members of the Commission of the European Communities on the one hand and of representatives of the Government of the Republic of Uzbekistan on the other, normally at senior civil servant level. The office of President of the Cooperation Committee shall be held alternately by the Community and by the Republic of Uzbekistan.

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

2. The Cooperation Council may delegate any of its powers to the Cooperation Committee, which will ensure continuity between meetings of the Cooperation Council.

Article 81

The Cooperation Council may decide to set up any other special committee or body that can assist it in carrying out its duties and shall determine the composition and duties of such committees or bodies and how they shall function.

Article 82

When examining any issue arising within the framework of this Agreement in relation to a provision referring to an article of the GATT/WTO, the Cooperation Council shall take into account to the greatest extent possible the interpretation that is generally given to the Article of the GATT/WTO in question by the Members of the WTO.

Article 83

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

Article 84

1. The Parliamentary Cooperation Committee shall consist of Members of the European Parliament, on the one hand, and of Members of the Uzbek Parliament, on the other.

2. The Parliamentary Cooperation Committee shall establish its rules of procedure.

3. The Parliamentary Cooperation Committee shall be presided in turn by the European Parliament and the Uzbek Parliament respectively, in accordance with the provisions to be laid down in its rules of procedure.

Article 85

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

The Parliamentary Cooperation Committee shall be informed of the recommendations of the Cooperation Council.

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

Article 86

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

2. Within the limits of their respective powers and competence, the Parties:

- shall encourage the adoption of arbitration for the settlement of disputes arising out of commercial and cooperation transactions concluded by economic operators of the Community and those of the Republic of Uzbekistan,
- agree that where a dispute is submitted to arbitration, each party to the dispute may, except where the rules of the arbitration centre chosen by the parties provide otherwise, choose its own arbitrator, irrespective of his nationality, and that the presiding third arbitrator or the sole arbitrator may be a citizen of a third State,
- will recommend their economic operators to choose by mutual consent the law applicable to their contracts,
- shall encourage recourse to the arbitration rules elaborated by the United Nations Commission on International Trade Law (Uncitral) and to arbitration by any centre of a State signatory to the Convention on Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June 1958.

Article 87

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 materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security;
- (d) which it considers necessary to respect its international obligations and commitments in the control of dual use industrial goods and technology.

Article 88

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

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

2. The provisions of paragraph 1 are without prejudice to the right of the Parties to apply the relevant provisions of their fiscal legislation to tax payers who are not in identical situations as regards their place of residence.

Article 89

1. Each of the two Parties may refer to the Cooperation Council any dispute relating to the application or interpretation of this Agreement.

2. The Cooperation Council may settle the dispute by means of a recommendation.

3. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the

other of the appointment of a conciliator; the other Party must then appoint a second arbitrator within two months. For the application of this procedure, the Community and the Member States shall be deemed to be one Party to the dispute.

The Cooperation Council shall appoint a third conciliator.

The conciliators' recommendations shall be taken by majority vote. Such recommendations shall not be binding upon the Parties.

4. The Cooperation Council may establish rules of procedure for dispute settlement.

Article 90

The Parties agree to consult promptly through appropriate channels at the request of either Party to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.

The provisions of this Article shall in no way affect and are without prejudice to Articles 13, 89 and 95.

Article 91

Treatment granted to the Republic of Uzbekistan hereunder shall in no case be more favourable than that granted by the Member States to each other.

Article 92

For the purposes of this Agreement, the term 'Parties' shall mean the Republic of Uzbekistan, on the one part, and the Community, or the Member States, or the Community and the Member States, in accordance with their respective powers, on the other part.

Article 93

In so far as matters covered by this Agreement are covered by the Energy Charter Treaty and Protocols thereto, such Treaty and Protocols shall upon entry into force apply to such matters but only to the extent that such application is provided for therein.

Article 94

This Agreement is concluded for an initial period of 10 years. This Agreement shall be automatically renewed year by year provided that neither Party gives the other Party written notice of denunciation of this Agreement six months before it expires.

Article 95

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

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

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

Article 96

Annexes I, II, III, IV and V together with the Protocol shall form an integral part of this Agreement.

Article 97

This Agreement shall not, until equivalent rights for individuals and economic operators have been achieved thereunder, affect rights assured to them through existing Agreements binding one or more Member States, on the one hand, and the Republic of Uzbekistan, on the other, except in areas falling within Community competence and without prejudice to the obligations of Member States resulting from this Agreement in areas falling within their competence.

Article 98

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

Article 99

The Secretary-General of the Council of the European Union shall be the depository of this Agreement.

Article 100

The original of this Agreement of which the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Uzbek languages are equally authentic, shall be deposited with the Secretary-General of the Council of the European Union.

Article 101

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

This Agreement shall enter into force on the first day of the second month following the date on which the Parties notify the Secretary-General of the Council of the European Union that the procedures referred to in the first paragraph have been completed.

Upon its entry into force, and as far as relations between the Republic of Uzbekistan and the Community are concerned, this Agreement shall replace the Agreement between the European Economic Community, the European Atomic Energy Community and the Union of Soviet Socialist Republics on trade and economic and commercial cooperation signed in Brussels on 18 December 1989.

Article 102

In the event that, pending the completion of the procedures necessary for the entry into force of this Agreement, the provisions of certain parts of this Agreement are put into effect by means of an Interim Agreement between the Community and the Republic of Uzbekistan, the Parties agree that, in such circumstances, the term 'date of entry into force of this Agreement' shall mean the date of entry into force of the Interim Agreement.

Hecho en Florencia, el veintiuno de junio de mil novecientos noventa y seis.

Udfærdiget i Firenze den enogtyvende juni nitten hundrede og seksoghalvfems.

Geschehen zu Florenz am einundzwanzigsten Juni neunzehnhundertsechsunneunzig.

Έγινε στη Φλωρεντία, στις είκοσι μία Ιουνίου χίλια εννιακόσια ενενήντα έξι.

Done at Florence on the twenty-first day of June in the year one thousand nine hundred and ninety-six.

Fait à Florence, le vingt-et-un juin mil neuf cent quatre-vingt-seize.

Fatto a Firenze, addì ventuno giugno millenovecentonovantasei.

Gedaan te Florence, de eenentwintigste juni negentienhonderd zesennegentig.

Feito em Florença, em vinte e um de Junho de mil novecentos e noventa e seis.

Tehty Firenzessä kahdentakymmenentenäensimmäisenä päivänä kesäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkuusi.

Som skedde i Florens den tjugoförsta juni nittonhundranittiosex.

Флоренция шаҳрида минг тўққиз юз тўқсон олтинчи йилнинг йигирма биринчи июнида тузилди.

Pour le Royaume de Belgique

Voor het Koninkrijk België

Für das Königreich Belgien



Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.

Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franse Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brusselse Hoofdstedelijke Gewest.

Diese Unterschrift verbindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

For Kongeriget Danmark



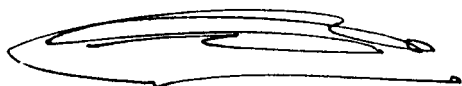
Für die Bundesrepublik Deutschland



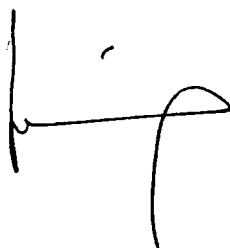
Για την Ελληνική Δημοκρατία



Por el Reino de España

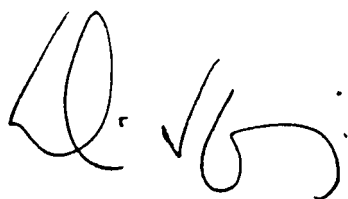
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Pour la République française

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Thar ceann na hÉireann

For Ireland

A stylized, cursive signature in black ink, with a large, open loop on the left and a series of smaller loops and strokes on the right.

Per la Repubblica italiana

A stylized, cursive signature in black ink, with a large, sweeping loop on the left and a series of smaller loops and strokes on the right.

Pour le Grand-Duché de Luxembourg

A stylized, cursive signature in black ink, featuring a vertical line on the left and a series of small, wavy strokes at the bottom.

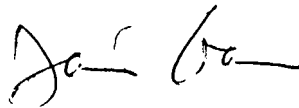
Voor het Koninkrijk der Nederlanden



Für die Republik Österreich



Pela República Portuguesa



Suomen tasavallan puolesta

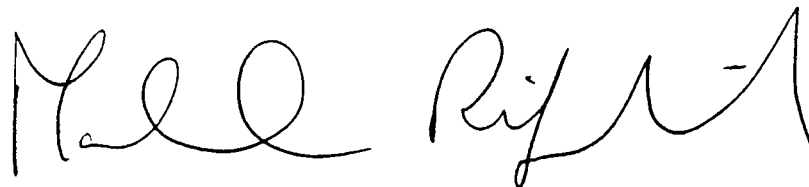
För Republiken Finland



För Konungariket Sverige



For the United Kingdom of Great Britain and Northern Ireland



Por las Comunidades Europeas

For De Europæiske Fællesskaber

Für die Europäischen Gemeinschaften

Για τις Ευρωπαϊκές Κοινότητες

For the European Communities

Pour les Communautés européennes

Per le Comunità europee

Voor de Europese Gemeenschappen

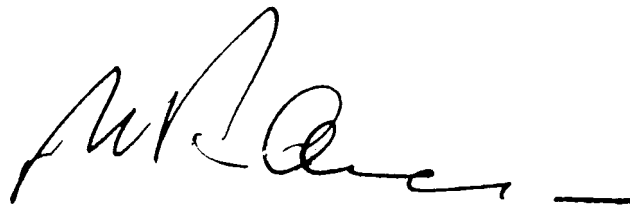
Pelas Comunidades Europeias

Euroopan yhteisöjen puolesta

För Europeiska gemenskaperna



Ўзбекистон Республикаси номидан



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LIST OF DOCUMENTS ATTACHED

- Annex I* Indicative list of advantages granted by the Republic of Uzbekistan to the Independent States in accordance with Article 8(3).
- Annex II* Community reservations in accordance with Article 22(2).
- Annex III* Uzbekistan's reservations in accordance with Article 22(4).
- Annex IV* Financial services referred to in Article 25(3).
- Annex V* Intellectual, industrial and commercial property conventions referred to in Article 41.
- Protocol on mutual assistance between administrative authorities in customs matters.

ANNEX I

**INDICATIVE LIST OF ADVANTAGES GRANTED BY THE REPUBLIC OF UZBEKISTAN TO THE
INDEPENDENT STATES IN ACCORDANCE WITH ARTICLE 8(3)**

Advantages are accorded to those Independent States which are party to the agreement on establishing a free trade zone and with which free trade agreements with Uzbekistan have been signed.

In respect of Belarus, Georgia, Kazakhstan, Kyrgystan, Moldova, the Russian Federation, Turkmenistan and Ukraine:

1. *Import/export taxation*

No import duties are levied.

No export duties levied regarding goods supplied in accordance with intergovernmental or credit agreements, within quantitative limits set by the Government of Uzbekistan in the light of national requirements.

No VAT or excise duties are applied to trade which takes place within the context of cooperation agreements.

2. *Allocation of quotas and licensing procedures*

Export quotas for deliveries of Uzbek products under annual bilateral interstate trade and cooperation agreements are opened in the same way as for 'deliveries for State needs'.

3. *Conditions of transportation and transit*

As regards Parties to the Multilateral Agreement 'on the principles and conditions of relations in the field of transport' and/or on the basis of bilateral arrangements on transportation and transit, no taxes or fees are applied on a reciprocal basis for the transportation and customs clearing of goods (including goods in transit) and transit of vehicles.

4. *Communication services* including postal, courier, telecommunication, audio-visual and other types of communication services.

5. *Access to information systems and databases*

In respect of the Russian Federation, Ukraine, Belarus, Kazakhstan: Payments may be made in the national currencies of these countries.

In respect of Kazakhstan, Kyrgystan:

Simplified system of customs procedure.

ANNEX II

COMMUNITY RESERVATIONS IN ACCORDANCE WITH ARTICLE 22(2)**Mining**

In some Member States, a concession may be required for mining and mineral rights for non-Community controlled companies.

Fishing

Access to and use of the biological resources and fishing grounds situated in the maritime waters coming under the sovereignty or within the jurisdiction of Member States of the Community is restricted to fishing vessels flying the flag of a Community Member State and registered in Community territory unless otherwise provided for.

Real estate purchase

In some Member States, the purchase of real estate by non-Community companies is subject to restrictions.

Audiovisual services including radio

National treatment concerning production and distribution, including broadcasting and other forms of transmission to the public, may be reserved to audiovisual works meeting certain origin criteria.

Telecommunications services including mobile and satellite services**Reserved services**

In some Member States market access concerning complementary services and infrastructure is restricted.

Professional services

Services reserved to natural persons who are nationals of Member States. Under certain conditions those persons may create companies.

Agriculture

In some Member States national treatment is not applicable to non-Community controlled companies which wish to undertake an agricultural enterprise. The acquisition of vineyards by non-Community controlled companies is subject to notification, or, as necessary, authorisation.

News agency services

In some Member States limitations of foreign participation in publishing companies and broadcasting companies.

*ANNEX III***UZBEKISTAN'S RESERVATIONS IN ACCORDANCE WITH ARTICLE 22(4)**

Under current Uzbek investment law, foreign companies wishing to establish in Uzbekistan are required to register at the Ministry of Justice and to provide documentation demonstrating that they have been duly registered in their home country and are financially solvent.

This registration procedure may not be used in order to nullify the benefits accorded to Community companies pursuant to Article 22 of this Agreement, nor to circumvent any other provisions of this Agreement.

ANNEX IV

FINANCIAL SERVICES REFERRED TO IN ARTICLE 25(3)

A financial service is any service of a financial nature offered by a financial service provider of a Party. Financial services include the following activities:

A. *All insurance and insurance-related services;*

1. Direct insurance (including co-insurance).
 - (i) life
 - (ii) non-life
2. Reinsurance and retrocession.
3. Insurance intermediation, such as brokerage and agency.
4. Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

B. *Banking and other financial services (excluding insurance).*

1. Acceptance of deposits and other repayable funds from the public.
2. Lending of all types, including, *inter alia*, consumer credit, mortgage credit, factoring and financing of commercial transactions.
3. Financial leasing.
4. All payment and money transmission services, including credit charge and debit cards, travellers cheques and bankers drafts.
5. Guarantees and commitments.
6. Trading for own account or for the account of customers, whether on an exchange, in an over the counter market or otherwise, the following:
 - (a) money market instruments (cheques, bills, certificates of deposits, etc.)
 - (b) foreign exchange
 - (c) derivative products including, but not limited to, futures and options
 - (d) exchange rates and interest rate instruments, including products such as swaps, forward rate agreements, etc.
 - (e) transferable securities
 - (f) other negotiable instruments and financial assets, including bullion.
7. Participation in issues of all kinds of securities, including under-writing and placement as agent (whether publicly or privately) and provision of services related to such issues.
8. Money brokering.
9. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depositary and trust services.
10. Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments.

11. Advisory intermediation and other auxiliary financial services on all the activities listed in points 1 to 10 above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.
12. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services.

The following activities are excluded from the definition of financial services:

- (a) Activities carried out by central banks or by any other public institution in pursuit of monetary and exchange rate policies.
 - (b) Activities conducted by central banks, government agencies or departments, or public institutions, for the account or with the guarantee of the government, except when those activities may be carried out by financial service providers in competition with such public entities.
 - (c) Activities forming part of a statutory system of social security or public retirement plans, except when those activities may be carried out by financial service providers in competition with public entities or private institutions.
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ANNEX V

**INTELLECTUAL, INDUSTRIAL AND COMMERCIAL PROPERTY CONVENTIONS REFERRED TO IN
ARTICLE 41**

1. Article 41(2) concerns the following multilateral conventions:
 - Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971);
 - International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome, 1961);
 - Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid, 1989);
 - Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks (Geneva 1977 and amended in 1979);
 - Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the purposes of Patent Procedures (1977, modified in 1980);
 - International Convention for the Protection of New Varieties of Plants (UPOV) (Geneva Act, 1991).
 2. The Cooperation Council may recommend that Article 41(2) shall apply to other multilateral conventions. If problems in the area of intellectual, industrial and commercial property affecting trading conditions were to occur, urgent consultations will be undertaken, at the request of either party, with a view to reaching mutually satisfactory solutions.
 3. The Parties confirm the importance they attach to the obligations arising from the following multilateral conventions:
 - Paris Convention for the Protection of Industrial Property (Stockholm Act, 1967 and amended in 1979);
 - Madrid Agreement concerning the International Registration of Marks (Stockholm Act, 1967 and amended in 1979);
 - Patent Cooperation Treaty (Washington, 1970, amended in 1979 and modified in 1984).
 4. From the entry into force of this Agreement, the Republic of Uzbekistan shall grant to Community companies and nationals, in respect of the recognition and protection of intellectual, industrial and commercial property, treatment no less favourable than that granted by it to any third country under bilateral agreements.
 5. The provisions of paragraph 4 shall not apply to advantages granted by the Republic of Uzbekistan to any third country on an effective reciprocal basis and to advantages granted by the Republic of Uzbekistan to another country of the former USSR.
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PROTOCOL

on mutual assistance between administrative authorities in customs matters

Article 1

Definitions

For the purposes of this Protocol:

- (a) 'customs legislation' shall mean any legal or regulatory provisions applicable in the territory of the Parties governing the import, export, transit of goods and their placing under any customs procedure, including measures of prohibition, restriction and control;
- (b) 'applicant authority', shall mean a competent administrative authority which has been appointed by a Party for this purpose and which makes a request for assistance in customs matters;
- (c) 'requested authority', shall mean a competent administrative authority which has been appointed by a Party for this purpose and which receives a request for assistance in customs matters;
- (d) 'personal data', shall mean all information relating to an identified or identifiable individual.

Article 2

Scope

1. The Parties shall assist each other, in the areas within their jurisdiction, in the manner and under the conditions laid down in this Protocol, in preventing, detecting and investigating operations in breach of customs legislation.

2. Assistance, in customs matters, as provided for in this Protocol, shall apply to any administrative authority of the Parties which is competent for the application of this Protocol. It shall not prejudice the rules governing mutual assistance in criminal matters. Nor shall it cover information obtained under powers exercised at the request of the judicial authority, unless those authorities so agree.

Article 3

Assistance on request

1. At the request of the applicant authority, the requested authority shall furnish it with all relevant information to enable it to ensure that customs legislation is correctly applied, including information regarding operations noted or planned which are or could be in breach of such legislation.

2. At the request of the applicant authority, the requested authority shall inform it whether goods exported from the territory of one of the Parties have been properly imported into the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods.

3. At the request of the applicant authority, the requested authority shall, within the framework of its laws, take the necessary steps to ensure that a surveillance is kept on:

- (a) natural or legal persons of whom there are reasonable grounds for believing that they are breaching or have breached customs legislation;
- (b) places where goods are stored in a way that gives grounds for suspecting that they are intended to supply operations in breach of customs legislation;
- (c) movements of goods notified as possibly giving rise to breaches of customs legislation;
- (d) means of transport for which there are reasonable grounds for believing that they have been, are or might be used in operations in breach of customs legislation.

Article 4

Spontaneous assistance

The Parties shall provide each other, as far as their national laws, rules and other legal instruments allow, with assistance without prior request if they consider that to be necessary for the correct application of customs legislation, particularly when they obtain information pertaining to:

- operations which are or appear to be in breach of such legislation and which may be of interest to another Party;

- new means or methods employed in carrying out such operations,
- goods known to be subject to breaches of customs legislation,
- natural or legal persons of whom there are reasonable grounds for believing that they are or have been in breach of customs legislation,
- means of transport for which there are reasonable grounds for believing that they have been, are or might be used in operations in breach of customs legislation.

Article 5

Delivery/notification

At the request of the applicant authority, the requested authority shall in accordance with its legislation, take all necessary measures in order:

- to deliver all documents,
- to notify all decisions,

falling within the scope of this Protocol to an addressee, residing or established in its territory. In such cases Article 6(3) shall apply as far as the request itself is concerned.

Article 6

Form and substance of requests for assistance

1. Requests pursuant to this Protocol shall be made in writing. They shall be accompanied by the documents necessary to enable compliance with the request. When required because of the urgency of the situation, oral requests may be accepted, but must be confirmed in writing immediately.

2. Requests pursuant to paragraph 1 of this Article shall include the following information:

- (a) the applicant authority making the request;
- (b) the measure requested;
- (c) the object of and the reason for the request;
- (d) the laws, rules and other legal elements involved;
- (e) indications as exact and comprehensive as possible on the natural or legal persons who are the target of the investigations;
- (f) a summary of the relevant facts and of the enquiries already carried out, except in cases provided for in Article 5.

3. Requests shall be submitted in an official language of the requested authority or in a language acceptable to such authority.

4. If a request does not meet the formal requirements, its correction or completion may be requested; precautionary measures may, however, be ordered.

Article 7

Execution of requests

1. In order to comply with a request for assistance, the requested authority shall proceed, within the limits of its competence and available resources, as though it were acting on its own account or at the request of other authorities of that same Party, by supplying information already possessed, by carrying out appropriate enquiries or by arranging for them to be carried out. This provision shall also apply to the administrative department to which the request has been addressed by the requested authority when the latter cannot act on its own.

2. Requests for assistance will be executed in accordance with the laws, rules and other legal instruments of the requested Party.

3. Duly authorised officials of a Party may, with the agreement of the other Party involved and within the conditions laid down by the latter, obtain from the offices of the requested authority or other authority for which the requested authority is responsible, information relating to operations which are or may be in breach of customs legislation which the applicant authority needs for the purposes of this Protocol.

4. Officials of a Party may, with the agreement of the other Party involved and subject to the conditions laid down by the latter, be present at enquiries carried out in the latter's territory. They shall not wear uniform nor carry arms.

Article 8

Form in which information is to be communicated

1. The requested authority shall communicate results of enquiries to the applicant authority in the form of documents, certified copies of documents, reports and the like.

2. The documents provided for in paragraph 1 may be replaced by computerised information produced in any form for the same purpose.

*Article 9***Exceptions to the obligation to provide assistance**

1. The Parties may refuse to give assistance as provided for in this Protocol, where to do so would:

- (a) be likely to prejudice the sovereignty of the Republic of Uzbekistan or that of a Member State which has been asked for assistance under this Protocol; or
- (b) be likely to prejudice public policy, security or other essential interests, in particular in the cases referred to under Article 10(2); or
- (c) involve currency or tax regulations other than customs duties legislation; or
- (d) violate an industrial, commercial or professional secret.

2. Where the applicant authority asks for assistance which it would itself be unable to provide if so asked, it shall draw attention to that fact in its request. It shall then be left to the requested authority to decide how to respond to such a request.

3. If assistance is refused, the decision and the reasons therefore must be notified to the applicant authority without delay.

*Article 10***Information exchange and confidentiality**

1. Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential or restricted nature, depending on the rules applicable in each of the Parties. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended to like information under the relevant laws of the Party which received it and the corresponding provisions applying to the Community institutions.

2. Personal data may be exchanged only where the receiving Party undertakes to protect such data in at least an equivalent way to the one applicable to that particular case in the supplying Party.

3. Information obtained shall be used solely for the purposes of this Protocol. Where one of the Parties requests the use of such information for other purposes, it shall ask for

the prior written consent of the authority which furnished the information. Moreover, it shall be subject to any restrictions laid down by that authority.

4. Paragraph 3 shall not impede the use of information in any judicial or administrative proceedings subsequently instituted for failure to comply with customs legislation. The competent authority which supplied that information shall be notified of such use.

5. The Parties may, in their records of evidence, reports and testimonies and in proceedings and charges brought before the courts, use as evidence information obtained and documents consulted in accordance with the provisions of this Protocol.

*Article 11***Experts and witnesses**

1. An official of a requested authority may be authorised to appear, within the limitations of the authorisation granted, as an expert or witness in judicial or administrative proceedings regarding the matters covered by this Protocol in the jurisdiction of the other Party, and produce such objects, documents or authenticated copies thereof, as may be needed for the proceedings. The request for an appearance must indicate specifically on what matters and by virtue of what title or qualification the official will be questioned.

2. The authorised official shall enjoy the protection guaranteed by existing legislation to officials of the applicant authority on its territory.

*Article 12***Assistance expenses**

The Parties shall waive all claims on each other for the reimbursement of expenses incurred pursuant to this Protocol, except, as appropriate, for expenses to experts and witnesses and to interpreters and translators who are not public service employees.

*Article 13***Application**

1. The application of this Protocol shall be entrusted to the central customs authorities of the Republic of Uzbekistan on

the one hand and the competent services of the Commission of the European Communities and, where appropriate, the customs authorities of the Member States on the other. They shall decide on all practical measures and arrangements necessary for its application, taking into consideration the rules in force in the field of data protection. They may recommend to the competent bodies amendments which they consider be made to this Protocol.

2. The Parties shall consult each other and subsequently keep each other informed of the detailed rules of implementation which are adopted in accordance with the provisions of this Protocol.

Article 14

Complementarity

Without prejudice to Article 10, any agreements on mutual assistance which have been concluded between one or more Member States and the Republic of Uzbekistan shall not prejudice Community provisions governing the communication between the competent services of the Commission of the European Communities and the customs authorities of the Member States of any information obtained in customs matters which could be of Community interest.

FINAL ACT

The plenipotentiaries of:

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the EUROPEAN COMMUNITY, the Treaty establishing the EUROPEAN COAL AND STEEL COMMUNITY and the Treaty establishing the EUROPEAN ATOMIC ENERGY COMMUNITY,

hereinafter referred to as 'the Member States', and of

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

of the one part, and

the plenipotentiaries of the REPUBLIC OF UZBEKISTAN,

of the other part,

meeting at Florence on 21 June 1996 for the signature of the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Uzbekistan, of the other part, hereinafter referred to as the 'Agreement', have adopted the following texts:

the Agreement including its Annexes and the following Protocol:

Protocol on mutual assistance between administrative authorities in customs matters

The plenipotentiaries of the Member States and of the Community and the plenipotentiaries of the Republic of Uzbekistan have adopted the texts of the Joint Declarations listed below and annexed to this Final Act:

Joint Declaration on personal data

Joint Declaration in relation to Article 5 of the Agreement

Joint Declaration concerning Title III

Joint Declaration concerning Article 14 of the Agreement

Joint Declaration concerning the notion of 'control' in Article 24(b) and Article 35

Joint Declaration concerning Article 34 of the Agreement

Joint Declaration concerning Article 41 of the Agreement

Joint Declaration concerning Article 95 of the Agreement

The plenipotentiaries of the Member States and of the Community and the plenipotentiaries of the Republic of Uzbekistan have also taken note of the following Exchange of Letters annexed to this Final Act:

Exchange of Letters between the Community and the Republic of Uzbekistan in relation to the establishment of companies

The plenipotentiaries of the Member States and of the Community and the plenipotentiaries of the Republic of Uzbekistan have further taken note of the following Declaration annexed to this Final Act:

Declaration by the French Government

Hecho en Florencia, el veintiuno de junio de mil novecientos noventa y seis.

Udfærdiget i Firenze den enogtyvende juni nitten hundrede og seksoghalvfems.

Geschehen zu Florenz am einundzwanzigsten Juni neunzehnhundertsechsunneunzig.

Έγινε στη Φλωρεντία, στις είκοσι μία Ιουνίου χίλια εννιακόσια ενενήντα έξι.

Done at Florence on the twenty-first day of June in the year one thousand nine hundred and ninety-six.

Fait à Florence, le vingt-et-un juin mil neuf cent quatre-vingt-seize.

Fatto a Firenze, addì ventuno giugno millenovecentonovantasei.

Gedaan te Florence, deenentwintigste april negentienhonderd zesennegentig.

Feito em Florença, em vinte e um de Junho de mil novecentos e noventa e seis.

Tehty Firenzessä kahdentenakymmenentenäensimmäisenä päivänä kesäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkuusi.

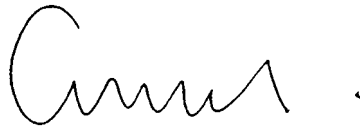
Som skedde i Florens den tjugoförsta juni nittonhundranittiosex.

Флоренция шаҳрида минг тўққиз юз тўқсон олтинчи йилнинг йигирма биринчи июнида тузилди.

Pour le Royaume de Belgique

Voor het Koninkrijk België

Für das Königreich Belgien



Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.

Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franse Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brusselse Hoofdstedelijke Gewest.

Diese Unterschrift verbindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

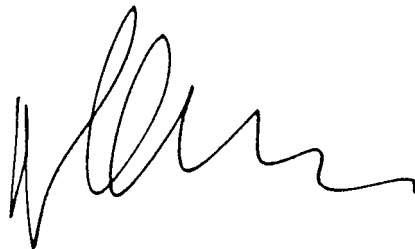
For Kongeriget Danmark



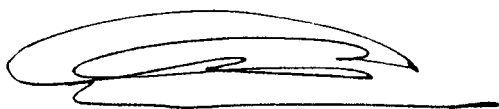
Für die Bundesrepublik Deutschland



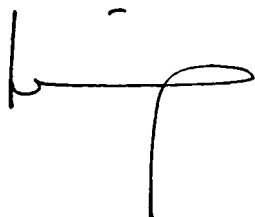
Για την Ελληνική Δημοκρατία



Por el Reino de España

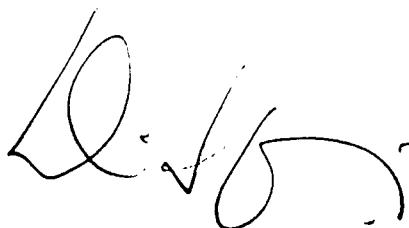
A stylized, cursive signature consisting of several overlapping loops and a long horizontal stroke at the end.

Pour la République française

A simple, cursive signature with a vertical line on the left, a horizontal line across the middle, and a vertical line on the right.

Thar ceann na hÉireann

For Ireland

A cursive signature with a large, open loop at the top and a series of smaller loops and strokes below.

Per la Repubblica italiana

A cursive signature with a large, open loop at the top and a series of smaller loops and strokes below.

Pour le Grand-Duché de Luxembourg

A cursive signature with a large, open loop at the top and a series of smaller loops and strokes below.

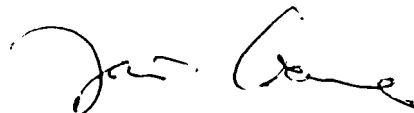
Voor het Koninkrijk der Nederlanden



Für die Republik Österreich



Pela República Portuguesa



Suomen tasavallan puolesta

För Republiken Finland



För Konungariket Sverige



For the United Kingdom of Great Britain and Northern Ireland



Por las Comunidades Europeas

For De Europæiske Fællesskaber

Für die Europäischen Gemeinschaften

Για τις Ευρωπαϊκές Κοινότητες

For the European Communities

Pour les Communautés européennes

Per le Comunità europee

Voor de Europese Gemeenschappen

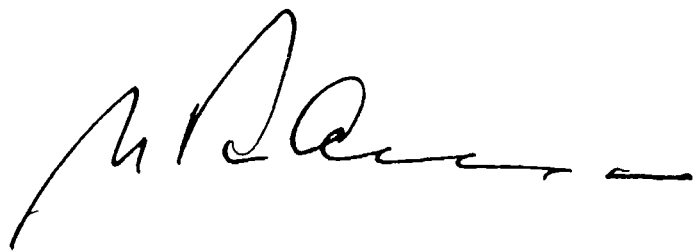
Pelas Comunidades Europeias

Euroopan yhteisöjen puolesta

För Europeiska gemenskaperna



Ўзбекистон Республикаси номидан



Joint declaration on personal data

In applying the Agreement, the parties are aware of the necessity of an adequate protection of individuals with regard to the processing of personal data and on the free movement of such data.

Joint declaration in relation to Article 5

Should the Parties agree that circumstances warrant meetings at the highest level, such meetings may be arranged on an *ad hoc* basis.

Joint declaration concerning Title III

All references to the GATT are to the text of the GATT as modified in 1994.

Joint declaration concerning Article 14

Until the Republic of Uzbekistan accedes to the WTO, the Parties shall hold consultations in the Cooperation Committee on their import tariff policies, including changes in tariff protection. In particular, such consultations shall be offered prior to the increase of tariff protection.

Joint declaration concerning the notion of 'control' in Article 24(b) and Article 35

1. The Parties confirm their mutual understanding that the question of control shall depend on the factual circumstances of the particular case.
 2. A company shall, for example, be considered as being 'controlled' by another company, and thus a subsidiary of such other company if:
 - the other company holds directly or indirectly a majority of the voting rights, or
 - the other company has the right to appoint or dismiss a majority of the administrative organ, of the management organ or of the supervisory organ and is at the same time a shareholder or member of the subsidiary;
 3. Both Parties consider the criteria in paragraph 2 to be non-exhaustive.
-

Joint declaration concerning Article 34

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

Joint declaration concerning Article 41

The Parties agree that for the purpose of the Agreement, intellectual, industrial and commercial property includes in particular copyright, including the copyright in computer programs, and neighbouring rights, the rights relating to patents, industrial designs, geographical indications, including appellations of origin, trademarks and service marks, topographies of integrated circuits as well as protection against unfair competition as referred to in Article 10bis of the Paris Convention for the protection of Industrial Property and Protection of undisclosed information on know-how.

Joint declaration concerning Article 95

1. The Parties agree, for the purpose of its correct interpretation and its practical application, that the term 'cases of special urgency' included in Article 95 of this Agreement means cases of material breach of this Agreement by one of the Parties. A material breach of this Agreement consists in:
 - (a) repudiation of this Agreement not sanctioned by the general rules of international law
 - or
 - (b) violation of the essential elements of this Agreement set out in Article 2.
 2. The Parties agree that the 'appropriate measures' referred to in Article 95 are measures taken in accordance with international law. If a party takes a measure in a case of special urgency as provided for under Article 95, the other party may avail itself of the procedure relating to settlement of disputes.
-

EXCHANGE OF LETTERS**between the Community and the Republic of Uzbekistan in relation to the establishment of companies***A. Letter from the Government of the Republic of Uzbekistan*

Sir,

I refer to the Partnership and Cooperation Agreement initialled on 29 April 1996.

As I underlined during the negotiations, the Republic of Uzbekistan grants to Community companies establishing and operating in the Republic of Uzbekistan in certain respects a privileged treatment. I explained that this reflects the Uzbek policy to promote by all means the establishment of Community companies in the Republic of Uzbekistan.

With this in mind, it is my understanding that during the period between the date of initialling of this Agreement and the entry into force of the relevant articles on establishment of companies, the Republic of Uzbekistan shall not adopt measures or regulations which would introduce or worsen discrimination of Community companies *vis-à-vis* Uzbek companies or companies from any third country as compared to the situation existing on the date of initialling of this Agreement.

I would be obliged if you would acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the Republic of Uzbekistan

B. Letter from the European Community

Sir,

Thank you for your letter of today's date, which reads as follows:

'I refer to the Partnership and Cooperation Agreement initialled on 29 April 1996.

As I underlined during the negotiations, the Republic of Uzbekistan grants to Community companies establishing and operating in the Republic of Uzbekistan in certain respects a privileged treatment. I explained that this reflects the Uzbek policy to promote by all means the establishment of Community companies in the Republic of Uzbekistan.

With this in mind, it is my understanding that during the period between the date of initialling of this Agreement and the entry into force of the relevant articles on establishment of companies, the Republic of Uzbekistan shall not adopt measures or regulations which would introduce or worsen discrimination of Community companies *vis-à-vis* Uzbek companies or companies from any third country as compared to the situation existing on the date of initialling of this Agreement.

I would be obliged if you would acknowledge receipt of this letter.'

I acknowledge receipt of the letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the European Community

Declaration by the French Government

The French Republic notes that the Partnership and Cooperation Agreement with the Republic of Uzbekistan does not apply to the overseas countries and territories associated with the European Community pursuant to the Treaty establishing the European Community.
