COMPREHENSIVE AND ENHANCED PARTNERSHIP AGREEMENT BETWEEN THE EUROPEAN UNION AND THE EUROPEAN ATOMIC ENERGY COMMUNITY AND THEIR MEMBER STATES, OF THE ONE PART, AND THE REPUBLIC OF ARMENIA, OF THE OTHER PART

PREAMBLE

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

IRELAND,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

THE REPUBLIC OF CROATIA,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

HUNGARY,

THE REPUBLIC OF MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

ROMANIA,

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty on European Union, the Treaty on the Functioning of the European Union and the Treaty establishing the European Atomic Energy Community, hereinafter referred to as "the Member States",

THE EUROPEAN UNION, and

THE EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as "Euratom"

of the one part, and

THE REPUBLIC OF ARMENIA

of the other part,

hereafter jointly referred to as "the Parties",

TAKING ACCOUNT OF the strong links between the Parties and the values that they share, and their desire to strengthen links established in the past through the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Armenia, of the other part, which was signed in Luxembourg on 22 April 1996 and entered into force on 1 July 1999 ("PCA") and to promote close and intensive cooperation based on equal partnership within the framework of the European Neighbourhood Policy ("ENP") and the Eastern Partnership as well as within this Agreement;

RECOGNISING the contribution of the joint EU-Armenia ENP Action Plan, including its introductory provisions, and the importance of the partnership priorities in strengthening relations between the European Union and the Republic of Armenia and in helping to move forward the reform and approximation process, as referred to hereinafter, in the Republic of Armenia, thus contributing to enhanced political and economic cooperation;

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

ACKNOWLEDGING that internal reforms towards strengthening democracy and the market economy, on the one hand, and sustainable conflict settlement, on the other hand, are linked. Hence, sustainable democratic reform processes in the Republic of Armenia will help build confidence and stability throughout the region;

COMMITTED to further promoting the political, socio-economic and institutional development of the Republic of Armenia through, for example, the development of civil society, institution building, public-administration and civil-service reform, the fight against corruption, and enhanced trade and economic cooperation, including good governance in the area of tax, the reduction of poverty, and wide-ranging cooperation in a broad spectrum of areas of common interest, including in the field of justice, freedom and security;

COMMITTED to the full implementation of the purposes, principles and provisions of the United Nations Charter, the United Nations Universal Declaration of Human Rights of 1948, the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950 ("the European Convention on Human Rights") and the Helsinki Final Act of 1975 of the Conference on Security and Cooperation in Europe ("OSCE Helsinki Final Act");

RECALLING their will to promote international peace and security as well as engaging in effective multilateralism and the peaceful settlement of disputes within agreed formats, in particular by cooperating to that end within the framework of the United Nations ("UN") and the Organization for Security and Co-operation in Europe ("OSCE");

COMMITTED to international obligations to fight against the proliferation of weapons of mass destruction ("WMDs") and their means of delivery and to cooperate on disarmament and non-proliferation, as well as nuclear security and safety;

RECOGNISING the importance of the active participation of the Republic of Armenia in regional cooperation formats, including those supported by the European Union; recognising the importance the Republic of Armenia attaches to its participation in international organisations and cooperation formats and its existing obligations arising therefrom;

DESIROUS to further develop regular political dialogue on bilateral and international issues of mutual interest, including regional aspects, taking into account the common foreign and security policy, including the common security and defence policy, of the European Union and the relevant policies of the Republic of Armenia; recognising the importance the Republic of Armenia attaches to its participation in international organisations and cooperation formats and its existing obligations arising therefrom;

RECOGNISING the importance of the commitment of the Republic of Armenia to the peaceful and lasting settlement of the Nagorno-Karabakh conflict, and the need to achieve that settlement as early as possible, in the framework of the negotiations led by the OSCE Minsk Group co-chairs; also recognising the need to achieve that settlement on the basis of the purposes and principles enshrined in the UN Charter and the OSCE Helsinki Final Act, in particular those related to refraining from the threat or use of force, the territorial integrity of States, and the equal rights and self-determination of peoples and reflected in all declarations issued within the framework of the OSCE Minsk Group co-chairmanship since the 16th OSCE Ministerial Council of 2008; also noting the stated commitment of the European Union to support this settlement process;

COMMITTED to preventing and fighting corruption, combating organised crime and stepping up cooperation in the fight against terrorism;

COMMITTED to stepping up their dialogue and cooperation on migration, asylum and border management with a comprehensive approach paying attention to legal migration and to cooperation aimed at tackling illegal migration and trafficking in human beings as well as efficiently implementing the Agreement between the European Union and the Republic of Armenia on the Readmission of Persons residing without Authorisation which entered into force on 1 January 2014 ("the Readmission Agreement");

RECONFIRMING that enhanced mobility of the citizens of the Parties in a secure and well-managed environment remains a core objective and considering in due course the opening of a visa dialogue with the Republic of Armenia, provided that conditions for well-managed and secure mobility, including the effective implementation of the Agreement between the European Union and the Republic of Armenia on the facilitation of the issuance of visas, which entered into force on 1 January 2014 ("the Visa-facilitation Agreement") and the Readmission agreement are in place;

COMMITTED to the principles of free-market economy and the readiness of the European Union to contribute to the economic reforms in the Republic of Armenia;

RECOGNISING the willingness of the Parties to deepen economic cooperation, including in trade-related areas, in compliance with the rights and obligations arising from the Parties' membership of the World Trade Organization ("WTO") and through the transparent and non-discriminatory application of those rights and obligations;

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

COMMITTED to respecting the principles of sustainable development;

COMMITTED to ensuring environmental protection, including trans-boundary cooperation and the implementation of multilateral international agreements;

COMMITTED to enhancing the security and safety of the energy supply, facilitating the development of appropriate infrastructure, increasing market integration and gradual approximation with the key elements of the EU *acquis* referred to hereinafter, including, *inter alia*, by promoting energy efficiency and the use of renewable energy sources, taking into account commitments of the Republic of Armenia to the principles of equal treatment of energy-supplier, -transit, and -consumer countries;

COMMITTED to high levels of nuclear safety and nuclear security, as referred to hereinafter;

ACKNOWLEDGING the need for enhanced energy cooperation, and the commitment of the Parties to fully respect the provisions of the Energy Charter Treaty;

WILLING to improve the level of public health and safety and the protection of human health, respecting the principles of sustainable development, environmental needs and climate change;

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

COMMITTED to promoting cross-border and inter-regional cooperation;

RECOGNISING the commitment of the Republic of Armenia to gradually approximate its legislation in the relevant sectors with that of the European Union, to implement it effectively as part of its wider reform efforts and to develop its administrative and institutional capacity to the extent necessary to enforce this Agreement, and recognising the sustained support of the European Union, in accordance with all available instruments of cooperation, including technical, financial and economic assistance in connection with that commitment, reflecting the pace of the reforms and economic needs of the Republic of Armenia;

NOTING that, in the event that the Parties decide, within the framework of this Agreement, to enter into specific agreements in the area of freedom, security and justice concluded by the European Union pursuant to Title V of Part Three of the Treaty on the Functioning of the European Union, the provisions of such future agreements would not bind the United Kingdom and/or Ireland unless the European Union, simultaneously with the United Kingdom and/or Ireland as regards their respective previous bilateral relations, notifies the Republic of Armenia that the United Kingdom and/or Ireland has/have become bound by such agreements as part of the European Union in accordance with Protocol No 21 on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice, annexed to the Treaty on European Union and the Treaty on the Functioning of the European Union. Likewise, any subsequent internal measures of the European Union adopted pursuant to the Title V of Part Three of the Treaty on the Functioning of the European Union to implement this Agreement would not bind the United Kingdom and/or Ireland unless they have notified their wish to take part or accept such measures in accordance with Protocol No 21; also noting, that such future agreements or such subsequent internal measures of the European Union would fall under Protocol No 22 on the position of Denmark, annexed to the said Treaties,

HAVE AGREED AS FOLLOWS:

TITLE I

OBJECTIVES AND GENERAL PRINCIPLES

ARTICLE 1

Objectives

The aims of this Agreement are:

(a) to enhance the comprehensive political and economic partnership and cooperation between the Parties, based on common values and close links, including by increasing the participation of the Republic of Armenia in policies, programmes and agencies of the European Union;

(b) to strengthen the framework for political dialogue on all areas of mutual interest, promoting the development of close political relations between the Parties;

(c) to contribute to the strengthening of democracy and of political, economic and institutional stability in the Republic of Armenia;

(d) to promote, preserve and strengthen peace and stability at both regional and international level, including through joining efforts to eliminate sources of tension, enhancing border security, and promoting cross-border cooperation and good neighbourly relations;

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

(f) to enhance mobility and people-to-people contacts;

(g) to support the efforts of the Republic of Armenia to develop its economic potential via international cooperation, including through the approximation of its legislation to the EU *acquis* referred to hereinafter;

(h) to establish enhanced trade cooperation allowing for sustained regulatory cooperation in relevant areas, in compliance with the rights and obligations arising from WTO membership; and

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

ARTICLE 2

General Principles

1. Respect for the democratic principles, the rule of law, human rights and fundamental freedoms, as enshrined in particular in the UN Charter, the OSCE Helsinki Final Act and the Charter of Paris for a New Europe of 1990, as well as other relevant human rights instruments such as the UN Universal Declaration on Human Rights and the European Convention on Human Rights, shall form the basis of the domestic and external policies of the Parties and constitute an essential element of this Agreement.

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

3. The Parties reaffirm their respect for the principles of good governance, as well as for their international obligations, in particular under the UN, the Council of Europe and the OSCE.

4. The Parties commit themselves to the fight against corruption, the fight against the different forms of transnational organised crime and terrorism, the promotion of sustainable development, effective multilateralism and the fight against the proliferation of WMDs and their delivery systems, including through the EU Chemical Biological Radiological and Nuclear Risk Mitigation Centre of Excellence Initiative. This commitment constitutes a key factor in the development of the relations and cooperation between the Parties and contributes to regional peace and stability.

TITLE II

POLITICAL DIALOGUE AND REFORM; COOPERATION IN THE FIELD OF FOREIGN AND SECURITY POLICY

ARTICLE 3

Aims of political dialogue

1. Political dialogue on all areas of mutual interest, including foreign policy and security matters as well as domestic reform, shall be further developed and strengthened between the Parties. Such dialogue will increase the effectiveness of political cooperation on foreign policy and security matters, recognising the importance the Republic of Armenia attaches to its participation in international organisations and cooperation formats and its existing obligations arising therefrom.

2. The aims of political dialogue shall be:

(a) to further develop and strengthen political dialogue on all areas of mutual interest;

(b) to enhance the political partnership and increase the effectiveness of cooperation in the area of foreign and security policy;

(c) to promote international peace, stability and security based on effective multilateralism;

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

(e) to strengthen cooperation in the fight against the proliferation of WMDs and their delivery systems;

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

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

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

(i) to promote the peaceful resolution of conflicts;

(j) to promote the purposes and principles of the UN as enshrined in its Charter and the principles guiding relations between participating states as set out in the OSCE Helsinki Final Act; and

(k) to promote regional cooperation, develop good neighbourly relations and enhance regional security, including by taking steps towards opening borders to promote regional trade and cross-border movement.

ARTICLE 4

Domestic reform

The Parties shall cooperate in the following areas:

(a) developing, consolidating and increasing the stability and effectiveness of democratic institutions and the rule of law;

(b) ensuring respect for human rights and fundamental freedoms;

(c) making further progress on judicial and legal reform, so as to secure the independence, quality and efficiency of the judiciary, the prosecution and law enforcement;

(d) strengthening the administrative capacity and guaranteeing the impartiality and effectiveness of law-enforcement bodies;

(e) further pursuing public-administration reform and developing an accountable, efficient, transparent and professional civil service; and

(f) ensuring effectiveness in the fight against corruption, in particular with a view to enhancing international cooperation in combating corruption, and ensuring effective implementation of relevant international legal instruments, such as the UN Convention Against Corruption of 2003.

ARTICLE 5

Foreign and security policy

1. The Parties shall intensify their dialogue and cooperation in the area of foreign and security policy, including the common security and defence policy, recognising the importance that the Republic of Armenia attaches to its participation in international organisations and cooperation formats and its existing obligations arising therefrom, and shall address in particular issues of conflict prevention and crisis management, risk reduction, cybersecurity, security-sector reform, regional stability, disarmament, non-proliferation, arms control and export control. Cooperation shall be based on common values and mutual interests, and shall aim at increasing its effectiveness, making use of bilateral, international and regional fora, in particular the OSCE.

2. The Parties reaffirm their commitment to the principles and norms of international law, including those enshrined in the UN Charter and the OSCE Helsinki Final Act, and their commitment to the promotion of those principles in their bilateral and multilateral relations.

ARTICLE 6

Serious crimes of international concern and the International Criminal Court

1. The Parties reaffirm that the most serious crimes of concern to the international community as a whole must not go unpunished and that their effective prosecution must be ensured by taking measures at national and international level, including at the level of the International Criminal Court.

2. The Parties consider that the establishment and effective functioning of the International Criminal Court constitutes an important development for international peace and justice. The Parties shall aim to enhance cooperation in promoting peace and international justice by ratifying and implementing the Rome Statute of the International Criminal Court and its related instruments, taking into account their legal and constitutional frameworks.

3. The Parties agree to closely cooperate to prevent genocide, crimes against humanity and war crimes by making use of appropriate bilateral and multilateral frameworks.

ARTICLE 7

Conflict prevention and crisis management

The Parties shall enhance practical cooperation in conflict prevention and crisis management, in particular with a view to the possible participation of the Republic of Armenia in EU-led civilian and military crisis-management operations as well as relevant exercises and training, on a case-by-case basis.

ARTICLE 8

Regional stability and peaceful resolution of conflicts

1. The Parties shall intensify their joint efforts to improve conditions for further regional cooperation by promoting open borders with cross-border movement, good neighbourly relations and democratic development, thereby contributing to stability and security, and shall work towards the peaceful settlement of conflicts.

2. The efforts referred to in paragraph 1 shall follow commonly shared principles of maintaining international peace and security as enshrined in the UN Charter, the OSCE Helsinki Final Act and other relevant multilateral documents to which the Parties have aligned themselves. The Parties underline the importance of existing agreed formats for the peaceful settlement of conflicts.

3. The Parties underline that arms control and confidence- and security-building measures remain of great importance for security, predictability and stability in Europe.

ARTICLE 9

Weapons of mass destruction, non-proliferation and disarmament

1. The Parties consider that the proliferation of WMDs and their means of delivery, both to State and non-State actors, such as terrorists and other criminal groups, represents one of the most serious threats to international peace and stability. The Parties therefore agree to cooperate in and contribute to countering the proliferation of WMDs and their means of delivery, in full compliance with, and national implementation of, their existing obligations under international disarmament and non-proliferation treaties and agreements as well as other relevant international obligations. The Parties agree that this provision constitutes an essential element of this Agreement.

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

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

(b) further developing an effective system of national export controls, including controls on the export and transit of WMD-related goods as well as WMD end-use controls on dual-use technologies.

3. The Parties agree to establish a regular political dialogue that will accompany and consolidate the elements referred to in this Article.

ARTICLE 10

Small arms and light weapons and conventional arms exports control

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

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

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

4. Furthermore, the Parties agree to continue to cooperate in the area of conventional arms control, in the light of the Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment and relevant national legislation of the Republic of Armenia.

5. The Parties agree to establish a regular political dialogue that will accompany and consolidate the elements referred to in this Article.

ARTICLE 11

Combating terrorism

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

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

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

TITLE III

JUSTICE, FREEDOM AND SECURITY

ARTICLE 12

Rule of law and respect for human rights and fundamental freedoms

1. In their cooperation in the area of freedom, security and justice, the Parties shall attach particular importance to the consolidation of the rule of law, including the independence of the judiciary, access to justice, the right to a fair trial as provided for by the European Convention on Human Rights, and procedural safeguards in criminal matters and victims' rights.

2. The Parties shall cooperate fully with regard to the effective functioning of institutions in the areas of law enforcement, the fight against corruption and the administration of justice.

3. Respect for human rights, non-discrimination and fundamental freedoms shall guide all cooperation on freedom, security and justice.

ARTICLE 13

Protection of personal data

The Parties agree to cooperate in order to ensure a high level of protection of personal data in accordance with the international legal instruments and standards of the European Union, Council of Europe and other international bodies.

ARTICLE 14

Cooperation on migration, asylum and border management

1. The Parties reaffirm the importance of the joint management of migration flows between their territories and shall establish a comprehensive dialogue on all migration-related issues, including legal migration, international protection and the fight against illegal migration, smuggling and trafficking in human beings.

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

(a) addressing the root causes of migration;

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

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

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

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

3. Cooperation may also facilitate circular migration for the benefit of development.

ARTICLE 15

Movement of persons and readmission

1. The Parties that are bound by the following Agreements shall ensure the full implementation of:

(a) the Agreement between the European Union and the Republic of Armenia on the readmission of persons residing without authorisation; and

(b) the Agreement between the European Union and the Republic of Armenia on the facilitation of the issuance of visas.

2. The Parties shall continue to promote the mobility of citizens through the Visa-facilitation Agreement and consider in due course the opening of a visa-liberalisation dialogue provided that conditions for well-managed and secure mobility are in place. They shall cooperate in fighting irregular migration, including through the implementation of the Readmission Agreement, as well as promoting border-management policy as well as legal and operational frameworks.

ARTICLE 16

Fight against organised crime and corruption

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

(a) smuggling of migrants and trafficking in human beings;

(b) smuggling and trafficking in firearms including SALWs;

(c) smuggling and trafficking illicit drugs;

(d) smuggling and trafficking in goods;

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

(f) embezzlement in projects funded by international donors;

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

(h) forging documents and submitting false statements; and

(i) cybercrime.

2. The Parties shall enhance bilateral, regional and international cooperation among law-enforcement bodies, including the possible development of cooperation between European Union Agency for Law Enforcement Cooperation ("Europol") and the relevant authorities of the Republic of Armenia. The Parties are committed to implementing effectively the relevant international standards, in particular those enshrined in the UN Convention against Transnational Organised Crime of 2000 and the three Protocols thereto. The Parties shall cooperate in preventing and fighting corruption in line with the UN Convention Against Corruption of 2003, the recommendations of the Council of Europe Group of States against corruption ("GRECO") and the OECD, transparency with regard to asset declaration, the protection of whistle-blowers, and the disclosure of information on final beneficiaries of legal entities.

ARTICLE 17

Illicit drugs

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

2. The Parties shall agree on the necessary methods of cooperation to attain the objectives referred to in paragraph 1. Actions shall be based on commonly agreed principles set out in the relevant international conventions, and shall aim at implementing the recommendations enshrined in the Outcome Document of the UN General Assembly Special Session on the world drug problem held in April 2016.

ARTICLE 18

Money laundering and terrorism financing

1. The Parties shall cooperate in order to prevent the use of their financial and relevant non-financial systems for the laundering of the proceeds of criminal activities in general and drug offences in particular, as well as for the purpose of terrorism financing. That cooperation extends to the recovery of assets or funds derived from the proceeds of crime.

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

ARTICLE 19

Cooperation in the fight against terrorism

1. In accordance with the principles underlying the fight against terrorism as set out in Article 11, the Parties reaffirm the importance of a law-enforcement and judicial approach to the fight against terrorism, and agree to cooperate in the prevention and suppression of terrorism, in particular by:

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

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

(c) exchanging views on radicalisation and recruitment, and ways to counter radicalisation and promote rehabilitation;

(d) exchanging views and experience concerning cross-border movement and travel of terrorist suspects as well as terrorist threats;

(e) sharing best practices as regards the protection of human rights in the fight against terrorism, in particular in relation to criminal proceedings;

(f) ensuring the criminalisation of terrorist offences; and

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

2. Cooperation shall be based on relevant available assessments and conducted through mutual consultation between the Parties.

ARTICLE 20

Legal cooperation

1. The Parties agree to develop judicial cooperation in civil and commercial matters as regards the negotiation, ratification and implementation of multilateral conventions on civil judicial cooperation and, in particular, the Conventions of the Hague Conference on Private International Law in the fields of international legal cooperation and litigation as well as the protection of children.

2. As regards judicial cooperation in criminal matters, the Parties shall seek to enhance cooperation on mutual legal assistance on the basis of relevant multilateral agreements. Such cooperation shall include, where appropriate, accession to, and implementation of, the relevant international instruments of the UN and the Council of Europe and closer cooperation between Eurojust and the competent authorities of the Republic of Armenia.

ARTICLE 21

Consular protection

The Republic of Armenia agrees that the diplomatic and consular authorities of any represented Member State shall provide protection to any national of a Member State which does not have a permanent representation in the Republic of Armenia effectively in a position to provide consular protection in a given case, on the same conditions as to nationals of that Member State.

TITLE IV

ECONOMIC COOPERATION

CHAPTER 1

ECONOMIC DIALOGUE

ARTICLE 22

1. The European Union and the Republic of Armenia shall facilitate the process of economic reform by improving shared understanding of the fundamentals of each economy and the formulation and implementation of economic policies.

2. The Republic of Armenia shall take further steps to develop a well-functioning market economy and to gradually approximate its economic and financial regulations and policies to those of the European Union, as agreed by this Agreement. The European Union will support the Republic of Armenia in ensuring sound macroeconomic policies, including central-bank independence and price stability, sound public finances, and a sustainable exchange-rate regime and balance of payments.

ARTICLE 23

To that end, the Parties agree to conduct a regular economic dialogue aimed at:

(a) exchanging information on macroeconomic trends and policies, as well as on structural reforms, including strategies for economic development;

(b) exchanging expertise and best practices in areas such as public-finance, monetary and exchange-rate policy frameworks, financial-sector policy and economic statistics;

(c) exchanging information and experiences on regional economic integration, including the functioning of the European economic and monetary union;

(d) reviewing the status of bilateral cooperation in the economic, financial and statistical fields.

ARTICLE 24

Public sector internal control and auditing arrangements

The Parties shall cooperate in the areas of public internal control and external audit with the following objectives:

(a) further developing and implementing the public internal control system in accordance with the principle of decentralised managerial accountability, including an independent internal audit function for the entire public sector in the Republic of Armenia, by means of approximation with generally accepted international standards, frameworks and guidance and European Union good practice, on the basis of the public internal financial control reform programme approved by the Government of the Republic of Armenia;

(b) developing an adequate financial inspection system in the Republic of Armenia to complement, but not duplicate, the internal audit function;

(c) supporting the central harmonisation unit for public internal financial control in the Republic of Armenia and strengthening its ability to steer the reform process;

(d) further strengthening the Audit Chamber as the supreme audit institution of the Republic of Armenia, in particular in terms of its financial, organisational and operational independence in accordance with internationally accepted external audit ("INTOSAI") standards; and

(e) providing for the exchange of information, experiences and good practice.

CHAPTER 2

TAXATION

ARTICLE 25

The Parties shall cooperate to enhance good governance in the area of tax, with a view to the further improvement of economic relations, trade, investment and fair cooperation.

ARTICLE 26

With reference to Article 25, the Parties recognise and commit themselves to implement the principles of good governance in the area of tax, i.e. the principles of transparency, exchange of information and fair tax competition, as subscribed to by Member States at European Union level. To that effect, without prejudice to European Union and Member State competences, the Parties shall improve international cooperation in the area of tax, facilitate the collection of tax revenues, and develop measures for the effective implementation of those principles of good governance.

ARTICLE 27

The Parties shall enhance and strengthen their cooperation aimed at the improvement and development of the Republic of Armenia's tax system and administration, including the enhancement of collection and control capacity, ensure effective tax collection and reinforce the fight against tax fraud and tax avoidance. The Parties shall not discriminate between imported products and like domestic products, in accordance with Articles I and III of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"). The Parties shall strive to enhance cooperation and the sharing of experiences in combating tax fraud and tax avoidance, in particular carousel fraud, as well as with regard to transfer pricing and anti-offshore regulation issues.

ARTICLE 28

The Parties shall develop their cooperation with a view to reaching shared policies for counteracting and fighting fraud and the smuggling of excisable products. The cooperation shall involve the exchange of information. To that end, the Parties shall look to strengthen their cooperation within the regional context and in line with the World Health Organization Framework Convention on Tobacco Control of 2003.

ARTICLE 29

A regular dialogue shall take place on the issues covered by this Chapter.

CHAPTER 3

STATISTICS

ARTICLE 30

The Parties shall develop and strengthen their cooperation on statistical issues, thereby contributing to the long-term objective of providing timely, internationally comparable and reliable statistical data. It is expected that a sustainable, efficient and professionally independent national statistical system shall produce information relevant for citizens, businesses and decision-makers in the European Union and in the Republic of Armenia, enabling them to take informed decisions on that basis. The national statistical system shall respect the UN Fundamental Principles of Official Statistics and take into account the EU *acquis* in the field of statistics, including the European Statistics Code of Practice, in order to align national statistical production with European norms and standards.

ARTICLE 31

Cooperation in the area of statistics shall aim at:

(a) further strengthening the capacity of the national statistical system, including legal basis, the production of good-quality data and metadata, dissemination policy and user-friendliness, and taking into account users in the public and private sectors, the academic community and society at large;

(b) the progressive alignment of the statistical system of the Republic of Armenia with norms and practice applied in the European Statistical System;

(c) the fine-tuning of data provision to the European Union, taking into account the application of relevant international and European methodologies, including classifications;

(d) enhancing the professional and management capacity of the national statistical staff to facilitate the application of statistical standards of the European Union and to contribute to the development of the statistical system of the Republic of Armenia;

(e) exchanging experience with regard to the development of statistical know-how; and

(f) promoting quality assurance and management in all statistical production processes and dissemination.

ARTICLE 32

The Parties shall cooperate within the framework of the European Statistical System in which Eurostat is the statistical office of the European Union. That cooperation shall ensure the professional independence of the statistical office and the application of the principles of the European statistics Code of practice as well as focus on the areas of:

(a) demographic statistics, including censuses and social statistics;

(b) agricultural statistics, including agricultural censuses;

(c) business statistics, including business registers and the use of administrative sources for statistical purposes;

(d) macroeconomic statistics, including national accounts, foreign trade statistics, balance-of-payments statistics and foreign direct-investment statistics;

(e) energy statistics, including balances;

(f) environment statistics;

(g) regional statistics; and

(h) horizontal activities, including quality assurance and management, statistical classifications, training, dissemination and the use of modern information technologies.

ARTICLE 33

The Parties shall, *inter alia*, exchange information and expertise and shall develop their cooperation, taking into account the experience accumulated in the reform of the statistical system launched within the framework of various assistance programmes. Efforts shall be directed towards further alignment with the EU *acquis* in statistics, on the basis of the national strategy for the development of the statistical system of the Republic of Armenia, and taking into account the development of the European Statistical System. Emphasis in the statistical data production shall be on the increased use of administrative records and streamlining statistical surveys, while taking into account the need to reduce response burden. The data produced shall be relevant for the design and monitoring of policies in key areas of social and economic life.

ARTICLE 34

A regular dialogue shall take place on the issues covered by this Chapter. To the extent possible, the activities undertaken within the European Statistical System, including training, shall be open for the participation of the Republic of Armenia.

ARTICLE 35

Gradual approximation of the legislation of the Republic of Armenia to the EU *acquis* in statistics shall be carried out in accordance with the annually updated Statistical Requirements Compendium as produced by Eurostat, which is considered by the Parties as annexed to this Agreement.

TITLE V

OTHER COOPERATION POLICIES

CHAPTER 1

TRANSPORT

ARTICLE 36

The Parties shall:

(a) expand and strengthen their transport cooperation in order to contribute to the development of sustainable transport systems;

(b) promote efficient, safe and secure transport operations as well as intermodality and interoperability of transport systems; and

(c) endeavour to enhance the main transport links between their territories.

ARTICLE 37

Transport cooperation shall cover, the following areas:

(a) the development of a sustainable national transport policy covering all modes of transport, in particular with a view to ensuring environmentally friendly, efficient, safe and secure transport systems and promoting the integration of transport-related considerations into other policy areas;

(b) the development of sector-specific strategies in light of the national transport policy (including legal requirements for the upgrading of technical equipment and transport fleets to meet highest international standards) for road, rail, inland waterway, maritime, aviation and intermodality, including timetables and milestones for implementation, administrative responsibilities as well as financing plans;

(c) the improvement of the infrastructure policy in order to better identify and evaluate infrastructure projects in the various modes of transport;

(d) the development of funding strategies focusing on maintenance, capacity constraints and missing-link infrastructure as well as activating and promoting the participation of the private sector in transport projects;

(e) accession to relevant international transport organisations and agreements, including procedures for ensuring strict implementation and effective enforcement of international transport agreements and conventions;

(f) cooperation and the exchange of information for the development and improvement of technologies in transport, such as intelligent transport systems; and

(g) the promotion of the use of intelligent transport systems and information technology in managing and operating all modes of transport as well as supporting intermodality and cooperation in the use of space systems and commercial applications facilitating transport.

ARTICLE 38

1. Cooperation shall also aim at improving the movement of passengers and goods, increasing fluidity of transport flows between the Republic of Armenia, the European Union and third countries in the region, promoting open borders with cross border movement by removing administrative, technical and other obstacles, enhancing the operation of the existing transport networks and developing infrastructure in particular on the main networks connecting the Parties.

2. Cooperation shall include actions to facilitate border crossings, taking into account the specificities of landlocked countries as referred to in the relevant international instruments.

3. Cooperation shall include information exchange and joint activities:

(a) at regional level, in particular taking into consideration progress achieved under regional transport cooperation arrangements such as the Transport Corridor Europe-Caucasus-Asia ("TRACECA") and other transport initiatives at international level, including with regard to international transport organisations and international agreements and conventions ratified by the Parties; and

(b) in the framework of the various transport agencies of the European Union, as well as within the Eastern Partnership.

ARTICLE 39

1. With a view to ensuring the coordinated development and progressive liberalisation of air transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in air transport should be addressed in accordance with the Common Aviation Area Agreement between the European Union and the Republic of Armenia.

2. Prior to the conclusion of the Common Aviation Area Agreement, the Parties shall not take any measures or actions which are more restrictive or discriminatory as compared with the situation existing prior to the entry into force of this Agreement.

ARTICLE 40

A regular dialogue will take place on the issues covered by this Chapter.

ARTICLE 41

1. The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union referred to in Annex I in accordance with the provisions of that Annex.

2. Approximation may also take place through sectoral agreements.

CHAPTER 2

ENERGY COOPERATION, INCLUDING NUCLEAR SAFETY

ARTICLE 42

1. The Parties shall cooperate on energy matters on the basis of the principles of partnership, mutual interest, transparency and predictability. Cooperation shall aim at regulatory approximation in the areas of the energy sector areas referred to hereinafter, taking into account the need to ensure access to secure, environmentally friendly and affordable energy.

2. That cooperation shall cover, *inter alia*, the following areas:

(a) energy strategies and policies, including for the promotion of energy security and diversity of energy supplies and power generation;

(b) the enhancement of energy security, including by stimulating the diversification of energy sources and routes;

(c) the development of competitive energy markets;

(d) the promotion of the use of renewable energy sources, energy efficiency and energy savings;

(e) the promotion of regional cooperation on energy and on integration into regional markets;

(f) the promotion of common regulatory frameworks to facilitate trade in oil products, electricity and potentially in other energy commodities, as well as a level playing field in terms of nuclear safety, aiming at a high level of safety and security;

(g) the civil nuclear sector, taking into account the specificities of the Republic of Armenia and focusing in particular on high levels of nuclear safety, on the basis of International Atomic Energy Agency ("IAEA") standards and standards and practices of the European Union referred to hereinafter, and on high levels of nuclear security, on the basis of international guidance and practices. The cooperation in that area will include:

(i) the exchange of technologies, best practices and training in the fields of safety, security and waste management in order to ensure the safe operation of nuclear power plants;

(ii) the closure and safe decommissioning of Medzamor nuclear power plant and the early adoption of a road map or action plan to that effect, taking into consideration the need for its replacement with new capacity to ensure the energy security of the Republic of Armenia and conditions for sustainable development;

(h) pricing policies, transit and transport, in particular a general cost-based system for the transmission of energy resources, if and when appropriate, and further precisions regarding access to hydrocarbons, as appropriate;

(i) the promotion of regulatory aspects reflecting key principles of energy market regulation and non-discriminatory access to energy networks and infrastructures at competitive, transparent and cost-effective tariffs, and adequate and independent oversight;

(j) scientific and technical cooperation, including the exchange of information for the development and improvement of technologies in energy production, transportation, supply and end use with particular attention to energy-efficient and environmentally friendly technologies.

ARTICLE 43

A regular dialogue will take place on the issues covered by this Chapter.

ARTICLE 44

The Republic of Armenia shall carry out approximation of its legislation to the instruments referred to in Annex II in accordance with the provisions of that Annex.

CHAPTER 3

ENVIRONMENT

ARTICLE 45

The Parties shall develop and strengthen their cooperation on environmental issues, thereby contributing to the long-term objective of sustainable development and greening the economy. It is expected that enhanced environmental protection will bring benefits to citizens and businesses in the European Union and in the Republic of Armenia, including through improved public health, preserved natural resources, and increased economic and environmental efficiency, as well as through the use of modern, cleaner technologies contributing to more sustainable production patterns. Cooperation shall be conducted while taking into account the interests of the Parties on the basis of equality and mutual benefit, the interdependence existing between the Parties in the field of environmental protection, and multilateral agreements in that field.

ARTICLE 46

1. Cooperation shall aim at preserving, protecting, improving and rehabilitating the quality of the environment, protecting human health, utilising natural resources in a sustainable manner and promoting measures at international level to address regional or global environmental problems, including in the areas of:

(a) environmental governance and horizontal issues, including strategic planning, environmental impact assessment and strategic environmental assessment, education and training, monitoring and environmental information systems, inspection and enforcement, environmental liability, combating environmental crime, transboundary cooperation, public access to environmental information, decision-making processes, and effective administrative and judicial review procedures;

(b) air quality;

(c) water quality and resource management, including flood-risk management, water scarcity and droughts;

(d) waste management;

(e) nature protection, including forestry and conservation of biological diversity;

(f) industrial pollution and industrial hazards;

(g) chemicals management.

2. Cooperation shall also aim at integrating the environment into policy areas other than environmental policy.

ARTICLE 47

The Parties shall, *inter alia*:

(a) exchange information and expertise;

(b) cooperate at regional and international level, especially with regard to multilateral environmental agreements ratified by the Parties; and

(c) cooperate in the framework of relevant agencies, as appropriate.

ARTICLE 48

The cooperation shall cover, *inter alia*, the following objectives:

(a) the development of a general national environmental strategy for the Republic of Armenia, covering:

(i) planned institutional reforms (with timetables) for ensuring implementation and enforcement of environmental legislation;

(ii) the division of competence for environmental administration at national, regional and municipal levels;

(iii) procedures for decision-making and the implementation of decisions;

(iv) procedures for the promotion of the integration of the environment into other policy areas;

(v) the promotion of green economy measures and eco-innovation, the identification of the necessary human and financial resources and a review mechanism; and

(b) the development of sector-specific strategies for the Republic of Armenia (including clearly defined timetables and milestones for implementation, administrative responsibilities, as well as financing strategies for investments in infrastructure and technology) on:

(i) air quality;

(ii) water quality and resource management;

(iii) waste management;

(iv) biodiversity, nature conservation and forestry;

(v) industrial pollution and industrial hazards; and

(vi) chemicals.

ARTICLE 49

A regular dialogue will take place on the issues covered by this Chapter.

ARTICLE 50

The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union and international instruments referred to in Annex III in accordance with the provisions of that Annex.

CHAPTER 4

CLIMATE ACTION

ARTICLE 51

The Parties shall develop and strengthen their cooperation to combat climate change. Cooperation shall be conducted while taking into account the interests of the Parties on the basis of equality and mutual benefit, as well as the interdependence existing between bilateral and multilateral commitments in that field.

ARTICLE 52

Cooperation shall promote measures at domestic, regional and international level, including with regard to:

(a) the mitigation of climate change;

(b) adaptation to climate change;

(c) market and non-market mechanisms for addressing climate change;

(d) research into and the development, demonstration, deployment, transfer and diffusion of new, innovative, safe and sustainable low-carbon and adaptation technologies;

(e) the mainstreaming of climate considerations into general and sector-specific policies; and

(f) awareness raising, education and training.

ARTICLE 53

1. The Parties shall, *inter alia*:

(a) exchange information and expertise;

(b) implement joint research activities and exchanges of information on cleaner and environmentally sound technologies;

(c) implement joint activities at regional and international level, including with regard to multilateral environmental agreements ratified by the Parties, such as the United Nations Framework Convention on Climate Change of 1992 ("UNFCCC") and the Paris Agreement of 2015, and joint activities in the framework of relevant agencies, as appropriate.

2. The Parties shall pay special attention to transboundary issues and regional cooperation.

ARTICLE 54

The cooperation shall cover, *inter alia*, the following objectives:

(a) measures to implement the Paris Agreement in accordance with principles set out in this Agreement;

(b) measures to enhance the capacity to take effective climate action;

(c) the development of an overall climate strategy and action plan for the long-term mitigation of and adaptation to climate change;

(d) the development of vulnerability and adaptation assessments;

(e) the development of a low-carbon development plan;

(f) the development and implementation of long-term measures to mitigate climate change by addressing emissions of greenhouse gases;

(g) measures to prepare for carbon trading;

(h) measures to promote technology transfer;

(i) measures to mainstream climate considerations into sector-specific policies; and

(j) measures related to ozone-depleting substances and fluorinated gases.

ARTICLE 55

A regular dialogue will take place on the issues covered by this Chapter.

ARTICLE 56

The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union and international instruments referred to in Annex IV in accordance with the provisions of that Annex.

CHAPTER 5

INDUSTRIAL AND ENTERPRISE POLICY

ARTICLE 57

The Parties shall develop and strengthen their cooperation on industrial and enterprise policy, thereby improving the business environment for all economic operators, but with particular emphasis on small and medium-sized enterprises ("SMEs"). Enhanced cooperation should improve the administrative and regulatory framework for both businesses of the European Union and businesses of the Republic of Armenia operating in the European Union and in the Republic of Armenia, and should be based on the SME and industrial policies of the European Union, taking into account internationally recognised principles and practices in that field.

ARTICLE 58

The Parties shall cooperate in order to:

(a) implement strategies for SME development, based on the principles of the Small Business Act for Europe, and monitoring of the implementation process through regular reporting and dialogue. That cooperation will also include a focus on micro- and craft enterprises, which are extremely important for the economies of both the European Union and the Republic of Armenia;

(b) create better framework conditions, via the exchange of information and good practice, thereby contributing to improved competitiveness. That cooperation will include the management of structural changes (restructuring) and environmental and energy issues, such as energy efficiency and cleaner production;

(c) simplify and rationalise regulations and regulatory practice, with a specific focus on the exchange of good practice on regulatory techniques, including the principles of the European Union;

(d) encourage the development of innovation policy, via the exchange of information and good practice regarding the commercialisation of research and development (including support instruments for technology-based business start-ups), cluster development and access to finance;

(e) encourage greater contacts between businesses of the European Union and businesses of the Republic of Armenia, and between those businesses and the authorities of the European Union and the Republic of Armenia;

(f) support the establishment of export promotion activities in the Republic of Armenia;

(g) promote a more business-friendly environment, with a view to enhancing growth potential and investment opportunities; and

(h) facilitate the modernisation and restructuring of industry in the European Union and in the Republic of Armenia in certain sectors.

ARTICLE 59

A regular dialogue will take place on the issues covered by this Chapter. That dialogue will also involve representatives of European Union businesses and businesses from the Republic of Armenia.

CHAPTER 6

COMPANY LAW, ACCOUNTING AND AUDITING,
AND CORPORATE GOVERNENCE

ARTICLE 60

1. The Parties recognise the importance of an effective set of rules and practices in the areas of company law and corporate governance, as well as in accounting and auditing, in a functioning market economy with a predictable and transparent business environment, and underline the importance of promoting regulatory convergence in those fields.

2. The Parties shall cooperate on the following:

(a) the exchange of best practices for ensuring the availability of and access to information regarding the organisation and representation of registered companies in a transparent and easily accessible way;

(b) the further development of corporate governance policy in line with international and, in particular, OECD standards;

(c) the implementation and consistent application of International Financial Reporting Standards ("IFRS") for the consolidated accounts of listed companies;

(d) the regulation and oversight of the audit and accountancy professions;

(e) international auditing standards and the Code of Ethics of the International Federation of Accountants ("IFAC"), with the aim of improving the professional level of auditors by means of observance of standards and ethical norms by professional organisations, audit organisations and auditors.

CHAPTER 7

COOPERATION IN THE AREAS OF BANKING, INSURANCE AND OTHER FINANCIAL SERVICES

ARTICLE 61

The Parties agree on the importance of effective legislation and practices and to cooperate in the area of financial services with the objectives of:

(a) improving the regulation of financial services;

(b) ensuring effective and adequate protection of investors and consumers of financial services;

(c) contributing to the stability and integrity of the global financial system;

(d) promoting cooperation between different actors of the financial system, including regulators and supervisors;

(e) promoting independent and effective supervision.

CHAPTER 8

COOPERATION IN THE FIELD OF THE INFORMATION SOCIETY

ARTICLE 62

The Parties shall promote cooperation with regard to the development of the information society to benefit citizens and businesses through the widespread availability of information and communication technology ("ICT") and through better quality of services at affordable prices. That cooperation should aim at facilitating access to electronic communications markets and encourage competition and investment in the sector.

ARTICLE 63

Cooperation shall cover, *inter alia*, the following subjects:

(a) the exchange of information and best practice on the implementation of national information society strategies, including, *inter alia*, initiatives aimed at promoting broadband access, improving network security and developing public online services;

(b) the exchange of information, best practices and experience to promote the development of a comprehensive regulatory framework for electronic communications and, in particular, to strengthen the administrative capacity of the national independent regulator, to foster a better use of spectrum resources and to promote interoperability of networks in the Republic of Armenia and with the European Union.

ARTICLE 64

The Parties shall promote cooperation between the regulators from the European Union and national regulator of the Republic of Armenia in the field of electronic communications.

ARTICLE 65

The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union and international instruments referred to in Annex V in accordance with the provisions of that Annex.

CHAPTER 9

TOURISM

ARTICLE 66

The Parties shall cooperate in the field of tourism, with the aim of strengthening the development of a competitive and sustainable tourism industry as a generator of economic growth, empowerment, employment and foreign exchange.

ARTICLE 67

Cooperation at bilateral, regional and European level shall be based on the following principles:

(a) respect for the integrity and interests of local communities, in particular in rural areas;

(b) the importance of cultural heritage; and

(c) positive interaction between tourism and environmental preservation.

ARTICLE 68

The cooperation shall focus on the following topics:

(a) the exchange of information, best practices, experience and know-how, including with regard to innovative technologies;

(b) the establishment of a strategic partnership between public, private and community interests in order to ensure the sustainable development of tourism;

(c) the promotion and development of tourism products and markets, infrastructure, human resources and institutional structures as well as the identification and elimination of barriers to travel services;

(d) the development and implementation of efficient policies and strategies, including appropriate legal, administrative and financial aspects;

(e) tourism training and capacity building in order to improve service standards; and

(f) the development and promotion of community-based tourism.

ARTICLE 69

A regular dialogue will take place on the issues covered by this Chapter.

CHAPTER 10

AGRICULTURE AND RURAL DEVELOPMENT

ARTICLE 70

The Parties shall cooperate to promote agricultural and rural development, in particular through progressive convergence of policies and legislation.

ARTICLE 71

Cooperation between the Parties in the field of agriculture and rural development shall cover, *inter alia*, the following objectives:

(a) facilitating the mutual understanding of agricultural and rural development policies;

(b) enhancing the administrative capacities at central and local level in the planning, evaluation and implementation of policies in accordance with legislation of the European Union and best practices;

(c) promoting the modernisation and the sustainability of agricultural production;

(d) sharing knowledge and best practices with regard to rural development policies to promote economic well-being for rural communities;

(e) improving the competitiveness of the agricultural sector and the efficiency and transparency of the markets;

(f) promoting quality policies and their control mechanisms, in particular geographical indications and organic farming;

(g) disseminating knowledge and promoting extension services to agricultural producers; and

(h) enhancing the harmonisation of issues addressed within the framework of international organisations of which both Parties are members.

CHAPTER 11

FISHERIES AND MARITIME GOVERNANCE

ARTICLE 72

The Parties shall cooperate with regard to issues of mutual interest concerning fisheries and maritime governance, thereby developing closer bilateral, multilateral and international cooperation in the fisheries sector.

ARTICLE 73

The Parties shall take common action, exchange information and provide mutual support in order to promote:

(a) responsible fishing and fisheries management consistent with the principles of sustainable development, so as to conserve fish stocks and ecosystems in a healthy state; and

(b) cooperation through relevant multilateral and international organisations responsible for management and conservation of living aquatic resources, in particular by strengthening appropriate international monitoring and law-enforcement instruments.

ARTICLE 74

The Parties shall support initiatives, such as mutual exchange of experience and the provision of support, in order to ensure the implementation of a sustainable fisheries policy covering:

(a) the management of fisheries and aquaculture resources;

(b) inspection and control of fishing activities;

(c) the collection of catch, landing, biological and economic data;

(d) the improvement of the efficiency of the markets, in particular by promoting producer organisations and providing information to consumers, and through marketing standards and traceability;

(e) the sustainable development of areas with lake shore or including ponds or a river estuary and with a significant level of employment in the fisheries sector; and

(f) institutional exchange of experience on sustainable aquaculture legislation and its practical implementation in natural basins and artificial lakes.

ARTICLE 75

Taking into account their cooperation in the areas of fisheries, transport, environment and other sea-related policies, the Parties shall also cooperate and provide mutual support, when appropriate, with regard to maritime issues, in particular by actively supporting an integrated approach to maritime affairs and good governance in the relevant regional and international fora.

CHAPTER 12

MINING

ARTICLE 76

The Parties shall develop and strengthen their cooperation in the areas of mining and the production of raw materials, with the objectives of promoting mutual understanding, improving the business environment, exchanging information and cooperating on non-energy issues relating in particular to the mining of metallic ores and industrial minerals.

ARTICLE 77

The Parties shall cooperate in order to:

(a) exchange information on the developments in their mining and raw-material sectors;

(b) exchange information on matters related to trade in raw materials with the aim of promoting bilateral exchanges;

(c) exchange information and best practices in relation to the sustainable development of the mining industries; and

(d) exchange information and best practices in relation to training, skills and safety in the mining industries.

CHAPTER 13

COOPERATION IN RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION

ARTICLE 78

The Parties shall promote cooperation in all areas of civil scientific research, technological development and innovation on the basis of mutual benefit and subject to appropriate and effective protection of intellectual property rights.

ARTICLE 79

Cooperation referred to in Article 78 shall cover:

(a) policy dialogue and the exchange of scientific and technological information;

(b) the facilitation of adequate access to the respective programmes of each Party;

(c) initiatives to increase research capacity and the participation of research entities from the Republic of Armenia in the research framework programme of the European Union;

(d) the promotion of joint projects for research in all areas of research and innovation;

(e) training activities and mobility programmes for scientists, researchers and other research staff engaged in research and innovation activities on both sides;

(f) the facilitation, within the framework of applicable legislation, of the free movement of research workers participating in the activities covered by this Agreement and the cross-border movement of goods intended for use in such activities; and

(g) other forms of cooperation in research and innovation on the basis of mutual agreement.

ARTICLE 80

In carrying out such cooperation activities, synergies should be sought with activities funded by the International Science and Technology Centre ("ISTC") and other activities carried out within the framework of financial cooperation between the European Union and the Republic of Armenia as stipulated in Chapter 1 of Title VII.

CHAPTER 14

CONSUMER PROTECTION

ARTICLE 81

The Parties shall cooperate in order to ensure a high level of consumer protection and to achieve compatibility between their systems of consumer protection.

ARTICLE 82

For the purposes of this Chapter cooperation may comprise:

(a) aiming at approximation of the Republic of Armenia's consumer legislation to that of the European Union, while avoiding barriers to trade;

(b) promoting the exchange of information on consumer protection systems, including consumer legislation and its enforcement, consumer product safety, information exchange systems, consumer education and empowerment, and consumer redress;

(c) training activities for administration officials and other consumer interest representatives; and

(d) encouraging the development of independent consumer associations and contacts between consumer representatives.

ARTICLE 83

The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union and international instruments referred to in Annex VI in accordance with the provisions of that Annex.

CHAPTER 15

EMPLOYMENT, SOCIAL POLICY AND EQUAL OPPORTUNITIES

ARTICLE 84

The Parties shall strengthen their dialogue and cooperation on promoting the International Labour Organisation ("ILO") Decent Work Agenda, employment policy, health and safety at work, social dialogue, social protection, social inclusion, gender equality and anti-discrimination, and thereby contribute to the promotion of more and better jobs, poverty reduction, enhanced social cohesion, sustainable development and improved quality of life.

ARTICLE 85

Cooperation, based on exchange of information and best practices, may cover a selected number of issues to be identified among the following areas:

(a) poverty reduction and the enhancement of social cohesion;

(b) employment policy, aiming at more and better jobs with decent working conditions, including with a view to reducing the informal economy and informal employment;

(c) promoting active labour market measures and efficient employment services to modernise the labour markets and to adapt to labour market needs;

(d) fostering more inclusive labour markets and social safety systems that integrate disadvantaged people, including people with disabilities and people from minority groups;

(e) equal opportunities and antidiscrimination, aiming at enhancing gender equality and ensuring equal opportunities between women and men, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;

(f) social policy, aiming at enhancing the level of social protection and modernising social protection systems, in terms of quality, accessibility and financial sustainability;

(g) enhancing the participation of social partners and promoting social dialogue, including through strengthening the capacity of all relevant stakeholders;

(h) promoting health and safety at work; and

(i) promoting corporate social responsibility.

ARTICLE 86

The Parties shall encourage the involvement of all relevant stakeholders, including civil-society organisations and in particular social partners, in the policy development and reforms of the Republic of Armenia and in the cooperation between the Parties under this Agreement.

ARTICLE 87

The Parties shall aim to enhance cooperation on employment and social policy matters in all relevant regional, multilateral and international fora and organisations.

ARTICLE 88

The Parties shall promote corporate social responsibility and accountability and encourage responsible business practices, such as those promoted by the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the ILO tripartite declaration of principles concerning multinational enterprises and social policy, and ISO 26000.

ARTICLE 89

A regular dialogue shall take place on the issues covered by this Chapter.

ARTICLE 90

The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union and international instruments referred to in Annex VII in accordance with the provisions of that Annex.

CHAPTER 16

COOPERATION IN THE AREA OF HEALTH

ARTICLE 91

The Parties shall develop their cooperation in the field of public health with a view to raising its level, in line with common health values and principles, and as a precondition for sustainable development and economic growth.

ARTICLE 92

Cooperation shall address the prevention and control of communicable and non-communicable diseases, including through the exchange of health information, the promotion of a health-in-all-policies approach, cooperation with international organisations, in particular the World Health Organization, and the promotion of the implementation of international health agreements such as the World Health Organization Framework Convention on Tobacco Control of 2003 and the International Health Regulations.

CHAPTER 17

EDUCATION, TRAINING AND YOUTH

ARTICLE 93

The Parties shall collaborate in the field of education and training to intensify cooperation and policy dialogue with a view to approximating the education and training systems in the Republic of Armenia with policies and practices of the European Union. The Parties shall cooperate to promote lifelong learning and encourage cooperation and transparency at all levels of education and training, with a special focus on vocational and higher education.

ARTICLE 94

Cooperation in the field of education and training shall focus, *inter alia*, on:

(a) promoting lifelong learning, which is key to growth and jobs and can allow citizens to participate fully in society;

(b) modernising education and training systems, including training systems for public/civil servants, and enhancing quality, relevance and access throughout the education ladder, from early childhood education and care to tertiary education;

(c) promoting convergence and coordinated reforms in higher education in line with the European Union Agenda for Higher Education and the European Higher Education Area ("Bologna Process");

(d) reinforcing international academic cooperation, increasing participation in cooperation programmes of the European Union and improving student and teacher mobility;

(e) encouraging the learning of foreign languages;

(f) developing the national qualifications framework to improve the transparency and recognition of qualifications and competences within the European Network of Information Centres and National Academic Recognition Information Centres ("ENIC-NARIC") community aligned with the European Qualifications Framework;

(g) enhancing cooperation to further develop vocational education and training, while taking into consideration good practice in the European Union; and

(h) reinforcing understanding and knowledge of the European integration process, the academic dialogue on EU-Eastern Partnership relations, and participation in relevant programmes of the European Union, including in the field of civil service.

ARTICLE 95

The Parties agree to collaborate in the field of youth to:

(a) reinforce cooperation and exchanges in the fields of youth policy and non-formal education for young people and youth workers;

(b) facilitate the active participation of all young people in society;

(c) support mobility for young people and youth workers as means of promoting intercultural dialogue and the acquisition of knowledge, skills and competences outside the formal educational systems, including through volunteering; and

(d) promote cooperation between youth organisations to support civil society.

CHAPTER 18

COOPERATION IN THE CULTURAL FIELD

ARTICLE 96

The Parties will promote cultural cooperation in accordance with the principles enshrined in the United Nations Educational, Scientific and Cultural Organisation ("UNESCO") Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005. The Parties will seek a regular policy dialogue in areas of mutual interest, including the development of cultural industries in the European Union and the Republic of Armenia. Cooperation between the Parties will foster intercultural dialogue, including through the participation of the culture sector and civil society from the European Union and the Republic of Armenia.

ARTICLE 97

Cooperation shall focus on, *inter alia*:

(a) cultural cooperation and cultural exchanges;

(b) the mobility of art and artists and the strengthening of the capacity of the cultural sector;

(c) intercultural dialogue;

(d) cultural policy dialogue;

(e) the Creative Europe Programme; and

(f) cooperation in international fora such as UNESCO and the Council of Europe in order to support cultural diversity and preserve and valorise cultural and historical heritage.

CHAPTER 19

COOPERATION IN THE AUDIOVISUAL AND MEDIA FIELDS

ARTICLE 98

The Parties will promote cooperation in the audiovisual field. Cooperation shall strengthen the audiovisual industries in the European Union and the Republic of Armenia, in particular through training of professionals and the exchange of information.

ARTICLE 99

1. The Parties shall develop a regular dialogue with regard to audiovisual and media policies and cooperate to reinforce independence and professionalism of the media as well as links with media in the European Union in compliance with European standards, including those of the Council of Europe and the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005.

2. Cooperation could cover, *inter alia*, the issue of the training of journalists and other media professionals, as well as support to the media.

ARTICLE 100

Cooperation shall focus on, *inter alia*:

(a) policy dialogue on audiovisual and media policies;

(b) cooperation in international fora (such as UNESCO and the WTO); and

(c) audiovisual and media cooperation, including cooperation in the field of cinema.

CHAPTER 20

COOPERATION IN THE FIELD OF SPORT AND PHYSICAL ACTIVITY

ARTICLE 101

The Parties shall promote cooperation in the field of sport and physical activity, in particular through the exchange of information and good practices in order to promote a healthy lifestyle, good governance as well as the social and educational values of sport and in order to fight against threats to sport such as doping, match-fixing, racism and violence within the European Union and the Republic of Armenia.

CHAPTER 21

CIVIL-SOCIETY COOPERATION

ARTICLE 102

The Parties shall establish a dialogue on civil-society cooperation, with the following objectives:

(a) to strengthen contacts and the exchange of information and experience between all sectors of civil society in the European Union and in the Republic of Armenia;

(b) to ensure a better knowledge and understanding of the Republic of Armenia, including its history and culture, in the European Union and in particular among civil-society organisations based in Member States, thus allowing for a better awareness of the opportunities and challenges for future relations; and

(c) to ensure a better knowledge and understanding of the European Union in the Republic of Armenia and in particular among civil-society organisations in the Republic of Armenia, with a non-exclusive focus on the values on which the European Union is founded, its policies and its functioning.

ARTICLE 103

1. The Parties shall promote dialogue and cooperation between civil-society stakeholders from both sides as an integral part of the relations between the European Union and the Republic of Armenia.

2. The aims of such dialogue and cooperation are:

(a) to ensure involvement of civil society in relations between the European Union and the Republic of Armenia;

(b) to enhance civil-society participation in the public decision-making process, in particular by establishing an open, transparent and regular dialogue between, on the one hand, public institutions and, on the other, representative associations and civil society;

(c) to facilitate the process of institution-building and the consolidation of civil-society organisations in various ways, including *inter alia*: advocacy support, informal and formal networking, mutual visits and workshops, in particular with a view to improving the legal framework for civil society; and

(d) to enable civil-society representatives from each side to become acquainted with the processes of consultation and dialogue between civil and social partners on the other side, in particular with a view to further integrating civil society into the public policy-making process in the Republic of Armenia.

ARTICLE 104

A regular dialogue will take place between the Parties on the issues covered by this Chapter.

CHAPTER 22

REGIONAL DEVELOPMENT, CROSS-BORDER AND REGIONAL LEVEL COOPERATION

ARTICLE 105

1. The Parties shall promote mutual understanding and bilateral cooperation in the field of regional development policy, including methods of formulation and implementation of regional policies, multi-level governance and partnership, with special emphasis on the development of disadvantaged areas and territorial cooperation, with the objective of establishing channels of communication and enhancing the exchange of information and experience between national, regional and local authorities, socio-economic actors and civil society.

2. In particular, the Parties shall cooperate with a view to aligning the practice of the Republic of Armenia with the following principles:

(a) strengthening multi-level governance in so far as it affects the central, regional and local level, with special emphasis on ways to enhance the involvement of regional and local stakeholders;

(b) consolidating the partnership between all stakeholders involved in regional development; and

(c) co-financing through financial contribution by the Parties involved in the implementation of regional development programmes and projects.

ARTICLE 106

1. The Parties shall support and strengthen the involvement of local- and regional-level authorities in regional-policy cooperation, including cross-border cooperation and the related management structures, enhance cooperation through the establishment of an enabling legislative framework, sustain and develop capacity-building measures and promote the strengthening of cross-border and regional economic and business networks.

2. The Parties will cooperate to consolidate the institutional and operational capacities of institutions of the Republic of Armenia in the fields of regional development and land-use planning by, *inter alia*:

(a) improving interinstitutional coordination, in particular the mechanism of vertical and horizontal interaction of central and local administration in the process of development and implementation of regional policies;

(b) developing the capacity of regional and local authorities to promote cross-border cooperation, taking into account regulations and practice of the European Union; and

(c) sharing knowledge, information and best practices on regional development policies to promote economic well-being for local communities and uniform development of the regions.

ARTICLE 107

1. The Parties shall strengthen and encourage development of cross-border cooperation in other areas covered by this Agreement such as, *inter alia*, transport, energy, environment, communication networks, culture, education, tourism and health.

2. The Parties shall intensify cooperation between their regions in the form of transnational and inter-regional programmes, encouraging the participation of regions of the Republic of Armenia in European regional structures and organisations and promoting their economic and institutional development by implementing projects of common interest.

3. The activities referred to in paragraph 2 will take place in the context of:

(a) continuing territorial cooperation with European regions (including through transnational and cross-border cooperation programmes);

(b) cooperation within the framework of the Eastern Partnership and with bodies of the European Union including the Committee of the Regions, and participation in various European regional projects and initiatives; and

(c) cooperation with, *inter alia*, the European Economic and Social Committee ("EESC"), and the European Spatial Planning Observation Network ("ESPON").

ARTICLE 108

A regular dialogue will take place on the issues covered by this Chapter.

CHAPTER 23

CIVIL PROTECTION

ARTICLE 109

The Parties shall develop and strengthen their cooperation on natural and man-made disasters. Cooperation shall be conducted while taking into account the interests of the Parties on the basis of equality and mutual benefit, as well as the interdependence existing between the Parties and multilateral activities in the field.

ARTICLE 110

Cooperation shall aim at improving the prevention of, preparation for and response to natural and man-made disasters.

ARTICLE 111

The Parties shall, *inter alia*, exchange information and expertise and implement joint activities on a bilateral basis and/or within the framework of multilateral programmes. Cooperation may take place, *inter alia*, through the implementation of specific agreements and/or administrative arrangements concluded between the Parties in the field of civil protection. The Parties may jointly decide on specific guidelines and/or work plans for the activities contemplated or planned under this Agreement.

ARTICLE 112

The cooperation may cover the following objectives:

(a) exchanging and regularly updating contact details in order to ensure continuity of dialogue and in order to be able to contact each other on a 24-hour basis;

(b) facilitating mutual assistance in case of major emergencies, as appropriate and subject to the availability of sufficient resources;

(c) exchanging on a 24-hour basis early warnings and updated information on large-scale emergencies affecting the European Union or the Republic of Armenia, including requests for and offers of assistance;

(d) exchanging information on the provision of assistance by Parties to third countries for emergencies where the EU Civil Protection Mechanism is activated;

(e) cooperating with regard to host-nation support when requesting or providing assistance;

(f) exchanging best practices and guidelines in the field of disaster prevention, preparedness and response;

(g) cooperating on disaster risk reduction by addressing, *inter alia*: institutional linkages and advocacy; information, education and communication; and best practices aimed at preventing or mitigating the impact of natural hazards;

(h) cooperating with a view to improving the knowledge base on disasters and on hazard and risk assessment for disaster management;

(i) cooperating with regard to the assessment of the environmental and public-health impact of disasters;

(j) inviting experts to specific technical workshops and symposia on civil-protection issues;

(k) inviting, on a case-by-case basis, observers to specific exercises and training sessions organised by the European Union and/or the Republic of Armenia; and

(l) strengthening cooperation on the most effective use of available civil-protection capabilities.

TITLE VI

TRADE AND TRADE RELATED MATTERS

CHAPTER 1

TRADE IN GOODS

ARTICLE 113

Most-favoured-nation treatment

1. Each Party shall accord most-favoured-nation treatment to goods of the other Party in accordance with Article I of GATT 1994 contained in Annex 1A of the Marrakesh Agreement Establishing the World Trade Organization, done on 15 April 1994 ("WTO Agreement"), including its interpretative notes, which are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Paragraph 1 of this Article does not apply in respect of preferential treatment accorded by either Party to goods of another country in accordance with GATT 1994.

ARTICLE 114

National treatment

Each Party shall accord national treatment to goods of the other Party in accordance with Article III of GATT 1994, including its interpretative notes, which is incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 115

Import duties and charges

Each Party shall apply import duties and charges in accordance with its obligations established under the WTO Agreement.

ARTICLE 116

Export duties, taxes or other charges

Neither Party shall adopt or maintain any duties, taxes or other charges imposed on, or in connection with, the exportation of goods destined to the territory of the other Party that are in excess of those imposed on like goods destined for the domestic market.

ARTICLE 117

Import and export restrictions

1. Neither Party may adopt or maintain any prohibition or restriction other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, in accordance with Article XI of GATT 1994 and its interpretative notes. To this end, Article XI of GATT 1994, including its interpretative notes, is incorporated into and made part of this Agreement, *mutatis mutandis*.

2. The Parties shall exchange information and good practices with regard to export controls on dual use goods with a view to promoting the convergence of the export controls of the European Union and of the Republic of Armenia.

ARTICLE 118

Remanufactured goods

1. The Parties shall accord to remanufactured goods the same treatment as that provided to new like goods. A Party may require specific labelling of remanufactured goods in order to prevent the deception of consumers.

2. For greater certainty, Article 117 paragraph 1 applies to prohibitions and restrictions on remanufactured goods.

3. In accordance with its obligations under this Agreement and the WTO Agreements, a Party may require that remanufactured goods:

(a) be identified as such for distribution or sale in its territory; and

(b) meet all applicable technical requirements that apply to equivalent goods in new condition.

4. If a Party adopts or maintains prohibitions or restrictions on used goods, it shall not apply those measures to remanufactured goods.

5. For the purposes of this Article, a remanufactured good means a good that:

(a) is entirely or partially comprised of parts obtained from goods that have been used beforehand, and;

(b) has similar performance and working conditions compared to the original new good and is given the same warranty as the new good.

ARTICLE 119

Temporary admission of goods

Each Party shall grant the other Party exemption from import charges and duties on goods admitted temporarily, in the instances and according to the procedures stipulated by international agreements on the temporary admission of goods binding upon it. This exemption shall be applied pursuant to the laws and regulations of each Party.

ARTICLE 120

Transit

The Parties agree that the principle of freedom of transit is an essential condition for attaining the objectives of this Agreement. In that connection, each Party shall provide for freedom of transit through its territory of goods consigned from or destined for the territory of the other Party in accordance with Article V of GATT 1994, including its interpretative notes, which is incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 121

Trade defence

1. Nothing in this Agreement shall prejudice or affect the rights and obligations of each Party under:

(a) Article XIX of GATT 1994 and the Agreement on Safeguards, contained in Annex 1A to the WTO Agreement;

(b) Article 5 of the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement, on special safeguard provisions; and

(c) Article VI of GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement, and the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement.

2. The existing rights and obligations referred to in paragraph 1, and measures resulting therefrom, shall not be subject to the dispute settlement provisions of this Agreement.

ARTICLE 122

Exceptions

1. The Parties affirm that their existing rights and obligations under Article XX of GATT 1994 and its interpretative notes shall apply to trade in goods covered by this Agreement. To that end Articles XX of GATT 1994, including its interpretative notes, is incorporated into and made part of this Agreement, *mutatis mutandis*.

2. The Parties understand that before taking any measures provided for in subparagraphs (i) and (j) of Article XX of GATT 1994, the Party intending to take the measures shall supply the other Party with all relevant information, with a view to seeking a solution acceptable to the Parties. The Parties may agree on any means needed to put an end to the difficulties. If no agreement is reached within 30 days of supplying such information, the Party may apply measures under this Article with regard to the good concerned. Where exceptional and critical circumstances requiring immediate action make prior information or examination impossible, the Party intending to take the measures may apply forthwith the precautionary measures necessary to deal with the situation and shall inform the other Party immediately thereof.

CHAPTER 2

CUSTOMS

ARTICLE 123

Customs cooperation

1. The Parties shall strengthen cooperation in the area of customs in order to facilitate trade, ensure a transparent trade environment, enhance supply chain security, promote safety of consumers, prevent flows of goods infringing intellectual property rights and fight smuggling and fraud.

2. In order to implement the objectives referred to in paragraph 1 and within the limits of available resources, the Parties shall cooperate to, *inter alia*:

(a) improve customs legislation, regulations, practices and related binding decisions and simplify customs procedures, in compliance with international conventions and standards applicable in the field of customs and trade facilitation, including those developed by the World Trade Organization, the World Customs Organization, in particular the International Convention on the Simplification and Harmonization of Customs Procedures, as amended ("Revised Kyoto Convention"), and taking into account the instruments and best practices developed by the European Union, including customs blueprints;

(b) establish modern customs systems, including modern customs clearance technologies, provisions for authorised economic operators, automated risk-based analysis and controls, simplified procedures for the release of goods, post-clearance controls, transparent customs valuation and provisions for customs-to-business partnerships;

(c) encourage the highest standards of integrity in the area of customs, in particular at the border, through the application of measures reflecting the principles set out in the Declaration of the Customs Cooperation Council concerning Good Governance and Integrity in Customs as last revised in June 2003 ("World Customs Organization's Revised Arusha Declaration");

(d) exchange best practices as well as provide training and technical support for planning and capacity building and for ensuring the highest standards of integrity;

(e) exchange, where appropriate, relevant information and data subject to the legal requirements of each Party on the confidentiality of sensitive data and on the protection of personal data;

(f) engage, where relevant and appropriate, in coordinated customs actions between the customs authorities of the Parties;

(g) establish, where relevant and appropriate, mutual recognition of authorised economic operators programmes and customs controls, including equivalent trade facilitation measures;

(h) pursue, where relevant and appropriate, possibilities for interconnectivity of the respective customs transit systems; and

(i) improve the implementation of customs-related obligations in the trade relations between the European Union and the Republic of Armenia, including cooperation on the origin of goods.

ARTICLE 124

Mutual administrative assistance

Without prejudice to other forms of cooperation envisaged in this Agreement, in particular in its Article 123, the Parties shall provide each other with mutual administrative assistance in customs matters in accordance with the provisions of Protocol II on Mutual Administrative Assistance in Customs Matters to this Agreement.

ARTICLE 125

Customs valuation

1. The Parties shall apply the provisions of the Agreement on the Implementation of Article VII of GATT 1994, including any subsequent amendments, to the valuation of goods for customs purposes in trade between the Parties. Those provisions are hereby incorporated into this Agreement and made part thereof *mutatis mutandis*.

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

ARTICLE 126

Sub-Committee on Customs

1. The Sub-Committee on Customs is hereby established.

2. The Sub-Committee on Customs shall hold regular meetings and monitor the implementation of this Chapter, including the matters of customs cooperation, facilitating trade, cross-border customs cooperation and management, customs related technical assistance, rules of origin, customs enforcement of intellectual property rights, as well as mutual administrative assistance in customs matters.

3. The Sub-Committee on Customs shall *inter alia*:

(a) see to the proper functioning of this Chapter and of Protocol II on Mutual Administrative Assistance on Customs Matters to this Agreement;

(b) adopt practical arrangements and measures to implement this Chapter and Protocol II on Mutual Administrative Assistance on Customs Matters to this Agreement, including on exchange of information and data, mutual recognition of customs controls and trade partnership programmes, and mutually agreed benefits;

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

(d) make recommendations to the Partnership Committee, where appropriate.

CHAPTER 3

TECHNICAL BARRIERS TO TRADE

ARTICLE 127

Objective

The objective of this Chapter is to facilitate trade in goods between the Parties, by providing a framework to prevent, identify and eliminate unnecessary barriers to trade within the scope of the Agreement on Technical Barriers to Trade, contained in Annex 1A to the WTO Agreement ("TBT Agreement").

ARTICLE 128

Scope and definitions

1. This Chapter applies to the preparation, adoption and application by each Party of standards, technical regulations and conformity assessment procedures, as defined in the TBT Agreement, that affect or may affect trade in goods between the Parties.

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

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

ARTICLE 129

The TBT Agreement

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

ARTICLE 130

Cooperation in the field of technical barriers to trade

1. The Parties shall strengthen their cooperation with regard to standards, technical regulations, metrology, market surveillance, accreditation and conformity assessment procedures with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets. To that end, the Parties shall seek to identify and develop regulatory cooperation mechanisms and initiatives appropriate for the particular issues or sectors, which may include, but are not limited to:

(a) exchanging information and experiences on the preparation and application of their respective technical regulations and conformity assessment procedures;

(b) working towards the possibility of converging or aligning technical regulations and conformity assessment procedures;

(c) encouraging cooperation between their respective bodies responsible for metrology, standardisation, conformity assessment and accreditation; and

(d) exchanging information on developments in relevant regional and multilateral fora related to standards, technical regulations, conformity assessment procedures and accreditation.

2. In order to promote mutual trade, the Parties shall:

(a) seek to reduce the differences which exist between them with regard to technical regulations, metrology, standardisation, market surveillance, accreditation and conformity assessment procedures, including by encouraging the use of relevant internationally agreed instruments;

(b) promote, in accordance with international rules, the use of accreditation in support of the assessment of the technical competence of conformity assessment bodies and their activities; and

(c) promote the participation and, where possible, the membership of the Republic of Armenia and its relevant national bodies in the European and international organisations the activity of which relates to standards, conformity assessment, accreditation, metrology and related functions.

3. The Parties shall endeavour to establish and maintain a process through which gradual approximation of the technical regulations, standards and conformity assessment procedures of the Republic of Armenia to those of the European Union can be achieved.

4. For areas in which alignment has been achieved, the Parties may consider negotiating agreements on conformity assessment procedures and acceptance of industrial products.

ARTICLE 131

Marking and labelling

1. Without prejudice to Article 129 of this Agreement, and with respect to technical regulations relating to labelling or marking requirements, the Parties reaffirm the principles of Article 2.2 of the TBT Agreement that such requirements are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade. For that purpose, such labelling or marking requirements shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks that non-fulfilment would create. The Parties shall promote the use of internationally harmonised marking requirements. Where appropriate, the Parties shall endeavour to accept detachable or non-permanent labelling.

2. In particular, with regard to mandatory labelling or marking requirements, the Parties shall:

(a) endeavour to minimise their respective requirements for labelling or marking in mutual trade, except as required for the protection of health, safety or the environment, or for other reasonable public policy purposes; and

(b) retain the right to require the information on the label or marking to be in a language specified by a Party.

ARTICLE 132

Transparency

1. Without prejudice to Chapter 12, each Party shall ensure that its procedures for the development of technical regulations and conformity assessment procedures allow for public consultation of interested parties at an early appropriate stage, when comments resulting from the public consultation can still be introduced and taken into account, except where that is not possible because of an emergency or threat thereof related to safety, health, environmental protection or national security.

2. In accordance with Article 2.9 of the TBT Agreement, each Party shall allow a period for comments at an early appropriate stage following the notification of proposed technical regulations or conformity assessment procedures. Where a consultation process on proposed technical regulations or conformity assessment procedures is open to the public, each Party shall permit the other Party, or natural or legal persons of the other Party, to participate in the public consultations on terms no less favourable than those accorded to its own natural or legal persons.

3. Each Party shall ensure that its adopted technical regulations and conformity assessment procedures are publicly available.

CHAPTER 4

SANITARY AND PHYTOSANITARY MATTERS

ARTICLE 133

Objective

The objective of this Chapter is to set out the principles applicable to sanitary and phytosanitary ("SPS") measures in trade between the Parties, as well as cooperation in animal welfare. Those principles shall be applied by the Parties in a manner that facilitates trade while preserving each Party's level of protection with regard to the life or health of humans, animals and plants.

ARTICLE 134

Multilateral obligations

The Parties affirm their rights and obligations under the SPS Agreement.

ARTICLE 135

Principles

1. The Parties shall ensure that SPS measures are developed and applied on the basis of the principles of proportionality, transparency, non-discrimination and scientific justification taking into account international standards such as set in the International Plant Protection Convention of 1951 ("IPPC"), the World Organisation of Animal Health ("OIE") and Codex Alimentarius Commission ("Codex").

2. Each Party shall ensure that its SPS measures do not arbitrarily or unjustifiably discriminate between its own territory and the territory of the other Party to the extent that identical or similar conditions prevail. SPS measures shall not be applied in a manner which would constitute a disguised restriction on trade.

3. Each Party shall ensure that SPS measures, procedures and controls are implemented.

4. Each Party shall reply to request for information received from a competent authority of the other Party no later than two months from receiving the request and in a manner no less favourable to imported products than to like domestic products.

ARTICLE 136

Import Requirements

1. The import requirements of the importing Party shall be applicable to the entire territory of the exporting Party, subject to Article 137.

2. The import requirements set out in certificates shall be based on Codex, OIE and IPPC principles, unless the import requirements are supported by a science-based risk assessment conducted in accordance with the provisions of the SPS Agreement.

3. The requirements set out in import permits shall not contain more stringent sanitary and veterinary conditions than those laid down in the certificates referred to in paragraph 2.

ARTICLE 137

Measures linked to animal and plant health

1. The Parties shall recognise the concept of pest- or disease-free areas and areas of low pest or disease prevalence in accordance with the SPS Agreement and the relevant Codex, OIE and IPPC standards, guidelines and recommendations.

2. When determining pest- or disease-free areas and areas of low pest or disease prevalence, the Parties shall consider factors such as geographical location, ecosystems, epidemiological surveillance, and the effectiveness of sanitary or phytosanitary controls in such areas.

ARTICLE 138

Inspections and audits

The importing Party may carry out on its own cost inspections and audits on the territory of the exporting Party to evaluate the latter's inspection and certification systems. Those inspections and audits shall be performed in accordance with the relevant international standards, guidelines and recommendations.

ARTICLE 139

Exchange of information and cooperation

1. The Parties shall discuss and exchange information on existing SPS and animal-welfare measures and on their development and implementation. Such discussions and exchanges of information shall take into account the SPS Agreement and the relevant Codex, OIE and IPPC standards, guidelines and recommendations, as appropriate.

2. The Parties shall cooperate on animal health, animal welfare and plant-health matters through the exchange of information, expertise and experience, with the objective of building up capacity in those fields.

3. The Parties shall, upon the request of either Party, establish a timely dialogue on SPS matters to consider matters relating to SPS and any other urgent issues covered by this Chapter.
The Partnership Committee may adopt rules of procedures for the conduct of such dialogues.

4. The Parties shall designate and regularly update contact points for communication on matters covered by this Chapter.

ARTICLE 140

Transparency

Each Party shall:

(a) pursue transparency as regards SPS measures applicable to trade and, in particular, to the SPS requirements applied to imports of the other Party;

(b) communicate, upon the request of the other Party and within two months of the date of that request, the SPS requirements that apply for the import of specific products, including whether a risk assessment is needed; and

(c) notify the other Party about any serious or significant public, animal or plant health risk, including any food emergency. This notification shall be done, in writing, within two working days from the date on which that risk is revealed.

CHAPTER 5

TRADE IN SERVICES, ESTABLISHMENT AND ELECTRONIC COMMERCE

SECTION A
GENERAL PROVISIONS

ARTICLE 141

Objective, scope and coverage

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

2. Nothing in this Chapter shall be construed as imposing any obligation on the Parties with respect to government procurement subject to the provisions of Chapter 8.

3. This Chapter does not apply to subsidies granted by a Party which are subject to Chapter 10.

4. Consistent with this Chapter, each Party retains the right to adopt and maintain measures to pursue legitimate policy objectives.

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

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

ARTICLE 142

Definitions

For purposes of this Chapter:

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

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

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

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

(c) "natural person of a Party" means a national of a Member State according to its legislation or a national of the Republic of Armenia according to its legislation;

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

(e) "juridical person of a Party" means a juridical person set up in accordance with the law of a Member State and of the European Union or of the Republic of Armenia, and having its registered office, central administration, or principal place of business in the territory to which the Treaty on the Functioning of the European Union applies or in the territory of the Republic of Armenia;

a juridical person that has only its registered office or central administration in the territory to which the Treaty on the Functioning of the European Union applies or in the territory of the Republic of Armenia, respectively, shall not be considered as a juridical person of the European Union or a juridical person of the Republic of Armenia unless its operations possess a real and continuous link with the economy of the European Union or of the Republic of Armenia, respectively;

(f) notwithstanding the preceding paragraphs, shipping companies established outside the European Union or the Republic of Armenia and controlled by nationals of the Member States or of the Republic of Armenia, respectively, shall also be beneficiaries of the provisions of this Agreement, if their vessels are registered in accordance with their respective legislation, in a Member State or in the Republic of Armenia and fly the flag of that Member State or of the Republic of Armenia;

(g) "subsidiary of a juridical person of a Party" means a legal person which is effectively controlled by another juridical person of that Party[1];

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

(i) "establishment" means:

(i) as regards juridical persons of a Party, juridical persons taking-up and pursuing economic activities by means of setting up, including the acquisition of, a juridical person or creating a branch or a representative office in the European Union or in the Republic of Armenia respectively;

(ii) as regards natural persons of a Party, natural persons taking-up and pursuing economic activities as self-employed persons, or setting up undertakings, in particular companies, which they effectively control;

(j) "economic activities" includes activities of an industrial, commercial and professional character and activities of craftsmen and does not include activities performed in the exercise of governmental authority;

[1] A juridical person is controlled by another juridical person if the latter has the power to name a majority of its directors or otherwise to legally direct its actions.

(k) "operations" means the pursuit of economic activities;

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

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

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

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

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

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

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

SECTION B

ESTABLISHMENT

ARTICLE 143

Scope

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

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

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

(c) audiovisual services;

(d) national maritime cabotage[2], and

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

[2] Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, national maritime cabotage under this chapter covers transportation of passengers or goods between a port or point located in the Republic of Armenia or a Member State and another port or point located in the Republic of Armenia or Member State, including on its continental shelf, as provided in the UN Convention on the Law of the Sea, and traffic originating and terminating in the same port or point located in the Republic of Armenia or Member State.

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

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

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

(iii) computer reservation system ("CRS") services;

(iv) groundhandling services; and

(v) airport operation services.

ARTICLE 144

National treatment and most favourable nation treatment

1. Subject to reservations listed in Annex VIII-E, the Republic of Armenia shall grant, upon entry into force of this Agreement:

(a) as regards the establishment of subsidiaries, branches and representative offices by natural or juridical persons of the European Union, treatment no less favourable than that accorded to its own juridical persons, branches and representative offices or to any third-country juridical persons, branches and representative offices, whichever is the better; and

[1] The conditions of mutual market access in air transport will be dealt with by the future agreement between the Parties on the establishment of a Common Aviation Area.

(b) as regards the operation of subsidiaries, branches and representative offices by natural or juridical persons of the European Union in the Republic of Armenia, once established, treatment no less favourable than that accorded to its own juridical persons, branches and representative offices or to any juridical persons, branches and representative offices of any third-country juridical persons, whichever is the better.[1]

2. Subject to reservations listed in Annex VIII-A, the European Union shall grant, upon entry into force of this Agreement:

(a) as regards the establishment of subsidiaries, branches and representative offices by natural or juridical persons of the Republic of Armenia, treatment no less favourable than that accorded by the European Union to its own juridical persons, branches and representative offices or to any third-country juridical persons, branches and representative offices, whichever is the better; and

(b) as regards the operation of subsidiaries, branches and representative offices by natural or juridical persons of the Republic of Armenia in the European Union, once established, treatment no less favourable than that accorded to their own juridical persons, branches and representative offices; or to any juridical persons, branches and representative offices of any third-country juridical persons, whichever is the better.[2]

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

2 This obligation does not extend to the investment protection provisions not covered by this Section including provisions relating to investor state dispute settlement procedures, as found in other agreements.

3. Subject to reservations listed in Annexes VIII-A and VIII-E, the Parties shall not adopt any new measures which introduce discrimination as regards the establishment on their territory of juridical persons of the other Party or in respect of the operation of such juridical persons, once established, by comparison with their own juridical persons.

ARTICLE 145

Review

With a view to progressively liberalising the establishment conditions, the Partnership Committee, when meeting in trade configuration, shall regularly review the legal framework[1] and the environment for establishment.

ARTICLE 146

Other agreements

Nothing in this Chapter shall be construed as to limiting the rights of investors of the Parties to benefit from more favourable treatment provided for in any existing or future international agreement relating to investment to which a Member State and the Republic of Armenia are parties.

[1] This includes this Chapter and Annexes VIII-A and VIII-E.

ARTICLE 147

Standard of treatment for branches and representative offices

1. The provisions of Article 144 do not preclude a Party from applying particular measures concerning the establishment and operation in its territory of branches and representative offices of juridical persons of the other Party not incorporated in the territory of the former Party if those measures are justified by legal or technical differences between such branches and representative offices as compared to branches and representative offices of juridical persons incorporated in the territory of the former Party or, as regards financial services, for prudential reasons.

2. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences or, as regards financial services, for prudential reasons.

SECTION C

CROSS-BORDER SUPPLY OF SERVICES

ARTICLE 148

Scope

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

(a) audiovisual services;

(b) national maritime cabotage[1]; and

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

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

1 Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, national maritime cabotage under this chapter covers transportation of passengers or goods between a port or point located in the Republic of Armenia or a Member State and another port or point located in the Republic of Armenia or Member State, including on its continental shelf, as provided in the UN Convention on the Law on the Sea and traffic originating and terminating in the same port or point located in the Republic of Armenia or Member State.

2 The conditions of mutual market access in air transport will be dealt with by the future agreement between the Parties on the establishment of a Common Aviation Area.

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

(iii) computer reservation system ("CRS") services;

(iv) ground handling services; and

(v) airport operation services.

ARTICLE 149

Market access

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

2. In sectors where market access commitments are undertaken, each Party shall not adopt or maintain, either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annexes VIII-B and VIII-F, the following measures:

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

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

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

ARTICLE 150

National treatment

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

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

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

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

ARTICLE 151

Lists of commitments

1. The sectors liberalised by each of the Parties pursuant to this Chapter and, by means of reservations, the market access and national treatment limitations applicable to services and service suppliers of the other Party in those sectors are set out in the lists of commitments included in Annexes VIII-B and VIII-F.

2. Without prejudice to rights and obligations of the Parties as they exist or could arise under the European Convention on Transfrontier Television of 1989 and the European Convention on Cinematographic Co-Production of 1992, the lists of commitments in Annexes VIII-B and VIII-F do not include commitments on audiovisual services.

ARTICLE 152

Review

With a view to progressively liberalising the cross-border supply of services between the Parties, the Partnership Committee, meeting in trade configuration, shall regularly review the list of commitments referred to in Articles 149 to 151. That review shall take into account, *inter alia*, the process of gradual approximation, referred to in Articles 169, 180 and 192, and its impact on the elimination of remaining obstacles to the cross-border supply of services between the Parties.

SECTION D

TEMPORARY PRESENCE OF NATURAL PERSONS FOR BUSINESS PURPOSES

ARTICLE 153

Scope and definitions

1. This Section applies to measures of the Parties concerning the entry and temporary stay in their territories of key personnel, graduate trainees, business sellers, contractual service suppliers and independent professionals without prejudice to Article 141 paragraph 5.

2. For the purposes of this Section:

(a) "key personnel" means natural persons who are employed within a juridical person of a Party other than a non-profit organisation[1], who are responsible for the setting-up or the proper control, administration and operation of an establishment and who are either "business visitors for establishment purposes" or "intra-corporate transferees";

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

(c) "intra-corporate transferees" means natural persons who have been employed by a juridical person of a Party or have been partners in it for at least one year, who are temporarily transferred to an establishment that may be a subsidiary, branch or head company of the juridical person in the territory of the other Party and who are either "managers" or "specialists";

(d) "managers" means natural persons who work in a senior position within a juridical person, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or from stockholders of the business or their equivalent and whose role includes at least:

1 The reference to other than a "non-profit organisation" only applies for Belgium, Czech Republic, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Finland and United Kingdom.

(i) directing the establishment or a department or sub-division thereof;

(ii) supervising and controlling the work of other supervisory, professional or managerial employees; and

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

(e) "specialists" means persons working within a juridical person of a Party who possess uncommon knowledge essential to the establishment's production, research equipment, techniques, processes, procedures or management;

in assessing such knowledge, account will be taken not only of knowledge specific to the establishment, but also of whether the person has a high level of qualification, including adequate professional experience related to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession;

(f) "graduate trainees" means natural persons who have been employed by a juridical person of a Party or its branch for at least one year, possess a university degree and are temporarily transferred to an establishment of the juridical person in the territory of the other Party for career-development purposes or to obtain training in business techniques or methods[1];

[1] The recipient establishment may be required to submit a training programme covering the duration of the stay for prior approval, demonstrating that the purpose of the stay is for training. For Czech Republic, Germany, Spain, France, Lithuania, Hungary and Austria the training shall be linked to the university degree which has been obtained.

(g) "business sellers"[1] means natural persons who are representatives of a services or goods supplier of a Party seeking entry into and temporary stay in the territory of the other Party for the purpose of negotiating the sale of services or goods, or entering into agreements to sell services or goods for that supplier, who do not engage in making direct sales to the general public, who do not receive remuneration from a source located within the host Party, and who are not commission agents;

(h) "contractual service suppliers" means natural persons employed by a juridical person of a Party which itself is not an agency for placement and supply services of personnel nor acting through such an agency, has no establishment in the territory of the other Party and has concluded a bona fide contract to supply services with a final consumer in the other Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services[2];

(i) "independent professionals" means natural persons engaged in the supply of a service and established as self-employed in the territory of a Party who have no establishment in the territory of the other Party and who have concluded a *bona fide* contract (other than through an agency for placement and supply services of personnel) to supply services with a final consumer in the latter Party, requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services[3]; and

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1 United Kingdom: The category of business sellers is only recognised for service sellers.

2 The service contract referred to in points (h) and (i) shall comply with the laws and regulations and with other requirements of the Party where the contract is executed.

3 The service contract referred to in points (h) and (i) shall comply with the laws and regulations and with other requirements of the Party where the contract is executed.

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

ARTICLE 154

Key personnel and graduate trainees

1. For every sector committed in accordance with Section B and subject to any reservations listed in Annex VIII-C each Party shall allow entrepreneurs of the other Party to employ in their establishment natural persons of that other Party provided that such employees are key personnel or graduate trainees as defined in Article 153. The entry and temporary stay of key personnel and graduate trainees shall be for a period of up to three years for intra-corporate transferees, 90 days in any 12 month period for business visitors for establishment purposes, and one year for graduate trainees.

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

ARTICLE 155

Business sellers

For every sector committed in accordance with Sections B or C and subject to any reservations listed in Annex VIII-C, each Party shall allow the entry and temporary stay of business sellers for a period of up to 90 days in any 12 month period.

ARTICLE 156

Contractual service suppliers

1. The Parties affirm their respective obligations arising from their commitments under the WTO General Agreement on Trade in Services as regards the entry and temporary stay of contractual service suppliers.

2. In accordance with Annexes VIII-D and VIII-G, each Party shall allow the supply of services into their territory by contractual services suppliers of the other Party, subject to the following conditions:

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

(b) the natural persons entering the other Party offer that service as employees of the juridical person supplying the services for at least the year immediately preceding the date of submission of an application for entry into the other Party, and, in addition, possess, at the date of submission of an application for entry into the other Party, at least three years of professional experience[1] in the sector of activity which is the subject of the contract;

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

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

(ii) the professional qualifications required to exercise an activity pursuant to the laws and regulations or other measures of the Party where the service is supplied;

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

(e) the entry and temporary stay of natural persons within the Party concerned is for a cumulative period of not more than six months or, in the case of Luxembourg, 25 weeks in any 12 month period or for the duration of the contract, whichever is less;

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

1 Obtained after having reached the age of majority.

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

(g) the number of persons covered by the service contract is not larger than necessary to fulfil the contract, in accordance with the laws and regulations or other measures of the Party where the service is supplied.

ARTICLE 157

Independent professionals

In accordance with Annexes VIII-D and VIII-G, each Party shall allow the supply of services into its territory by independent professionals of the other Party, subject to the following conditions:

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

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

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

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

(ii) the professional qualifications required to exercise an activity pursuant to the laws and regulations or other measures of the Party where the service is supplied;

(d) the entry and temporary stay of natural persons within the Party concerned is for a cumulative period of not more than six months or, in the case of Luxembourg, 25 weeks in any 12 month period or for the duration of the contract, whatever is less; and

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

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

SECTION E

REGULATORY FRAMEWORK

SUBSECTION I

DOMESTIC REGULATION

ARTICLE 158

Scope and definitions

1. This Section applies to measures by the Parties relating to licensing requirements and procedures, qualification requirements and procedures that affect:

(a) the cross-border supply of services;

(b) the establishment in their territory of natural and juridical persons of a Party; and

(c) the temporary stay in their territory of categories of natural persons referred to in Article 153.

2. In the case of cross-border supply of services, this Section applies only to sectors for which a Party has undertaken specific commitments and to the extent that those specific commitments apply. In the case of establishment, this Section does not apply to sectors to the extent that a reservation is listed in Annexes VIII-A and VIII-E. In the case of temporary stay of natural persons, this Section does not apply to sectors to the extent that a reservation is listed in Annexes VIII-C, VIII-D and VIII-G.

3. This Section does not apply to measures to the extent that they constitute limitations subject to scheduling.

4. For the purpose of this Section:

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

(b) "licensing procedures" means administrative or procedural rules to which a natural or a juridical person seeking authorisation to carry out the activities referred to in paragraph 1, including the amendment or renewal of a licence, is required to adhere in order to demonstrate compliance with licensing requirements;

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

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

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

ARTICLE 159

Conditions for licencing and qualification

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

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

(a) proportionate to a public-policy objective;

(b) clear and unambiguous;

(c) objective;

(d) pre-established;

(e) made public in advance; and

(f) transparent and accessible.

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

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

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

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

ARTICLE 160

Licencing and qualification procedures

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

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

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

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

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

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

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

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

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

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

SUBSECTION II

PROVISIONS OF GENERAL APPLICATION

ARTICLE 161

Mutual recognition

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

2. Each Party shall encourage the relevant professional bodies in its territory to provide recommendations on mutual recognition of qualifications and professional experience to the Partnership Committee, meeting in its trade configuration, for the purpose of the fulfilment, in whole or in part, by entrepreneurs and service suppliers of the criteria applied by each Party for the authorisation, licensing, operation and certification of entrepreneurs and service suppliers and, in particular, professional services.

3. Upon receipt of a recommendation referred to in paragraph 2, the Partnership Committee, meeting in its trade configuration, shall, within a reasonable time, review that recommendation with a view to determining whether it is consistent with this Agreement and, on the basis of the information contained, assess in particular:

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

(b) the potential economic value of an agreement on mutual recognition of qualifications and professional experience.

4. Where the requirements specified in paragraph 3 are satisfied, the Partnership Committee, meeting in its trade configuration, shall establish the necessary steps to negotiate an agreement on mutual recognition and thereafter recommend that the competent authorities of the Parties launch negotiations.

5. Any such agreement shall be in conformity with the relevant provisions of the WTO Agreement and, in particular, Article VII of the General Agreement on Trade in Services contained in Annex 1B to the WTO Agreement ("GATS").

ARTICLE 162

Transparency and disclosure of confidential information

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

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

SUBSECTION III

COMPUTER SERVICES

ARTICLE 163

Understanding on computer services

1. In liberalising trade in computer services in accordance with Sections B, C and D, the Parties shall comply with the paragraphs 2 to 4.

2. The Central Product Classification ("CPC"[1]) 84, which is the United Nations code used for describing computer and related services, covers the basic functions used to provide all computer and related services: computer programmes defined as the sets of instructions required to make computers work and communicate (including their development and implementation), data processing and storage, and related services, such as consultancy and training services for staff of clients. Technological developments have led to the increased offering of such services as a bundle or package of related services that can include some or all of those basic functions. For example, services such as web or domain hosting, data mining services and grid computing each consist of a combination of basic computer services functions.

[1] Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC prov, 1991.

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

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

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

(c) data processing, data storage, data hosting or database services;

(d) maintenance and repair services for office machinery and equipment, including computers; or

(e) training services for staff of clients, related to computer programmes, computers or computer systems, and not elsewhere classified.

4. Computer and related services enable the provision of other services, such as banking, by both electronic and other means. In such cases it is important to distinguish between the enabling service, such as web-hosting or application hosting), and the content or core service, such as banking, that is being supplied electronically. In such cases, the content or core service is not covered by CPC 84.

SUBSECTION IV

POSTAL SERVICES[1]

ARTICLE 164

Scope and definitions

1. This Subsection sets out the principles of the regulatory framework for all postal service.

2. For the purpose of this Subsection and Sections B, C and D:

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

(b) "universal service" means the permanent provision of a minimum set of postal services of specified quality at all points in the territory of a Party.

ARTICLE 165

Prevention of market distortive practices

Each Party shall ensure that a supplier of postal services subject to a universal service obligation or a postal monopoly does not engage in market-distortive practices such as:

[1] This section applies to both CPC 7511 and CPC 7512.

(a) using revenues derived from the supply of such service to cross-subsidise the supply of an express delivery service or any non-universal delivery service; and

(b) unjustifiably differentiating among customers such as businesses, large-volume mailers or consolidators with respect to tariffs or other terms and conditions for the supply of a service subject to a universal service obligation or a postal monopoly.

ARTICLE 166

Universal service

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

2. Tariffs for the universal service shall be affordable to meet the needs of users.

ARTICLE 167

Licences

1. Each Party should endeavour to replace any licences for services not covered by the scope of the universal service with a simple registration.

2. Where a licence is required:

(a) the terms and conditions of licences, which shall not be more burdensome than necessary to achieve their aim, shall be made publicly available;

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

(c) each Party shall provide for an appeal procedure through an independent body that shall be transparent, non-discriminatory and based on objective criteria.

ARTICLE 168

Independence of the regulatory body

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

ARTICLE 169

Gradual approximation

The Parties recognise the importance of gradual approximation of the legislation of the Republic of Armenia on postal services to that of the European Union.

SUBSECTION V

ELECTRONIC COMMUNICATION NETWORK AND SERVICES

ARTICLE 170

Scope and definitions

1. This Subsection sets out principles of the regulatory framework for the provision of electronic communications networks and services, liberalised pursuant to Sections B, C and D.

2. For the purpose of this Subsection:

(a) "electronic communications network" means transmission systems and, where applicable, switching or routing equipment and other resources, including network elements which are not active, which permit the conveyance of signals by wire, radio, optical, or other electromagnetic means;

(b) "electronic communications service" means a service which consists wholly or mainly in the conveyance of signals on electronic communications networks, including telecommunications services and transmission services in networks used for broadcasting; those services exclude services providing, or exercising editorial control over, content transmitted using electronic communications networks and services;

(c) "public electronic communications service" means any electronic communications service that a Party requires, explicitly or in effect, to be offered to the public generally;

(d) "public electronic communications network" means an electronic communications network which is used wholly or mainly for the provision of electronic communications services available to the public and which supports the transfer of information between network termination points;

(e) "public telecommunications service" means any telecommunications transport service required, explicitly or in effect, by a Party to be offered to the public generally such services may include, *inter alia*, telegraph, telephone, telex, and data transmission typically involving the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form or content of the customer's information;

(f) "regulatory authority in the electronic communications sector" means the body or bodies charged by a Party with the regulation of electronic communications mentioned in this Subsection;

(g) "essential facilities" mean facilities of a public electronic communications network and service that

(i) are exclusively or predominantly provided by a single or limited number of suppliers; and

(ii) cannot feasibly be economically or technically substituted in order to provide a service;

(h) "associated facilities" means those associated services, physical infrastructures and other facilities or elements associated with an electronic communication network or service which enable or support the provision of services via that network or service or have the potential to do so, and include, *inter alia*, buildings or entries to buildings, building wiring, antennae, towers and other supporting constructions, ducts, conduits, masts, manholes and cabinets;

(i) "major supplier[1]" in the electronic communications sector is a supplier which has the ability to materially affect the terms of participation, having regard to price and supply, in the relevant market for electronic communications services as a result of control over essential facilities or the use of its position in the market;

(j) "access" means the making available of facilities or services to another supplier under defined conditions, for the purpose of providing electronic communication services and covers *inter alia* access to:

(i) network elements and associated facilities, which may involve the connection of equipment, by fixed or non-fixed means, in particular this includes access to the local loop and to facilities and services necessary to provide services over the local loop;

(ii) physical infrastructure including buildings, ducts and masts;

(iii) relevant software systems including operational support systems;

(iv) information systems or databases for pre-ordering, provisioning, ordering, maintaining and repair requests, and billing;

[1] The Parties agree that a "major supplier" is equivalent to supplier with significant market power.

(v) number translation or systems offering equivalent functionality;

(vi) fixed and mobile networks, in particular for roaming; and

(vii) virtual network services;

(k) "interconnection" means the physical and logical linking of public electronic communications networks used by the same or different suppliers in order to allow the users of one supplier to communicate with users of the same or another supplier or to access services provided by another supplier, services that may be provided by the parties involved or other parties who have access to the network;

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

(m) "number portability" means the ability of all subscribers of public electronic communications services who so request to retain, at the same location, the same telephone numbers without impairment of quality, reliability or convenience when switching between the same category of suppliers of public electronic communications services.

ARTICLE 171

Regulatory authority

1. Each Party shall ensure that its regulatory authorities for electronic communications networks and services are legally distinct and functionally independent from any supplier of electronic communications networks, electronic communications services or electronic communications equipment.

2. A Party that retains ownership or control of providers of electronic communication networks or services shall ensure effective structural separation of the regulatory function from activities associated with ownership or control. The regulatory authority shall act independently and shall not seek or accept instructions from any other body in relation to the exercise of these tasks assigned to it under domestic law.

3. Each Party shall ensure that its regulatory authorities are sufficiently empowered to regulate the sector, and have adequate financial and human resources to carry out the task assigned to it. Only appeal bodies referred to in paragraph 7 shall have the power to suspend or overturn decisions by the regulatory authorities.

The tasks assigned to a regulatory authority shall be made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body. Each Party shall ensure that its regulatory authorities have a separate annual budgets. The budgets shall be made public.

4. The decisions of and the procedures used by regulators shall be impartial with regard to all market participants.

5. The powers of the regulatory authorities shall be exercised in a transparent and timely manner.

6. Regulatory authorities shall have the power to ensure that suppliers of electronic communications networks and services provide them, promptly upon request, with all the information, including financial information, which is necessary to enable the regulatory authorities to carry out their tasks in accordance with this Subsection. Information requested shall be proportionate to the performance of the tasks of the regulatory authorities and treated in accordance with the requirements of confidentiality.

7. Any user or supplier affected by the decision of a regulatory authority shall have a right to appeal against that decision to an appeal body which is independent of the parties involved. That body, which may be a court, shall have the appropriate expertise to carry out its functions effectively. The merits of the case shall be duly taken into account and the appeal mechanism shall be effective. With regard to bodies responsible for review procedures which are not judicial in character each Party shall ensure that written reasons for their decisions shall always be given and that those decisions shall also be subject to review by an impartial and independent judicial authority. Decisions taken by appeal bodies shall be effectively enforced. Pending the outcome of the appeal, the decision of the regulatory authority shall stand, unless interim measures are granted in accordance with domestic law.

8. Each Party shall ensure that the head of a regulatory authority, or where applicable, members of the collegiate body fulfilling that function within a regulatory body or their replacements may be dismissed only if they no longer fulfil the conditions required for the performance of their duties which are laid down in advance in domestic law. Any such decision to dismiss shall be made public at the time of dismissal. The dismissed head of the regulatory authority, or where applicable, members of the collegiate body fulfilling that function shall receive a statement of reasons and shall have the right to request its publication, where this would not otherwise take place, in which case it shall be published.

ARTICLE 172

Authorisation to provide electronic communications networks and services

1. Each Party shall authorise the provision of electronic communications networks or services, wherever possible, upon simple notification. Following the notification, the service supplier concerned shall not be required to obtain an explicit decision or any other administrative act by the regulatory authority before exercising the rights stemming from the authorisation. The rights and obligations resulting from such authorisation shall be made publicly available in an easily accessible form. Obligations should be proportionate to the service in question.

2. Where necessary, a Party may require a licence for the right of use for radio frequencies and numbers in order to:

(a) avoid harmful interference;

(b) ensure technical quality of service;

(c) safeguard efficient use of spectrum; or

(d) fulfil other objectives of general interest.

3. Where a Party requires a licence it shall:

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

(b) make known to the applicant, upon request, the reasons for the denial of a licence in writing; and

(c) provide to the applicant the possibility to seek recourse before an appeal body in cases where a licence has been denied.

4. Any administrative costs shall be imposed on suppliers in an objective, transparent, proportionate and cost-minimising manner. Any administrative costs imposed by a Party on suppliers providing a service or a network under an authorisation referred to in paragraph 1 or a license under paragraph 2 shall be limited to the actual administrative costs normally incurred in the management, control and enforcement of the applicable authorisation and licences. Such administrative costs may include costs for international cooperation, harmonisation and standardisation, market analysis, monitoring compliance and other market control, as well as regulatory work involving preparation and enforcement of legislation and administrative decisions, such as decisions on access and interconnection.

Administrative costs referred to in the first subparagraph do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

ARTICLE 173

Scarce resources

1. The allocation and granting of rights for the use of scarce resources, including radio spectrum, numbers and rights of way, shall be carried out in an open, objective, timely, transparent, non-discriminatory and proportionate manner. Each Party shall base its procedures on objective, transparent, non-discriminatory and proportionate criteria.

2. The current state of allocated frequency bands shall be made publicly available, but detailed identification of radio spectrum allocated for specific government uses is not required.

3. Each Party retains the right to establish and apply spectrum and frequency management measures that may have the effect of limiting the number of suppliers of electronic communications services, provided that it does so in a manner consistent with this Agreement. That right includes the ability to allocate frequency bands taking into account current and future needs and spectrum availability. Measures of a Party allocating and assigning spectrum and managing frequency are not considered as measures that are *per se* inconsistent with Articles 144, 149 and 150.

ARTICLE 174

Access and interconnection

1. Access and interconnection shall, in principle, be agreed on the basis of commercial negotiation between the suppliers concerned.

2. Each Party shall ensure that any suppliers of electronic communications services shall have a right, and when requested by another supplier an obligation, to negotiate interconnection with each other for the purpose of providing publicly available electronic communications networks and services. No Party shall maintain any legal or administrative measures which oblige suppliers granting access or interconnection to offer different terms and conditions to different suppliers for equivalent services or impose obligations that are not related to the services provided.

3. Each Party shall ensure that suppliers acquiring information from another supplier in the process of negotiating access or interconnection arrangements may use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored.

4. Each Party shall ensure that a major supplier in its territory grants access to its essential facilities including, *inter alia*, network elements, associated facilities and ancillary services, to suppliers of electronic communications services on reasonable and non-discriminatory[1] terms and conditions.

[1] For the purpose of this Subsection, non-discrimination is understood to refer to national treatment as defined in Article 150, as well as to reflect sector-specific usage of the term to mean "terms and conditions no less favourable than those accorded to any other user of like public electronic communication networks or services under like circumstances".

5. For public telecommunications services, interconnection with a major supplier shall be ensured at any technically feasible point in the network. Such interconnection shall be provided:

(a) under non-discriminatory terms, conditions (including as regards technical standards, specifications, quality and maintenance) and rates, and of a quality no less favourable than that provided for own like services of such major supplier, or for like services of non-affiliated suppliers, or for its subsidiaries or other affiliates;

(b) in a timely manner, on terms, conditions (including as regards technical standards, specifications, quality and maintenance) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and

(c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

6. Each Party shall ensure that the procedures applicable for interconnection to a major supplier are made publicly available and that major suppliers make publicly available either their interconnection agreements or, where appropriate, their reference interconnection offers.

ARTICLE 175

Competitive safeguards on major suppliers

Each Party shall adopt or maintain appropriate measures for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices. Those anti-competitive practices shall include in particular:

(a) engaging in anti-competitive cross-subsidisation;

(b) using information obtained from competitors with anti-competitive results; and

(c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

ARTICLE 176

Universal service

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

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

3. All suppliers of electronic communications networks or services should be eligible to provide universal service. The designation of universal service suppliers shall be made through an efficient, transparent and non-discriminatory mechanism. Where necessary, each Party shall assess whether the provision of universal service represents an unfair burden on a supplier designated to provide universal service. Where justified on the basis of such calculation, and taking into account the market benefit which accrues to a supplier that offers universal service, regulatory authorities shall determine whether a mechanism is required to compensate the supplier concerned or to share the net cost of universal service obligations.

ARTICLE 177

Number portability

Each Party shall ensure that suppliers of public electronic communications services provide for number portability on reasonable terms and conditions.

ARTICLE 178

Confidentiality of information

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

ARTICLE 179

Resolution of electronic communications disputes

1. Each Party shall ensure that in the event of a dispute arising between suppliers of electronic communications networks or services in connection with rights and obligations that arise from this Subsection, the regulatory authority concerned shall, at the request of either party concerned, issue a binding decision to resolve the dispute in the shortest possible timeframe and in any case within four months, except in exceptional circumstances.

2. Where such a dispute concerns the cross-border provision of services, the regulatory authorities concerned shall coordinate their efforts in order to bring about a resolution of the dispute.

3. The decision of the regulatory authority shall be made available to the public, having regard to the requirements of business confidentiality. The parties concerned shall be given a full statement of the reasons on which it is based and shall have the right to appeal that decision, in accordance with Article 171 paragraph 7.

4. The procedure referred to in this Article shall not preclude either party concerned from bringing an action before the courts.

ARTICLE 180

Gradual approximation

The Parties recognise the importance of gradual approximation of the legislation of the Republic of Armenia on electronic communication networks to that of the European Union.

SUBSECTION VI

FINANCIAL SERVICES

ARTICLE 181

Scope and definitions

1. This Subsection applies to measures affecting the supply of financial services, where financial services are liberalised pursuant to Sections B, C and D.

2. For the purposes of this Chapter "financial service" means any service of a financial nature offered by a financial service supplier of a Party. Financial services comprise insurance and insurance-related services as well as banking and other financial services.

3. Insurance and insurance-related services as referred to in paragraph 2 comprise:

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

(i) life; and

(ii) non-life;

(b) reinsurance and retrocession;

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

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

4. Banking and other financial services (excluding insurance and insurance-related services) as referred to in paragraph 2 comprise:

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

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

(c) financial leasing;

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

(e) guarantees and commitments;

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

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

(ii) foreign exchange;

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

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

(v) transferable securities; and

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

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

(h) money broking;

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

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

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

(l) advisory, intermediation and other auxiliary financial services on all the activities listed in this paragraph, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

5. For the purposes of this Subsection:

(a) "financial service supplier" means any natural or juridical person of a Party that seeks to provide or provides financial services but does not include a public entity;

(b) "public entity" means:

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

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

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

ARTICLE 182

Prudential carve-out

1. Nothing in this Agreement shall prevent a Party from adopting or maintaining measures for prudential reasons, such as:

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

(b) ensuring the integrity and stability of its financial system.

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

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

ARTICLE 183

Effective and transparent regulation

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

(a) by means of an official publication; or

(b) in other written or electronic form.

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

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

3. Each Party shall make its best endeavours to ensure that internationally agreed standards for regulation and supervision in the financial services sector and for the fight against tax evasion and avoidance are implemented and applied in its territory. Such internationally agreed standards are, *inter alia*:

(a) the "Core Principle for Effective Banking Supervision" of the Basel Committee;

(b) the "Insurance Core Principles" of the International Association of Insurance Supervisors;

(c) the "Objectives and Principles of Securities Regulation" of the International Organisation of Securities Commissions;

(d) the OECD "Agreement on exchange of information on tax matters";

(e) the G20 "Statement on Transparency and exchange of information for tax purposes"; and

(f) "Forty Recommendations on Money Laundering" and "Nine Special Recommendations on Terrorist Financing" of the Financial Action Task Force.

4. The Parties take note of the "Ten Key Principles for Information Exchange" promulgated by the Finance Ministers of the G7 Nations, and shall make their best endeavours to apply those principles between them.

ARTICLE 184

New financial services

Each Party shall permit a financial service supplier of the other Party to provide any new financial service of a type similar to those services that the Party would permit its own financial service suppliers to provide under its domestic law in like circumstances. A Party may determine the legal form through which the service may be provided and may require authorisation for the provision of the service. Where such authorisation is required, a decision shall be made within a reasonable time and the authorisation may only be refused for prudential reasons consistent with Article 182.

ARTICLE 185

Data processing

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

2. Nothing in paragraph 1 restricts the right of a Party to protect personal data and privacy, so long as such right is not used to circumvent this Agreement.

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

ARTICLE 186

Specific exceptions

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

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

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

ARTICLE 187

Self-regulatory organisations

Where a Party requires membership or participation in, or access to, any self-regulatory body, securities or futures exchange or market, clearing agency, or any other organisation or association, in order for financial service suppliers of the other Party to supply financial services on an equal basis with financial service suppliers of the Party, or where the Party provides, directly or indirectly, such entities with privileges or advantages in supplying financial services, the Party shall ensure compliance with the obligations specified in Articles 144 and 150.

ARTICLE 188

Clearing and payment systems

Under the terms and conditions of national treatment specified in Articles 144 and 150, each Party shall grant to financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities, as well as to official funding and refinancing facilities available in the normal course of ordinary business. This Article is not intended to confer access to the lender-of-last-resort facilities of a Party.

ARTICLE 189

Financial stability and regulation of financial services in the Republic of Armenia

The Parties recognise the importance of the adequate regulation of financial services to ensure financial stability, fair and efficient markets and the protection of investors, depositors, policy-holders and persons to whom fiduciary duty is owed by financial services suppliers. For such regulation of financial services the international best-practice standards provide the overall benchmark, in particular in the way they are implemented in the European Union. In that context, the Republic of Armenia shall approximate its regulation of financial services, as appropriate, to the legislation of the European Union.

SUBSECTION VII

TRANSPORT SERVICES

ARTICLE 190

Scope and objectives

This Subsection sets out the principles regarding the liberalisation of international transport services pursuant to Sections B, C and D.

ARTICLE 191

Definitions

1. For the purposes of this Subsection and Sections B, C and D:

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

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

(i) the loading or discharging of cargo to or from a ship;

(ii) the lashing or unlashing of cargo;

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

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

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

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

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

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

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

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

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

3. In view of the existing levels of liberalisation between the Parties in international maritime transport each Party shall:

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

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

4. In applying the principles referred to in paragraph 3, each Party shall:

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

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

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

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

7. Each Party shall permit the movement of equipment such as empty containers, not being carried as cargo against payment, between ports of the Republic of Armenia or between ports of a Member State.

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

ARTICLE 192

Gradual approximation

The Parties recognise the importance of gradual approximation of the legislation of the Republic of Armenia on transport services to that of the European Union.

SECTION F

ELECTRONIC COMMERCE

SUBSECTION I

GENERAL PROVISIONS

ARTICLE 193

Objective and principles

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

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

3. The Parties shall consider electronic transmissions as the provision of services, within the meaning of Section C, which cannot be subject to customs duties.

ARTICLE 194

Regulatory aspects of electronic commerce

1. The Parties shall maintain a dialogue on regulatory issues raised by electronic commerce. That dialogue shall *inter alia* address the following matters:

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

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

(i) the treatment of unsolicited electronic commercial communications; and

(ii) the protection of consumers in the ambit of electronic commerce; and

(c) any other matter relevant for the development of electronic commerce.

2. Such dialogue may be implemented by an exchange of information on the legislation of each Party with regard to the matters referred to in paragraph 1 as well as on the implementation of such legislation.

SUBSECTION II

LIABILITY OF INTERMEDIARY SERVICE PROVIDERS

ARTICLE 195

Use of intermediaries' services

The Parties recognise that the services of intermediaries can be used by third parties for activities infringing their respective domestic law. To take account of that possibility each Party shall adopt or maintain for intermediary service providers the lability measures referred to in this subsection.

ARTICLE 196

Liability of intermediary service providers: "mere conduit"

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

(a) does not initiate the transmission;

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

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

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

3 This Article shall not affect the possibility for a court or an administrative authority, in accordance with the legal system of each Party, to require the service provider to terminate or prevent an infringement.

ARTICLE 197

Liability of intermediary service providers: "caching"

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

(a) does not modify the information;

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

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

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

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

2. This Article shall not affect the possibility for a court or an administrative authority to require the service provider to terminate or prevent an infringement in accordance with the legal system of each Party.

ARTICLE 198

Liability of intermediary service providers: "hosting"

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

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

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

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

3. This Article shall not affect the possibility for a court or an administrative authority, in accordance with the legal system of each Party, to require the service provider to terminate or prevent an infringement, or the possibility for a Party to establish procedures governing the removal or disabling of access to information.

ARTICLE 199

No general obligation to monitor

1. The Parties shall not impose either a general obligation on providers, when providing the services covered by Articles 196, 197 and 198, to monitor the information which they transmit or store, or a general obligation to actively seek facts or circumstances indicating illegal activity.

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

SECTION G

EXCEPTIONS

ARTICLE 200

General exceptions

1. Without prejudice to general exceptions provided for in this Agreement, this Chapter is subject to the exceptions specified in paragraphs 2 and 3.

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

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

(b) necessary to protect human, animal or plant life or health;

(c) relating to the conservation of exhaustible natural resources if such measures are applied in conjunction with restrictions on domestic entrepreneurs or on the domestic supply or consumption of services;

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

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

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

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

(iii) safety; or

(f) inconsistent with Articles 144 and 150, provided that the difference in treatment is aimed at ensuring the effective or equitable imposition or collection of direct taxes in respect of economic activities, entrepreneurs or services suppliers of the other Party[1].

3. This Chapter and Annex VIII to this Agreement do not apply to the respective social security systems of the Parties or to activities in the territory of each Party, which are connected, even occasionally, with the exercise of official authority.

[1] Measures that are aimed at ensuring the effective or equitable imposition or collection of direct taxes include measures taken by a Party under its taxation system which:
(i) apply to non-resident entrepreneurs and services suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory;
(ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory;
(iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures;
(iv) apply to consumers of services supplied in or from the territory of another Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory;
(v) distinguish entrepreneurs and service suppliers subject to tax on worldwide taxable items from other entrepreneurs and service suppliers, in recognition of the difference in the nature of the tax base between them; or
(vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base.
Tax terms or concepts in point (f) and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

ARTICLE 201

Taxation measures

The most-favoured-nation treatment granted in accordance with this Chapter does not apply to the tax treatment that Parties are providing or will provide in future on the basis of agreements between the Parties designed to avoid double taxation.

ARTICLE 202

Security exceptions

Nothing in this Agreement shall be construed as:

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

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

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

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

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

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

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

SECTION H

INVESTMENT

ARTICLE 203

Review

In order to facilitate bilateral investment, the Parties shall jointly review the environment and the legal framework for investment, no later than three years after the entry into force of this Agreement and at regular intervals thereafter. On the basis of that review, they shall consider the opportunity for starting negotiations with a view to supplementing this Agreement with provisions on investment, including investment protection.

CHAPTER 6

CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

ARTICLE 204

Current Payments

The Parties shall impose no restrictions and shall allow, in freely convertible currency and in accordance with the Articles of Agreement of the International Monetary Fund, any payments and transfers on the current account of the balance of payments between the European Union and the Republic of Armenia.

ARTICLE 205

Capital Movements

1. With regard to transactions on the capital and financial account of the balance of payments, from the date of entry into force of this Agreement, the Parties shall ensure the free movement of capital relating to direct investments[1] made in accordance with the law of the host country and in accordance with the provisions of Chapter 5, and the liquidation or repatriation of such invested capital and of any profit stemming therefrom.

[1] Including the acquisition of real estate related to direct investment.

2. With regard to transactions on the capital and financial account of the balance of payments not covered by paragraph 1, from the entry into force of this Agreement and without prejudice to other provisions of this Agreement, each Party shall ensure the free movement of capital with regard to:

(a) credits relating to commercial transactions, including the provision of services, in which a resident of one of the Parties is participating;

(b) financial loans and credits by investors of the other Party; and

(c) capital participation in a juridical person, as defined in Article 142, with no intention of establishing or maintaining lasting economic links.

3. Without prejudice to other provisions of this Agreement, the Parties shall not introduce any new restrictions on the movement of capital and current payments between residents of the European Union and the Republic of Armenia and shall not make the existing arrangements more restrictive.

ARTICLE 206

Exceptions

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on capital movements, nothing in this Chapter shall be construed as preventing the adoption or enforcement by either Party of measures:

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

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

(i) the prevention of criminal offences, deceptive and fraudulent practices, or necessary to deal with the effects of a default on contracts, such as bankruptcy, insolvency and protection of the right of creditors;

(ii) measures adopted or maintained to ensure the integrity and stability of a Party's financial system;

(iii) issuing, trading or dealing in securities, options, futures or other derivatives;

(iv) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; or

(v) ensuring compliance with orders or judgments in juridical or administrative proceedings.

ARTICLE 207

Safeguard measures

Where, in exceptional circumstances, there are serious difficulties with regard to, in the case of the Republic of Armenia, the operation of exchange-rate policy or monetary policy or, in the case of the European Union, the operation of the economic and monetary union, or where a Party experiences serious balance of payments or external financing difficulties, or where there is the threat of such difficulties, the Party concerned may take safeguard measures that are strictly necessary with regard to capital movements, payments or transfers between the European Union and the Republic of Armenia for a period not exceeding one year. The Party adopting or maintaining safeguard measures shall inform the other Party forthwith of the adoption of any safeguard measure and present, as soon as possible, a time schedule for its removal.

ARTICLE 208

Facilitation

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

CHAPTER 7

INTELLECTUAL PROPERTY

SECTION A

OBJECTIVES AND PRINCIPLES

ARTICLE 209

Objectives

The objectives of this Chapter are:

(a) to facilitate the production and commercialisation of innovative and creative products between the Parties, contributing to a more sustainable and inclusive economy for each Party; and

(b) to achieve an adequate and effective level of protection and enforcement of intellectual property rights.

ARTICLE 210

Nature and scope of obligations

1. The Parties shall ensure the adequate and effective implementation of international treaties concerning intellectual property to which they are parties, including the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights contained in Annex 1C to the WTO Agreement ("TRIPS Agreement"). This Chapter shall complement and further specify the rights and obligations between the Parties under the TRIPS Agreement and other international treaties in the field of intellectual property.

2. For the purpose of this Agreement, the term "intellectual property" refers at least to all categories of intellectual property referred to in Section B of this Chapter.

3. The protection of intellectual property includes protection against unfair competition as referred to in Article 10*bis* of the Paris Convention for the Protection of Industrial Property of 1883, as last revised by Stockholm Act of 1967 ("Paris Convention (1967)").

ARTICLE 211

Exhaustion

Each Party shall provide for a regime of national or regional exhaustion of intellectual property rights.

SECTION B

STANDARDS CONCERNING INTELLECTUAL PROPERTY RIGHTS

SUBSECTION I

COPYRIGHT AND RELATED RIGHTS

ARTICLE 212

Protection granted

1. The Parties shall comply with the rights and obligations set out in:

(a) the Berne Convention for the Protection of Literary and Artistic Works ("Berne Convention");

(b) the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations ("Rome Convention");

(c) the TRIPS Agreement;

(d) the WIPO Copyright Treaty ("WCT"); and

(e) the WIPO Performances and Phonograms Treaty ("WPPT").

2. The Parties shall make all reasonable efforts to accede to the Beijing Treaty on Audiovisual Performances.

ARTICLE 213

Authors

Each Party shall, as regards authors, provide for the exclusive right to authorise or prohibit:

(a) direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of their works;

(b) any form of distribution to the public, by sale or otherwise, of the original of their works or of copies thereof;

(c) any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them; and

(d) rental and lending of the original and copies of their works.

ARTICLE 214

Performers

Each Party shall, as regards performers, provide for the exclusive right to authorise or prohibit:

(a) the fixation[1] of their performances;

(b) direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of fixations of their performances;

(c) the distribution to the public, by sale or otherwise, fixations of their performances;

(d) the making available to the public, of fixations of their performances by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them;

(e) the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation; and

(f) rental and lending of fixations of their performances.

[1] Fixation means embodiment of sounds or images of their performances, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device

ARTICLE 215

Producers of phonograms

Each Party shall, as regards producers of phonograms, provide for the exclusive right to authorise or prohibit:

(a) direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of their phonograms;

(b) the distribution to the public, by sale or otherwise, their phonograms, including copies thereof;

(c) the making available of their phonograms to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them; and

(d) rental and lending in respect of their phonograms.

ARTICLE 216

Broadcasting organisations

Each Party shall, as regards broadcasting organisations, provide for the exclusive right to authorise or prohibit:

(a) the fixation of their broadcasts, whether those broadcasts are transmitted by wire or over the air, including by cable or satellite;

(b) the direct or indirect, temporary or permanent reproduction, by any means and in any form, in whole or in part, of fixations of their broadcasts, whether those broadcasts are transmitted by wire or over the air, including by cable or satellite;

(c) the making available to the public, by wire or wireless means, of fixations of their broadcasts in such a way that members of the public may access them from a place and at a time individually chosen by them;

(d) the distribution to the public, by sale or otherwise, of fixations of their broadcasts; and

(e) the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

ARTICLE 217

Broadcasting and communication to the public

Each Party shall provide a right in order to ensure that a single equitable remuneration is paid by the user to the performers and producers of phonograms if a phonogram published for commercial purposes, or a reproduction of such phonogram, is used for broadcasting by wireless means or for any communication to the public. Each Party shall ensure that such remuneration is shared between the relevant performers and phonogram producers. Each Party may, in the absence of agreement between the performers and phonogram producers, lay down the conditions as to the sharing of such remuneration between them.

ARTICLE 218

Term of protection

1. The economic rights of an author of a literary or artistic work within the meaning of Article 2 of the Berne Convention shall run for the life of the author and for no less than 70 years after his death, irrespective of the date when the work is lawfully made available to the public.

2. In the case of a work of joint authorship, the term referred to in paragraph 1 shall be calculated from the death of the last surviving author.

3. In the case of anonymous or pseudonymous works, the term of protection shall run for no less than 70 years after the work is lawfully made available to the public. However, when the pseudonym adopted by the author leaves no doubt as to his identity, or if the author discloses his identity during the period referred to in the first sentence, the term of protection applicable shall be that laid down in paragraph 1.

4. Where a Party provides for particular rights in respect of collective works or for a legal person to be designated as a right holder, the term of protection shall be calculated in accordance with paragraph 3, except if the natural persons who have created the work are identified as such in the versions of the work which are made available to the public. This paragraph is without prejudice to the rights of identified authors whose identifiable contributions are included in such works, to which contributions paragraph 1 or 2 shall apply.

5. Where a work is published in volumes, parts, instalments, issues or episodes and the term of protection runs from the time when the work was lawfully made available to the public, the term of protection shall run for each separately.

6. In the case of works for which the term of protection is not calculated from the death of the author or authors and which have not been lawfully made available to the public within 70 years from their creation, the protection shall terminate.

7. The term of protection of cinematographic or audiovisual works shall expire not earlier than 70 years after the death of the last of the following persons to survive, whether or not such persons are designated as co-authors: the principal director, the author of the screenplay, the author of the dialogue and the composer of the music specifically created for use in the cinematographic or audiovisual work.

8. Each Party shall ensure that any person who, after the expiry of copyright protection, for the first time lawfully publishes or lawfully communicates to the public a previously unpublished work benefits from a protection equivalent to the economic rights of the author. The term of protection of such rights shall be 25 years from the time when the work was first lawfully published or lawfully communicated to the public.

9. The economic rights of audiovisual performers shall expire not less than 50 years after the date of the performance. However, if a fixation of the performance is lawfully published or lawfully communicated to the public within that period, the rights shall expire not less than 50 years from the date of the first such publication or the first such communication to the public, whichever is the earlier.

10. The economic rights of performers and producers of phonograms shall expire 70 years after the date of the first publication or the first communication to the public, whichever is the earlier. A Party may adopt effective measures to ensure that profits generated during the 20 years of protection beyond 50 years are shared fairly between performers and producers.

11. The economic rights of producers of the first fixation of a film shall expire not less than 50 years after the fixation is made. However, if the film is lawfully published or lawfully communicated to the public during that period, the rights shall expire not less than 50 years after the date of the first such publication or the first such communication to the public, whichever is the earlier.

12. The economic rights of broadcasting organisations shall expire not less than 50 years after the first transmission of a broadcast, whether that broadcast is transmitted by wire or over the air, including by cable or satellite.

13. The terms laid down in this Article shall be calculated from the first of January of the year following the event which gives rise to them.

ARTICLE 219

Protection of technological measures

1. Each Party shall provide adequate legal protection against the circumvention of any effective technological measures which the person concerned carries out in the knowledge, or with reasonable grounds to know, that he is pursuing that objective.

2. Each Party shall provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes of devices, products or components or the provision of services which:

(a) are promoted, advertised or marketed for the purpose of circumventing any effective technological measures;

(b) have only a limited commercially significant purpose or use other than to circumvent any effective technological measures; or

(c) are primarily designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of any effective technological measures.

3. For the purposes of this Chapter, the expression "technological measures" means any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject matter, which are not authorised by the right holder of any copyright or related right as provided for by domestic legislation. Technological measures shall be deemed "effective" where the use of a protected work or other subject matter is controlled by the right holders through application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject matter or a copy control mechanism, which achieves the protection objective.

ARTICLE 220

Protection of rights management information

1. Each Party shall provide adequate legal protection against any person knowingly performing without authority any of the following acts:

(a) the removal or alteration of any electronic rights-management information; and

(b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject matter protected under this Chapter from which electronic rights-management information has been removed or altered without authority,

if such person knows, or has reasonable grounds to know, that by so doing this person is inducing, enabling, facilitating or concealing an infringement of any copyright or any related rights as provided by national legislation.

2. For the purposes of this Chapter, the term "rights-management information" means any information provided by right holders which identifies the work or other subject matter referred to in this Chapter, the author or any other right holder, or information about the terms and conditions of use of the work or other subject matter, and any numbers or codes that represent such information.

3. Paragraph 1 applies where any such information is associated with a copy of, or appears in connection with the communication to the public of, a work or other subject matter referred to in this Chapter.

ARTICLE 221

Exceptions and limitations

1. Each Party may provide for limitations or exceptions to the rights set out in the Articles 213 to 218 only in certain special cases which do not conflict with a normal exploitation of the subject matter and do not unreasonably prejudice the legitimate interests of the right holders, in accordance with the conventions and international treaties to which they are parties.

2. Each Party shall provide that temporary acts of reproduction referred to in Articles 213 to 217, which are transient or incidental, which are an integral and essential part of a technological process, and the sole purpose of which is to enable: (a) a transmission in a network between third parties by an intermediary, or (b) a lawful use of a work or other subject matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Articles 213 to 217.

ARTICLE 222

Artists' resale right in works of art

1. Each Party shall provide, for the benefit of the author of an original work of art, a resale right, to be defined as an inalienable right, which cannot be waived, even in advance, to receive a royalty based on the sale price obtained for any resale of the work, subsequent to the first transfer of the work by the author.

2. The right referred to in paragraph 1 shall apply to all acts of resale involving as sellers, buyers or intermediaries art-market professionals, such as salesrooms, art galleries and, in general, any dealers in works of art.

3. Each Party may provide that the right referred to in paragraph 1 does not apply to acts of resale where the seller has acquired the work directly from the author less than three years before that resale and where the resale price does not exceed a certain minimum amount.

4. The royalty shall be paid by the seller. Each Party may provide that one of the natural or legal persons referred to in paragraph 2 other than the seller shall alone be liable or shall share liability with the seller for payment of the royalty.

5. The procedure for collection and the amounts of the royalty shall be determined by domestic legislation.

ARTICLE 223

Co-operation on collective management of rights

1. The Parties shall promote cooperation between their respective collective management organisations for the purpose of fostering the availability of works and other protected subject matter in the territories of the Parties and the transfer of royalties for the use of such works or other protected subject matter.

2. The Parties shall promote transparency of collective management organisations, in particular regarding the collection of royalties, deductions applied to collected royalties, the use of collected royalties, the distribution policy and their repertoire.

3. The Parties undertake to ensure that, where a collective management organisation established in the territory of one Party represents another collective management organisation established in the territory of the other Party by way of a representation agreement, the representing collective management organisation does not discriminate against right holders of the represented collective management organisation.

4. The representing collective management organisation shall accurately, regularly and diligently pay amounts owed to the represented collective management organisation as well as provide the represented collective management organisation with the information on the amount of royalties collected on its behalf and any deductions made to such royalties.

SUBSECTION II

TRADEMARKS

ARTICLE 224

International agreements

Each Party shall:

(a) adhere to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks;

(b) comply with the Trademark Law Treaty and with the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks; and

(c) make all reasonable efforts to accede to the Singapore Treaty on the Law of Trademarks.

ARTICLE 225

Rights conferred by a trademark

A registered trademark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trademark in relation to goods or services which are identical to those for which the trademark is registered; and

(b) any sign which is identical or similar to the trademark in relation to goods or services which are identical or similar to those for which the trademark is registered, where such use would result in a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark.

ARTICLE 226

Registration procedure

1. Each Party shall provide for a system for the registration of trademarks in which each final negative decision taken by the relevant trademark administration shall be communicated in writing and duly reasoned.

2. Each Party shall provide for the possibility to oppose trademark applications and an opportunity for the trademark applicant to respond to such opposition.

3. Each Party shall provide a publicly available electronic database of trademark applications and trademark registrations. The database of trademark applications shall be accessible at least during the opposition period.

ARTICLE 227

Well-known trademarks

For the purpose of giving effect to the protection of well-known trademarks, as referred to in Article 6*bis* of the Paris Convention (1967) and Article 16 paragraphs 2 and 3 of the TRIPS Agreement, each Party shall apply the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization ("WIPO") at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO on 20 to 29 September 1999.

ARTICLE 228

Exceptions to the rights conferred by a trademark

Each Party:

(a) shall provide for the fair use of descriptive terms, including fair use of geographical indications as a limited exception to the rights conferred by a trademark; and

(b) may provide for other limited exceptions to the rights conferred by a trademark.

In providing for such exceptions, each Party shall take account of the legitimate interests of the owner of the trademark and of third parties.

ARTICLE 229

Grounds for revocation

1. Each Party shall provide that a trademark shall be liable to revocation if, within a continuous period of at least three years, it has not been put to genuine use in the relevant territory in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use.

No person may claim that the proprietor's rights in a trademark should be revoked where, during the interval between expiry of the minimum three-year period and filing of the application for revocation, genuine use of the trademark has been started or resumed.

The commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of at least three years of non-use shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.

2. A trademark shall also be liable to revocation if, after the date on which it was registered:

(a) in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered; or

(b) in consequence of the use made of it by the proprietor of the trademark or with his consent in respect of the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

SUBSECTION III

GEOGRAPHICAL INDICATIONS

ARTICLE 230

Scope of application

1. This Subsection applies to the protection of geographical indications originating in the territories of the Parties.

2. Geographical indications of a Party, which are to be protected by the other Party, shall only be subject to this Subsection if they are covered by the scope of the legislation referred to in Article 231.

ARTICLE 231

Established geographical indications

1. Having examined the legislation of the Republic of Armenia listed in Part A of Annex IX, the European Union concludes that that legislation meets the elements laid down in Part B of that Annex.

2. Having examined the legislation of the European Union listed in Part A of Annex IX, the Republic of Armenia concludes that that legislation meets the elements laid down in Part B of that Annex.

3. The Republic of Armenia, having completed an objection procedure and examined the geographical indications of the European Union, listed in Annex X, which have been registered by the European Union under the legislation listed in Part A of Annex IX, shall protect them in accordance with the level of protection laid down in this Agreement.

4. The European Union, having completed an objection procedure and examined the geographical indications of the Republic of Armenia, listed in Annex X, which have been registered by the Republic of Armenia under the legislation listed in Part A of Annex IX, shall protect them in accordance with the level of protection laid down in this Agreement.

ARTICLE 232

Addition of new geographical indications

1. The Parties may, in accordance with the procedure set out in Article 240 paragraph 3, add new geographical indications to the list of protected geographical indications set out in Annex X. Such new geographical indications may be added to the list after the objection procedure has been completed and the new geographical indications have been examined to the satisfaction of each Party, in accordance with Article 231 paragraphs 3 and 4.

2. The Parties shall have no obligation to add a new geographical indication to the list referred to in paragraph 1, where:

(a) the geographical indication would conflict with the name of a plant variety or an animal breed and as a result would be likely to mislead consumers as to the true origin of the product;

(b) in the light of a reputed or well-known trademark, protection of that geographical indication would be likely to mislead consumers as to the true identity of the product; or

(c) the name of the term is generic.

ARTICLE 233

Scope of protection of geographical indications

1. The geographical indications listed in Annex X, shall be protected by each Party against:

(a) any direct or indirect commercial use of a protected name for comparable products not compliant with the product specification of the protected name, or in so far as such use exploits the reputation of a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated, transcribed, transliterated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product which is likely to convey a false impression as to its origin, placed on the inner or outer packaging, in advertising material or documents relating to the product concerned, or on the packing of the product in a container; and

(d) any other practice likely to mislead the consumer as to the true origin of the product.

2. Protected geographical indications shall not become generic in the territories of the Parties.

3. Where geographical indications are wholly or partially homonymous, protection shall be granted to each such geographical indication, provided that it has been used in good faith and with due regard for local and traditional usage as well as for the actual risk of confusion.

Without prejudice to Article 23 of the TRIPS Agreement, the Parties shall mutually decide the practical conditions of use under which homonymous geographical indications will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

A homonymous name which misleads consumers into believing that a product comes from another territory shall not be registered even if the name is accurate as far as the actual territory, region or place of origin of the product in question is concerned.

4. Where a Party, in the context of negotiations with a third country, proposes to protect a geographical indication of the third country which is homonymous with a geographical indication of the other Party protected under this Subsection, the latter shall be informed and be given an opportunity to comment before the third party's geographical indication becomes protected.

5. Nothing in this Subsection shall oblige a Party to protect a geographical indication of the other Party which is not, or ceases to be, protected in its country of origin.

Each Party shall notify the other Party if a geographical indication ceases to be protected in its country of origin. Such notification shall take place in accordance with the procedures provided in Article 240 paragraph 3.

6. Nothing in this Agreement shall prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the consumers.

ARTICLE 234

Right of use of geographical indications

1. A geographical indication protected under this Subsection may be used by any operator marketing agriculture products, foodstuffs, wines, aromatised wines or spirit drinks conforming to the corresponding specification.

2. Once a geographical indication is protected under this Subsection, the use of such protected name shall not be subject to any registration of users, or further charges.

ARTICLE 235

Relationship to trademarks

1. A Party shall refuse to register or shall invalidate a trademark that corresponds to any of the situations referred to in Article 233 paragraph 1 in relation to a protected geographical indication for like products, provided that an application to register that trademark is submitted after the date of application for protection of the geographical indication in the territory concerned.

2. For geographical indications referred to in Article 231, the date of application for protection shall be the date of entry into force of this Agreement.

3. For geographical indications referred to in Article 232, the date of application for protection shall be the date of the transmission to the other Party of a request to protect a geographical indication.

4. Without prejudice to point (b) of Article 232 paragraph 2, each Party shall protect geographical indications listed in Annex X where a prior trademark exists. A prior trademark means a trademark the use of which corresponds to one of the situations referred to in Article 233 paragraph 1 and which has been applied for, registered or established by use, if that possibility is provided for by the legislation of a Party, in good faith in the territory of one Party before the date on which the application for protection of the geographical indication is submitted by the other Party under this Agreement. Such trademark may continue to be used and may be renewed notwithstanding the protection of the geographical indication, provided that no grounds for the trademark's invalidity or revocation exist in the legislation on trademarks of either Party.

5. By way of derogation from paragraph 4, prior trademarks of the Republic of Armenia which consist of or contain the geographical indication of the European Union "Cognac" or "Champagne", including in transcription or translation, registered for like products and not complying with the relevant specification, shall be invalidated, revoked or modified in order to eliminate that name as an element of the whole trademark, at the latest within 14 years for "Cognac" and two years for "Champagne", following the entry into force of this Agreement.

ARTICLE 236

Enforcement of protection

Each Party shall enforce the protection of geographical indications in accordance with Articles 233 to 235 through appropriate administrative action by its public authorities. Each Party shall also enforce such protection at the request of an interested person.

ARTICLE 237

Transitional provisions

1. Goods which were produced and labelled in conformity with domestic law before the entry into force of this Agreement, but which do not comply with its requirements, may continue to be sold after the entry into force of this Agreement until their stocks run out.

2. For a transitional period of 24 years to count as of one year after the entry into force of this Agreement for "Cognac" and for a transitional period of three years after the entry into force of this Agreement for "Champagne", the protection pursuant to this Agreement of those geographical indications of the European Union shall not preclude those names from being used on products originating in the Republic of Armenia and exported to third countries, where the laws and regulations of the third country concerned so permit, in order to designate and present certain comparable products originating in the Republic of Armenia, provided that:

(a) the name is labelled exclusively in non-Latin characters;

(b) the true origin of the product is clearly labelled in the same field of vision: and

(c) nothing in the presentation is likely to mislead the public as to the true origin of the product.

3. For a transitional period of 13 years to count as of one year after the entry into force of this Agreement for "Cognac", and for a transitional period of two years after the entry into force of this Agreement for "Champagne", the protection pursuant to this Agreement of those geographical indications of the European Union shall not preclude those names from being used in the Republic of Armenia provided that:

(a) the name is labelled exclusively in non-Latin characters;

(b) the true origin of the product is clearly labelled in the same field of vision; and

(c) nothing in the presentation is likely to mislead consumers as to the true origin of the product.

4. For the purposes of facilitating the smooth and effective termination of the use of the European Union geographical indication "Cognac" for products originating in the Republic of Armenia, as well as assisting the industry of the Republic of Armenia in maintaining its competitive position in export markets, the European Union shall provide to the Republic of Armenia technical and financial assistance. That assistance, to be provided in conformity with EU law, shall include, in particular, actions for developing a new name and promoting, advertising and marketing the new name in domestic and traditional export markets.

5. The specific amounts, types, mechanisms and timeframes of the EU assistance referred to in paragraph 4 shall be defined in a financial and technical assistance package to be agreed definitively by the Parties within one year of the entry into force of this Agreement. Parties shall jointly develop the terms of reference of such assistance package, based on a thorough assessment of the needs to be covered by such assistance. That assessment shall be carried out by an international consulting firm chosen jointly by the Parties.

6. In the event that the European Union does not provide the financial and technical assistance referred to in paragraph 4, the Republic of Armenia may have recourse to the dispute-settlement mechanism provided for in Chapter 13 and, if successful, suspend the obligations arising from paragraphs 2 and 3.

7. The European Union financial and technical assistance shall be provided not later than eight years after the date of the entry into force of this Agreement.

ARTICLE 238

General rules

1. Import, export and commercialisation of products referred to in Articles 231 and 232 shall be conducted in compliance with the laws and regulations applying in the territory of the Party in which the products are placed on the market.

2. The Sub-Committee on Geographical Indications established pursuant to Article 240 shall address any matter concerning product specifications of a registered geographical indication which have been approved by the authorities of the Party in the territory of which the product originates, including any amendments thereto.

3. Geographical indications protected under this Subsection may only be cancelled by the Party in which the product originates.

ARTICLE 239

Co-operation and transparency

1. The Parties shall, either directly or through the Sub-Committee on Geographical Indications established pursuant to Article 240, maintain contact on all matters relating to the implementation and functioning of this Subsection. In particular, a Party may request information from the other Party relating to product specifications and their modification, and on contact points of national control authorities.

2. Each Party may make publicly available the specifications of the geographical indications protected under this Subsection or a summary thereof, and information on contact points of national control authorities, corresponding to the geographical indications of the other Party protected pursuant to this Subsection.

ARTICLE 240

Sub-Committee on Geographical Indications

1. The Parties hereby establish a Sub-Committee on Geographical Indications consisting of representatives of the European Union and the Republic of Armenia with the purpose of monitoring the implementation of this Subsection and of intensifying their cooperation and dialogue on geographical indications.

2. The Sub-Committee on Geographical Indications adopts its decisions by consensus. It shall determine its own rules of procedure. The Sub-Committee on Geographical Indications shall meet at the request of either Party, alternately in the European Union and in the Republic of Armenia, at a time and a place and in a manner, which may include by videoconference, agreed by the Parties, but no later than 90 days after the request.

3. The Sub-Committee on Geographical Indications shall also see to the proper functioning of this Subsection and may consider any matter related to its implementation and operation. In particular, it shall be responsible for:

(a) amending Part A of Annex IX, as regards the references to the law applicable in each Party;

(b) amending Part B of Annex IX, as regards the elements for registration and control of geographical indications;

(c) amending Annex X, as regards the list of geographical indications;

(d) exchanging information on legislative and policy developments on geographical indications and any other matter of mutual interest in the area of geographical indications; and

(e) exchanging information on geographical indications for the purpose of considering their protection in accordance with this Subsection.

SUBSECTION IV

DESIGNS

ARTICLE 241

International agreements

The Parties shall adhere to the Geneva Act of 1999 of the Hague Agreement Concerning the International Registration of Industrial Designs.

ARTICLE 242

Protection of registered designs

1. The Parties shall provide for the protection of independently created designs that are new and original. Such protection shall be provided by registration and shall confer an exclusive right upon their holders in accordance with this Subsection.

For the purpose of this Subsection, a Party may consider a design having individual character to be original.

2. A design applied to or incorporated into a product which constitutes a component part of a complex product shall only be considered to be new and original:

(a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter; and

(b) to the extent that those visible features of the component part fulfil in themselves the requirements as to novelty and originality.

3. The term "normal use" in paragraph 2 (a) means use by the end user, excluding maintenance, servicing or repair work.

4. The holder of a registered design shall have the right to prevent third parties not having the holder's consent at least from making, offering for sale, selling, importing, exporting, stocking or using a product bearing or embodying the protected design when such acts are undertaken for commercial purposes, unduly prejudice the normal exploitation of the design or are not compatible with fair trade practice.

5. The duration of protection available shall amount to 25 years.

ARTICLE 243

Protection conferred to unregistered designs

1. The European Union and the Republic of Armenia shall provide the legal means to prevent the use of the unregistered appearance of a product only if the contested use results from copying the unregistered appearance of the product. Such use shall at least cover offering for sale, putting on the market, importing or exporting the product.

2. The duration of protection available for the unregistered appearance of a product shall amount to at least three years from the date on which the design was made available to the public in one of the Parties.

ARTICLE 244

Exceptions and exclusions

1. Each Party may provide limited exceptions to the protection of designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected designs and do not unreasonably prejudice the legitimate interests of the holder of the protected design, taking account of the legitimate interests of third parties.

2. Design protection shall not extend to designs dictated essentially by technical or functional considerations. In particular, a design right shall not subsist in features of appearance of a product which necessarily have to be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may perform its function.

ARTICLE 245

Relationship to copyright

A design shall also be eligible for protection under the law of copyright of a Party as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Party subject to its domestic laws and regulations.

SUBSECTION V

PATENTS

ARTICLE 246

International agreements

The Parties shall adhere to the Patent Cooperation Treaty, and make all reasonable efforts to comply with the Patent Law Treaty.

ARTICLE 247

Patents and public health

1. The Parties recognise the importance of the Declaration on the TRIPS Agreement and Public Health, adopted on 14 November 2001 by the Ministerial Conference of the WTO. In interpreting and implementing the rights and obligations under this Subsection, the Parties shall ensure consistency with that Declaration.

2. The Parties shall respect, and contribute to the implementation of, the Decision of the WTO General Council of 30 August 2003 on Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

ARTICLE 248

Supplementary protection certificate

1. The Parties recognise that medicinal and plant protection products protected by a patent on their respective territory may be subject to an administrative authorisation procedure before being put on their market. The Parties recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on their respective market, as defined for that purpose by their relevant legislation, may shorten the period of effective protection under the patent.

2. Each Party shall provide for a further period of protection for a medicinal or plant protection product which is protected by a patent and which has been subject to an administrative authorisation procedure, that period being equal to the period referred to in the second sentence of paragraph 1, reduced by a period of five years.

3. Notwithstanding paragraph 2, the duration of the further period of protection may not exceed five years.

In the Union, a further six month extension is possible in the case of medicinal products for which pediatric studies have been carried out and the results of those studies are reflected in the product information.

SUBSECTION VI

UNDISCLOSED INFORMATION

ARTICLE 249

Scope of protection for trade secrets

1. The Parties affirm their commitments under Article 39 paragraphs 1 and 2 of the TRIPS Agreement. Each Party shall provide for appropriate civil judicial procedures and remedies for any trade secret holder to prevent, and obtain redress for, the acquisition, use or disclosure of a trade secret whenever carried out in a manner contrary to honest commercial practices.

2. For purposes of this Subsection:

(a) "trade secret" means information that:

(i) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;

(ii) has commercial value because it is secret; and

(iii) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret; and

(b) "trade secret holder" means any natural or legal person lawfully controlling a trade secret.

3. For the purpose of this Subsection, at least the following forms of conduct shall be considered contrary to honest commercial practices:

(a) the acquisition of a trade secret without the consent of the trade secret holder, whenever carried out through unauthorised access to, appropriation of, or copying of any documents, objects, materials, substances or electronic files lawfully under the control of the trade secret holder which contain the trade secret or from which the trade secret can be deduced;

(b) the use or disclosure of a trade secret whenever carried out, without the consent of the trade secret holder, by a person who is found to:

(i) have acquired the trade secret in a manner referred to in point (a);

(ii) be in breach of a confidentiality agreement or any other duty not to disclose the trade secret; or

(iii) be in breach of a contractual or any other duty to limit the use of the trade secret; and

(c) the acquisition, use or disclosure of a trade secret whenever carried out by a person who, at the time of the acquisition, use or disclosure, knew or ought, under the circumstances, to have known that the trade secret had been obtained directly or indirectly from another person who was using or disclosing the trade secret unlawfully within the meaning of point (b), including where a person has induced another person to carry out the actions referred to in that point.

4. Nothing in this Subsection shall be understood as requiring a Party to consider any of the following forms of conduct as contrary to honest commercial practices:

(a) independent discovery or creation by a person of the relevant information;

(b) reverse engineering of a product by a person who is lawfully in possession of it and who is free from any legally valid duty to limit the acquisition of the relevant information;

(c) acquisition, use or disclosure of information required or allowed by the relevant domestic law; and

(d) use by employees of their experience and skills honestly acquired in the normal course of their employment.

5. Nothing in this Subsection shall be understood as restricting freedom of expression and information, including media freedom as protected in the jurisdiction of each of the Parties.

ARTICLE 250

Civil judicial procedures and remedies for trade secrets

1. Each Party shall ensure that any person participating in the civil judicial proceedings referred to in Article 249, or who has access to documents which form part of those legal proceedings, is not permitted to use or disclose any trade secret or alleged trade secret which the competent judicial authorities have, in response to a duly reasoned application by an interested party, identified as confidential and of which they have become aware as a result of such participation or access.

2. In the civil judicial proceedings referred to in Article 249, each Party shall provide that its judicial authorities have the authority at least to:

(a) order provisional measures to prevent the acquisition, use or disclosure of the trade secret in a manner contrary to honest commercial practices;

(b) order injunctive relief to prevent the acquisition, use or disclosure of the trade secret in a manner contrary to honest commercial practices;

(c) order the person that knew or ought to have known that he, she or it was acquiring, using or disclosing a trade secret in a manner contrary to honest commercial practices to pay the trade secret holder damages appropriate to the actual prejudice suffered as a result of such acquisition, use or disclosure of the trade secret;

(d) take specific measures to preserve the confidentiality of any trade secret or alleged trade secret produced in civil proceedings relating to the alleged acquisition, use and disclosure of a trade secret in a manner contrary to honest commercial practices; such specific measures may include, in accordance with the domestic law of the relevant Party, the possibility of:

(i) restricting access to certain documents in whole or in part;

(ii) restricting access to hearings and their corresponding records or transcript; and

(iii) making available a non-confidential version of a judicial decision in which the passages containing trade secrets have been removed or redacted; and

(e) impose sanctions on parties, or other persons subject to the court's jurisdiction, for the violation of remedies or measures adopted by the court pursuant to paragraph 1 or point (d) of this paragraph concerning the protection of a trade secret or alleged trade secret produced in those proceedings.

3. The Parties shall not be required to provide for the judicial procedures and remedies referred to in Article 249 when the conduct contrary to honest commercial practices is carried out, in accordance with their relevant domestic law, to reveal misconduct, wrongdoing or illegal activity or for the purpose of protecting a legitimate interest recognised by law.

ARTICLE 251

Protection of data submitted to obtain an authorisation to put a medicinal product on the market

1. Each Party shall protect commercially confidential information submitted to obtain an authorisation to put a medicinal product on the market ("marketing authorisation") against disclosure to third parties, unless overriding health interests provide otherwise. Any confidential business information shall also benefit from protection against unfair commercial practices.

2. Each Party shall ensure that, for a period of eight years from the first marketing authorisation in the Party concerned, the public body responsible for the granting of a marketing authorisation shall not take into account confidential business information or the results of pre-clinical tests or clinical trials provided in the first marketing authorisation application and subsequently submitted by a person or entity, whether public or private, in support of another application for authorisation to place a medicinal product on the market without the explicit consent of the person or entity who submitted such data, unless international agreements recognised by both Parties provide otherwise.

3. During a ten-year period, starting from the date of granting of the first marketing authorisation in the Party concerned, a marketing authorisation granted for any subsequent application based on the results of pre-clinical tests or of clinical trials provided in the first marketing authorisation shall not permit placing a medicinal product on the market, unless the subsequent applicant submits his own results of pre-clinical tests or of clinical trials (or results of pre-clinical tests or of clinical trials used with the consent of the party which had provided that information) fulfilling the same requirements as the first applicant.

Products not complying with the requirements set out in this paragraph shall not be allowed on the market.

4. In addition, the ten-year period referred to in paragraph 3 shall be extended to a maximum of 11 years if, during the first eight years after obtaining the authorisation, the authorisation holder obtains authorisation for one or more new therapeutic indications which are considered to bring a significant clinical benefit in comparison with existing therapies.

ARTICLE 252

Data protection on plant protection products

1. Each Party shall recognise a temporary right of the owner of a test or study report submitted for the first time to obtain a marketing authorisation for a plant protection product. During such period, the test or study report shall not be used for the benefit of any other person aiming to obtain a marketing authorisation for a plant protection product, except when the explicit consent of the first owner is given. In this Subsection that temporary right is referred to as "data protection".

2. The test or study report referred to in paragraph 1 shall fulfil the following conditions:

(a) be necessary for the authorisation or an amendment of an authorisation in order to allow the use on other crops; and

(b) be certified as compliant with the principles of good laboratory practice or of good experimental practice.

3. The period of data protection shall be at least ten years from the first authorisation granted by the competent authority in the Party concerned. For low-risk plant protection products, the period may be extended to 13 years.

4. The periods referred to in paragraph 3 shall be extended by three months for each extension of authorisation for minor uses if the applications for such authorisations are made by the authorisation holder at least five years after first authorisation granted by the competent authority. The total period of data protection may in no circumstances exceed 13 years. For low-risk plant protection products, the total period of data protection may in no circumstances exceed 15 years.

The term "minor use" means use in a Party's territory of a plant protection product on plants or plant products which are not widely grown in that Party or widely grown to meet an exceptional need for plant protection.

5. A test or study shall also be protected if it was necessary for the renewal or review of an authorisation. In such cases, the period of data protection shall be 30 months.

6. Measures obliging the applicant and holders of previous authorisations, established in the Parties' respective territories, to share proprietary information so as to avoid duplicative testing on vertebrate animals, shall be laid down by each Party.

SUBSECTION VII

PLANT VARIETIES

ARTICLE 253

Plant varieties

1. Each Party shall protect plant variety rights, in accordance with the International Convention for the Protection of New Varieties of Plants ("UPOV"), including the exceptions to the breeder's right as referred to in Article 15 of that Convention, and cooperate to promote and enforce those rights.

2. For the Republic of Armenia, this Article shall apply no later than three years after the entry into force of this Agreement.

SECTION C

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

SUBSECTION I

GENERAL PROVISIONS

ARTICLE 254

General obligations

1. The Parties reaffirm their commitments under the TRIPS Agreement, in particular Part III thereof. Each Party shall provide for the complementary measures, procedures and remedies in this Section which are necessary to ensure the enforcement of intellectual property rights. Those measures, procedures and remedies shall be fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

2. The measures, procedures and remedies referred to in paragraph 1 shall be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

3. For the purposes of Subsection II of this Section, the notion of "intellectual property rights" includes at least the following:

(a) copyright;

(b) rights related to copyright;

(c) *sui generis* right of a database maker;

(d) rights of the creator of the topographies of a semiconductor product;

(e) trademark rights;

(f) design rights;

(g) patent rights, including rights derived from supplementary protection certificates;

(h) geographical indications;

(i) utility model rights;

(j) plant variety rights; and

(k) trade names in so far as these are protected as exclusive rights in the domestic law concerned.

Trade secrets are excluded from the scope of this Section. Enforcement of trade secrets is addressed in Article 250.

ARTICLE 255

Entitled applicants

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this Section and in Part III of the TRIPS Agreement:

(a) the holders of intellectual property rights, in accordance with the applicable law;

(b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by and in accordance with the applicable law;

(c) intellectual property collective rights management bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the applicable law; and

(d) professional defence bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the applicable law.

SUBSECTION II

CIVIL ENFORCEMENT

ARTICLE 256

Measures for preserving evidence

1. Each Party shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, upon request by a party who has presented reasonably available evidence to support his or her claims that his intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information.

2. The provisional measures referred to in paragraph 1 may include the detailed description, with or without the taking of samples, or the physical seizure of the alleged infringing goods, and, in appropriate cases, the materials and implements used in the production or distribution of such goods and the documents relating thereto. Those measures shall be taken, if necessary, without the other party being heard, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed. The other party shall have the right to be heard within a reasonable amount of time.

ARTICLE 257

Right of information

1. Each Party shall ensure that, in civil proceedings concerning an infringement of an intellectual property right, and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order the infringer or any other person which is party to litigation, or a witness therein, to provide information on the origin and distribution networks of the goods or services which infringe an intellectual property right.

For the purposes of this paragraph, the term "any other person" means a person who was:

(a) found in possession of the infringing goods on a commercial scale;

(b) found to be using the infringing services on a commercial scale;

(c) found to be providing on a commercial scale services used in infringing activities; or

(d) indicated by the person referred to in this paragraph as being involved in the production, manufacture or distribution of the goods or the provision of the services.

The information referred to in this paragraph shall, as appropriate, comprise:

(a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers; and

(b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

2. This Article shall apply without prejudice to other statutory provisions which:

(a) grant the right holder rights to receive fuller information;

(b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;

(c) govern responsibility for misuse of the right of information;

(d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit his own participation or that of his close relatives in the infringement of an intellectual property right; or

(e) govern the protection of confidentiality of information sources or the processing of personal data.

ARTICLE 258

Provisional and precautionary measures

1. Each Party shall ensure that the judicial authorities may, at the request of the applicant, issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right. The judicial authorities may also forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by domestic law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right.

2. An interlocutory injunction may also be issued to order the seizure or delivery up of goods suspected of infringing an intellectual property right, so as to prevent their entry into or movement within the channels of commerce.

3. In the case of an alleged infringement committed on a commercial scale, each Party shall ensure that, if the applicant demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his or her bank accounts and other assets. To that end, the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information.

ARTICLE 259

Corrective measures

1. Each Party shall ensure that the competent judicial authorities may order, at the request of the applicant and without prejudice to any damages due to the right holder by reason of the infringement, and without compensation of any sort, at least the definitive removal from the channels of commerce, or the destruction, of goods that they have found to be infringing an intellectual property right. If appropriate, the competent judicial authorities may also order destruction of materials and implements predominantly used in the creation or manufacture of those goods.

2. The Parties' judicial authorities shall have the authority to order that the measures referred to in paragraph 1 be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

ARTICLE 260

Injunctions

Each Party shall ensure that, where a judicial decision is taken that finds an infringement of an intellectual property right, the judicial authorities may issue against the infringer, as well as against intermediary whose services are used by a third party to infringe an intellectual property right, an injunction aimed at prohibiting the continuation of the infringement.

ARTICLE 261

Alternative measures

A Party may provide that, in appropriate cases and upon a request of the person liable to be subject to the measures provided for in Article 259 or Article 260, the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in these Articles. Such pecuniary compensation shall be paid if the person liable to be subject to those measure acted unintentionally and without negligence, and if the execution of the measures provided in Article 259 and 260 would cause this person disproportionate harm and pecuniary compensation to the injured party appears reasonably satisfactory.

ARTICLE 262

Damages

1. Each Party shall ensure that the judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the right holder damages appropriate to the actual damage suffered by him or her as a result of the infringement. When the judicial authorities determine the damages:

(a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the right holder by the infringement; or

(b) as an alternative to point (a), they may, in appropriate cases, determine the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, a Party may lay down that the judicial authorities may order in favour of the injured party the recovery of profits or the payment of damages, which may be pre-established.

ARTICLE 263

Legal costs

Each Party shall ensure that reasonable and proportionate legal costs and other expenses incurred by the prevailing party are, as a general rule, borne by the unsuccessful losing party, unless equity does not allow this.

ARTICLE 264

Publication of judicial decisions

Each Party shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, upon the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part.

ARTICLE 265

Presumption of authorship or ownership

The Parties recognise that, for the purposes of applying the measures, procedures and remedies provided for in this Section it is sufficient for the name of an author of a literary or artistic work to appear on the work in the usual manner in order for that author to be regarded as such, unless there is proof to the contrary, and consequently to be entitled to institute infringement proceedings.

SUBSECTION III

BORDER ENFORCEMENT

ARTICLE 266

Border enforcement

1. When implementing border measures for the enforcement of intellectual property rights, each Party shall ensure consistency with its obligations under the GATT 1994 and the TRIPS Agreement.

2. With a view to ensuring effective protection of intellectual property rights in the customs territories of the Parties, their relevant customs authorities shall adopt a range of approaches to identify shipments containing goods suspected of infringing intellectual property rights referred to in paragraphs 3 and 4. Those approaches shall include risk-analysis techniques based on, *inter alia*, information provided by right, intelligence gathered and cargo inspections.

3. Customs authorities of each Party shall, upon request by the right holders, take measures to detain or suspend the release of goods under customs control which are suspected of infringing trademarks, copyright and related rights, geographical indications, patents, utility models, industrial designs, topographies of integrated circuits and plant variety rights.

4. No later than three years after entering into force of this Agreement, the Parties shall initiate discussions regarding the rights of their relevant customs authorities to detain or suspend, upon their own initiative, the release of goods under customs control which are suspected of infringing trademarks, copyright and related rights, geographical indications, patents, utility models, industrial designs, topographies of integrated circuits and plant variety rights.

5. Notwithstanding paragraph 3, a Party has no obligation but may decide to apply such measures to imports of goods put on the market in another country by or with the consent of the right holder.

6. The Parties agree to cooperate in respect of international trade in goods suspected of infringing intellectual property rights. For that purpose, each Party shall establish a contact point in its customs administration and notify the other Party thereof. Such cooperation shall include exchanges of information regarding mechanisms for receiving information from right holders, best practices and experiences with risk-management strategies, as well as information to help with the identification of shipments suspected of containing infringing goods. Any information shall be provided in a manner that fully respects the provisions on the protection of personal data applicable in the territory of each Party.

7. Without prejudice to other forms of cooperation, Protocol II on Mutual Administrative Assistance in Customs Matters shall be applicable for the purposes of border enforcement of intellectual property rights.

8. Without prejudice to the general competence of the Partnership Committee, the Sub-Committee on Customs referred to in Article 126 shall be responsible for ensuring the proper functioning and implementation of this Section, setting the priorities and providing for adequate procedures for cooperation between the competent authorities of both Parties.

SUBSECTION IV

OTHER ENFORCEMENT PROVISIONS

ARTICLE 267

Codes of conduct

1. Each Party shall encourage:

(a) the development by trade or professional associations or organisations of codes of conduct aimed at contributing towards the enforcement of intellectual property rights; and

(b) the submission to the competent authorities of each Party of draft codes of conduct and of any evaluations of the application of the codes of conduct.

ARTICLE 268

Cooperation

1. The Parties shall to cooperate with a view to supporting implementation of the commitments and obligations in this Chapter.

2. Areas of cooperation between the Parties include, but are not limited to, the following activities:

(a) exchange of information on the legal framework concerning intellectual property rights and relevant rules of protection and enforcement as well as exchange of experiences in the European Union and in the Republic of Armenia on legislative progress regarding those matters;

(b) the exchange of experiences and information on the enforcement of intellectual property rights;

(c) the exchange of experiences on the enforcement of intellectual property rights by customs authorities, police, and administrative and judiciary bodies at central and sub-central level;

(d) the coordination of actions to prevent exports of counterfeit goods, including with third countries;

(e) capacity-building, and the exchange and training of personnel;

(f) the promotion and dissemination of information on intellectual property rights, including in business circles and civil society, as well as raising public awareness on intellectual property rights issues among consumers and right holders;

(g) the enhancement of institutional cooperation, for example between intellectual property offices of both Parties; and

(h) the active promotion of awareness-raising and education initiatives aimed at the general public with regard to policies on intellectual property rights, including by formulating effective strategies to identify key audiences and creating communication programmes to increase consumer and media awareness of the impact of intellectual property right violations, such as the risk posed to health and safety and the connection to organised crime.

3. Without prejudice and as a complement to paragraphs 1 and 2, the Parties shall hold effective dialogues, as necessary, in intellectual property issues ("IP Dialogue") to address topics relevant to the protection and enforcement of intellectual property rights covered by this Chapter, as well as on other relevant issue.

CHAPTER 8

PUBLIC PROCUREMENT

ARTICLE 269

Relation to the WTO Government Procurement Agreement

The Parties affirm their mutual rights and obligations under the Revised Agreement on Government Procurement of 2012[1] ("WTO Government Procurement Agreement"). Those rights and obligations established by the WTO Government Procurement Agreement, including the specifications of each Party set out in their respective Annexes to Appendix I, are made part of this Agreement and are subject to bilateral dispute settlement as provided for in Chapter 13.

[1] Annex to the Protocol Amending the Agreement on Government Procurement (GPA/113).

ARTICLE 270

Additional Scope of Application

1. The Parties shall apply, *mutatis mutandis*, the provisions of Articles I to IV, VI to XV, XVI.1 to XVI.3, XVII and XVIII of the WTO Government Procurement Agreement to the procurements covered in Annex XI to this Agreement.

2. The Partnership Committee may decide to amend Annex XI to this Agreement. As regards the procedure for modifications or rectifications of that Annex by a Party, the Parties shall apply the provisions of Article XIX of the WTO Government Procurement Agreement *mutatis mutandis*, subject to the notifications being made directly to the other Party and the reference to dispute settlement is understood as to refer to Chapter 13.

ARTICLE 271

Additional Disciplines

The Parties shall apply to both the procurements covered through their respective Annexes to Appendix I to the WTO Government Procurement Agreement and to those covered through Annex XI to this Agreement, the following additional disciplines:

Electronic publication of procurement notices

1. Each Party shall ensure that all the notices of intended procurement are made directly accessible by electronic means free of charge through a single point of access on the internet. In addition, the notices may also be published in an appropriate paper medium. Any such medium shall be widely disseminated and such notices shall remain readily accessible to the public, at least until the expiration of the time period indicated in the notice.

Requirements for review procedures

2. Each Party shall ensure that the measures taken concerning the review procedures specified in Article XVIII of the WTO Government Procurement Agreement provide the necessary powers to:

(a) take, at the earliest opportunity and by way of interlocutory procedures, interim measures with the aim of correcting the alleged infringement or preventing further damage to the interests concerned, including measures to suspend or to ensure the suspension of the procedure for the award of a public procurement contract or the implementation of any decision taken by the contracting authority;

(b) either set aside or ensure the setting aside of decisions taken unlawfully, including the removal of discriminatory technical, economic or financial specifications in the publication of intended or planned procurement, the contract documents or in any other document relating to the contract award procedure; and

(c) award damages to persons harmed by an infringement.

3. In the case of the review of an award decision, each Party shall ensure that the contracting authority cannot conclude the contract before the review body has made a decision on the application either for interim measures or for review. The suspension shall end no earlier than the expiry of the standstill period referred to in paragraph 6.

4. Each Party shall ensure that decisions taken by bodies responsible for review procedures can be effectively enforced.

5. Members of independent review bodies shall not be representatives of any contracting authorities.

With regard to bodies responsible for review procedures which are not judicial in character each Party shall ensure that:

(a) written reasons for their decisions are always be given;

(b) that any allegedly illegal measure taken by the independent review body or any alleged defect in the exercise of the powers conferred on it can be the subject of judicial review or review by another independent body which is a court or tribunal and independent of both the contracting authority and the review body;

(c) the members of such an independent body are appointed and leave office under the same conditions as members of the judiciary as regards the authority responsible for their appointment, their period of office, and their removal;

(d) at least the President of such an independent body has the same legal and professional qualifications as members of the judiciary; and

(e) the independent body takes its decisions following a procedure in which both sides are heard, and that these decisions are, by means determined by each Party, legally binding.

Standstill period

6. The contracting authority may not conclude a contract following the decision to award a contract falling within the scope of this Chapter before:

(a) the expiry of a standstill period of at least 10 calendar days with effect from the day following the date on which the contract award decision is sent to the tenderers and candidates concerned if fax or electronic means are used; or

(b) before the expiry of a standstill period of either at least 15 calendar days with effect from the day following the date on which the contract award decision is sent to the tenderers and candidates concerned or at least 10 calendar days with effect from the day following the date of the receipt of the contract award decision, if other means of communication are used.

Alternatively, a Party may provide that the standstill period is triggered by the publication of the award decision in an electronic media free of charge, pursuant to Article XVI.2 of the WTO Government Procurement Agreement.

Tenderers shall be deemed to be concerned if they have not yet been definitively excluded. The exclusion is deemed definitive if it has been notified to the tenderers concerned and either has been considered lawful by an independent review body or can no longer be subject to a review procedure. Candidates shall be deemed to be concerned if the contracting authority has not made information about the rejection of their application available to the tenderers concerned prior to the notification of the contract award decision.

7. A Party may provide that the standstill periods referred to in points (a) and (b) of the first subparagraph of paragraph 6 do not apply in the following cases:

(a) if the only tenderer concerned within the meaning of the third subparagraph of paragraph 6 is the one who is awarded the contract and there are no other candidates concerned;

(b) in the case of a contract based on a framework agreement; and

(c) in the case of a specific contract based on a dynamic purchasing system.

Ineffectiveness

8. Each Party shall ensure, if the contracting authority has awarded a contract without prior publication without this being permissible, that a contract is considered ineffective by a review body independent of the contracting authority or a judiciary body, or that its ineffectiveness is the result of a decision of such a body.

The law of each Party shall determine the consequences of a contract considered ineffective by providing for the retroactive cancellation of all contractual obligations or the cancellation of those obligations not yet performed. In the latter case, each Party shall provide for the application of other penalties.

9. A Party may provide that the review body or a judicial body may not consider a contract ineffective, even though the contract has been awarded unlawfully, if the review body or a judicial body finds, after having examined all relevant aspects, that overriding reasons relating to a general interest require to maintain the effects of the contract. In that case, each Party shall provide for alternative penalties.

Non-discrimination of established companies

10. Each Party shall ensure that the suppliers of the other Party that have established a commercial presence in its territory through the establishment, acquisition or maintenance of a juridical person are accorded national treatment with regard to any public procurement of the Party in its territory. This obligation applies irrespectively of whether or not the procurement is covered by the Parties' Annexes to Appendix I to the WTO Government Procurement Agreement or by Annex XI of this Agreement.

The general exceptions provided for in Article III of the WTO Government Procurement Agreement apply.

CHAPTER 9

TRADE AND SUSTAINABLE DEVELOPMENT

ARTICLE 272

Objectives and scope

1. The Parties recall Agenda 21 of the UN Conference on Environment and Development of 1992, the ILO Declaration on Fundamental Principles and Rights at Work of 1998, the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Ministerial Declaration of the UN Economic and Social Council entitled "Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development" of 2006, the ILO Declaration on Social Justice for a Fair Globalization of 2008, the Outcome Document of the UN Conference on Sustainable Development of 2012 entitled "The Future We Want" and the UN 2030 Agenda for Sustainable Development entitled "Transforming Our World: the 2030 Agenda for Sustainable Development" adopted in 2015. The Parties reaffirm their commitment to promote the development of international trade in such a way as to contribute to the objective of sustainable development, for the welfare of present and future generations, and to ensure that that objective is integrated and reflected at every level of their trade relationship.

2. The Parties reaffirm their commitment to pursue sustainable development, the pillars of which – economic development, social development and environmental protection – are interdependent and mutually reinforcing. They underline the benefit of considering trade-related labour and environmental issues as part of a global approach to trade and sustainable development.

3. When "labour" is referred to in this Chapter, it includes the issues relevant to the strategic objectives of the ILO, through which the Decent Work Agenda is expressed, as agreed on in the ILO Declaration on Social Justice for a Fair Globalization of 2008.

ARTICLE 273

Right to regulate and levels of protection

Recognising the right of each Party to determine its sustainable development policies and priorities, to establish its own levels of domestic environmental and labour protection, and to adopt or modify accordingly its relevant laws and policies, in a manner consistent with its commitment to the internationally recognised standards and agreements referred to in Articles 274 and 275, each Party shall strive to ensure that its laws and policies provide for and encourage high levels of environmental and labour protection and shall strive to continue to improve those laws and policies and their underlying levels of protection.

ARTICLE 274

International labour standards and agreements

1. The Parties recognise full and productive employment and decent work for all as key elements for managing globalization, and reaffirm their commitment to promote the development of international trade in a way that is conducive to full and productive employment and decent work for all. In that context, the Parties commit to consult and co-operate with each other, as appropriate, on trade-related labour issues of mutual interest.

2. In accordance with their obligations as members of the ILO and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 1998, the Parties commit to respect, promote and realise in their laws and practices and in their whole territory the internationally recognised core labour standards, as embodied in the fundamental ILO conventions and the protocols to those conventions, and in particular:

(a) the freedom of association and the effective recognition of the right to collective bargaining;

(b) the elimination of all forms of forced or compulsory labour;

(c) the effective abolition of child labour; and

(d) the elimination of discrimination in respect of employment and occupation.

3. The Parties reaffirm their commitment to effectively implement in their laws and practices the fundamental, priority and other ILO conventions, as well as the protocols to those conventions, that have been ratified by the Member States and the Republic of Armenia respectively.

4. The Parties shall also consider the ratification of the remaining priority and other conventions that are classified as up-to-date by the ILO. In that context, the Parties shall regularly exchange information on their respective situations and progress in the ratification process.

5. The Parties recognise that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards are not to be used for protectionist trade purposes.

ARTICLE 275

International environmental governance and agreements

1. The Parties recognise the value of international environmental governance and agreements as a response of the international community to global or regional environmental problems and stress the need to enhance the mutual supportiveness between trade and environment. In that context, the Parties commit to consult and cooperate as appropriate with respect to negotiations on trade-related environmental issues and other trade-related environmental matters of mutual interest.

2. The Parties reaffirm their commitment to effectively implement in their laws and practices the multilateral environmental agreements ("MEAs") to which they are party.

3. The Parties shall regularly exchange information on their respective situations and progress as regards the ratification of MEAs or amendments to such agreements.

4. The Parties reaffirm their commitment to implementing and reaching the objectives of the United Nations Framework Convention on Climate Change of 1992 ("UNFCCC"), the Kyoto Protocol thereto of 1998 and the Paris Agreement of 2015. They commit to work together to strengthen the multilateral, rules-based regime under the UNFCCC and to cooperate on the further development and implementation of the international climate-change framework under the UNFCCC and agreements and decisions related thereto.

5. Nothing in this Agreement shall prevent Parties from adopting or maintaining measures to implement the MEAs to which they are party, provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties or a disguised restriction on trade.

ARTICLE 276

Trade and investment favouring sustainable development

The Parties confirm their commitment to enhance the contribution of trade to the goal of sustainable development in its economic, social and environmental dimensions. To that end, the Parties:

(a) recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and shall seek greater policy coherence between trade and labour policies;

(b) shall strive to facilitate and promote trade and investment in environmental goods and services, including through addressing related non-tariff barriers;

(c) shall strive to facilitate the removal of obstacles to trade or investment concerning goods and services of particular relevance for climate-change mitigation and adaptation, such as sustainable renewable energy and energy-efficient products and services, including through:

(i) the adoption of policy frameworks conducive to the deployment of best available technologies;

(ii) the promotion of standards that respond to environmental and economic needs; and

(iii) the minimisation of technical obstacles to trade;

(d) agree to promote trade in goods that contribute to enhanced social conditions and environmentally sound practices, including goods that are the subject of voluntary sustainability assurance schemes such as fair and ethical trade schemes and eco-labels; and

(e) agree to promote corporate social responsibility, including through the exchange of information and best practices. In that regard, the Parties refer to the relevant internationally recognised principles and guidelines, such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of 1977.

ARTICLE 277

Biological diversity

1. The Parties recognise the importance of ensuring the conservation and sustainable use of biological diversity as a key element for the achievement of sustainable development, and reaffirm their commitment to conserve and sustainably use biological diversity, in accordance with the Convention on Biological Diversity of 1992 and the ratified Protocols thereto, the Strategic Plan for Biodiversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora of 1973 ("CITES") and other relevant international instruments to which they are party.

2. To that end, the Parties shall:

(a) promote the sustainable use of natural resources and contribute to the conservation of biodiversity when undertaking trade activities;

(b) exchange information on actions on trade in natural resource-based products aimed at halting the loss of biological diversity and reducing pressures on biodiversity, and, where relevant, cooperate to maximise the impact and ensure the mutual supportiveness of their respective policies;

(c) promote the inclusion in the Appendices to CITES of species which meet the CITES criteria agreed for such inclusion;

(d) adopt and implement effective measures against illegal trade in wildlife products, including CITES protected species, and cooperate in the fight against that illegal trade; and

(e) cooperate at the regional and global levels with the aim of promoting:

(i) the conservation and sustainable use of biological diversity in natural or agricultural ecosystems, including endangered species, their habitat, specially protected natural areas and genetic diversity;

(ii) the restoration of ecosystems and the elimination or reduction of negative environmental impacts resulting from the use of living and non-living natural resources or of ecosystems; and

(iii) access to genetic resources and the fair and equitable sharing of benefits arising from the utilisation of such resources.

ARTICLE 278

Sustainable management of forests and trade in forest products

1. The Parties recognise the importance of ensuring the conservation and sustainable management of forests and the contribution of forests to the Parties' economic, environmental and social objectives.

2. To that end, the Parties shall:

(a) promote trade in forest products derived from sustainably managed forests, harvested in accordance with the domestic legislation of the country of harvest;

(b) exchange information on measures to promote consumption of timber and timber products from sustainably managed forests and, where relevant, cooperate to develop such measures;

(c) adopt measures to promote the conservation of forest cover and combat illegal logging and related trade, including with respect to third countries, as appropriate;

(d) exchange information on actions to improve forest governance and, where relevant, cooperate to maximise the impact and ensure the mutual supportiveness of their respective policies aiming at excluding illegally harvested timber and timber products from trade flows;

(e) promote the inclusion in the Appendices to the CITES of timber species which meet the CITES criteria agreed for such inclusion; and

(f) cooperate at the regional and global levels with the aim of promoting the conservation of forest cover and the sustainable management of all types of forests, with use of certification promoting responsible management of the forests.

ARTICLE 279

Trade and sustainable management of living marine resources

The Parties, taking into account the importance of ensuring responsible management of fish stocks in a sustainable manner as well as promoting good governance in trade, shall:

(a) promote best practices in fisheries management with a view to ensuring the conservation and management of fish stocks in a sustainable manner, based on the ecosystem approach;

(b) take effective measures to monitor and control fishing activities;

(c) promote coordinated data collection schemes and bilateral scientific cooperation in order to improve current scientific advice for fisheries management;

(d) cooperate in the fight against illegal, unreported and unregulated ("IUU") fishing and fishing-related activities with comprehensive, effective and transparent measures; and

(e) implement policies and measures to exclude IUU products from trade flows and their markets, in accordance with the International Plan of Action to prevent, deter and eliminate illegal, unreported and unregulated fishing of the Food and Agriculture Organization of the United Nations ("FAO").

ARTICLE 280

Upholding levels of protection

1. The Parties recognise that it is inappropriate to encourage trade or investment by lowering the levels of protection afforded in domestic environmental or labour laws.

2. A Party shall not waive or derogate from, or offer to waive or derogate from, its environmental or labour laws as an encouragement for trade or the establishment, acquisition, expansion or retention of an investment or an investor in its territory.

3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental and labour laws as an encouragement for trade or investment.

ARTICLE 281

Scientific information

When preparing and implementing measures aimed at protecting the environment or labour conditions that could affect trade or investment between the Parties, each Party shall take account of available scientific and technical information, as well as relevant international standards, guidelines and recommendations if they exist, including the precautionary principle.

ARTICLE 282

Transparency

Each Party, in accordance with its domestic laws and regulations and Chapter 12, shall ensure that any measures aimed at protecting the environment and labour conditions that could affect trade or investment are developed, introduced and implemented in a transparent manner, with due notice and public consultation, and with appropriate and timely communication to and consultation of non-State actors.

ARTICLE 283

Review of sustainability impacts

The Parties commit to review, monitor and assess the impact of the implementation of this Agreement on sustainable development through their respective participative processes and institutions, as well as those set up under this Agreement, for instance through trade-related sustainability impact assessments.

ARTICLE 284

Working together on trade and sustainable development

1. The Parties recognise the importance of working together on trade-related aspects of environmental and labour policies in order to achieve the objectives of this Agreement. They may cooperate in, *inter alia*, the following areas:

(a) labour or environmental aspects of trade and sustainable development in the framework of international fora, including, in particular, the WTO, the ILO, the United Nations Environment Programme ("UN Environment"), the United Nations Development Programme and MEAs;

(b) methodologies and indicators for trade sustainability impact assessments;

(c) the trade impact of labour and environment regulations, norms and standards, as well as the labour and environmental impacts of trade and investment rules, including on the development of labour and environmental regulations and policy;

(d) the positive and negative impacts of this Agreement on sustainable development and ways to enhance, prevent or mitigate them, also taking into account sustainability impact assessments carried out by either or both of the Parties;

(e) promoting the ratification and effective implementation of fundamental, priority and other up-to-date ILO conventions, and the protocols to those conventions, as well as MEAs of relevance in a trade context;

(f) promoting private and public certification, traceability and labelling schemes, including eco-labelling;

(g) promoting corporate social responsibility, for instance through actions concerning raising awareness of, adherence to, the implementation of and follow-up to internationally recognised guidelines and principles;

(h) trade-related aspects of the ILO Decent Work Agenda, including on the interlinkages between trade and full and productive employment, labour-market adjustment, core labour standards, effective remedy systems (including labour inspectorates) for upholding labour rights, labour statistics, human-resource development and lifelong learning, social protection and social inclusion, social dialogue and gender equality;

(i) trade-related aspects of MEAs, including customs cooperation;

(j) trade-related aspects of the current and future international climate-change regime, including means to promote low-carbon technologies and energy efficiency;

(k) trade-related measures to promote the conservation and sustainable use of biological diversity, including combating illegal trade in wildlife products;

(l) trade-related measures to promote the conservation and sustainable management of forests, thereby reducing deforestation, including with regard to illegal logging; and

(m) trade-related measures to promote sustainable fishing practices and trade in sustainably managed fish products.

2. The Parties shall exchange information and share experience on their actions to promote coherence and mutual supportiveness between trade, social and environmental objectives. Furthermore, the Parties shall enhance their cooperation and dialogue with regard to sustainable development issues that arise in the context of their trade relations.

3. Such cooperation and dialogue shall involve relevant stakeholders, in particular social partners, as well as other civil-society organisations, in particular through the Civil Society Platform established under Article 366.

4. The Partnership Committee may adopt rules for such cooperation and dialogue.

ARTICLE 285

Dispute Settlement

Subsection II of Section 3 of Chapter 13 of this Title does not apply to disputes under this Chapter. For any such dispute, after the arbitration panel has delivered its final report pursuant to Articles 325 and 326, the Parties, taking that report into account, shall discuss suitable measures to be implemented. The Partnership Committee shall monitor the implementation of any such measures and shall keep the matter under review, including through the mechanism referred to in Article 284 paragraph 3.

CHAPTER 10

COMPETITION

SECTION A

ARTICLE 286

Principles

The Parties recognise the importance of free and undistorted competition in their trade and investment relations. The Parties acknowledge that anti-competitive business practices and State interventions have the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation.

SECTION B

ANTITRUST AND MERGERS

ARTICLE 287

Legislative framework

1. Each Party shall adopt or maintain its respective law which applies to all sectors of the economy[1] and addresses all of the following practices in an effective manner:

(a) horizontal and vertical agreements between enterprises, decisions by associations of enterprises and concerted practices which have as their object or effect the prevention, restriction or distortion of competition;

(b) abuses by one or more enterprises of a dominant position; and

(c) concentrations between enterprises which significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position.

[1] In the European Union, competition rules apply to the agricultural sector in accordance with Regulation (EU) No 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products and its subsequent amendments or replacements, if any (OJ EU L 347, 20.12.2013, p. 671).

For the purposes of this Chapter, this law will be referred to hereafter as "competition law"[1].

2. All enterprises, private or public, shall be subject to the competition law referred to in paragraph 1. The application of the competition law shall not obstruct the performance, in law or in fact, of particular tasks of public interest that may be assigned to the enterprises in question. Exemptions from the competition law of a Party shall be limited to tasks of public interest, proportionate to the desired public-policy objective and transparent.

ARTICLE 288

Implementation

1. Each Party shall maintain operationally independent authorities responsible for and appropriately equipped with the powers and resources necessary for the full application and the effective enforcement of the competition law referred to in Article 287.

2. The Parties shall apply their respective competition law in a transparent and non-discriminatory manner, respecting the principles of procedural fairness and rights of defence of the enterprises concerned, irrespective of their nationality or ownership status.

[1] For the purpose of this Section, Armenia considers the reference to competition law to comprise its whole system of competition rules in the areas of antitrust, cartels and mergers.

ARTICLE 289

Cooperation

1. In order to fulfil the objectives of this Agreement and to enhance effective competition enforcement, the Parties acknowledge that it is in their common interest to strengthen cooperation with regard to the development of competition policy and the investigation of antitrust and merger cases.

2. For that purpose, the competition authorities of the Parties shall endeavour to coordinate, where possible and appropriate, their enforcement activities with regard to the same or related cases.

3. To facilitate the cooperation referred to in paragraph 1, the Parties' competition authorities may exchange information.

SECTION C

SUBSIDIES

ARTICLE 290

Principles

The Parties agree that subsidies can be granted by a Party when they are necessary to achieve a public policy objective. The Parties acknowledge, however, that certain subsidies have the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation. In principle, a Party shall not grant subsidies to enterprises providing goods or services where such subsidies negatively affect competition or trade, or are likely to do so.

ARTICLE 291

Definition and scope

1. For the purposes of this Chapter, a subsidy is a measure which fulfils the conditions set out in Article 1.1 of the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement ("SCM Agreement"), irrespective of whether it is granted to an enterprise supplying goods or services.

The first subparagraph does not prejudice the outcome of future discussions in the WTO on the definition of subsidies for services. Depending on the progress of those discussions at WTO level, the Parties may adopt a decision in the Partnership Committee to update this Agreement in that respect.

2. A subsidy shall be subject to this Chapter only if that subsidy is determined to be specific in accordance with Article 2 of the SCM Agreement. Any subsidy falling under Article 295 of this Agreement shall be deemed to be specific.

3. Subsidies granted to all enterprises, including public and private enterprises, shall be subject to this Chapter. The application of the rules in this Section shall not obstruct the performance, in law or in fact, of particular services of public interest assigned to the enterprises in question. Exemptions from application of the rules in this Section shall be limited to tasks of public interest, proportionate to public-policy objectives assigned to them and transparent.

4. Article 294 of this Agreement shall not apply to subsidies related to trade in goods covered by the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement, ("Agreement on Agriculture").

5. Articles 294 and 295 shall not apply to audio-visual sector.

ARTICLE 292

Relationship with the WTO

The provisions in this Chapter are without prejudice to the rights and obligations of each Party under Article XV of GATS, Article XVI of GATT 1994, the SCM Agreement and the Agreement on Agriculture.

ARTICLE 293

Transparency

1. Every two years, each Party shall notify the other Party of the legal basis, form, amount or budget and, where possible, the recipient of subsidies provided within the reporting period.

2. Such notification shall be deemed to have been fulfilled if the relevant information is made available by a Party or on its behalf on a publicly accessible website, by 31 December of the subsequent calendar year. The first notification shall be made available no later than two years after the entry into force of this Agreement.

3. For subsidies notified under the SCM Agreement, such notification shall be deemed to have been fulfilled whenever a Party complies with its notification obligations under Article 25 of the SCM Agreement, provided that the notification contains all the information required under paragraph 1 of this Article.

ARTICLE 294

Consultations

1. If a Party considers that a subsidy granted by the other Party, which is not covered by Article 295, could negatively affect its interests, that Party may express its concern to the Party which granted the subsidy and request consultations on the matter. The requested Party shall accord full and sympathetic consideration to such a request.

2. Without prejudice to the transparency requirements set out in Article 293 and with a view to resolving the matter, the consultations shall in particular aim at establishing the policy objective or purpose for which the subsidies have been granted, the amount of the subsidy in question and data permitting an assessment of the negative effects of the subsidy on trade and investment.

3. To facilitate the consultations, the requested Party shall provide information on the subsidy in question within 60 days of the date of receipt of the request.

4. If, after receiving information on the subsidy in question, the requesting Party considers that that subsidy negatively affects or could negatively affect its trade or investment interests in a disproportionate manner, the requested Party will use its best endeavours to eliminate or minimise the negative effects on the requesting Party's trade and investment interests caused by that subsidy.

ARTICLE 295

Subsidies subject to conditions

Each Party shall apply conditions to the following subsidies in so far as they negatively affect trade or investment of the other Party, or are likely to do so:

(a) a legal arrangement whereby a government, directly or indirectly, is responsible for covering debts or liabilities of certain enterprises is allowed, provided that the coverage of the debts and liabilities is limited as regards the amount of those debts and liabilities or the duration of such responsibility; and

(b) subsidies to insolvent or ailing enterprises in various forms (including loans and guarantees, cash grants, capital injections, the provision of assets below market prices, and tax exemptions) with a duration of more than one year are allowed, provided that a credible restructuring plan has been prepared on the basis of realistic assumptions with a view to ensuring the return of the insolvent or ailing enterprises to long-term viability within a reasonable time and with the enterprise contributing to the costs of restructuring.[1] [2]

ARTICLE 296

Use of subsidies

Each Party shall ensure that enterprises use the subsidies provided by a Party only for the public policy objective for which the subsidies have been granted.

[1] This does not prevent a Party from providing temporary liquidity support in the form of loan guarantees or loans limited to the amount needed to keep an ailing enterprise in business for the time necessary to adopt a restructuring or liquidation plan.

[2] Small and medium-sized enterprises are not required to contribute to the costs of restructuring.

SECTION D

GENERAL PROVISIONS

ARTICLE 297

Dispute settlement

No Party shall have recourse to dispute settlement as provided for in Chapter 13 of this Agreement for any matter arising under Section B of this Chapter or under Article 294 paragraph 4.

ARTICLE 298

Confidentiality

1. When exchanging information under this Chapter, the Parties shall take into account the limitations imposed by their respective legislation concerning professional and business secrecy and shall ensure the protection of business secrets and other confidential information.

2. Any information communicated under this Chapter shall be treated by the receiving Party as confidential unless the other Party, in accordance with its domestic law, has authorised the disclosure or made that information available to the general public.

ARTICLE 299

Review clause

The Parties shall keep the matters referred to in this Chapter under constant review. Each Party may refer such matters to the Partnership Committee. The Parties shall review the progress made in implementing this Chapter every five years after the entry into force of this Agreement, unless both Parties agree otherwise.

CHAPTER 11

STATE OWNED ENTERPRISES

ARTICLE 300

Delegated authority

Unless otherwise provided, each Party shall ensure that any enterprise, including a State-owned enterprise, an enterprise granted special rights or privileges, or a designated monopoly, that has been delegated regulatory, administrative or other governmental authority by a Party at any level of government, acts in accordance with the Party's obligations as set out under this Agreement in the exercise of that authority.

ARTICLE 301

Definitions

For the purposes of this Chapter:

(a) "state-owned enterprise" means an enterprise, including any subsidiary, in which a Party, directly or indirectly:

(i) owns more than 50 % of the enterprise's subscribed capital or controls more than 50 % of the votes attached to the shares issued by the enterprise;

(ii) can appoint more than half of the members of the enterprise's board of directors or an equivalent body; or

(iii) can exercise control over the enterprise;

(b) "enterprise granted special rights or privileges" means any enterprise, including any subsidiary, public or private, that has been granted by a Party, in law or in fact, special rights or privileges. Special rights or privileges are granted by a Party when it designates or limits to two or more the number of enterprises authorised to supply a good or service, other than according to objective, proportional and non-discriminatory criteria, substantially affecting the ability of any other enterprise to supply the same good or service in the same geographical area under substantially equivalent conditions;

(c) "designated monopoly" means an entity engaged in a commercial activity, including a group of entities or a government agency, and any subsidiary thereof, that in a relevant market in the territory of a Party is designated as the sole supplier or purchaser of a good or service, but does not include an entity that has been granted an exclusive intellectual property right solely by reason of such grant;

(d) "commercial activities" means activities the end result of which is the production of a good or supply of a service which will be sold in the relevant market in quantities and at prices determined by the enterprise and which are undertaken with an orientation towards profit-making, but does not include activities undertaken by an enterprise which:

(i) operates on a not-for-profit basis;

(ii) operates on cost-recovery basis; or

(iii) provides public services;

(e) "commercial considerations" means price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale, or other factors that would normally be taken into account in the commercial decisions of an enterprise operating according to market-economy principles in the relevant business or industry; and

(f) "designate" means to establish or authorise a monopoly, or to expand the scope of a monopoly to cover an additional good or service.

ARTICLE 302

Scope of application

1. The Parties confirm their rights and obligations under Article XVII paragraphs 1 to 3 of GATT 1994, the Understanding on the Interpretation of Article XVII of GATT 1994, as well as under Article VIII paragraphs 1, 2 and 5 of GATS.

2. This Chapter applies to any enterprise specified in Article 300 engaged in a commercial activity. Where an enterprise combines commercial and non-commercial activities[1], only the commercial activities of that enterprise are covered by this Chapter.

3. This Chapter applies to all enterprises specified in Article 300 at central and sub-central levels of government.

4. This Chapter does not apply to procurement by a Party or its procuring entities within the meaning of the procurements covered under Articles 278 and 279.

5. This Chapter does not apply to any service supplied in the exercise of governmental authority within the meaning of the GATS.

6. Article 304 shall:

(a) not apply to the sectors set out in Articles 143 and 148;

[1] For greater certainty, and for the purposes of this Chapter, the provision of public services is not considered to be a commercial activity within the meaning of point (d) of Article 301.

(b) not apply to any measure of a State-owned enterprise, an enterprise granted special rights or privileges, or a designated monopoly, if a reservation of a Party, taken against a national treatment or most-favoured-nation treatment obligation under Article 144, as set out in that Party's Schedule provided in Annex VIII-A for the European Union or Annex VIII-E for the Republic of Armenia, would apply if the same measure had been adopted or maintained by that Party; and

(c) apply to commercial activities of a State-owned enterprise, enterprise granted special rights or privileges, or designated monopoly, if the same activity would affect trade in services with respect to which a Party has undertaken a commitment under Articles 149 and 150, subject to conditions or qualifications in that Party's Schedule set out in Annex VIII-B for the European Union and Annex VIII-F for the Republic of Armenia.

ARTICLE 303

General provisions

1. Without prejudice to the Parties' rights and obligations under this Chapter, nothing in this Chapter prevents the Parties from establishing or maintaining State-owned enterprises, designating or maintaining monopolies or granting enterprises special rights or privileges.

2. Neither Party shall require or encourage enterprises which fall within the scope of application of this Chapter to act in a manner inconsistent with this Agreement.

ARTICLE 304

Non-discrimination and commercial considerations

1. Each Party shall ensure that its State-owned enterprises, designated monopolies and enterprises granted special rights or privileges when engaging in commercial activities:

(a) act in accordance with commercial considerations in their purchase or sale of goods or services, except to fulfil any terms of their public-service mandate that are not inconsistent with point (b);

(b) in their purchase of goods or services:

(i) accord to goods or services supplied by enterprise of the other Party treatment no less favourable than they accord to like goods or like services supplied by enterprises of the Party; and

(ii) accord to goods or services supplied by enterprises of the other Party established in its territory treatment no less favourable than they accord to like goods or like services supplied by enterprises in the relevant market in its territory that are established enterprises of that Party; and

(c) in their sales of goods or services:

(i) accord to enterprises of the other Party treatment no less favourable than they accord to enterprises of the Party; and

(ii) accord to enterprises of the other Party established in its territory treatment no less favourable than they accord to enterprises in the relevant market in its territory that are established enterprises of that Party.

2. Paragraph 1 does not preclude State-owned enterprises, enterprises granted special rights or privileges, or designated monopolies from:

(a) purchasing or supplying goods or services on different terms or conditions, including those relating to price, provided that such different terms or conditions are in accordance with commercial considerations; and

(b) refusing to purchase or supply goods or services, provided that such refusal is undertaken in accordance with commercial considerations.

ARTICLE 305

Regulatory principles

1. Each Party shall endeavour to ensure that enterprises specified in Article 300 observe internationally recognised standards of corporate governance.

2. Each Party shall ensure that, in order to effectively and impartially perform its regulatory function in like circumstances with respect to all enterprises that it regulates, including State-owned enterprises, enterprises granted special rights or privileges and designated monopolies, any regulatory body that a Party establishes or maintains is not accountable to any of the enterprises that it regulates.

The impartiality with which the regulatory body exercises its regulatory functions is to be assessed by reference to a general pattern or practice of that regulatory body.

For those sectors in which the Parties have agreed to specific obligations relating to the regulatory body in other Chapters, the relevant provision in the other Chapters shall prevail.

3. Each Party shall ensure the consistent and non-discriminatory enforcement of laws and regulations, including its laws and regulations on enterprises specified in Article 300.

ARTICLE 306

Transparency

1. Where a Party has reason to believe that its interests under this Chapter are being adversely affected by the commercial activities of an enterprise specified in Article 300 of the other Party, and subject to the scope of this Chapter, it may request in writing that the other Party provide information about the operations of that enterprise related to the activities covered by this Chapter.

Requests for such information shall indicate the enterprise, the products or services and the markets concerned, and include indications that the enterprise is engaging in practices that hinder trade or investment between the Parties.

2. The information provided pursuant to paragraph 1 shall include:

(a) the ownership and the voting structure of the enterprise, indicating the percentage of shares and the percentage of voting rights that a Party or an enterprise specified in Article 300 cumulatively owns;

(b) a description of any special shares or special voting or other rights that a Party or an enterprise specified in Article 300 holds, where such rights differ from the rights attached to the general common shares of such entity;

(c) the organisational structure of the enterprise; the composition of its board of directors or of an equivalent body exercising direct or indirect control in such an enterprise; and cross-holdings and other links with different enterprises or groups of enterprises, as specified in Article 300;

(d) a description of which government departments or public bodies regulate or monitor the enterprise, a description of the reporting lines[1], and the rights and practices of the government or any public bodies in the appointment, dismissal or remuneration of managers;

[1] For greater certainty, a Party is not obliged to divulge reports or the contents of any reports.

(e) annual revenue or total assets, or both; and

(f) exemptions, non-conforming measures, immunities and any other measures, including more favourable treatment, applicable in the territory of the requested Party to any enterprise specified in Article 300.

3. Points (a) to (e) of paragraph 2 do not apply to SMEs, as defined by the Party's laws and regulations.

4. Nothing in paragraph 1 and 2 requires a Party to disclose confidential information which would be inconsistent with its laws and regulations, impede law enforcement or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises.

CHAPTER 12

TRANSPARENCY

ARTICLE 307

Definitions

For the purposes of this Chapter:

(a) "measures of general application" include laws, regulations, decisions, procedures and administrative rulings of general application that may have an impact on any matter covered by this Agreement; and

(b) "interested person" means any natural or legal person that may be affected by a measure of general application.

ARTICLE 308

Objective and scope

Recognising the impact which their respective regulatory environment may have on trade and investment between them, the Parties shall provide a predictable regulatory environment and efficient procedures for economic operators, in particular for SMEs.

ARTICLE 309

Publication

1. Each Party shall ensure that measures of general application adopted after the entry into force of this Agreement:

(a) are promptly and readily available via an officially designated medium, including electronic means, in such a manner as to enable any person to become acquainted with them;

(b) clearly state to the extent possible, the objective of and rationale for such measures; and

(c) allow for a sufficient period of time between publication and entry into force of such measures, except in duly justified cases.

2. Each Party shall:

(a) endeavour to publish at an early appropriate stage any proposal to adopt or amend any measure of general application, including an explanation of the objective of, and rationale for, the proposal;

(b) provide reasonable opportunities for interested persons to comment on any proposal to adopt or amend any measure of general application, allowing, in particular, for sufficient time for such opportunities; and

(c) endeavour to take into consideration the comments received from interested persons with respect to any such proposal.

ARTICLE 310

Enquiries and contact points

1. Each Party shall, upon the entry into force of this Agreement, designate a contact point in order to ensure the effective implementation of this Agreement and to facilitate communication between the Parties on any matter covered by this Agreement.

2. Upon request of a Party, the contact point of the other Party shall identify the body or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

3. Each Party shall establish or maintain appropriate mechanisms for responding to enquiries from any person regarding any measures of general application which are proposed or in force, including on the application of such measures. Enquiries may be addressed through contact points established under paragraph 1 or any other mechanism, as appropriate, unless a specific mechanism is established in this Agreement.

4. Each Party shall provide for procedures available to persons seeking a solution to problems that have arisen from the application of measures of general application under this Agreement. Those procedures shall be without prejudice to any appeal or review procedures which the Parties establish or maintain under this Agreement. They shall also be without prejudice to the Parties' rights and obligations under Chapter 13.

5. The Parties recognise that the response provided pursuant to this Article may not be definitive or legally binding but for information purposes only, unless otherwise provided for in their respective laws and regulations.

6. Upon request of a Party, the other Party shall without undue delay provide information and respond to questions pertaining to any measure of general application or any proposal to adopt or amend any measure of general application that the requesting Party considers might affect the operation of this Agreement, regardless of whether the requesting Party has been previously notified of that measure.

ARTICLE 311

Administration of measures of general application

Each Party shall administer in a uniform, objective, impartial and reasonable manner all measures of general application. To that end, each Party, in applying such measures to particular persons, goods or services of the other Party in specific cases, shall:

(a) endeavour to provide interested persons, that are directly affected by proceedings with reasonable notice, in accordance with its domestic procedures, when proceedings are initiated, including a description of the nature of the proceedings, a statement of the legal authority under which the proceedings are initiated and a general description of any issues in disagreement;

(b) provide those interested persons with a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, in so far as time, the nature of the proceedings and the public interest permit; and

(c) ensure that its procedures are based on, and in accordance, with its domestic law.

ARTICLE 312

Review and appeal

1. Each Party shall establish or maintain, in accordance with its domestic law, judicial, arbitral or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of administrative action relating to matters covered by this Agreement. Those tribunals or procedures shall be impartial and independent of the office or authority entrusted with administrative enforcement, and those responsible for them shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals procedures, the parties to the proceedings are provided with the right to:

(a) a reasonable opportunity to support or defend their respective positions; and

(b) a decision based on the evidence and submissions of record or, where required by its domestic law, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided for in its domestic law, that such decision shall be implemented by, and shall govern the practice of, the office or authority with respect to the administrative action at issue.

ARTICLE 313

Good regulatory practice and administrative behaviour

1. The Parties shall cooperate in promoting regulatory quality and performance, including through the exchange of information and best practices on their respective regulatory reform processes and regulatory impact assessments.

2. The Parties support the principles of good administrative behaviour, and agree to cooperate in promoting such principles, including through the exchange of information and best practices.

ARTICLE 314

Confidentiality

The provisions of this Chapter shall not require any Party to disclose confidential information which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private.

ARTICLE 315

Specific provisions

The provisions of this Chapter apply without prejudice to any specific rules established in other Chapters of this Agreement.

CHAPTER 13

DISPUTE SETTLEMENT

SECTION A

OBJECTIVE AND SCOPE

ARTICLE 316

Objective

The objective of this Chapter is to establish an effective and efficient mechanism for avoiding and settling any dispute between the Parties concerning the interpretation and application of this Agreement with a view to arriving at, where possible, a mutually agreed solution.

ARTICLE 317

Scope of application

This Chapter shall apply with respect to any dispute concerning the interpretation and application of the provisions of this Title, except as otherwise provided.

SECTION B

CONSULTATIONS AND MEDIATION

ARTICLE 318

Consultations

1. The Parties shall endeavour to resolve any dispute by entering into consultations in good faith with the aim of reaching a mutually agreed solution.

2. A Party shall seek consultations by means of a written request delivered to the other Party, copied to the Partnership Committee, identifying the measure at issue and the provisions of this Title that it considers applicable.

3. Consultations shall be held within 30 days of the date of receipt of the request and take place, unless the Parties agree otherwise, in the territory of the Party to which the request is made. The consultations shall be deemed concluded within 30 days of the date of receipt of the request, unless both Parties agree to continue consultations. Consultations, and in particular all information disclosed and positions taken by the Parties during consultations, shall be confidential and without prejudice to the rights of either Party in any further proceedings.

4. Consultations on matters of urgency, including those regarding perishable goods, seasonal goods or services or energy-related matters shall be held within 15 days of receipt of the request by the requested Party, and shall be deemed concluded within those 15 days, unless both Parties agree to continue consultations.

5. A Party that seeks consultations may have recourse to arbitration in accordance with Article 319 if:

(a) the Party to which the request is made does not respond to the request for consultations within 10 days of its receipt;

(b) consultations are not held within the timeframes laid down in paragraph 3 or 4 of this Article;

(c) the Parties agree not to have consultations; or

(d) consultations have been concluded and no mutually agreed solution has been reached.

6. During consultations, each Party shall provide sufficient factual information, so as to allow a complete examination of the manner in which the measure at issue could affect the operation and application of the provisions of this Title. Each Party shall endeavour to ensure the participation of personnel of their competent governmental authorities who have expertise in the matter subject to the consultations.

ARTICLE 319

Mediation

1. Each Party may request at any time the other Party to enter into a mediation procedure with respect to any measure adversely affecting trade or investment between the Parties.

2. The mediation procedure shall be initiated, conducted and terminated in accordance with the Mediation Mechanism.

3. The Partnership Committee shall adopt by decision the Mediation Mechanism at its first meeting and may decide amendments thereto.

SECTION C

DISPUTE SETTLEMENT PROCEDURES

SUBSECTION I

ARBITRATION PROCEDURE

ARTICLE 320

Initiation of the arbitration procedure

1. Where the Parties failed to resolve the dispute by recourse to consultations as provided for in Article 318, the Party that sought consultations may request the establishment of an arbitration panel in accordance with this Article.

2. The request for the establishment of an arbitration panel shall be made by means of a written request delivered to the other Party and the Partnership Committee. The complaining Party shall identify in its request the measure at issue, and it shall explain how such measure constitutes a breach of the provisions of this Title in such a manner as to clearly present the legal basis for the complaint.

ARTICLE 321

Establishment of the arbitration panel

1. An arbitration panel shall be composed of three arbitrators.

2. Within 14 days of the delivery, to the Party complained against, of the written request for the establishment of an arbitration panel, the Parties shall consult in order to reach an agreement on the composition of the arbitration panel.

3. In the event the Parties are unable to agree on the composition of the arbitration panel within the time frame laid down in paragraph 2 of this Article, each Party shall, within five days of the expiry of the timeframe established in that paragraph, appoint an arbitrator from the sub-list of that Party contained in the list established pursuant to Article 339. If either Party fails to appoint an arbitrator, the arbitrator shall, upon the request of the other Party, be selected by lot by the chairperson of the Partnership Committee, or the chairperson's delegate, from the sub-list of that Party contained in the list established pursuant to Article 339.

4. Unless the Parties reach an agreement concerning the chairperson of the arbitration panel within the timeframe established in paragraph 2 of this Article, the chairperson of the Partnership Committee or the chairperson's delegate shall, upon the request of either Party, select by lot the chairperson of the arbitration panel from the sub-list of chairpersons contained in the list established pursuant to Article 339.

5. The chairperson of the Partnership Committee, or the chairperson's delegate, shall select the arbitrators within five days of the request referred to in paragraph 3 or 4.

6. The date of establishment of the arbitration panel shall be the date on which all three selected arbitrators have notified their acceptance of appointment according to the Rules of Procedure.

7. If any of the lists provided for in Article 339 are not established or do not contain sufficient names at the time a request referred to in paragraph 3 or 4 of this Article is made, the arbitrators shall be drawn by lot from the individuals who have been formally proposed by one or both of the Parties.

ARTICLE 322

Terms of reference

1. Unless the Parties agree otherwise within five days from the date of selection of the arbitrators, the terms of reference of the arbitration panel shall be:

"To examine, in the light of the relevant provisions of Title V of this Agreement invoked by the parties to the dispute, the matter referred to in the request for establishment of the arbitration panel, to rule on the compatibility of the measure in question with those relevant provisions and to deliver a report in accordance with Articles 324, 325, 326 and 338 of this Agreement.".

2. The Parties shall notify the agreed terms of reference to the arbitration panel within three days of their agreement.

ARTICLE 323

Arbitration panel preliminary ruling on urgency

If a Party so requests, the arbitration panel shall decide, within 10 days of its establishment, whether it deems the case to be urgent. Such a request to the arbitration panel shall be notified simultaneously to the other Party.

ARTICLE 324

Reports of the arbitration panel

1. The arbitration panel shall deliver an interim report to the Parties setting out the findings of fact, the applicability of relevant provisions and the basic rationale behind any findings and recommendations that it makes.

2. Each Party may deliver a written request to the arbitration panel to review precise aspects of the interim report within 14 days of its receipt. Such a request shall be notified simultaneously to the other Party.

3. After considering any written comments by the Parties on the interim report, the arbitration panel may modify its report and make any further examination it considers appropriate.

4. The final report of the arbitration panel shall set out the findings of fact, the applicability of the relevant provisions of this Title and the basic rationale behind any findings and conclusions that it makes. The final report shall include a sufficient discussion of the arguments made at the interim review stage, and shall contain clear responses to the questions and observations of the Parties.

ARTICLE 325

Interim report of the arbitration panel

1. The arbitration panel shall deliver an interim report to the Parties no later than 90 days after the date of establishment of the arbitration panel. When the arbitration panel considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Partnership Committee in writing, stating the reasons for the delay and the date on which the arbitration panel plans to deliver its interim report. Under no circumstances shall the interim report be delivered later than 120 days after the date of the establishment of the arbitration panel.

2. In cases of urgency referred to in Article 323, including those involving perishable goods, seasonal goods or services or energy-related matters, the arbitration panel shall make every effort to deliver its interim report within 45 days and, in any case, no later than 60 days after the date of establishment of the arbitration panel.

3. Each Party may deliver a written request to the arbitration panel to review precise aspects of the interim report pursuant to Article 324 paragraph 2 within 14 days of receipt of the interim report. Such a request shall be notified simultaneously to the other Party. A Party may comment on the other Party's request within seven days of the delivery of the written request to the arbitration panel.

ARTICLE 326

Final report of the arbitration panel

1. The arbitration panel shall deliver its final report to the Parties and to the Partnership Committee within 120 days of the date of establishment of the arbitration panel. When the arbitration panel considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Partnership Committee in writing, stating the reasons for the delay and the date on which the arbitration panel plans to deliver its final report. Under no circumstances shall the final report be delivered later than 150 days after the date of the establishment of the arbitration panel.

2. In cases of urgency referred to in Article 323, including those involving perishable goods, seasonal goods or services or energy-related matters, the arbitration panel shall make every effort to deliver its final report within 60 days of the date of establishment of the arbitration panel. Under no circumstances shall the final report be delivered later than 75 days after the date of establishment of the arbitration panel.

SUBSECTION II

COMPLIANCE

ARTICLE 327

Compliance with the final report of the arbitration panel

The Party complained against shall take the necessary measures to comply promptly and in good faith with the final report of the arbitration panel in order to bring itself into compliance with the provisions of this Title.

ARTICLE 328

Reasonable period of time for compliance

1. If immediate compliance is not possible, the Parties shall endeavour to agree on the period of time necessary for compliance with the final report. In such a case, the Party complained against shall, no later than 30 days after receipt of the final report, deliver a notification to the complaining Party and the Partnership Committee of the time it will require for compliance ("reasonable period of time").

2. If there is disagreement between the Parties as to the duration of the reasonable period of time, the complaining Party may, within 20 days of receipt of the notification referred to in paragraph 1, deliver a request in writing that the original arbitration panel determine the length of the reasonable period of time. Such a request shall be delivered simultaneously to the other Party and to the Partnership Committee. The arbitration panel shall deliver its determination of the reasonable period of time to the Parties and to the Partnership Committee within 20 days of the date of receipt of the request.

3. The Party complained against shall notify the complaining Party in writing of its progress in complying with the final report. Such notification shall be provided in writing and delivered at least one month before the expiry of the reasonable period of time.

4. The reasonable period of time may be extended by mutual agreement between the Parties.

ARTICLE 329

Review of any measure taken to comply with the final report of the arbitration panel

1. The Party complained against shall notify the complaining Party and the Partnership Committee of any measure that it has taken to comply with the final report. Such notification shall be delivered before the end of the reasonable period of time.

2. In the event that there is disagreement between the Parties concerning the existence of any measure notified under paragraph 1, or the consistency of such a measure with the provisions of this Title, the complaining Party may deliver a written request to the original arbitration panel to rule on the matter. Such a request shall be notified simultaneously to the Party complained against. Such a request shall identify the specific measure at issue and explain how such measure is inconsistent with the covered provisions, in a manner that clearly presents the legal basis for the complaint. The arbitration panel shall deliver its report to the Parties and to the Partnership Committee within 45 days of the date of receipt of the request.

ARTICLE 330

Temporary remedies in case of non-compliance

1. If the Party complained against fails to notify any measure taken to comply with the final report of the arbitration panel before the expiry of the reasonable period of time, or if the arbitration panel rules that no such measure exists or that the measure notified under Article 329 paragraph 1 is inconsistent with that Party's obligations under the provisions of this Title, the Party complained against shall, if so requested by the complaining Party and after consultations with that Party, present an offer for temporary compensation.

2. If the complaining Party decides not to request an offer for temporary compensation under paragraph 1 or, where such a request is made, no agreement on compensation is reached within 30 days of the end of the reasonable period of time or the delivery of the arbitration panel report under Article 329 paragraph 2, the complaining Party shall be entitled, upon notification to the other Party and to the Partnership Committee, to suspend obligations arising from the provisions of this Title. The notification shall specify the level of suspension of obligations which shall not exceed the level equivalent to the nullification or impairment caused by the violation. The complaining Party may implement the suspension as from 10 days after the receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration under paragraph 3 of this Article.

3. If the Party complained against considers that the intended suspension of obligations exceeds the level equivalent to the nullification or impairment caused by the violation, it may deliver a written request to the original arbitration panel to rule on the matter. Such a request shall be notified to the complaining Party and to the Partnership Committee before the expiry of the 10-day period referred to in paragraph 2. The original arbitration panel shall deliver its report on the level of the suspension of obligations to the Parties and to the Partnership Committee within 30 days of the date of delivery of the request. Obligations shall not be suspended until the original arbitration panel has delivered its report. The suspension shall be consistent with the arbitration panel's report on the level of the suspension.

4. The suspension of obligations and the compensation referred to in this Article shall be temporary and shall not be applied after:

(a) the Parties have reached a mutually agreed solution pursuant to Article 334;

(b) the Parties have agreed that the measure notified under Article 329 paragraph 1 brings the Party complained against into conformity with the provisions of this Title; or

(c) any measure that the arbitration panel under Article 329 paragraph 2 has found to be inconsistent with the provisions of this Title has been withdrawn or amended so as to bring it into conformity with those provisions.

ARTICLE 331

Review of any measure taken to comply after the adoption
of temporary remedies for non-compliance

1. The Party complained against shall notify the complaining Party and the Partnership Committee of the measure it has taken to comply with the report of the arbitration panel following the suspension of concessions or following the application of temporary compensation, as the case may be. With the exception of cases under paragraph 2, the complaining Party shall terminate the suspension of concessions within 30 days of receipt of the notification. In cases where compensation has been applied, and with the exception of cases under paragraph 2, the Party complained against may terminate the application of such compensation within 30 days of the date of its notification that it has complied with the report of the arbitration panel.

2. If the Parties do not reach an agreement on whether the notified measure brings the Party complained against into conformity with the covered provisions within 30 days of the date of receipt of the notification, the complaining Party shall deliver a written request to the original arbitration panel to rule on the matter. Such a request shall be delivered simultaneously to the other Party and to the Partnership Committee. The arbitration panel report shall be delivered to the Parties and to the Partnership Committee within 45 days of the date of the submission of the request. If the arbitration panel rules that the measure taken to comply is in conformity with the provisions of this Title, the suspension of obligations or compensation, as the case may be, shall be terminated. If the arbitration panel rules that the measure notified by the Party complained against pursuant to paragraph 1 is not in conformity with the provisions of this Title, the level of suspension of obligations or of compensation shall be, where relevant, adapted in light of the arbitration panel's report.

SUBSECTION III

COMMON PROVISIONS

ARTICLE 332

Replacement of arbitrators

If in arbitration proceedings under this Chapter the original arbitration panel, or some of its members, are unable to participate, withdraw or need to be replaced because they do not comply with the requirements of the Code of Conduct, the procedure set out in Article 321 shall apply. The time limit for the delivery of the report may be extended for the time necessary for the appointment of a new arbitrator, up to a maximum of 20 days.

ARTICLE 333

Suspension and termination of arbitration and compliance procedures

The arbitration panel shall, at the request of both Parties, suspend its work at any time for a period agreed by the Parties and not exceeding 12 consecutive months. The arbitration panel shall resume its work before the end of that period at the written request of both Parties, or at the end of this period at the written request of either Party. The requesting Party shall notify the chairperson of the Partnership Committee and the other Party accordingly. If a Party does not request the resumption of the arbitration panel's work at the expiry of the agreed suspension period, the procedure shall be terminated. In the event of a suspension of the work of the arbitration panel, the relevant time periods under this Chapter shall be extended by the same period of time for which the work of the arbitration panel was suspended.

ARTICLE 334

Mutually agreed solution

1. The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time.

2. If a mutually agreed solution is reached during the panel procedures or a mediation procedure, the Parties shall jointly notify the Partnership Committee and the chairperson of the arbitration panel or the mediator, where applicable, of any such solution. Upon such notification, the arbitration panel procedures or the mediation procedures shall be terminated.

3. Each Party shall take measures necessary to implement the mutually agreed solution within the agreed time period. No later than by the expiry of the agreed time period, the implementing Party shall inform the other Party, in writing, of any measure that it has taken to implement the mutually agreed solution.

ARTICLE 335

Rules of Procedure and Code of Conduct

1. Dispute-settlement procedures under this Chapter shall be governed by this Chapter, the Rules of Procedure and by the Code of Conduct.

2. The Partnership Committee shall adopt by decision the Rules of Procedure and the Code of Conduct at its first meeting and may decide amendments thereto.

3. Any hearing of the arbitration panel shall be open to the public unless otherwise provided for in the Rules of Procedure.

ARTICLE 336

Information and technical advice

1. Upon the request of a Party, notified simultaneously to the arbitration panel and to the other Party, or on its own initiative, the arbitration panel may request any information it deems appropriate for the performance of its functions, including from the Parties involved in the dispute. The Parties shall respond promptly and fully to any request by the arbitration panel for such information.

2. Upon the request of a Party, notified simultaneously to the arbitration panel and to the other Party, or on its own initiative, the arbitration panel may seek any information it deems appropriate for the performance of its functions. The arbitration panel shall have the right to seek the opinion of experts, as it deems appropriate. The arbitration panel shall consult the Parties before choosing such experts.

3. Natural or legal persons established in the territory of a Party may submit amicus curiae briefs to the arbitration panel in accordance with the Rules of Procedure.

4. Any information obtained under this Article shall be disclosed to each Party and submitted for their comments.

ARTICLE 337

Rules of interpretation

The arbitration panel shall interpret the provisions of this Title in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention on the Law of Treaties of 1969. The arbitration panel shall also take into account relevant interpretations in reports of WTO panels and of the Appellate Body adopted by the WTO Dispute Settlement Body. The reports of the arbitration panel cannot add to or diminish the rights and obligations of the Parties under this Agreement.

ARTICLE 338

Decisions and reports of the arbitration panel

1. The arbitration panel shall make every effort to take all decisions by consensus. Nevertheless, where a decision cannot be arrived at by consensus, the matter at issue shall be decided by majority vote. In no case shall dissenting opinions of arbitrators be disclosed.

2. The report of the arbitration panel shall set out the findings of fact, the applicability of the relevant provisions, and the basic rationale behind any findings and conclusions that it makes.

3. The decisions and reports of the arbitration panel shall be unconditionally accepted by the Parties and shall not create any rights or obligations for natural or legal persons.

4. The Partnership Committee shall make the report of the arbitration panel publicly available, subject to the protection of confidential information as provided for in the Rules of Procedure.

SECTION D

GENERAL PROVISIONS

ARTICLE 339

Lists of arbitrators

1. The Partnership Committee shall, on the basis of proposals made by the Parties, and no later than six months after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: one sub-list for each Party and one sub-list of individuals who are not nationals of either Party and who shall serve as chairperson of the arbitration panel. Each sub-list shall include at least five individuals. The Partnership Committee shall ensure that the list is always maintained at that level.

2. Arbitrators shall have demonstrated expertise in law, international trade, and other matters concerning the provisions of this Title. They shall be independent, serve in their individual capacities and not take instructions from any organisation or government, or be affiliated with the government of any of the Parties, and shall comply with the Code of Conduct. The chairperson shall also have experience in dispute-settlement procedures.

3. The Partnership Committee may establish additional lists of 15 individuals with knowledge and experience in specific sectors covered by the provisions of this Title. Subject to the agreement of the Parties, such additional lists shall be used to compose the arbitration panel in accordance with the procedure set out in Article 321.

ARTICLE 340

Choice of Forum

1. Where a dispute arises regarding a particular measure in alleged breach of an obligation under this Agreement and a substantially equivalent obligation under another international agreement to which both Parties are party, including the WTO Agreement, the Party seeking redress shall select the forum in which to settle the dispute.

2. Once a Party has selected the forum and initiated dispute settlement procedures under this Chapter or under another international agreement, the Party shall not initiate dispute-settlement procedures under the other agreement with respect to the particular measure referred to in paragraph 1, unless the forum selected first fails to make findings for procedural or jurisdictional reasons.

3. For the purposes of this Article:

(a) dispute-settlement procedures under this Chapter are deemed to be initiated by a Party's request for the establishment of a panel under Article 320;

(b) dispute-settlement procedures under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes of the WTO; and

(c) dispute-settlement procedures under any other agreement are deemed to be initiated in accordance with the relevant provisions of that agreement.

4. Without prejudice to paragraph 2, nothing in this Agreement shall preclude a Party from implementing the suspension of obligations authorised by the Dispute Settlement Body of the WTO. The WTO Agreement shall not be invoked to preclude a Party from suspending obligations under this Chapter.

ARTICLE 341

Time limits

1. All time limits laid down in this Chapter, including the limits for the arbitration panels to deliver their reports, shall be counted in calendar days, the first day being the day following the act or fact to which they refer, unless otherwise specified.

2. Any time limit referred to in this Chapter may be modified by mutual agreement between the Parties to the dispute. The arbitration panel may at any time propose to the Parties to modify any time limit referred to in this Chapter, stating the reasons for that proposal.

ARTICLE 342

Referrals to the Court of Justice of the European Union

1. The procedure provided for in paragraph 2 applies to disputes raising a question on the interpretation of the approximation provisions in Articles 169, 180, 189 and 192.

2. Where a dispute referred to in paragraph 1 raises a question of interpretation of a provision of European Union law, the arbitration panel shall request the Court of Justice of the European Union to give a ruling on the question provided that question is necessary for the decision of the arbitration panel. In such cases, the deadlines applying to the rulings of the arbitration panel shall be suspended until the Court of Justice of the European Union has given its ruling. The ruling of the Court of Justice of the European Union shall be binding on the arbitration panel.

TITLE VII

FINANCIAL ASSISTANCE, AND ANTI-FRAUD AND CONTROL PROVISIONS

CHAPTER 1

FINANCIAL ASSISTANCE

ARTICLE 343

The Republic of Armenia shall benefit from financial assistance through the relevant funding mechanisms and instruments of the European Union. The Republic of Armenia may also benefit from loans from the European Investment Bank, the European Bank for Reconstruction and Development and other international financial institutions. The financial assistance shall contribute to achieving the objectives of this Agreement and shall be provided in accordance this Chapter.

ARTICLE 344

1. The main principles of financial assistance shall be in accordance with the relevant regulations concerning financial instruments of the European Union.

2. The priority areas of the financial assistance of the European Union agreed by the Parties shall be laid down in annual action programmes based, whenever applicable, on multiannual frameworks which reflect agreed policy priorities. The amounts of assistance established in those programmes shall take into account the Republic of Armenia's needs, sector capacities and progress with reforms, in particular in areas covered by this Agreement.

3. In order to permit optimum use of the resources available, the Parties shall endeavour to ensure that assistance of the European Union is implemented in close cooperation and coordination with other donor countries, donor organisations and international financial institutions, and in line with international principles of aid effectiveness.

4. At the request of the Republic of Armenia and subject to the applicable conditions, the European Union may provide macro-financial assistance to the Republic of Armenia.

ARTICLE 345

The fundamental legal, administrative and technical basis of financial assistance shall be established within the framework of relevant agreements between the Parties.

ARTICLE 346

The Partnership Council shall be informed of the progress and implementation of financial assistance and its impact upon pursuing the objectives of this Agreement. To that end, the relevant bodies of the Parties shall provide appropriate monitoring and evaluation information on a mutual and permanent basis.

ARTICLE 347

The Parties shall implement assistance in accordance with the principles of sound financial management and cooperate in the protection of the financial interests of the European Union and of the Republic of Armenia in accordance with Chapter 2 of this Title.

CHAPTER 2

ANTI-FRAUD AND CONTROL PROVISIONS

ARTICLE 348

Definitions

For the purposes of this Chapter, the definitions set out in Protocol I to this Agreement shall apply.

ARTICLE 349

Scope

This Chapter shall be applicable to any further agreement or financing instrument to be concluded between the Parties, and any other financing instrument of the European Union to which the authorities of the Republic of Armenia or other entities or persons under the jurisdiction of the Republic of Armenia may be associated, without prejudice to any other additional clauses covering audits, on-the-spot checks, inspections, controls and anti-fraud measures, including those conducted by the European Court of Auditors and the European Anti-Fraud Office (OLAF).

ARTICLE 350

Measures to prevent and fight fraud, corruption and any other illegal activities

The Parties shall take effective measures to prevent and fight fraud, corruption and any other illegal activities in connection with the implementation of EU funds, including by means of mutual administrative assistance and mutual legal assistance in the fields covered by this Agreement.

ARTICLE 351

Exchange of information and further cooperation at operational level

1. For the purposes of proper implementation of this Chapter, the competent authorities of the European Union and of the Republic of Armenia shall regularly exchange information and, at the request of one of the Parties, shall conduct consultations.

2. The European Anti-Fraud Office may agree with its counterparts of the Republic of Armenia on further cooperation in the field of anti-fraud, including operational arrangements with the authorities of the Republic of Armenia.

3. For the transfer and processing of personal data, Article 13 applies.

ARTICLE 352

Cooperation to protect the euro and the dram against counterfeiting

The competent authorities of the European Union and of the Republic of Armenia shall cooperate with a view to the effective protection of the euro and the dram against counterfeiting. Such cooperation shall include assistance necessary to prevent and combat counterfeiting of the euro and the dram, including the exchange of information.

ARTICLE 353

Prevention of fraud, corruption and irregularities

1. Where entrusted with the implementation of EU funds, the authorities of the Republic of Armenia shall check regularly that the operations financed with EU funds have been properly implemented. They shall take any appropriate measure to prevent and remedy irregularities and fraud.

2. The authorities of the Republic of Armenia shall take any appropriate measure to prevent and remedy any active or passive corruption practices and exclude conflict of interest at any stage of the procedures related to the implementation of EU funds.

3. The authorities of the Republic of Armenia shall inform the European Commission of any prevention measure taken.

4. To that end, the competent authorities of the Republic of Armenia shall provide the European Commission with any information related to the implementation of EU funds and shall inform it without delay of any substantial change in their procedures or systems.

ARTICLE 354

Investigation and Prosecution

The authorities of the Republic of Armenia shall ensure the investigation and prosecution of suspected and actual cases of fraud, corruption or any other irregularity, including conflict of interest, following national or EU controls. Where appropriate, the European Anti-Fraud Office may assist the competent authorities of the Republic of Armenia in that task.

ARTICLE 355

Communication of fraud, corruption and irregularities

1. The authorities of the Republic of Armenia shall transmit to the European Commission without delay any information which has come to their notice on suspected or actual cases of fraud, corruption or any other irregularity, including conflict of interest, in connection with the implementation of EU funds. Where fraud or corruption is suspected, the European Anti-Fraud Office shall also be informed.

2. The authorities of the Republic of Armenia shall also report on all measures taken in connection with facts communicated under this Article. If there are no suspected or actual cases of fraud, corruption or any other irregularity to report, the authorities of the Republic of Armenia shall inform the European Commission at the annual meeting of the relevant subcommittee.

ARTICLE 356

Audits

1. The European Commission and the European Court of Auditors are entitled to examine whether all expenditure related to the implementation of EU funds has been incurred in a lawful and regular manner and whether the financial management has been sound.

2. Audits shall be carried out on the basis of both commitments undertaken and payments made. They shall be based on records and, if necessary, performed on-the-spot on the premises of any entity which manages or takes part in the implementation of EU funds, including all beneficiaries, contractors and subcontractors who have received EU funds directly or indirectly. The audits may be carried out before the closure of the accounts for the financial year in question and for a period of five years from the date of payment of the balance.

3. European Commission inspectors or other persons mandated by the European Commission or the European Court of Auditors may conduct documentary or on-the-spot checks and audits on the premises of any entity which manages or takes part in the implementation of EU funds and of their subcontractors in the Republic of Armenia.

4. The European Commission or other persons mandated by the European Commission or the European Court of Auditors shall have appropriate access to sites, works and documents and to all the information required in order to carry out such audits, including in electronic form. That right of access shall be communicated to all public institutions of the Republic of Armenia and shall be stated explicitly in the contracts concluded to implement the instruments referred to in this Agreement.

5. In the performance of their tasks, the European Court of Auditors and the audit bodies of the Republic of Armenia shall cooperate in a spirit of trust while maintaining their independence.

ARTICLE 357

On-the-spot checks

1. Within the framework of this Agreement, the European Anti-Fraud Office shall entitled to carry out on-the-spot checks and inspections in order to protect the financial interests of the European Union.

2. On-the-spot checks and inspections shall be prepared and conducted by the European Anti-Fraud Office in close cooperation with the competent authorities of the Republic of Armenia.

3. The authorities of the Republic of Armenia shall be notified in good time of the object, purpose and legal basis of the checks and inspections, so that they can provide all the requisite help. To that end, officials of the competent authorities of the Republic of Armenia shall be entitled to participate in the on-the-spot checks and inspections.

4. If the authorities of the Republic of Armenia concerned express their interest, the on-the-spot checks and inspections may be carried out jointly by the European Anti-Fraud Office and them.

5. Where an economic operator resists an on-the-spot check or inspection, the authorities of the Republic of Armenia shall give the European Anti-Fraud Office such assistance in accordance with the law of the Republic of Armenia, as it needs to allow it to discharge its duty in carrying out an on-the-spot check or inspection.

ARTICLE 358

Administrative measures and sanctions

Administrative measures and sanctions may be imposed on economic operators by the European Commission in accordance with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests, Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union. Additional measures and sanctions complementing those mentioned in the first sentence may be imposed by the authorities of the Republic of Armenia in accordance with the applicable national law.

ARTICLE 359

Recovery

1. Where the authorities of the Republic of Armenia are entrusted with the implementation of EU funds, the European Commission is entitled to recover EU funds unduly paid, in particular through financial corrections. The authorities of the Republic of Armenia shall take any appropriate measure to recover EU funds unduly paid. The European Commission shall take into account the measures taken by the authorities of the Republic of Armenia to prevent the loss of the EU funds concerned.

2. In the cases referred to in paragraph 1, the European Commission shall consult with the Republic of Armenia on the matter before taking any decision on recovery. Disputes on recovery shall be discussed in the Partnership Council.

3. Provisions of this Title, which impose a pecuniary obligation on persons other than States, shall be enforceable in the Republic of Armenia in accordance with the following principles:

(a) Enforcement shall be governed by the rules of civil procedure in force in the Republic of Armenia. The order for enforcement shall be issued, without any formality other than the verification of the authenticity of the enforcement decision, by a national authority designated by the Government of the Republic of Armenia for that purpose. The Government of the Republic of Armenia shall inform the European Commission and the Court of Justice of the European Union of the identity of that national authority.

(b) When the formalities referred to in point (a) have been completed on request of the European Commission, the European Commission may proceed with enforcement in accordance with the law of the Republic of Armenia, by bringing the matter directly before the competent authority.

(c) The legality of the enforcement decision shall be subject to control by the Court of Justice of the European Union. Enforcement may be suspended only by a decision of the Court of Justice of the European Union. The European Commission shall inform the authorities of the Republic of Armenia of any decision by the Court of Justice of the European Union to suspend the enforcement. The courts of the Republic of Armenia shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.

4. Judgments given by the Court of Justice of the European Union pursuant to an arbitration clause in a contract within the scope of this Chapter shall be enforceable on the same terms.

ARTICLE 360

Confidentiality

Information communicated or acquired in any form under this Chapter shall be covered by professional secrecy and protected in the same way as similar information is protected by the law of the Republic of Armenia and by the corresponding provisions applicable to the institutions of the European Union. Such information may not be communicated to persons other than those in the institutions of the European Union, in the Member States or in the Republic of Armenia whose functions require them to know it, nor may it be used for purposes other than to ensure effective protection of the Parties' financial interests.

ARTICLE 361

Approximation of legislation

The Republic of Armenia shall carry out approximation of its legislation to the acts of the European Union and international instruments referred to in Annex XII in accordance with the provisions of that Annex.

TITLE VIII

INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

CHAPTER 1

INSTITUTIONAL FRAMEWORK

ARTICLE 362

Partnership Council

1. A Partnership Council is hereby established. It shall supervise and regularly review the implementation of this Agreement.

2. The Partnership Council shall consist of representatives of the Parties at ministerial level and meet at regular intervals, at least once a year, and when circumstances require. The Partnership Council may meet in any configuration, by mutual agreement.

3. The Partnership Council 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.

4. The Partnership Council shall establish its own rules of procedure.

5. The Partnership Council shall be chaired alternately by a representative of the European Union and a representative of the Republic of Armenia.

6. For the purpose of attaining the objectives of this Agreement, the Partnership Council shall have the power to take decisions within the scope of this Agreement in cases provided for therein. The decisions shall be binding upon the Parties, which shall take appropriate measures to implement them. The Partnership Council may also make recommendations. It shall adopt its decisions and recommendations by agreement between the Parties, with due respect for the completion of the Parties' respective internal procedures.

7. The Partnership Council shall be a forum for the exchange of information on the legislation of the European Union and of the Republic of Armenia, both under preparation and in force, and on implementation, enforcement and compliance measures.

8. The Partnership Council shall have the power to update or amend the Annexes , without prejudice to any specific provisions under Title VI.

ARTICLE 363

Partnership Committee

1. A Partnership Committee is hereby established. It shall assist the Partnership Council in the performance of its duties and functions.

2. The Partnership Committee shall be composed of representatives of the Parties, in principle at senior official level.

3. The Partnership Committee shall be chaired alternately by a representative of the European Union and a representative of the Republic of Armenia.

4. The Partnership Council shall determine in its rules of procedure the duties and functioning of the Partnership Committee, whose responsibilities shall include the preparation of meetings of the Partnership Council. The Partnership Committee shall meet at least once a year.

5. The Partnership Council may delegate to the Partnership Committee any of its powers, including the power to take binding decisions.

6. The Partnership Committee shall have the power to adopt decisions in areas in which the Partnership Council has delegated powers to it and in the cases provided for in this Agreement. Those decisions shall be binding upon the Parties, which shall take appropriate measures to implement them. The Partnership Committee shall adopt its decisions by agreement between the Parties, with due respect for the completion of the Parties' respective internal procedures.

7. The Partnership Committee shall meet in a specific configuration to address all issues related to Title VI. The Partnership Committee shall meet in that configuration at least once a year.

ARTICLE 364

Sub-committees and other Bodies

1. The Partnership Committee shall be assisted by subcommittees and other bodies established under this Agreement.

2. The Partnership Council may decide to set up subcommittees and other bodies in specific areas necessary for the implementation of this Agreement and shall determine their composition, duties and functioning.

3. The subcommittees shall regularly report on their activities to the Partnership Committee.

4. The existence of any of the subcommittees shall not prevent either Party from bringing any matter directly to the Partnership Committee, including in its Trade configuration.

ARTICLE 365

Parliamentary Partnership Committee

1. A Parliamentary Partnership Committee is hereby established. It shall consist of members of the European Parliament, on the one hand, and of members of the National Assembly of the Republic of Armenia, on the other, and shall be a forum for them to meet and exchange views. It shall meet at intervals which it shall itself determine.

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

3. The Parliamentary Partnership Committee shall be chaired alternately by a representative of the European Parliament and a representative of the Armenian National Assembly respectively, in accordance with the provisions to be laid down in its rules of procedure.

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

5. The Parliamentary Partnership Committee shall be informed of the decisions and recommendations of the Partnership Council.

6. The Parliamentary Partnership Committee may make recommendations to the Partnership Council.

7. The Parliamentary Partnership Committee may create parliamentary partnership subcommittees.

ARTICLE 366

Civil Society Platform

1. The Parties shall promote regular meetings of representatives of their civil societies, in order to keep them informed of, and gather their input for, the implementation of this Agreement.

2. A Civil Society Platform is hereby established. It shall be a forum to meet and exchange views for, and consist of representatives of civil society of the European Union, including members of the European Economic and Social Committee, and representatives of civil-society organisations, networks and platforms of the Republic of Armenia, including the Eastern Partnership National Platform. It shall meet at intervals which it shall itself determine.

3. The Civil Society Platform shall establish its rules of procedure. Those rules of procedure shall include, *inter alia,* the principles of transparency, inclusiveness and rotation.

4. The Civil Society Platform shall be chaired alternately by a representative of the civil society of the European Union and a representative of the civil society of the Republic of Armenia respectively, in accordance with the provisions to be laid down in its rules of procedure.

5. The Civil Society Platform shall be informed of the decisions and recommendations of the Partnership Council.

6. The Civil Society Platform may make recommendations to the Partnership Council, the Partnership Committee and Parliamentary Partnership Committee.

7. The Partnership Committee and Parliamentary Partnership Committee shall organise regular contacts with representatives of the Civil Society Platform in order to obtain their views on the attainment of the objectives of this Agreement.

CHAPTER 2

GENERAL AND FINAL PROVISIONS

ARTICLE 367

Access to courts and administrative organs

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

ARTICLE 368

Security Exceptions

Nothing in this Agreement shall be construed:

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

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

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

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

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

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

(c) as preventing either Party from taking any action in pursuance of its obligations under the UN Charter for the purpose of maintaining peace and international security.

ARTICLE 369

Non-discrimination

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

(a) the arrangements applied by the Republic of Armenia in respect of the European Union or its Member States shall not give rise to any discrimination between the Member States or their natural or legal persons; and

(b) the arrangements applied by the European Union or its Member States in respect of the Republic of Armenia shall not give rise to any discrimination between natural or legal persons of the Republic of Armenia.

2. Paragraph 1 shall be without prejudice to the right of the Parties to apply the relevant provisions of their fiscal legislation to taxpayers who are not in identical situations as regards their place of residence.

ARTICLE 370

Gradual approximation

The Republic of Armenia shall carry out gradual approximation of its legislation to EU law as referred to in the Annexes, based on commitments identified in this Agreement, and in accordance with the provisions of those Annexes. This Article shall be without prejudice to any specific provisions under Title VI.

ARTICLE 371

Dynamic approximation

In line with the goal of the gradual approximation of the legislation of the Republic of Armenia to EU law, the Partnership Council shall periodically revise and update the Annexes to this Agreement in order, *inter alia*, to reflect the evolution of EU law and applicable standards set out in international instruments deemed relevant by the Parties, taking into account the completion of the Parties' respective internal procedures. This Article shall be without prejudice to any specific provisions under Title VI.

ARTICLE 372

Monitoring and assessment of approximation

1. Monitoring shall mean the continuous appraisal of progress in implementing and enforcing measures covered by this Agreement. The Parties shall cooperate in order to facilitate the monitoring process in the framework of the institutional bodies established by this Agreement.

2. The European Union shall assess the approximation of the legislation of the Republic of Armenia to EU law, as referred to in this Agreement. Such assessments shall include aspects of implementation and enforcement. The European Union may conduct such assessments either individually or in agreement with the Republic of Armenia. To facilitate the assessment process, the Republic of Armenia shall report to the European Union on the progress made with regard to approximation, where appropriate before the end of the transitional periods set out in this Agreement. The reporting and assessment process, including the modalities and frequency of assessments, shall take into account specific modalities laid down in this Agreement or decisions by the institutional bodies established by this Agreement.

3. The assessment of approximation may include on-the-spot missions, with the participation of institutions of the European Union, bodies and agencies, non-governmental bodies, supervisory authorities, independent experts and others, as necessary.

ARTICLE 373

Results of monitoring, including assessments of approximation

1. The results of monitoring activities, including the assessments of approximation referred to in Article 372, shall be discussed in the relevant bodies established under this Agreement. Such bodies may adopt joint recommendations, which shall be submitted to the Partnership Council.

2. If the Parties agree that necessary measures covered by Title VI have been implemented and are being enforced, the Partnership Council, under the powers conferred to it in Article 319 paragraph 3 and Article 335 paragraph 2, shall decide on further market opening where provided for in Title VI.

3. A joint recommendation submitted to the Partnership Council in accordance with paragraph 1, or the failure to reach such a recommendation, shall not be subject to dispute settlement as referred to in Title VI. A decision taken by the Sub-Committee on Geographical Indications, or the failure to take a decision, shall not be subject to dispute settlement as defined in Title VI.

ARTICLE 374

Restrictions in case of balance-of-payments and external financial difficulties

1. Where a Party experiences serious balance-of-payments or external financial difficulties, or where there is a threat thereof, it may adopt or maintain safeguard or restrictive measures which affect movements of capital, payments or transfers.

2. The measures referred to in paragraph 1 shall:

(a) not treat a Party less favourably than a non-Party in like situations;

(b) be consistent with the Articles of Agreement of the International Monetary Fund of 1944, as applicable;

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

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

3. In the case of trade in goods, a Party may adopt or maintain restrictive measures in order to safeguard its balance-of-payments or external financial position. Such measures shall be in accordance with GATT 1994 and the Understanding on the Balance of Payment Provisions of GATT 1994.

4. In the case of trade in services, a Party may adopt restrictive measures in order to safeguard its balance-of- payments or external financial position. Such measures shall be in accordance with GATS.

5. Any Party maintaining or having adopted restrictive measures referred to in paragraph 1 shall promptly notify the other Party of them and present, as soon as possible, a time schedule for their removal.

6. Where restrictions are adopted or maintained under this Article, consultations shall be held promptly in the Partnership Committee, if such consultations are not otherwise taking place outside the scope of this Agreement.

7. The consultations shall assess the balance-of-payments or external financial difficulties that led to the respective measures, taking into account, *inter alia*, such factors as:

(a) the nature and extent of the difficulties;

(b) the external economic and trading environment; or

(c) alternative corrective measures which may be available.

8. The consultations shall address the compliance of any restrictive measures with paragraphs 1 and 2.

9. In such consultations, all statistical findings and other facts presented by the International Monetary Fund relating to foreign exchange, monetary reserves and balance of payments shall be accepted by the Parties and conclusions shall be based on the assessment by the International Monetary Fund of the balance of payments and the external financial position of the Party concerned.

ARTICLE 375

Taxation

1. This Agreement shall only apply to taxation measures in so far as such application is necessary to give effect to the provisions of this Agreement.

2. Nothing in this Agreement shall be construed as preventing the adoption or enforcement of any measure aimed at preventing the avoidance or evasion of taxes pursuant to the tax provisions of agreements for the avoidance of double taxation, other tax arrangements or domestic fiscal legislation.

ARTICLE 376

Delegated authority

Unless otherwise specified in this Agreement, each Party shall ensure that any person, including a state-owned enterprise, an enterprise granted special rights or privileges or a designated monopoly that has been delegated regulatory, administrative or other governmental authority by a Party at any level of government, acts in accordance with the Party's obligations as set out under this Agreement in the exercise of that authority.

ARTICLE 377

Fulfilment of obligations

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

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

3. Each Party shall refer to the Partnership Council any dispute related to the interpretation or implementation of this Agreement in accordance with Article 378.

4. The Partnership Council may settle a dispute by means of a binding decision in accordance with Article 378.

ARTICLE 378

Dispute settlement

1. When a dispute arises between the Parties concerning the interpretation or implementation of this Agreement, either Party shall submit to the other Party and the Partnership Council a formal request that the matter in dispute be resolved. By way of derogation, disputes concerning the interpretation and implementation of Title VI shall be exclusively governed by Chapter 13 of Title VI.

2. The Parties shall endeavour to resolve the dispute by entering into good-faith consultations within the Partnership Council with the aim of reaching a mutually acceptable solution in the shortest time possible.

3. Consultations on a dispute can also be held at any meeting of the Partnership Committee or any other relevant body referred to in Article 364, as agreed between the Parties or at the request of either of the Parties. Consultations may also be held in writing.

4. The Parties shall provide the Partnership Council, the Partnership Committee or any other relevant subcommittees or bodies with all information required for a thorough examination of the situation.

5. A dispute shall be deemed to be resolved when the Partnership Council has taken a binding decision to settle the matter in accordance with Article 377 paragraph 4, or when it has declared that the dispute has reached an end.

6. All information disclosed during the consultations shall remain confidential.

ARTICLE 379

Appropriate measures in case of non-fulfilment of obligations

1. A Party may take appropriate measures if a matter in dispute is not resolved within three months of the date of notification of a formal request for dispute settlement in accordance with Article 378 and if the complaining Party continues to consider that the other Party has failed to fulfil an obligation under this Agreement. The requirement for a three-month consultation period shall not apply to exceptional cases set out in paragraph 3 of this Article.

2. In the selection of appropriate measures, priority shall be given to those which least disturb the functioning of this Agreement. Except in cases described in paragraph 3 of this Article, such measures may not include the suspension of any rights or obligations provided for under provisions of this Agreement, set out in Title VI. The measures referred to in paragraph 1 of this Article shall be notified immediately to the Partnership Council and shall be the subject of consultations in accordance with Article 377 paragraph 2 and of dispute settlement in accordance with Article 378 paragraphs 2 and 3.

3. The exceptions referred to in paragraphs 1 and 2 shall concern:

(a) denunciation of this Agreement not sanctioned by the general rules of international law, or

(b) violation by the other Party of any of the essential elements of this Agreement, referred to in Article 2 paragraph 1 and Article 9 paragraph 1.

ARTICLE 380

Relation to other agreements

1. This Agreement replaces the PCA. References to the PCA in all other agreements between the Parties shall be construed as referring to this Agreement.

2. This Agreement shall not, until equivalent rights for natural and legal persons have been achieved under this Agreement, affect rights ensured to them through existing agreements binding one or more Member States, on the one hand, and the Republic of Armenia, on the other.

3. Existing agreements relating to specific areas of cooperation falling within the scope of this Agreement shall be considered part of the overall bilateral relations governed by this Agreement and as forming part of a common institutional framework.

4. The Parties may complement this Agreement by concluding specific agreements in any area falling within its scope. Such specific agreements shall be an integral part of the overall bilateral relations governed by this Agreement and shall form part of a common institutional framework.

5. Without prejudice to the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union, neither this Agreement nor action taken hereunder shall in any way affect the powers of the Member States to undertake bilateral cooperation activities with the Republic of Armenia or to conclude, where appropriate, new cooperation agreements with the Republic of Armenia.

ARTICLE 381

Duration

1. This Agreement is concluded for an unlimited period.

2. Either Party may denounce this Agreement by means of a written notification delivered to the other Party through diplomatic channels. This Agreement shall terminate six months from the date of receipt of such notification.

ARTICLE 382

Definition of the Parties

For the purposes of this Agreement, the term "Parties" means the European Union, or its Member States, or the European Union and its Member States, in accordance with their respective powers as derived from the Treaty on European Union and the Treaty on the Functioning of the European Union, and, where relevant, it shall also refer to Euratom, in accordance with its powers under the Treaty establishing the European Atomic Energy Community, of the one part, and the Republic of Armenia, of the other part.

ARTICLE 383

Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty on European Union, the Treaty on the Functioning of the European Union and the Treaty establishing 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 Republic of Armenia.

ARTICLE 384

Depositary of the Agreement

The General Secretariat of the Council of the European Union shall be the depositary for this Agreement.

ARTICLE 385

Entry into force, final provisions and provisional application

1. The Parties shall ratify or approve this Agreement in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the depositary.

2. This Agreement shall enter into force on the first day of the second month following the date of deposit of the last instrument of ratification or approval.

3. This Agreement may be amended in writing by common consent of the Parties. Such amendments shall enter into force in accordance with the provisions of this Article.

4. The Annexes, Protocols and the Declaration shall form an integral part of this Agreement.

5. Notwithstanding paragraph 2, the European Union and the Republic of Armenia may provisionally apply this Agreement in whole or in part, in accordance with their respective internal procedures, as applicable.

6. The provisional application shall be effective from the first day of the second month following the date of receipt by the depositary of the following:

(a) the European Union's notification on the completion of the procedures necessary for that purpose, indicating the parts of this Agreement that shall be provisionally applied; and

(b) Republic of Armenia's deposit of the instrument of ratification in accordance with its internal procedures.

7. For the purposes of the relevant provisions of this Agreement, including the Annexes and Protocols thereto, any reference in such provisions to the "date of entry into force of this Agreement" shall be understood to the "date from which this Agreement is provisionally applied" in accordance with paragraph 5.

8. The provisions of the PCA shall, in so far as they are not covered by the provisional application of this Agreement, continue to apply during the period of provisional application.

9. Either Party may give written notification to the depositary of its intention to terminate the provisional application of this Agreement. Termination of provisional application shall take effect six months after receipt of the notification by the depositary.

ARTICLE 386

Authentic texts

This Agreement is drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Armenian languages, each text being equally authentic.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries, duly authorised to this effect, have signed this Agreement.

Unterzeichner	serialNumber=734173660,CN=Bundeskanzleramt,C=AT
Datum/Zeit	2023-12-27T15:58:11+01:00
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at Informationen zur Prüfung des Ausdrucks finden Sie unter: https://www.bundeskanzleramt.gv.at/verifizierung
Hinweis	Dieses Dokument wurde amtssigniert.