

No. 30369

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**MULTILATERAL**

**Agreement between the European Free Trade Association countries and Turkey relating to trade (with annexes, protocols and record of understandings). Signed at Geneva on 10 December 1991**

*Authentic text: English.*

*Registered by Sweden on 8 October 1993.*

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**MULTILATÉRAL**

**Accord entre les pays de l'Association européenne de libre-échange et la Turquie relatif au commerce (avec annexes, protocoles et procès-verbal d'interprétation). Signé à Genève le 10 décembre 1991**

*Texte authentique : anglais.*

*Enregistré par la Suède le 8 octobre 1993.*

## AGREEMENT<sup>1</sup> BETWEEN THE EFTA STATES AND TURKEY

### *Preamble*

The Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden and the Swiss Confederation, on the one hand, (hereinafter called the EFTA States) and the Republic of Turkey, on the other hand, (hereinafter called Turkey),

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

Having regard to the Convention establishing the European Free Trade Association (EFTA);<sup>2</sup>

Having regard to the Agreements between the EFTA States and the European Communities;

Having regard to the Agreement creating an Association between Turkey and the European Economic Community;

Having regard to the experience gained from the co-operation developed in the light of the aforementioned relations as well as between individual EFTA States and Turkey;

Declaring their willingness to take action with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in fields of common interests, including fields not covered by this Agreement, thus creating a framework and supportive environment based on equality, non-discrimination, and a balance of rights and obligations;

Recalling the mutual interest of the EFTA States and Turkey in the continual reinforcement of the multilateral trading system and considering their capacity as Contracting Parties of the General Agreement on Tariffs and Trade,<sup>3</sup> the provisions and instruments of which constitute a basis for their foreign trade policy;

Resolved to lay down for this purpose provisions aimed at a progressive abolition of the

<sup>1</sup> Came into force on 1 April 1992, pursuant to the meeting of representatives of the Signatory States on 10 April 1992, for the following Signatory States which had deposited their instrument of ratification or acceptance with the Government of Sweden, in accordance with article 34 (2):

<i>Participant</i>	<i>Date of deposit of the instrument of ratification</i>
Liechtenstein .....	1 April 1992
Switzerland .....	30 March 1992
Turkey .....	31 March 1992

Subsequently, the Agreement came into force for the following Signatory States on the first day of the second month following the deposit of their instrument of ratification or acceptance with the Government of Sweden, in accordance with article 34 (3):

<i>Participant</i>	<i>Date of deposit of the instrument of ratification</i>
Sweden .....	27 February 1992
(With effect from 15 April 1992.)	
Finland .....	30 March 1992
(With effect from 1 May 1992.)	
Norway .....	10 April 1992
(With effect from 15 April 1992.)	
Iceland .....	13 July 1992
(With effect from 1 September 1992.)	
Austria .....	13 August 1992
(With effect from 1 October 1992.)	

<sup>2</sup> United Nations, *Treaty Series*, vol. 370, p. 3.

<sup>3</sup> *Ibid.*, vol. 55, p. 187.

obstacles to trade between the EFTA States and Turkey in accordance with the provisions of that Agreement, in particular those concerning the establishment of free trade areas;

Considering that no provision of this Agreement may be interpreted as exempting the States Parties to this Agreement, from their obligations under other international agreements;

HAVE DECIDED, in pursuance of these objectives, to conclude the following Agreement:

#### Article 1

##### *Objectives*

The objectives of this Agreement are:

- (a) to promote, through the expansion of reciprocal trade, the harmonious development of economic relations between the EFTA States and Turkey;
- (b) to provide fair conditions of competition for trade between the EFTA States and Turkey;
- (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade;
- (d) to enhance co-operation between the EFTA States and Turkey.

#### Article 2

##### *Scope*

1. The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System,<sup>1</sup> excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;
- (c) to fish and other marine products as provided for in Annex II;

originating in a State Party to this Agreement.

2. The provisions concerning trade in agricultural products which are not covered by paragraph 1 are contained in Article 11.

3. This Agreement applies to trade relations between, on the one hand, each EFTA State and, on the other hand, Turkey. It shall not apply to the trade relations between EFTA States, except if otherwise provided for in this Agreement.

#### Article 3

##### *Rules of origin and co-operation in customs administration*

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

2. The States Parties to this Agreement shall take appropriate measures, including arrangements regarding administrative co-operation, to ensure that the provisions of Articles 4 to 7, 12 and 21 are effectively and harmoniously applied, taking into account the need to reduce as far as possible the formalities imposed on trade and the need to achieve mutually satisfactory solutions to any difficulties arising out of the operation of those provisions.

#### Article 4

##### *Customs duties on imports and charges having equivalent effect*

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

2. Upon the entry into force of this Agreement, the EFTA States shall abolish all customs duties on imports and any charges having equivalent effect for products originating in Turkey as in force on 1 January 1991, except for products specified in Annexes III and IV for which customs duties on imports and charges having equivalent effect shall be progressively abolished in accordance with the provisions laid down in these Annexes.

3. For products originating in an EFTA State, Turkey shall progressively abolish all customs duties on imports as in force on 23 No-

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

ember 1970 and charges having equivalent effect as in force on the date of the entry into force of this Agreement as specified in Annexes II, IV and V according to the arrangements or timetables defined in these Annexes.

4. The basic duty to which successive reductions provided for in paragraphs 2 and 3 are to be applied shall, for each product, be the most-favoured-nation duty applied on the dates mentioned therein.

#### Article 5

##### *Customs duties of a fiscal nature*

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

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

#### Article 6

##### *Customs duties on exports and charges having equivalent effect*

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

2. Upon the entry into force of this Agreement, customs duties on exports and any charges having equivalent effect shall be abolished, except as provided for in Annex VII.

#### Article 7

##### *Quantitative restrictions and measures having equivalent effect*

1. No new quantitative restriction on imports or exports or measures having equivalent effect shall be introduced in trade between the EFTA States and Turkey, except as provided for in Annex VIII.

2. Upon the entry into force of this Agreement, quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished, except as provided for in Annex VIII.

3. For the purpose of this Agreement "quantitative restrictions and measures having equivalent effect" means prohibitions or restrictions on imports or exports into an EFTA State from Turkey or into Turkey from an EFTA State made effective through quotas, import or export licences or other administrative measures and requirements restricting trade.

#### Article 8

##### *Non-economic reasons for restrictions*

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants and of the environment, the protection of national treasures possessing artistic, historic or archaeological value, or the protection of industrial and commercial property, or rules relating to gold or silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between an EFTA State and Turkey.

#### Article 9

##### *State monopolies*

1. The States Parties to this Agreement shall ensure that any state monopoly of a commercial character be adjusted so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the EFTA States and Turkey.

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

## Article 10

*Information procedure on draft technical regulations*

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

## Article 11

*Trade in agricultural products*

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

2. In pursuance of this objective a bilateral arrangement providing for measures to facilitate trade in agricultural products has been concluded between each EFTA State and Turkey.

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

## Article 12

*Internal taxation*

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

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

## Article 13

*Payments*

Payments relating to trade between an EFTA State and Turkey and the transfer of such payments to the State Party to this Agree-

ment, where the creditor resides shall be free from any restrictions.

The States Parties to this Agreement shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short-term and medium-term credits covering commercial transactions in which a resident participates.

## Article 14

*Public procurement*

1. The States Parties to this Agreement consider the effective liberalization of their respective public procurement markets an integral objective of this Agreement.

2. The States Parties to this Agreement shall progressively adjust the conditions governing the participation in contracts awarded by public authorities and public undertakings, and by private undertakings which have been granted special or exclusive rights, so as to ensure transparency and non-discrimination between suppliers from the States Parties to this Agreement.

3. The formulation of the practical modalities shall be entrusted to the Joint Committee and they shall be elaborated on the basis of the balance of rights and obligations between States Parties to this Agreement. The Joint Committee shall lay down the necessary scope, timetable and rules as soon as possible, taking into account the solutions agreed upon within the General Agreement on Tariffs and Trade and with third countries in this field.

4. The concerned States Parties to this Agreement shall endeavour to accede to the relevant Agreements in the framework of the General Agreement on Tariffs and Trade.

## Article 15

*Protection of intellectual property*

1. In order to ensure the smooth functioning of this Agreement in accordance with its objectives and in order to avoid trade distortion, the States Parties to this Agreement shall take steps to grant and ensure adequate and effective protection of intellectual property rights.