

FREE TRADE AGREEMENT BETWEEN MOLDOVA AND  
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

---

FREE TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
MOLDOVA AND THE GOVERNMENT OF THE REPUBLIC OF MACEDONIA

PREAMBLE

The Government of the Republic of Moldova and the Government of the Republic of Macedonia, hereinafter referred to as Contracting Parties,

Confirming their intention to participate actively in the process of regional economic integration in South Eastern Europe and in the process of European integration, expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

Admitting that Contracting Parties are willing to consolidate these relations and to establish strong and durable relationships of cooperation and economic integration;

Reaffirming their commitment to pluralist democracy based on observance of the rules, rights and basic human liberties of the state governed by the rule of law;

Firmly convinced that this Agreement will promote intensification of mutually beneficial trade relations between them;

Resolved for this purpose to progressively eliminate the barriers in mutual trade in general, in conformity with the Agreement establishing the World Trade Organization (hereinafter "WTO Agreements").

Have agreed as follows:

## Article 1

### Objectives

1. The Contracting Parties shall gradually establish a free trade area in a transitional period ending on 31 December 2008 in accordance with the provisions of this Agreement and in conformity with the definition, set out in Article XXIV of the GATT 1994 and the WTO Agreements.
2. The objectives of this Agreement are:
  - (a) to promote cooperation through the expansion of mutual trade, of harmonious development of economic relations between the Contracting Parties, improvement of living standards and conditions of work, raising productivity and enhancing financial stability;
  - (b) to provide fair conditions for carrying out loyal competition for trade between the Contracting Parties;
  - (c) to gradually eliminate difficulties and restrictions on trade in goods;
  - (d) to create conditions for further encouragement of investments, particularly for the development of joint investments in both countries;
  - (e) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade;
  - (f) to promote trade and co-operation of the Contracting Parties on third countries' market.

## CHAPTER I: INDUSTRIAL PRODUCTS

## Article 2

### Scope

1. The provisions of this Chapter shall apply to industrial products originating in the Contracting Parties.
2. For the purpose of this Agreement, the term "industrial products" means products, falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I to this Agreement.

## Article 3

## Basic Duties

1. For the commercial exchange covered by this Agreement, the Customs Tariffs of the Contracting Parties shall be applied to the classification of goods for imports into them.
2. For each product the basic duty, to which the successive reductions, set out in this Agreement, are to be applied, shall be the Most-Favoured-Nation duty, in force on the date of entry into force of this Agreement.

3. If after the date of application of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular, reductions, resulting from the tariff agreement concluded as a result of the Uruguay Round of the GATT 1994, and the Agreement establishing the WTO, such reduced duties shall replace the basic duties referred to in Paragraph 2 of this Article as from that date when such reductions are applied.
4. The reduced duties, calculated in accordance with Paragraph 2 of this Article, shall be rounded off to the second decimal place.
5. The Contracting Parties shall mutually exchange information on their basic duties.

#### Article 4

##### Customs Duties On Imports

1. From the date of entry into force of this Agreement, no new customs duties on imports shall be introduced, nor shall those already applied be increased in trade between the Contracting Parties.
2. Customs duties on imports applied by Contracting Parties shall be abolished on the date of entry into force of this Agreement, except for the products specified in Protocol I of this Agreement.

#### Article 5

##### Custom Duties On Export

1. No new custom duties on exports shall be introduced in the trade between the Contracting Parties, as from the date of entry into force of this Agreement.
2. On the date of entry into force of this Agreement, the Contracting Parties shall abolish all custom duties on exports.

#### Article 6

##### Charges Equivalent To Duties

1. No new charges, having equivalent effect to custom duties, on imports or exports shall be introduced in trade between the Contracting Parties as from the date of entry into force of this Agreement.  
Republic of Macedonia will continue to implement the charge of 0,1% ad valorem for trade

promotion fees ending to 31.12.2005.

2. The Contracting Parties shall abolish all charges, having equivalent effect to custom duties on imports or export on the date of entry into force of this Agreement.

#### Article 7

#### Fiscal Duties

The provision of Article 6 shall also apply to custom duties of a fiscal nature.

## Article 8

### Quantitative Restrictions On Imports And Measures Having Equivalent Effect

1. No new quantitative restrictions on imports or measures having equivalent effect shall be introduced in trade between the Contracting Parties, on the date of entry into force of this Agreement.
2. All quantitative restrictions on imports and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement.

## Article 9

### Quantitative Restrictions On Exports And Measures Having Equivalent Effect

1. No new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the Contracting Parties on the date of entry into force of this Agreement.
2. All quantitative restrictions on exports and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement.

## Article 10

### Technical Barriers To Trade

1. The rights and obligations of the Contracting Parties relating to standards or technical regulations and related measures shall be governed in accordance with the WTO Agreement on Technical Barriers to Trade.
2. The Contracting Parties shall co-operate and exchange information in the field of standardization, metrology, conformity assessment and accreditation, with the aim of eliminating technical barriers to trade.
3. Each Contracting Party, upon a request of the other Contracting Party, shall provide information on particular individual cases of standards, technical norms or related measures.
4. Contracting Parties will enter, where appropriate, into negotiations for the conclusion of the Agreements on mutual recognition in the field of conformity assessment, in the spirit of the recommendations of the WTO Agreement on Technical Barriers to Trade.

## CHAPTER II: AGRICULTURAL PRODUCTS

## Article 11

### Scope

1. The provisions of this Chapter shall apply to agricultural products originating in the Contracting Parties.
2. For the purpose of this Agreement the term "agricultural products" means the products falling within Chapters 1 to 24 of the Harmonized Commodity Description and Coding System and the products listed in Annex I to this Agreement.

## Article 12

### Basic Duties

1. For commercial exchanges covered by this Agreement, the Customs Tariffs of the Contracting Parties shall be based on classification of goods for imports into them.
2. For each product the basic duty shall be the MFN duty in force on the date of entry into force of this Agreement.
3. If after the date of entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular, reductions resulting from the tariff agreement concluded as a result of the GATT Uruguay Round, such reduced duties shall replace the basic duties referred to in paragraph 2 of this Article as from that date when such reductions are applied.
4. The Contracting Parties shall mutually exchange information for their basic duties.

## Article 13

### Customs Duties On Imports And Charges Having Equivalent Effect

No new customs duties on imports, charges having an effect equivalent to customs duties and other import duties of a fiscal nature shall be introduced in trade with agricultural products between the Contracting Parties.

## Article 14

### Exchange Of Concessions

1. The Contracting Parties shall grant each other the concessions specified in Protocol II, in accordance with the provisions of this Chapter and those laid down in that Protocol.
2. Taking into account:

- the role of agriculture in their economies,
- the development of trade in agricultural products between the Contracting Parties,

- the particular sensitivity of the agricultural products,
- the rules of their agricultural policies,
- the results of the multilateral trade negotiations under WTO,

the Contracting Parties shall examine the possibilities of granting each other further concessions.

## Article 15

### Concessions And Agricultural Policies

1. Without prejudice to the concessions under Article 14 of this Agreement, the provisions of this Chapter shall not restrict in any way the pursuance of the respective agricultural policies of the Contracting Parties or the application of any measures under such policies, including the implementation of the provisions of the WTO Agreement on Agriculture.

2. The Contracting Parties shall notify to the Joint Committee changes in their respective agricultural policies pursued or measures applied which may affect the conditions of trade in agricultural products between them. On the request of either Contracting Party, prompt consultations within the Joint Committee shall be held to examine the situation.

## Article 16

### Specific Safeguards

Notwithstanding other provisions of this Agreement, in particular Article 30 of this Agreement, given the particular sensitivity of the agricultural products, if imports of products originating in one Contracting Party, which are subject of concessions, granted under this Agreement, cause serious disturbances to the market of the other Contracting Party, the Contracting Party concerned shall enter into prompt consultations to find an appropriate solution. Pending such solution, the Contracting Party concerned may take appropriate measures it deems necessary.

## Article 17

### Sanitary And Phytosanitary Measures

1. The Contracting Parties shall apply their national regulations in veterinary, phytosanitary and sanitary matters, in particular in the exchange of information on infectious and contagious diseases of domestic animals, quarantine diseases, plague diseases, and plant pests, in a way that complies to the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.
2. The Contracting Parties shall apply their regulations in veterinary, phytosanitary and sanitary matters in a non-discriminatory way and shall not introduce new measures that may have the effect of unduly obstructing trade.
3. The Contracting Parties undertake the obligations to exchange information on the level of the sanitary and phytosanitary protection of animals, plants and products.
4. The sanitary and phytosanitary measures and functioning of veterinary services shall comply with the Code of the International Epizootic Office and other international conventions in this area to which the Contracting Parties are part of.

## CHAPTER III: GENERAL PROVISIONS

## Article 18

### Internal Taxation

1. The Contracting Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination against the products originating in the Contracting Parties.
2. Republic of Macedonia will apply national treatment on internal taxation on tobacco after 31.12.2005 and tobacco products after 31.12.2007.
3. Products exported to the territory of one of the Contracting Party may not benefit from repayment of internal taxation in excess of the amount of indirect taxation imposed on them.

## Article 19

### Rules Of Origin And Co-Operation In Customs Administration

1. Protocol A to this Agreement (hereinafter referred to as "Protocol A") lays down the rules of origin and related methods of administrative co-operation.
2. The Contracting Parties shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Protocol A and Articles 3 to 9, 14, 18 and 31 of this Agreement are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.
3. The Contracting Parties shall conclude separate Agreement for co-operation between their Customs Administration, as soon as possible.

## Article 20

### General Exceptions

1. The provisions of this Agreement shall not preclude prohibitions or restrictions on import, export, 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 as well as environment protection; protection of national treasures possessing artistic, historical or archaeological value; the protection of intellectual property or rules, relating to gold or silver or the conservation of exhaustible natural resources, if such measures are made effective in conjunction with restrictions on domestic consumption or production.
2. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or disguised restriction on trade between the Contracting Parties.

## Article 21

### Security Exceptions

Nothing in this Agreement shall prevent a Contracting Party from taking any appropriate measures which it considers necessary:

- (a) to prevent the disclosure of information contrary to its essential security interests;
- (b) for the protection of its essential security interests or for the implementation of international obligations or national policies:
  - (i) relating to the traffic in arms, ammunition and implements of war, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
  - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
  - (iii) in time of war or other serious international tension.

## Article 22

### State Monopoly

1. The Contracting Parties shall adjust progressively any State monopoly of a commercial character so as to ensure that by the end of the transitional period laid down in Article 1 of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between natural and legal persons of the Contracting Parties. The Contracting Parties shall inform each other about the measures adopted to implement this objective.
2. The provisions of this Article shall apply to anybody through which the competent authorities of the Contracting Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Contracting Parties. These provisions shall likewise apply to monopolies delegated by the State to other bodies.

## Article 23

### Payments

1. Payments in freely convertible currencies relating to trade in goods between the Contracting Parties and the transfer of such payments to the territory of the Contracting Party where the creditor resides shall be free from any restrictions.
2. The Contracting Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short and medium term credits to trade in goods, or in finance in which person residing in one of the Contracting Parties participates.

## Article 24

### Rules Of Competition Concerning Undertakings

1. The following are incompatible with the proper functioning of this Agreement insofar as they may affect trade between the Contracting Parties:
  - (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
  - (b) abuse by one or more undertakings of a dominant position in the territories of the Contracting Parties, as a whole or in substantial part thereof.

2. The provisions of the paragraph 1 (a) and (b) of this Article shall apply to the activities of all undertakings including public undertakings and undertakings to which the Contracting Parties grant special or exclusive rights. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue producing monopoly, shall be subject to provision of paragraph 1 a) and (b) of this Article insofar as the application of these provisions does not obstruct the performance, in law or in fact, of the particular public tasks assigned to them.

3. With regard to products referred to in Chapter II the provisions stipulated in paragraph 1 (a) of this Article shall not apply to such agreements, decisions and practices which form an integral part of a national market organization.

4. If a Contracting Party considers that a certain practice is incompatible with paragraph 1, 2 and 3 of this Article, and if such a practice causes or threatens to cause serious prejudice to the interests of

that Contracting Party or material injury to its domestic industry, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 27 of this Agreement.

## Article 25

### State Aid

1. Any aid granted by State being Contracting Party to this Agreement or through State resources in any form whatsoever, which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, insofar as it may affect trade between

the Contracting Parties, be incompatible with the proper functioning of this Agreement.

2. For agricultural products the provision of paragraph 1 of this Article shall comply with the relevant WTO Agreements.

3. The Joint Committee shall, within three years from the entry into force of this Agreement, adopt the criteria on the basis of which the practices contrary to paragraph 1 of this Article shall be

assessed, as well as the rules for their implementation.

4. The Contracting Parties shall ensure transparency in the area of state aid, inter alia by reporting annually to the Joint Committee on the total amount and the distribution of the aid given and

by providing to the other Contracting Party, upon request, information on aid schemes and on particular individual cases of state aid.

5. If Contracting Party considers that a particular practice:

- is incompatible with the provisions of paragraph 1 of this Article, and is not adequately dealt with under the implementing rules referred to in paragraph 3 of this Article, or

- in the absence of rules, referred to in paragraph 3 of this Article, causes or threatens to cause serious prejudice to the interest of that Contracting Party or material injury to its domestic industry,

it may take appropriate measures against this practice, under the conditions and in accordance with

the procedures laid down in Article 27 of this Agreement.

6. Such appropriate measures may be only taken in conformity with the procedures and under conditions laid down by the GATT 1994 and the WTO Agreements, and any other relevant instruments negotiated under their auspices, which are applicable between the Contracting Parties.

## Article 26

### Public Procurement

1. The Contracting Parties consider the liberalization of their respective public procurement markets as an objective of this Agreement.
2. The Contracting Parties shall progressively adjust their rules, conditions and practices with a view to grant suppliers of the other Contracting Party, mutual access to contract award procedures on their public procurement markets.
3. The Joint Committee shall examine developments related to the achievement of the objectives of this Article, and may recommend practical modalities of implementing the provisions of paragraph 2 of this Article so as to ensure free access, transparency and mutual opening of their respective public procurement markets in the Contracting Parties.

4. The Contracting Parties shall endeavour to accede to the relevant Agreements on public procurements negotiated under the auspices of the GATT 1994 and WTO Agreements.

## Article 27

### Procedure For The Application Of Safeguard Measures

1. Before initiating the procedure for the application of safeguard measures set out in the following paragraphs of this Article, the Contracting Parties shall endeavour to solve any differences between them through direct consultations.
2. In the event of either Contracting Party subjecting imports of products liable to give rise to the situation referred to in Article 30 of this Agreement to an administrative procedure having as its purpose the rapid provision of information on trade flows, it shall inform the other Contracting Party.
3. (a) With regard to Articles 29, 30 and 32 of this Agreement, the Joint Committee shall examine the case or the situation and may take any decision needed to put end to the difficulties notified by the Contracting Party concerned. In the case of absence of such decision within 30 days from the date of the matter being referred to the Joint Committee, the Contracting Party concerned may adopt the necessary measures in order to remedy the situation.  
(b) As regards Article 20 of this Agreement, the Contracting Party concerned may take appropriate measures after the consultations have been concluded or a period of three months has elapsed from the date of first written notifications to the other Contracting Party.  
(c) With regard to Articles 24 and 25 of this Agreement, the Contracting Party concerned shall give the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. If the Contracting Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee, or if the Joint Committee fails to reach an agreement within thirty working days of the matter being referred to it, the Contracting Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.
4. The safeguard measures taken shall be immediately notified to the other Contracting Party. They will be restricted with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation-giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to measures which will least disturb the functioning of this Agreement.
5. The safeguard measures taken shall be the object of periodic consultations within the Joint Committee with a view of their relaxation as soon as possible, or abolition when conditions no longer justify their maintenance.
6. When exceptional circumstances requiring immediate action make prior examination impossible, the Contracting Party concerned may, in the cases of Articles 29, 30 and 32 of this Agreement, apply forthwith the provisional measures strictly necessary to remedy the respective

situation. The measures taken shall be notified to the other Contracting Party, without delay and consultations between the Contracting Parties shall take place as soon as possible within the Joint Committee.

7. Without prejudice to paragraph 6 of this Article, a Contracting Party, which considers resorting to safeguard measures, shall promptly notify in writing the other Contracting Party thereof

and supply all relevant information. Consultations between the Contracting Parties shall take place without delay within the Joint Committee with a view to finding a solution acceptable to both Contracting Parties.

## Article 28

### Intellectual Property Rights

1. The Contracting Parties shall grant and ensure adequate, effective and non discriminatory protection of intellectual property rights, including effective measures for enforcing such rights against infringement, and particularly against counterfeiting and piracy. The protection of intellectual property rights shall be improved to a level corresponding to the substantive standards of the multilateral agreements which are specified in the Annex II to this Agreement.
2. For the purposes of this Agreement, the term, intellectual property rights,, refers to all categories of intellectual property such as; copyrights and neighbouring rights, computer programs, data bases, trademarks for good and services, geographical indications, industrial designs, patents, new varieties of plants, topographies of integrated circuits, as well as undisclosed information including know-how.
3. The Contracting Parties shall co-operate in intellectual property rights protection matters, and at the request of any Contracting Party, they shall hold consultations on expert level, in particular, with respect to activities relating the existing or to futures international convention on the harmonisation, administration and vindication of intellectual property rights and on activities in international organisation, such as to WTO, World Intellectual Property Organisation, as well as concerning the relations of the Contracting Parties with third countries on matter concerning the intellectual property rights.

## Article 29

### Dumping

If one of the Contracting Parties finds that dumping, in within the meaning of Article VI of GATT 1994, is taking place in the trade relations governed by this Agreement, it may take appropriate measures against those practices under the conditions and in accordance with the WTO Agreement on Implementation of Article VI of the GATT 1994 and under the conditions and procedure laid down in Article 27 of this Agreement.

## Article 30

### General Safeguards

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

- (a) serious injuries to domestic producers of like or directly competitive products in the territory of the importing Contracting Party, or
- (b) serious disturbances in any related sector of the economy or difficulties which could bring serious deterioration in the economic situation of a certain region,

the Contracting Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 27 of this Agreement.

## Article 31

### Structural Adjustment

1. Exceptional measures of limited duration, derogating from the provisions of Article 4 of this Agreement, may be taken by any of the Contracting Party in the form of increased customs duties.
2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.
3. Customs duties on imports applicable in one of the Contracting Party concerned to products originating in the other Contracting Party introduced in accordance with the paragraphs 1 and 2 of this Article may not exceed 25% ad valorem and shall maintain an element of preference in custom duties originating in the other Contracting Party. The total value of imports of the products which are subject to these measures may not exceed 15% of the total imports of industrial products from the other Contracting Party during the last year for which statistic data are available.
4. These measures shall be applied for a period that will not exceeding five successive years, unless a longer duration is authorized by the Joint Committee.
5. No such measures can be introduced in respect to a product, if more than three years have elapsed since the removal of all customs duties and quantitative restrictions or measures having equivalent effect concerning that product.
6. The Contracting Party concerned shall inform the other Contracting Party of any exceptional measure it intends to take and, at the request of the other Contracting Party, consultations shall be held within the Joint Committee regarding such measures and sectors to which they apply, even before they are put into force. When taking such measures, the Contracting Party concerned shall provide the Joint Committee a schedule for the elimination of customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties starting at the latest two years after their introduction, at equal annual rates. The Joint Committee may decide on a different schedule.

## Article 32

### Re-Export And Serious Shortage

Where the compliance with the provisions of Article 5 and 9 of this Agreements related to:

- (a) re-export towards a third country, against which the exporting Contracting Party maintains for the product concerned quantitative export restrictions, export duties, or

measures or charges having equivalent effect; or  
(b) a serious shortage, or a threat thereof, of a product essential to the exporting Contracting Party,

and where the situation referred to above gives rise or is likely to give rise to major difficulties for the exporting Contracting Party, that Contracting Party may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 27 of this Agreement. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

## Article 33

### Balance-Of-Payments Difficulties

1. The Contracting Parties shall endeavour to avoid the imposition of restrictive measures including measures relating to imports for balance-of-payments difficulties.
2. Where a Contracting Party is in serious balance-of-payments difficulties, or under imminent threat thereof, the Contracting Party concerned may adopt, in accordance with the conditions established by GATT 1994 and WTO Agreements, may adopt trade restrictive measures, which shall be of limited duration and may not go beyond what is necessary to remedy the balance-of-payments situation. The measures shall be progressively attenuated, as the balance-of-payments conditions improve, and they shall be eliminated when conditions no longer justify their maintenance. The Contracting Party concerned shall inform other Contracting Party and the Joint Committee forthwith their introduction and, whenever practicable, of a time schedule for their removal.

## Article 34

### The Joint Committee

1. The Contracting Parties agree to establish a Joint Committee composed of their representatives.
2. The implementation of this Agreement shall be supervised and administrated by the Joint Committee.
3. For the purpose of the proper implementation of this Agreement, the Contracting Parties shall exchange information and, at the request of any Contracting Party shall hold consultations within the Joint Committee.
4. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the Contracting Parties.
5. The Joint Committee may take decisions in the cases provide for in this Agreement. On other matters the Joint Committee may take recommendations.

## Article 35

### Procedures Of The Joint Committee

1. For the proper implementation of this Agreement, the Joint Committee shall meet whenever

necessary but at least once a year. Either Contracting Party may request a meeting to be held.

2. The Joint Committee shall take decisions and recommendations by consensus.

3. If a representative in the Joint Committee of Contracting Party to this Agreement has accepted a decision subject to the fulfilment of internal legal requirements, the decision shall enter

into force, if no later date is contained therein, on the day of the receipt of the written notification about the fulfilment of such requirements.

4. For the purpose of this Agreement, the Joint Committee shall adopt its rules of procedure.

5. The Joint Committee may decide to set-up such sub-committee and working groups as it considers necessary to assist it in accomplishing its tasks.

## Article 36

### Custom Unions, Free Trade Areas And Frontier Trade

1. The provisions of this Agreement apply to all trade relationships between the Contracting Parties.
2. This Agreement shall not prevent the maintenance or establishment of customs unions, free-trade zones, economic unions or arrangements for frontier trade to the extent that these do not negatively affect the trade regime between the Contracting Parties and in particular the provisions concerning rules of origin provided for by this Agreement.
3. Upon request the Contracting Parties shall inform each other of any agreements establishing custom unions or free trade areas concluded with other countries.

## Article 37

### Fulfilment Of Obligations

1. The Contracting Parties shall take all necessary measures to ensure the achievement of the objective of this Agreement and the fulfilment of their obligations under this Agreement.
2. If either Contracting Party considers that the other Contracting Party has failed to fulfil an obligation under this Agreement, the Contracting Party concerned may take the appropriate measures under the conditions and in accordance with the procedure laid down in Article 27 of this Agreement.

## Article 38

### Evolutionary Clause

1. Where either Contracting Party considers that it would be useful in the interest of the economies of the Contracting Parties to develop the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Contracting Party. The Contracting Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 of this Article will be subject to ratification or approval by the Contracting Parties to this Agreement in accordance with their internal legal procedures.

## Article 39

### Annexes And Protocols

Annexes and Protocols of this Agreement are an integral part of it.

## Article 40

### Amendments

Amendments to this Agreement, including Annexes and Protocol, may be proposed by either Contracting Party and shall enter into force on the date of receipt of the last notification, through diplomatic channels, confirming that all internal legal procedures required by either Contracting Party for their entry into force have been fulfilled.

## Article 41

### Validity And Termination

1. This Agreement is concluded for an indefinite period of time.
2. Each Contracting Party may denounce this Agreement through diplomatic channels by a written notification to the other Contracting Party. In such case the Agreement shall be denounced on the first day of the six month after the date when the other Contracting Party has received the written notification.
3. The Contracting Parties agreed that in case of accession of one of the Contracting Parties to the European Union, the Agreement will be terminated without successive compensation for the other Contracting Party, on the day before the date of accession to the EU, and in accordance with the procedure laid down in paragraph 2 of this Article.

## Article 42

### Entry Into Force

This Agreement shall enter into force on the first day of the month following the date when the Contracting Parties have notified each other through diplomatic channels that their respective internal requirements for the entry into force of this Agreement have been fulfilled.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto,

have signed the present Agreement.

DONE in Scopje, on 28 of January 2004 in two original copies, each in Moldavian, Macedonian and English language each being equally authentic. In case of different interpretation of the provisions of this Agreement, the English text shall prevail.

FOR THE GOVERNMENT OF FOR THE GOVERNMENT OF  
THE REPUBLIC OF MOLDOVA THE REPUBLIC OF MACEDONIA

---