28 March 2017

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 REPUBLIC OF CROATIA,

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 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, hereinafter referred to as 'the Union' or 'the EU' and

THE EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as 'the 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 and to promote close and intensive cooperation based on equal partnership within the framework of the European Neighbourhood Policy and the Eastern Partnership as well as within the present Framework 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 EU-Armenia relations and in helping to move the reform and approximation, as referred to hereinafter,-process in Armenia forward, 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 market economy, on the one hand, and sustainable conflict settlement, on the other hand, are linked. Hence, sustainable democratic

reform processes in Armenia will help build confidence and stability throughout the region;

COMMITTED to promote further the political, socio-economic and institutional development of Armenia, through, for example, the development of civil society, institution building, public administration and civil service reform and fight against corruption, and enhanced trade and economic cooperation, including good governance in the tax area, 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, the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms, the 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, notably by cooperating to that end within the framework of the United Nations (UN) and the Organisation for Security and Cooperation in Europe (OSCE);

COMMITTED to international obligations to fighting against the proliferation of weapons of mass destruction and their means of delivery and to cooperating on disarmament, non-proliferation, as well as nuclear security and safety;

RECOGNISING the importance of the active participation of Armenia in regional cooperation formats, including those supported by the EU; recognising the importance 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 (CFSP) including the Common Security and Defence Policy (CSDP) of the European Union and the relevant Armenian policies; recognising the importance Armenia attaches to its participation in international organisations and cooperation formats and its existing obligations arising therefrom;

RECOGNISING the importance of the commitment of Armenia to the peaceful and lasting settlement of the Nagorno-Karabakh conflict, and the need to achieve this settlement as early as possible, in the framework of the negotiations led by the OSCE Minsk Group co-chairs; recognizing also the need to achieve this settlement on the basis of the purposes and principles enshrined in the UN Charter and the OSCE Helsinki Final Act, particularly 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. Noting also the EU's stated commitment to support this settlement process;

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

COMMITTED to step 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, trafficking in human beings and efficient implementation of 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 Armenia, provided that conditions for well-managed and secure mobility are in place including the effective implementation of visa facilitation and readmission agreements between the Parties;

COMMITTED to the principles of free market economy and the readiness of the EU to contribute to the economic reforms in Armenia;

RECOGNISING the willingness of the Parties to deepen economic cooperation including in the trade related areas in compliance with the rights and obligations arising out of the World Trade Organisation (WTO) membership of the Parties and 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 two Parties and above all for the development of trade and investment, and will stimulate competition, which are factors crucial to economic restructuring and modernisation;

COMMITTED to respecting the principles of sustainable development;

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

COMMITTED to enhancing the security and safety of energy supply, facilitating the development of appropriate infrastructure, increasing market integration and gradual regulatory 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 Armenia's commitments 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 safety and 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 Armenia to progressively approximate its legislation in the relevant sectors with that of the EU, to implement it effectively as a part of its wider reform efforts, and to develop its administrative and institutional capacity to the extent necessary to enforce this Agreement, and the EU's sustained support, within all available instruments of cooperation, including technical, financial and economic assistance to this endeavour, reflecting the pace of Armenia's reforms and economic needs.

NOTING that, in case the Parties decided, within the framework of this Agreement, to enter into specific agreements in the area of freedom, security and justice which were to be concluded by the 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 Union, simultaneously with the United Kingdom and/or Ireland as regards their respective previous bilateral relations, notifies Armenia that the United Kingdom and/or Ireland has/have become bound by such agreements as part of the 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 EU internal measures which were to be adopted pursuant to the above mentioned Title V 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 EU internal measures would fall under Protocol (No 22) on the position of Denmark, annexed to the said Treaties.

HAVE AGREED AS FOLLOWS:

TITLE I
GENERAL PRINCIPLES

TITLE I
OBJECTIVES AND GENERAL PRINCIPLES

Article 1

Objectives

1. 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 Armenia's participation in EU policies, programmes and agencies;

(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 Armenia, as well as to promote, preserve and strengthen peace and stability in the regional and international dimensions, including through joining efforts to eliminate sources of tension, enhancing border security, promoting cross-border cooperation and good neighbourly relations;

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

(e) to enhance mobility and people to people contacts;

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

(g) to establish an enhanced trade cooperation, which will provide for sustained regulatory cooperation in relevant

areas, in compliance with the rights and obligations arising out of the World Trade Organisation (WTO) membership; and

(h) to establish conditions for an 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, in the OSCE Helsinki Final Act and the Charter of Paris for a New Europe, and other relevant human rights instruments, among them 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, notably under the UN, the Council of Europe and the Organisation for Security and Cooperation in Europe.

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 weapons of mass destruction and their delivery systems including through the CBRN 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

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. This will increase the effectiveness of political cooperation on foreign policy and security matters, recognising the importance 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 the 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, notably in order to address global and regional challenges and their threats;

(e) to strengthen cooperation in fight against the proliferation of weapons of mass destruction 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 and good governance, 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 of 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 United Nations as enshrined in its Charter and the Principles guiding relations between participating states as set forth in the OSCE Helsinki Final Act; and

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

Article 4

Domestic reform

The Parties shall cooperate on developing, consolidating and increasing the stability and effectiveness of democratic institutions and the rule of law; on ensuring respect for human rights and fundamental freedoms; on making further progress on judicial and legal reform, so as to secure the independence, quality and efficiency of the judiciary, of the prosecution as well as of law enforcement; on strengthening the administrative capacity and guarantee impartiality and effectiveness of law enforcement bodies; on further pursuing the public administration reform and on developing an accountable, efficient, transparent and professional civil service; and on ensuring effectiveness in the fight against corruption, particularly in view of enhancing international cooperation on combating corruption, and ensuring effective implementation of relevant international legal instruments, such as the United Nations Convention Against Corruption.

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 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 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 promote these 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 the national and international level, including 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, and 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 possible participation 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 movements, good neighbourly relations and democratic development and thus contribute to stability, security and shall work towards peaceful settlement of conflicts.

2. These efforts 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 Parties aligned themselves. The Parties underline the importance of existing agreed formats of the peaceful settlement of conflicts.

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

Article 9

Weapons of mass destruction, non-proliferation and disarmament

1. The Parties consider that the proliferation of weapons of mass destruction (WMD) 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 and to contribute to countering the proliferation of weapons of mass destruction 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, and other relevant international obligations. The Parties agree that this provision constitutes an essential element of this Agreement.

2. The Parties furthermore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction 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 as appropriate; and

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

3. The Parties agree to establish a regular political dialogue that will accompany and consolidate these elements.

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 (SALW), including their ammunition, and their excessive accumulation, poor management, inadequately secured stockpiles and uncontrolled spread continue to pose a serious threat to peace and international security.

2. **The Parties agree to observe and fully implement their respective obligations to deal with the illicit trade in small arms and light weapons, 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 this area, such as the UN Programme of Action to prevent, combat and eradicate the illicit trade in SALW 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 small arms and light weapons, including their ammunition and the destruction of excessive stockpiles, at global, regional, sub-regional and, as appropriate, domestic levels.**

4. Furthermore, the Parties agree to continue to cooperate in the area of conventional arms control, in the light of the EU Common Position on control of exports of military technology and equipment and Armenia's relevant national legislation.

5. The Parties agree to establish a regular political dialogue that will accompany and consolidate these elements.

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 the fight against terrorism must 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

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 on the effective functioning of institutions in the areas of law enforcement, the fight against corruption and the administration of justice.

3. The 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 European Union, Council of Europe and international legal instruments and standards referred to in the Annex I to this Title.

Article 14

Cooperation on migration, asylum and border management

1. The Parties reaffirm the importance of a 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 fight against illegal migration, smuggling and trafficking in human beings.

2. Cooperation will be based on a specific needs-assessment conducted in mutual consultation between the Parties and be implemented in accordance with their relevant legislations in force. 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 of 1951 on the status of refugees and of the Protocol of 1967 and other relevant international instruments, such as the European Convention of Human Rights and Fundamental Freedoms, and to ensuring the respect of 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, 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 and 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 will ensure the full implementation of:**

a. the Agreement between the European Union and Armenia on Readmission of Persons Residing without Authorisation, which entered into force on 1 January 2014; and

b. the Agreement between the European Union and Armenia on the Facilitation of the Issuance of Visas, which entered into force on 1 January 2014.

2. The Parties shall continue to promote 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 on fighting irregular migration including through the implementation of the readmission agreement, promoting border management policy as well as legal and operational frameworks.

Article 16

Fight against organised crime and corruption

1. **The Parties shall cooperate on 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 small arms and light weapons;

(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, both in the private and public sector;

(h) forging documents, submitting false statements; and

(i) **cyber crime.**

2. **The Parties shall enhance bilateral, regional and international cooperation among law enforcement bodies, including possible development of cooperation between Europol and the relevant authorities of Armenia. The Parties are committed to implementing effectively the relevant international standards, and in particular those enshrined in the UN Convention against Transnational Organised Crime and its three Protocols. The Parties shall cooperate on preventing and fighting corruption, in line with the UN Convention Against Corruption, the recommendations of the Council of Europe against**

corruption (GRECO) and of the OECD, transparency with regards to asset declaration, protection of whistle-blowers, and disclosure of information of 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, coping with the health and social consequences of drug abuse with a view to reducing harm as well as at a more effective prevention of diversion of chemical precursors used for the illicit manufacture of narcotic drugs and psychotropic/ psychoactive substances.

2. **The Parties shall agree on the necessary methods of cooperation to attain these objectives. Actions shall be based on commonly agreed principles on the basis of the relevant international conventions, and shall aim at implementing the recommendations enshrined in the Outcome Document of the United Nations 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 to launder the proceeds of criminal activities in general and drug offences in particular, as well as for the purpose of terrorism financing. This cooperation extends to the recovery of assets or funds derived from the proceeds of crime.

2. Cooperation in this area shall allow exchanges of relevant information within the framework of respective legislations, in the framework of relevant international instruments and the adoption of appropriate standards to prevent and combat money laundering and 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 (FATF).

Article 19

Cooperation in the fight against terrorism

1. In full 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 protection of privacy;

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

(c) exchanging views about radicalisation and recruitment, the way to counter radicalisation and to 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 justice proceedings, and by ensuring the criminalization of terrorist offenses;

(f) 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 in 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 field 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. This would include, where appropriate, accession to, and implementation of, the relevant international instruments of the United Nations and the Council of Europe and closer cooperation between Eurojust and the competent Armenian authorities.

Article 21

Consular protection

Armenia agrees that the diplomatic and consular authorities of any represented EU Member State shall provide protection to any national of an EU Member State, which does not have an accessible permanent representation in Armenia, on the same conditions as to nationals of that EU Member State.

Title IV
ECONOMIC COOPERATION

CHAPTER 1

ECONOMIC DIALOGUE

Article 22

1. **The EU and the Republic of Armenia shall facilitate the process of economic reform by improving the understanding of the fundamentals of their respective economies 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 EU. The EU 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 status of bilateral cooperation in the economic, financial and statistical fields.

PUBLIC SECTOR INTERNAL CONTROL AND AUDITING ARRANGEMENTS

Article 24

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

(a) the further development and implementation of the public internal control system based on the principle of decentralized managerial accountability, including an independent internal audit function for the entire public sector. This to be achieved by harmonization with generally accepted international standards, frameworks and guidance and EU good practice, on the basis of the PI~~f~~C reform programme approved by the Government;

(b) the development of an adequate financial inspection system that will complement but not duplicate the internal audit function;

(c) support the Central Harmonization Unit for PIFC and strengthen its competences to steer the reform process;

(d) further strengthen of the Chamber of Control as the ~~a~~ supreme audit institution of the Republic of Armenia, particularly in terms of its financial, organizational and operational independence of internationally accepted external audit (INTOSAI) standards and

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

CHAPTER 2

TAXATION

Article 25

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

Article 26

With reference to Article [above] of this Agreement, the Parties recognize and commit themselves to implement the principles of good governance in the tax area, i.e. the principles of transparency, exchange of information and fair tax competition, as subscribed to by Member States at EU level. To that effect, without prejudice to EU and Member States competences, the Parties will improve international cooperation in the tax area, facilitate the collection of tax revenues, and develop measures for the effective implementation of the above mentioned principles.

Article 27

The Parties shall also 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 line with Articles I and III of the GATT 1994. The Parties shall strive to enhance cooperation and sharing of experiences in combating tax fraud and tax avoidance, in particular in carousel fraud, as well as in transfer pricing and anti-offshore regulation issues.

Article 28

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

Article 29

A regular dialogue will 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 Republic of Armenia and in the EU, enabling them to take informed decisions on this basis. The national statistical system should respect the UN Fundamental Principles of Official Statistics, taking into account the EU *acquis* in statistics, including the European Statistics Code of Practice, in order to align the national statistical production with European norms and standards.

Article 31

Cooperation shall aim at:

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

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

(c) fine-tuning of data provision to the EU, 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 EU statistical standards and to contribute to the development of the Armenian statistical system;

(e) exchanging experience between the Parties on 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. The cooperation shall include a 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 use of administrative sources for statistical purposes;

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

(e) energy statistics, including balances;

(f) environment statistics;

(g) regional statistics; and

(h) horizontal activities, including the professional independence of the statistical office, the application of the European statistics Code of Practice, quality assurance and management, statistical classifications, training, dissemination, use of modern information technologies, etc.

Article 33

The Parties shall, *inter alia,* exchange information and expertise and shall develop their cooperation, taking into account the already accumulated experience 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 Armenian statistical system, and taking into account the development of the European Statistical System. The emphasis in the statistical data production process shall be the increased use of administrative records and streamlining statistical surveys, while taking into account the need to reduce the response burden. The data produced shall be relevant for the designing 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, should be open for Armenian participation.

Article 35

Gradual approximation to the EU *acquis* in statistics shall be carried out in accordance with the annually updated Statistical Requirements Compendium 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;

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

Article 37

This cooperation shall cover, among others, the following areas:

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

(b) development of sector 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 inter modality, including timetables and milestones for implementation, administrative responsibilities as well as financing plans;

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

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

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

(f) 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

Cooperation shall also aim at improving the movement of passengers and goods, increasing fluidity of transport flows between Armenia, the EU 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 the infrastructure in particular on the main networks connecting the Parties.

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

Cooperation shall include information exchange and joint activities: at regional level, in particular taking into consideration progress achieved under various 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 organizations and international agreements and conventions ratified by the Parties; in the framework of the various transport agencies of the EU, as well as within the Eastern Partnership.

Article 39

Air transport

1. With a view to ensuring a coordinated development and progressive liberalization of transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in air transport should be dealt in accordance with the EU-Armenia Common Aviation Area Agreement (hereinafter referred to as the "CAA").

2. Prior to the conclusion of the CAA, 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. Armenia shall carry out approximation of its legislation to the EU acts referred to in the Annex /…/ according to the provisions of that Annex.

2. Regulatory approximation may also take place through sectoral agreements.

CHAPTER 2

ENERGY COOPERATION INCLUDING NUCLEAR SAFETY

Article 42

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 harmonization in the areas of the energy sector referred to hereinafter, taking into account the need to ensure access to secure, environmentally friendly and affordable energy.

The co-operation shall cover, among others, the following areas:

- **Energy strategies and policies including for the promotion of energy security and diversity of energy supplies and power generation;**
- **Enhancement of energy security including by stimulating the diversification of energy sources and routes,**
- **Development of competitive energy markets,**
- **Promotion of the use of renewable energy sources, energy efficiency and energy savings;**
- **Promotion of regional cooperation on energy and on integration to regional markets;**
- **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.**
- **The civil nuclear sector, taking into account the specificities of Armenia and focusing in particular on high levels of nuclear safety, on the basis of IAEA standards and EU standards and practices referred to hereinafter, and on high levels of nuclear security, on the basis of International guidance and practices. It will also include 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. The closure and safe decommissioning of Medzamor nuclear power plant and the early adoption of a road map/action plan to this effect, taking into consideration the need for its replacement with new capacity to ensure Armenia's energy security and conditions for sustainable development;**
- **Pricing policies, transit and transport, in particular including a general cost based system for the transmission of energy resources1, and as appropriate further precisions regarding access to hydrocarbons;**
- **Promotion of regulatory aspects reflecting key principles of energy market regulation and non-discriminatory access to energy networks and**

[1] If and when appropriate.

infrastructures at competitive, transparent and cost-effective tariffs, and adequate and independent oversight.

- 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 technologies2.

Article 43

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

Article 44

Armenia shall carry out approximation of its legislation to the instruments referred to in the Annex IV to this Agreement according to the provisions of this Annex.

[2] Cooperation in the area of Research is covered by the Research chapter of this Agreement.

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 environment protection will bring benefits to citizens and businesses in the Republic of Armenia and in the European Union, including through improved public health, preserved natural resources, increased economic and environmental efficiency, as well as use of modern, cleaner technologies contributing to more sustainable production patterns. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account the interdependence existing between the Parties in the field of environment protection, and multilateral agreements in the field.

Article 46

1. Cooperation shall aim at preserving, protecting, improving, and rehabilitating the quality of the environment, protecting human health, sustainable utilization of natural resources and promoting measures at international level to deal with 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 environment into policy areas other than environment policy.**

Article 47

The Parties shall, *inter alia,* exchange information and expertise; cooperate at regional and international level, especially with regard to multilateral environment agreements ratified by the Parties, and cooperate in the framework of relevant agencies, as appropriate.

Article 48

The cooperation shall cover, among others, the following objectives:

(a) development of an overall national strategy on environment for the Republic of Armenia, covering planned institutional reforms (with timetables) for ensuring implementation and enforcement of environmental legislation; division of competence for the environmental administration at national, regional and municipal levels; procedures for decision-making and the implementation of decisions; procedures for the promotion of the integration of the environment into other policy areas; promotion of green economy measures and eco-innovation, identification of the necessary human and financial resources and a review mechanism; and

(b) development of sector strategies for the Republic of Armenia on air quality; water quality and resource management; waste management; biodiversity, nature conservation and forestry; industrial pollution and industrial hazards; chemicals, including clearly defined timetables and milestones for implementation, administrative responsibilities, as well as financing strategies for investments in infrastructure and technology.

Article 49

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

Article 50

The Republic of Armenia will carry out approximation of its legislation to the EU acts and international instruments referred to in the Annex[…] to this Agreement according to 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 considering the interests of the Parties on the basis of equality and mutual benefit, taking into account the interdependence existing between bilateral and multilateral commitments in this field.

Article 52

Cooperation shall promote measures at domestic, regional and international level including, in the areas of:

(a) mitigation of climate change;

(b) adaptation to climate change;

(c) market and non-market mechanism to addressing climate change;

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

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

(f) awareness raising, education and training.

Article 53

The Parties shall, *inter alia,* exchange information and expertise; implement joint research activities and exchanges of information on cleaner and environmentally sound technologies; implement joint activities at regional and international level, including with regard to multilateral environment agreements ratified by the Parties, such as the UNFCCC and its Paris Agreement and joint activities in the framework of relevant agencies, as appropriate. The Parties shall pay special attention to transboundary issues and regional cooperation.

Article 54

The cooperation shall cover, among others, the following objectives:

(a) measures to implement the Paris Climate Agreement according to principles stipulated by the Agreement;

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

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

(d) development of vulnerability and adaptation assessments;

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

(f) 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 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

Armenia shall carry out approximation of its legislation to the EU acts and international instruments referred to in the Annex […] to this Agreement according to 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 Armenian and EU businesses operating in Armenia and the EU, and should be based on the EU's SME and industrial policies, taking into account internationally recognized principles and practices in this field.

Article 58

To these ends, the Parties shall cooperate in order to:

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

(b) create better framework conditions, via the exchange of information and good practice, thereby contributing to improving competitiveness. This 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 specific focus on exchange of good practice on regulatory techniques, including the EU's principles;

(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 EU and Armenian businesses and between these businesses and the authorities in Armenia and the EU;

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

(g) promote a more business friendly environment, that would enhance the growth potential and investment opportunities;

(h) facilitate the modernisation and restructuring of the Armenian and the EU industry in certain sectors.

Article 59

A regular dialogue will take place on the issues covered by this Chapter. This will also involve representatives of EU and Armenian businesses.

CHAPTER 6

COMPANY LAW, ACCOUNTING AND AUDITING AND CORPORATE GOVERNENCE

Article 60

1. The parties recognize 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 this field.

2. The Parties shall cooperate on the following:

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

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

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

(d) the approximation of accounting rules and financial reporting, including as regards SMEs;

(e) the regulation and oversight of the auditor and accountant professions;

(f) 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 INFORMATION SOCIETY

Article 62

The Parties shall promote cooperation on the development of the Information Society to benefit citizens and businesses through the widespread availability of information and communication technologies (ICT) and through better quality of services at affordable prices. This cooperation should aim at facilitating access to electronic communications markets, encourage competition and investment in the sector.

Article 63

Cooperation shall cover, inter alia, the following subjects:

(a) Exchange of information and best practice on the implementation of national Information Society strategies including inter alia initiatives aiming at promoting broadband access, improving network security and developing public online services.

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

Article 64

The Parties shall promote cooperation between the national regulator in the field of electronic communications of Armenia and EU regulators.

Article 65

Armenia will carry out approximation of its legislation to the EU acts and international instruments referred to in the Annex […] to this Agreement according to 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 would be based on the following principles:

(a) respect for the integrity and interests of local communities, particularly 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) exchange of information, best practices, experience and "know-how" transfer, including on innovative technologies;

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

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

(d) 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) 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 EU regulations and best practices;

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

(d) sharing knowledge and best practices of 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 harmonization of issues dealt within the framework of international organizations of which both Parties are members.

CHAPTER 11

FISHERIES & MARITIME GOVERNANCE

Article 72

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

Article 73

The Parties shall take common actions, 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;

(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 providing support, in order to ensure the implementation of a sustainable fisheries policy, including:

(a) management of fisheries and aquaculture resources;

(b) inspection and control of fishing activities;

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

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

(e) 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;

(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, on 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 area of mining industries, and production of raw materials, with the objectives of promoting mutual understanding, improvement of the business environment, information exchange and cooperation on non-energy issues relating in particular to the mining of metallic ores and industrial minerals.

Article 77

To these ends, the Parties shall cooperate in order to:

(a) exchange of information by the Parties on the developments in their mining and raw materials sectors;

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

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

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

CHAPTER 13

COOPERATION IN RESEARCH, TECHNOLOGICAL DEVELOPMENT AND DEMONSTRATION

Article 78

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

Article 79

Cooperation in RTD shall cover:

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

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

(c) increasing research capacity and the participation of Armenian research entities in the research Framework Programme of the EU;

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

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

(f) facilitating, within the framework of applicable legislation, 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 RTD 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 EU and Armenia as stipulated in Chapter […] (Financial Assistance) of Title […] (Financial Assistance, and Anti-Fraud and Control Provisions) of this Agreement.

CHAPTER 14

CONSUMER POLICY

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

In order to achieve these objectives the cooperation may comprise, when appropriate:

(a) aiming at approximation of consumer legislation while avoiding barriers to trade;

(b) promoting 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;

(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 EU acts and international instruments referred to in the Annex X to this Agreement according to 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 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 reduce the informal economy and informal employment;

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

(d) fostering more inclusive labor 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;

(i) promoting corporate social responsibility.

Article 86

The Parties shall encourage the involvement of all relevant stakeholders, including civil society organizations and in particular social partners, in policy

development and reforms of Armenia and in the cooperation between the Parties under this Agreement.

Article 87

The Parties shall aim at enhancing cooperation on employment and social policy matters in all relevant regional, multilateral and international fora and organizations.

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 International Labour Organisation (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

Armenia shall carry out approximation of its legislation to the EU acts and international instruments referred to in the Annex […] to this Agreement according to 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 the level of, 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 exchange of health information, promoting a health-in-all-policies approach, cooperation with international organisations, in particular the World Health Organisation, and by promoting the implementation of international health agreements, such as the World Health Organisation 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 EU policies and practices. The Parties shall cooperate to promote lifelong learning, encourage cooperation and transparency at all levels of education and training, with a special focus on vocational and higher education.

Article 94

This cooperation in the field of education and training shall focus inter alia on the following areas:

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

~~(b)~~ modernizing education and training systems, including public/civil servants training systems, 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, deriving from the EU Modernization Agenda for Higher Education and the Bologna process;

(d) reinforcing international academic cooperation, participation in EU cooperation programmes, increasing 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 ENIC NARIC community aligned with the European Qualifications Framework;

(g) enhance cooperation to further develop vocational education and training taking into consideration good practice in the EU;

(h) reinforcing understanding and knowledge on the European integration process, the academic dialogue on EU-Eastern Partnership relations, and participation in relevant EU programmes, 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 field of youth policy and non-formal education for young people and youth workers;

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

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

(d) promote cooperation between youth organizations 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 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. The Parties will seek a regular policy dialogue in areas of mutual interest, including the development of cultural industries in the EU 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 EU and the Republic of Armenia.

Article 97

The Parties shall concentrate their cooperation in a number of fields:

(a) cultural cooperation and cultural exchanges;

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

(c) intercultural dialogue;

(d) policy dialogue on cultural policy;

(e) the Creative Europe Programme

(f) cooperation in international fora such as UNESCO and the Council of Europe, inter alia, in order to develop 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 EU and the Republic of Armenia in particular through training of professionals and exchange of information.

Article 99

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

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

Article 100

The Parties shall concentrate their cooperation on a number of fields:

(a) policy dialogue on audiovisual and media policies;

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

(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, notably 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 exchange of information and experience between all sectors of civil society in the European Union and in Armenia;

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

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

Article 103

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 Armenia. The aims of such a dialogue and such cooperation are:

(a) to ensure involvement of civil society in EU-Armenia relations;

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

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

(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 in the public policy-making process in 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 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 Armenian practice with the following principles:

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

(b) consolidation of the partnership between all the Parties involved in regional development;

(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 Armenian institutions in the fields of regional development and land use planning by, *inter alia*:

(a) improving inter-institutional 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 EU regulations and practice;

(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 organizations and promoting their economic and institutional development by implementing projects of common interest.

3. These activities will take place in the context of:

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

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

(c) cooperation with, *inter alia*, the European Economic and Social Committee (ECOSOC), 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 considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account 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 bilateral basis and/or within the framework of multilateral programmes. Cooperation can take place, *inter alia,* through the implementation of specific agreements and/or administrative arrangements in this field concluded between the Parties. The Parties may jointly decide specific guidelines and/or work plan for the activities contemplated or planned under this Agreement.

Article 112

The cooperation can cover the following objectives:

(a) exchange and regularly update 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 EU or 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 on Host Nation Support when requesting/providing assistance;

(f) exchange of 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; best practices aiming at preventing or mitigating the impact of natural hazards;

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

(i) cooperating on 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 trainings organised by the EU and/or Armenia; and

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

TITLE VI TRADE

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 the General Agreement on Tariffs and Trade 1994 (GATT 1994), including its interpretative notes, which are incorporated into and made part of this Agreement, *mutatis mutandis.*

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

ARTICLE 114

National treatment

Each Party shall accord national treatment to goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, which are 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 WTO obligations.

ARTICLE 116

Export duties, taxes or other charges

Neither Party shall adopt or maintain any duties, taxes, or other charges of any kind imposed on, or in connection with, the exportation of goods 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 institute 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 the GATT 1994 and its interpretative notes. To this end, Article XI of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. The Parties agree to exchange information and good practices on dual-use export controls with a view to promoting the convergence of EU and Armenia export controls.

ARTICLE 117 bis

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 deception of consumers.

2. For greater certainty, paragraph 1 of Article 117 applies to prohibition 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 118

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 legislation of each Party.

ARTICLE 119

Transit

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

ARTICLE 120

Trade defence

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

i) Article XIX of the GATT 1994 and the WTO Agreement on Safeguards

ii) Article 5 of the WTO Agreement on Agriculture on special safeguard provisions.

iii) Article VI of the GATT 1994, the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.

2. The Parties affirm that their existing rights and obligations referred to paragraph 1, and measures resulting thereof, shall not be subject to the Dispute Settlement provisions of this Agreement.

ARTICLE 121

Exceptions

1. The Parties affirm that their existing rights and obligations under Article XX of the GATT 1994 and its interpretative notes shall apply to trade in goods covered by this Agreement, *mutatis mutandis*. To this end Articles XX of the GATT 1994 and its interpretative notes are 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 the 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 on 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 122

Customs cooperation

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

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

(a) improve customs rules, regulations, practices and related binding acts 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 Organisation, the World Customs Organisation (in particular the 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, 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 World Customs Organisation's Arusha Declaration;

(d) exchange best practice, and 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 whilst respecting the rules on the confidentiality of sensitive data and on personal data protection of the Parties;

(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;

(i) improve implementation of the customs-related obligations in the EU – Armenia bilateral trade relations, including cooperation on the origin of goods.

ARTICLE 123

Mutual administrative assistance

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

ARTICLE 124

Customs valuation

1. The provisions of the Agreement on the Implementation of Article VII of GATT 1994 contained in Annex 1A to the WTO Agreement, including any

subsequent amendments, shall govern the customs valuation of goods in the trade between the Parties. Those provisions are hereby incorporated into this Agreement and made part thereof.

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

ARTICLE 125

[Customs Committee]

1. The [Customs Committee] is hereby established. It shall report to the [Cooperation Committee], as set out in Article … of this Agreement.

2. The function of the Committee shall include regular consultations and monitoring of the implementation and the administration 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 [Customs Committee] shall inter-alia:

- **(a) see to the proper functioning of this Chapter and of the Protocol on Mutual Administrative Assistance on Customs Matters … to this Agreement;**
- **(b) adopt practical arrangements and measures to implement this Chapter and Protocol …. 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 where appropriate;**

CHAPTER 3

TECHNICAL BARRIERS TO TRADE

ARTICLE 126

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 (hereinafter referred to as the "TBT Agreement").

ARTICLE 127

Scope and definitions

1. This Chapter applies to the preparation, adoption and application of standards, technical regulations, and conformity assessment procedures, as defined in the TBT Agreement, that 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 of the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement (hereinafter referred to as the "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 of Annex I to the TBT Agreement shall apply.

ARTICLE 128

Technical Barriers to Trade Agreement

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

ARTICLE 129

Cooperation in the field of technical barriers to trade

1. **The Parties shall strengthen their cooperation in the area of 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 this 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 technical regulations and conformity assessment procedures;

(b) working towards the possibility of converging on 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 agree:**

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

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

(c) to 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 set up and maintain a process through which gradual approximation of their technical regulations, standards and conformity assessment procedures can be achieved.

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

ARTICLE 130

Marking and labelling

1. Without prejudice to the provisions of Article 128 and with respect to technical regulations relating to labelling or marking requirements, the Parties reaffirm the principles of Chapter 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 this 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, regarding obligatory marking or labelling, the Parties agree:

(a) that they will endeavour to minimize their needs for marking or labelling in mutual trade, except as required for the protection of health, safety, or the environment, or for other reasonable public policy purposes;

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

ARTICLE 131

Transparency

1. Without prejudice to the provisions of Chapter [_Chapter number_] Transparency of this Title 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 this 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 drafts of technical regulations or conformity assessment procedures is open to the public, each Party shall permit the other Party, or natural or legal persons located in the territory of the other Party, to participate on terms no less favourable than those accorded to natural or legal persons located in the territory of that Party.

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

CHAPTER 4

SANITARY AND PHYTOSANITARY MATTERS

ARTICLE 132
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. These principles shall be applied by the Parties in a manner to facilitate trade further, while preserving each Party's level of protection of human, animal or plant life or health.

Article 133
Multilateral obligations

The Parties re-affirm their rights and obligations made under World Trade Organization (WTO) and the WTO SPS Agreement.

ARTICLE 134
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 and taking into account the international standards (IPPC, OIE, Codex).2. A 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. The Parties shall ensure that SPS measures, procedures or controls are implemented.

Each Party shall address requests of 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 135
Import Requirements

1. The import requirements of the importing Party shall be applicable to the entire territory of the exporting Party, subject to the provisions of Article 5 of this Chapter.

2. The import requirements set out in certificates are based on Codex Alimentarius Commission (Codex), the World Organisation of Animal Health (OIE) and the International Plant Protection Convention (IPPC) principles, unless the import requirements are supported by a science-based risk assessment conducted in accordance with the applicable international rules as provided for in the WTO SPS Agreement. 3. The requirements set out in import permits shall not contain more stringent sanitary and veterinary conditions than the conditions laid down in the certificates under paragraph 2 of this Article.

ARTICLE 136

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 or 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 137

Inspections and Audits

Inspections and audits carried out by the importing Party in the territory of the exporting Party to evaluate the latter's inspection and certification systems are performed in accordance with the relevant international standards, guidelines and recommendations. The costs of inspections and audits shall be borne by the Party carrying out the audits and the inspections.

ARTICLE 138

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 exchange of information shall, as appropriate, consider the SPS Agreement and the standards, guidelines or recommendations of the IPPC, the OIE, and the Codex.

2. The Parties agree to cooperate on animal health, animal welfare and plant health matters through the exchange of information, expertise and experience with the objective to build up capacity in this field.

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

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

ARTICLE 139

Transparency

1. Pursue transparency as regards SPS measures applicable to trade and, in particular, to the SPS requirements applied to imports of the other Party.

2. Communicate, upon the request of a Party and within 2 months following the date of such request, the requirements that apply for the import of specific products, including if a risk assessment is needed.

3. Each Party shall notify in writing to the other Party within two working days, of any serious or significant public, animal or plant health risk, including any food emergencies.

CHAPTER 5

TRADE IN SERVICES, ESTABLISHMENT AND E-COMMERCE

CHAPTER I GENERAL PROVISIONS

Article 140

Objective, scope and coverage

1. **The Parties, reaffirming 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 e-commerce.**
2. **Government procurement will be dealt with by Chapter [X (on public procurement)] and nothing in this Title shall be construed to impose any obligation with respect to government procurement.**
3. **Subsidies will be dealt with by Chapter [X (on competition and state aid)] and the provisions of this Title shall not apply to subsidies granted by the Parties.**
4. **Consistent with the provisions of this Title, each Party retains the right to regulate and to introduce new regulations to meet legitimate policy objectives**
5. **This Title shall not apply to measures affecting natural person seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.**

Nothing in this Title 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 its Annexes1.

Article 141

Definitions

For purposes of this Title:

a) (a) the term 'Parties' shall refer jointly to the Republic of Armenia and the EU Party and the term 'Party' shall refer to the Republic of Armenia or the EU Party as the case may be;

b) (b) 'EU Party' means the European Union or its Member States or the European Union and its Member States within their respective areas of competence as derived from the Treaty on European Union and on the Treaty on the Functioning of the European Union;

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

d) (d) 'measures adopted or maintained by a Party' means measures taken by:

e) (i) central, regional or local governments and authorities; and

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

(e) a 'natural person of the EU Party' means a national of one of the Member States of the European Union according to its legislation and a 'natural person of the Republic of Armenia' means a national of the Republic of Armenia according to its legislation;

g) (f) 'juridical person' means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

(g) a juridical person of the EU Party' or a 'juridical person of the Republic of Armenia' means a juridical person set up in accordance with the laws of a Member State of the European Union or of the Republic of Armenia respectively, 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, respectively;

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

Should this juridical person have 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, it shall not be considered as a juridical person of the EU Party or a juridical person of the Republic of Armenia respectively, unless its operations possess a real and continuous link with the economy of the EU Party or of the Republic of Armenia, respectively;

(h) Notwithstanding the preceding paragraph, shipping companies established outside the EU Party or the Republic of Armenia and controlled by nationals of a Member State of the European Union 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 that Member State or in the Republic of Armenia and fly the flag of a Member State or of the Republic of Armenia;

(i) 'subsidiary' of a juridical person of a Party means a legal person which is effectively controlled by another juridical person of that Party[2];

(j) 'branch' of a juridical person means a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management 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;

(k) 'establishment' shall mean:

(i) as regards juridical persons of the EU Party or of the Republic of Armenia, the right to take up and pursue economic activities by means of setting up, including the acquisition of, a juridical person and/or create a branch or a representative office in the Republic of Armenia or in the EU Party respectively;

(ii) as regards natural persons, the right of natural persons of the EU Party or of the Republic of Armenia to take up and pursue economic activities as self-employed persons, and to set up undertakings, in particular companies, which they effectively control.

(l) 'economic activities' shall include activities of an industrial, commercial and professional character and activities of craftsmen and do not include activities performed in the exercise of governmental authority;

(m) 'operations' shall mean the pursuit of economic activities;

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[2] **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.**

(n) 'services' includes any service in any sector except services supplied in the exercise of governmental authority;

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

(p) 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

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

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

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

CHAPTER II ESTABLISHMENT

Article 142

Scope

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

(a) mining, manufacturing and processing[7] of nuclear materials;

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

(c) audio-visual services;

(d) national maritime cabotage[8], and

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

[8] **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 of the European Union and another port or point located in the Republic of Armenia or Member State of the European Union, including on its**

(e) domestic and international air transport services[9], 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;

h) (iv) groundhandling services

i) (v) airport operation services.

Article 143

National Treatment and Most Favourable Nation Treatment

1. **Subject to reservations listed in Annex (XX), the Republic of Armenia shall grant, upon entry into force of this Agreement:**

(i) as regards the establishment of subsidiaries, branches and representative offices of the EU Party, 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;

(ii) as regards the operation of subsidiaries, branches and representative offices of the EU Party 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.[10]

2. Subject to reservations listed in Annex (XX), the EU Party shall grant, upon entry into force of this Agreement:

(i) as regards the establishment of subsidiaries, branches and representative offices of the Republic of Armenia, treatment no less favourable than that accorded by the EU Party to its own juridical persons, branches and representative offices or to any

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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 of the European Union.

9 **The conditions of mutual market access in air transport will be dealt with by the future Agreement between the European Union and its Member States and the Republic of Armenia on the establishment of a Common Aviation Area.**

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

third country juridical persons, branches and representative offices, whichever is the better;

(ii) as regards the operation of subsidiaries, branches and representative offices of the Republic of Armenia in the EU Party, 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.[11]

3. Subject to reservations listed in Annex (XX) and (XX), the Parties shall not adopt any new regulations or measures which introduce discrimination as regards the establishment of juridical persons of the EU Party or of the Republic of Armenia on their territory or in respect of their operation, once established, by comparison with their own juridical persons.

Article 144

Review

1. With a view to progressively liberalising the establishment conditions, the [Cooperation Committee (in Trade configuration)] shall regularly review the establishment legal framework[12] and the establishment environment, consistent with their commitments in international agreements.

Article 145

Other Agreements

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

Article 146

Standard of treatment for branches and representative offices

1. The provisions of Article 4 do not preclude the application by a Party of particular rules concerning the establishment and operation in its territory of branches and representative offices of juridical persons of

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

12 This includes this Chapter and Annexes VI a and VI d.

another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches and representative offices as compared to branches and representative offices of companies incorporated in its territory 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.

CHAPTER III CROSS BORDER SUPPLY OF SERVICES

Article 147

Scope

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

j) (a) audio-visual services;

k) (b) national maritime cabotage[13] and,

l) (c) domestic and international air transport services[14], 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;

m) (iv) groundhandling services

n) (v) airport operation services.

Article 148

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 a treatment not less favourable than that provided for in the

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[13] **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 of the European Union and another port or point located in the Republic of Armenia or Member State of the European Union, 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 of the European Union.**

[14] **The conditions of mutual market access in air transport will be dealt with by the future Agreement between the European Union and its Member States and the Republic of Armenia on the establishment of a Common Aviation Area**

specific commitments contained in Annexes (XX) and (XX) (lists of commitments on cross-border supply of services).

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annex (XX) and (XX) (lists of commitments on cross-border supply of services), are defined as:

o) (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;

p) (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;

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

Article 149

National Treatment

r) 1. In the sectors where market access commitments are inscribed in Annexes (XX) and (XX) (lists of commitments on cross-border supply of services), 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 accords to its own like services and services suppliers.

s) 2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party either formally identical treatment or formally different treatment to that it accords 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 to require any Party to compensate for inherent competitive disadvantages which result from the foreign character of the relevant services or services suppliers.

Article 150

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 services suppliers of the other Party in those sectors are set out in lists of commitments included in Annexes (XX) and (XX) (lists of commitments on cross-border supply of services).

2. Without prejudice to Parties' rights and obligations as they exist or may arise under the Council of Europe Conventions on Transfrontier Television and European Convention on Cinematographic Co-Production, lists of commitments in Annexes (XX) and (XX) do not include commitments on audio-visual services.

Article 151

Review

t) With a view to the progressive liberalisation of the cross-border supply of services between the Parties, the [Cooperation Committee (in Trade configuration)] shall regularly review the list of commitments referred to in Article 11. This review shall take into account inter alia the process of gradual approximation, referred to in Articles [27, X11 and 50] of this Agreement, and its impact on the elimination of remaining obstacles to cross-border supply of services between the Parties.

CHAPTER IV TEMPORARY PRESENCE OF NATURAL PERSONS FOR BUSINESS PURPOSES

Article 152

Scope and definitions

This Chapter 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 in accordance with Article (1), paragraph 5, of this Title.

For the purposes of this Chapter:

"Key personnel" means natural persons employed within a juridical person of one Party other than a non-profit organisation[3] and who are responsible for the setting-up or the proper control, administration and operation of an establishment. "Key personnel" comprise "business visitors" for establishment purposes and "intra-corporate transferees".

[3] **The reference to other than a "non-profit organization" only applies for AT, BE, CY, CZ, DE, DK, EE, EL, ES; FI, FR, IE, IT, LT, LU, LV, MT, NL, ET, PT, SI, UK.**

"Business visitors" for establishment purposes means natural persons working in a senior position who are responsible for setting up an establishment. They do not offer or provide services or engage in any other economics activity than required for establishment purposes. They do not receive remuneration from a source located within the host Party.

"Intra-corporate transferees" means natural persons who have been employed by a juridical person or have been partners in it for at least one year and who are temporarily transferred to an establishment that may be a subsidiary, branch or head company of the enterprise / juridical person in the territory of the other Party. The natural person concerned must belong to one of the following categories:

Managers: Persons working 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, including at least:

directing the establishment or a department or sub-division thereof; and

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

having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions.

Specialists: Persons working within a juridical person 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 referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession.

"Graduate trainees" means natural persons who have been employed by a juridical person of one 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[4].

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[4] **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**

"Business sellers"[5] means natural persons who are representatives of a services or goods supplier of one Party seeking entry 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. They do not engage in making direct sales to the general public and do not receive remuneration from a source located within the host Party, nor are they commission agents.

"Contractual services suppliers" means natural persons employed by a juridical person of one 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 latter Party, requiring the presence on a temporary basis of its employees in that Party, in order to fulfil the contract to provide services[6].

"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[7].

"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 153

Key personnel and graduate trainees

1. For every sector committed in accordance with Chapter II [establishment] of this Title and subject to any reservations listed in Annex […] [list of commitments on establishment] or in Annex […] [reservations on key personnel and graduate trainees] 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

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training. For AT, CZ, DE, FR, ES, LT and HU, training must be linked to the university degree which has been obtained.

[5] UK: The category of Business sellers is only recognised for services sellers.

[6] The service contract referred to under d) and e) shall comply with the requirements of the laws, and regulations and requirements of the Party where the contract is executed.

[7] The service contract referred to under d) and e) shall comply with the requirements of the laws, and regulations and requirements of the Party where the contract is executed.

key personnel or graduate trainees as defined in Article 13. The temporary entry and temporary stay of key personnel and graduate trainees shall be for a period of up to three years for intra-corporate transferees, ninety days in any twelve month period for business visitors for establishment purposes, and one year for graduate trainees.

For every sector committed in accordance with Chapter II [establishment] of this Title, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annex [ ] [reservations on key personnel and graduate trainees], 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 a requirement of an economic needs test and as discriminatory limitations.

Article 154

Business sellers

For every sector committed in accordance with Chapters II [establishment] or III [cross-border] of this Title and subject to any reservations listed in Annexes […] and […] [list of commitments on establishment and list of commitments on cross-border supply of services], each Party shall allow the entry and temporary stay of business sellers for a period of up to ninety days in any twelve month period.

Article 154.1

Contractual Service Suppliers

1. The Parties reaffirm 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 services suppliers.

2. In accordance with Annex XX, each Party shall allow the supply of services into their territory by contractual services suppliers of the other Party, subject to the conditions specified in paragraph 3.

The commitments undertaken by the Parties are subject to the following conditions:

(a) The natural persons must be 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 twelve months.

The natural persons entering the other Party should be offering such services 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. In addition, the natural persons must possess, at the date of submission of an application for entry into the other Party, at least three years professional experience[16] in the sector of activity which is the subject of the contract.

The natural persons entering the other Party must possess:

(i) a university degree or a qualification demonstrating knowledge of an equivalent level[17] and

(ii) professional qualifications where this is required to exercise an activity pursuant to the laws, regulations or legal requirements of the Party where the service is supplied.

The natural person shall 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.

The entry and temporary stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months or, in the case of Luxembourg, twenty-five weeks in any twelve month period or for the duration of the contract, whichever is less.

Access accorded under the provisions of 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.

The number of persons covered by the service contract shall not be larger than necessary to fulfil the contract, as it may be requested by the laws, regulations or other legal requirements of the Party where the service is supplied.

Article 154.2

Independent Professionals

1. In accordance with Annex XX, the Parties shall allow the supply of services into their territory by independent professionals of the other Party, subject to the conditions specified in paragraph 3.

2. The commitments undertaken by the Parties are subject to the following conditions:

(a) The natural persons must be engaged in the supply of a service on a temporary basis as self-employed persons established in the other

[16] **Obtained after having reached the age of majority.**

[17] **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.**

Party and must have obtained a service contract for a period not exceeding twelve months

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

The natural persons entering the other Party must possess:

(i) a university degree or a qualification demonstrating knowledge of an equivalent level[18] and

(ii) professional qualifications where this is required to exercise an activity pursuant to the law, regulations or other legal requirements of the Party where the service is supplied.

The entry and temporary stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months or, in the case of Luxembourg, twenty-five weeks in any twelve month period or for the duration of the contract, whatever is less.

Access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title of the Party where the service is provided.

CHAPTER V REGULATORY FRAMEWORK

SECTION I DOMESTIC REGULATION

Article 155

Scope and Definitions

1. The following disciplines apply to measures by the Parties relating to licencing requirements and procedures, qualification requirements and procedures that affect:

(a) cross-border supply of services;
(b) establishment in their territory of juridical and natural persons defined in Article (ZZ) of this Agreement;
(c) temporary stay in their territory of categories of natural persons as defined in Article (ZZ).

2. In the case of cross-border supply of services, these disciplines shall only apply to sectors for which the Party has undertaken specific commitments and to the

[18] **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.**

extent that these specific commitments apply. In the case of establishment, these disciplines shall not apply to sectors to the extent that a reservation is listed in accordance with Annexes (XX) and (XX). In the case of temporary stay of natural persons, these disciplines shall not apply to sectors to the extent that a reservation is listed in accordance with Annexes (X) and (X).

3. These disciplines do not apply to measures to the extent that they constitute limitations subject to scheduling.

5. For the purpose of this Section,

- "Licencing requirements" are 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 as defined in paragraph 1 (a) to (c).

- "Licencing procedures" are administrative or procedural rules that a natural or a juridical person, seeking authorisation to carry out the activities as defined in paragraph 1 (a) to (c), including the amendment or renewal of a licence, must adhere to in order to demonstrate compliance with licencing requirements.

-"Qualification requirements" are substantive requirements relating to the competence of a natural person to supply a service, and which are required to be demonstrated for the purpose of obtaining authorisation to supply a service.

-"Qualification procedures" are administrative or procedural rules that a natural person must adhere to in order to demonstrate compliance with qualification requirements, for the purpose of obtaining authorisation to supply a service.

-"Competent authority" is 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 156

Conditions for licencing and qualification

1. Each Party shall ensure that measures relating to licencing requirements and procedures, 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;
(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 in fact 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 provisions specified by this Article, in establishing the rules for the selection procedure, each Party may take into account legitimate public policy objectives, including considerations of health, safety, the protection of the environment and the preservation of cultural heritage.

Article 157

Licencing and qualification procedures

1. Licencing 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. Licencing and qualification procedures and formalities shall be as simple as possible and shall not unduly complicate or delay the provision of the service.

Any licencing fees[8] which the applicants may incur from their application should 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 should 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 should be accepted in electronic format under the same conditions of authenticity as paper submissions.**

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

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

8. **If an application is rejected by the competent authority, the applicant shall be informed in writing and without undue delay. 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.**

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

SECTION II PROVISIONS OF GENERAL APPLICATION

Article 158

Mutual recognition

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

2. The Parties shall encourage the relevant professional bodies in their respective territories to provide recommendations on mutual recognition to the [Cooperation Committee (in 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. On receipt of a recommendation referred to in the preceding paragraph, the [Cooperation Committee (in Trade configuration)] shall, within a reasonable time, review this recommendation with a view to determine whether it is consistent with this Agreement, and on the basis of the information contained, assess notably:

- the extent to which the standards and criteria applied by each Party for the authorisation, licenses, operation and certification of services providers and entrepreneurs are converging, and;

- the potential economic value of a Mutual Recognition Agreement.

4. Where these requirements are satisfied, the [Cooperation Committee (in Trade configuration)] shall establish the necessary steps to negotiate and thereafter the Parties shall engage into negotiations, through their competent authorities, of a Mutual Recognition Agreement.

5. Any such agreement shall be in conformity with the relevant provisions of the WTO Agreement and, in particular, Article VII of GATS.

Article 159

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 specific information to entrepreneurs and services suppliers of the other Party, upon request, on all such matters. The Parties shall notify each other

enquiry points within 3 months after entry into force of this agreement. Enquiry points need not be depositories of 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.

SECTION III COMPUTER SERVICES

Article 160

Understanding on computer services

1. **In liberalising trade in computer services in accordance with Chapters […], […] and […] of this Title, the Parties shall comply with the following paragraphs.**

2. CPC[9] 84, 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 these services as a bundle or package of related services that can include some or all of these 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.

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; or

(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; or

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

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

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

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

4. Computer and related services enable the provision of other services (e.g., banking) by both electronic and other means. However, there is an important distinction between the enabling service (e.g., web-hosting or application hosting) and the content or core service that is being delivered electronically (e.g., banking). In such cases, the content or core service is not covered by CPC 84.

SECTION IV POSTAL SERVICES[10]

Article 161

Scope and definitions

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

2. For the purpose of this Section and of Chapters II, III and IV of this Title.

(a) 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.

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

Article 162

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:

(a) using revenues derived from the supply of such service to cross-subsidize 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 163

Universal service

Any 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*

[10] This section applies to both CPC 7511 and CPC 7512

***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.**

Article 164

Licences

1. Each Party should endeavour to replace any licences for services falling outside the scope of the universal service with a simple registration.

2. Where a licence is required:

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

(b) the reasons for the denial of a licence shall be made known to the applicant upon request and an appeal procedure through an independent body will be established at the Party's level. Such a procedure will be transparent, non-discriminatory, and based on objective criteria.

Article 165

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 166

Gradual approximation

The Parties recognize the importance of gradual approximation of the legislation of the Republic of Armenia on Postal Services to that of the European Union.

SECTION V ELECTRONIC COMMUNICATIONS NETWORKS AND SERVICES

ARTICLE 167.1: Scope and definitions

1. This Section sets out principles of the regulatory framework for the provision of electronic communications networks and services, liberalised pursuant to Chapters II, III and IV of this Title.

2. For the purpose of this Section:

(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;

v) (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;

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

x) (e) "public telecommunications service" means any telecommunications transport service required, explicitly or in effect, by a Member 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;

y) (f) a '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 sub-section;

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

aa) - are exclusively or predominantly provided by a single or limited number of suppliers; and

bb) - cannot feasibly be economically or technically substituted in order to provide a service;

cc) (h) 'associated facilities' means those associated services, physical infrastructures and other facilities or elements associated with an electronic communication network and/or service which enable and/or support the provision of services via that network and/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;

dd) (i) a 'major supplier[11]' 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 and/or services to another supplier under defined conditions, for the purpose of providing electronic communication services. It covers inter alia: access to 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); access to physical infrastructure including buildings, ducts and masts; access to relevant software systems including operational support systems; access to information systems or databases for pre-ordering, provisioning, ordering, maintaining and repair requests, and billing; access to number translation or systems offering equivalent functionality; access to fixed and mobile networks, in particular for roaming and access to virtual network services;

(k) 'interconnection' means the physical and logical linking of public electronic communications networks used by the same or a 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 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 that must 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;

(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.

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

ARTICLE 167.2: Regulatory Authority

1. Regulatory authorities for electronic communications networks and services shall be 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 and/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 take instructions from any other body in relation to the exercise of these tasks assigned to it under national law.

3. The regulatory authority shall be sufficiently empowered to regulate the sector, and have adequate financial and human resources to carry out the task assigned to it. Only appeal bodies set up in accordance with paragraph 7 of this Article shall have the power to suspend or overturn decisions by the regulatory authority.

The tasks to be undertaken by 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. Parties shall ensure that regulatory authorities have separate annual budgets. The budgets shall be made public.

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

5. The powers of the regulatory authorities shall be exercised transparently and in a 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 sub-section. Information requested shall be proportionate to the performance of the regulatory authorities' tasks 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 that is independent of the parties involved. This body, which may be a court, shall have the appropriate expertise to enable it to carry out its functions effectively. The merits of the case shall be duly taken into account and the appeal mechanism shall be effective. Where the appeal body is not judicial in character, written reasons for its decision shall always be given and its 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 national law.

8. Parties 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 national law. The decision to dismiss the head of the regulatory authority concerned, or where applicable members of the collegiate body fulfilling that function 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 167.3

Authorisation to Provide Electronic Communications Networks and Services

1. **Provision of electronic communications networks and/or services shall be authorised, wherever possible, upon simple notification. In this case 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 license for the right of use for radio frequencies and numbers can be required 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.

The terms and conditions for such licences shall be made publicly available.

3. **Where a licence is required:**

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

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

(c) the applicant for a licence shall be able to seek recourse before an appeal body in the case 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 charges imposed by any Party on suppliers providing a service or a network under an authorisation referred to in paragraph 1 or a license under paragraph 2 shall in total, cover only the administrative**

costs normally incurred in the management, control and enforcement of the applicable authorisation and licences. These administrative charges 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.[12]

ARTICLE 167.4

Scarce Resources

1. **The allocation and granting of rights of 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. Procedures shall be based 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. **A Party's measures allocating and assigning spectrum and managing frequency are not measures that are *per se* inconsistent with Article […] (market access). Accordingly, 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. This includes the ability to allocate frequency bands taking into account current and future needs and spectrum availability.**

ARTICLE 167.5

Access and Interconnection

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

2. **The Parties 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. The Parties shall not 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.**

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

3. The Parties shall ensure that suppliers that acquire information from another supplier in the process of negotiating access or interconnection arrangements 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, which may include, inter alia, network elements, associated facilities and ancillary services, to suppliers of electronic communications services on reasonable and non-discriminatory[13] terms and conditions.

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 the 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 fashion, 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.

The procedures applicable for interconnection to a major supplier shall be made publicly available.

Major suppliers shall make publicly available either their interconnection agreements or their reference interconnection offers where it is appropriate.

ARTICLE 167.6

Competitive Safeguards on Major Suppliers

The Parties shall introduce 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. These anti-competitive practices shall include in particular:

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13 **For the purpose of this sub-section, non-discrimination is understood to refer to national treatment as defined in Article XX [national treatment], 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".**

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

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

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

ARTICLE 167.7

Universal Service

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

2. **Such obligations will 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 and/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, Parties shall assess whether the provision of universal service represents an unfair burden on supplier(s) designated to provide universal service. Where justified on the basis of such calculation, and taking into account the market benefit, if any, which accrues to a supplier that offers universal service, regulatory authorities shall determine whether a mechanism is required to compensate the supplier(s) concerned or to share the net cost of universal service obligations.**

ARTICLE 167.8

Number Portability

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

ARTICLE 167.9

Confidentiality of Information

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

ARTICLE 167.10

Resolution of Electronic Communications Disputes

1. 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 sub-section, 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. When such a dispute concerns the cross-border provision of services, the regulatory authorities concerned shall co-ordinate 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 this decision, according to Article X.2, paragraph 7 of this sub-section.

4. The procedure referred to in paragraphs 1, 2 and 3 of this Article shall not preclude either party concerned from bringing an action before the courts.

Article 167.11

Gradual approximation

The Parties recognize the importance of gradual approximation of the legislation of the Republic of Armenia on Electronic Communication Networks to that of the European Union.

SECTION VI FINANCIAL SERVICES

Article 168

Scope and definitions

1. **This Section applies to measures affecting the supply of financial services, where financial services are liberalised pursuant to Chapters II, III and IV of this Title.**

ee) 2. For the purpose of this Chapter and of Chapters II, III and IV of this Title

ff) (a) 'financial service' means any service of a financial nature offered by a financial service supplier of a Party. Financial services comprise the following activities:

gg) A. Insurance and insurance-related services

hh) 1. direct insurance (including co-insurance):

ii) (a) life;

jj) (b) non-life;

kk) 2. reinsurance and retrocession;

ll) 3. insurance inter-mediation, such as brokerage and agency; and

mm) 4. services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

nn) B. Banking and other financial services (excluding insurance):

oo) 1. acceptance of deposits and other repayable funds from the public;

pp) 2. lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

qq) 3. financial leasing;

rr) 4. all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

ss) 5. guarantees and commitments;

tt) 6. trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

uu) (a) money market instruments (including cheques, bills, certificates of deposits);

vv) (b) foreign exchange;

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

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

yy) (e) transferable securities;

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

aaa) 7. 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;

bbb) 8. money broking;

ccc) 9. asset management, such as cash or portfolio management, all forms of collective investment management,

pension fund management, custodial, depository and trust services;

ddd) 10. settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

eee) 11. provision and transfer of financial information, and financial data processing and related software;

fff) 12. advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (1) through (11), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

ggg) (b) 'financial service supplier' means any natural or juridical person of a Party that seeks to provide or provides financial services. The term 'financial service supplier' does not include a public entity.

hhh) (c) 'public entity' means:

iii) 1. 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

jjj) 2. a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

(d) '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 169

Prudential carve-out

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

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

lll) (b) ensuring the integrity and stability of a Party's financial system.

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

3. Nothing in this Agreement shall be construed to require 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 170

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 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, the Basel Committee's "Core Principle for Effective Banking Supervision", the International Association of Insurance Supervisors' "Insurance Core Principles", the International Organisation of Securities Commissions' "Objectives and Principles of Securities Regulation", the OECD's "Agreement on exchange of information on tax matters", the G20 "Statement on Transparency and exchange of information for tax purposes" and the Financial Action Task Force's "Forty Recommendations on Money Laundering" and "Nine Special recommendations on Terrorist Financing".

4. The Parties also take note of the "Ten Key Principles for Information Exchange" promulgated by the Finance Ministers of the G7 Nations, and will take all steps necessary to try to apply them in their bilateral contacts.

Article 171

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 juridical 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 39 – Prudential carve-out.

Article 172

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 the provisions of this Agreement.**

3. **Each Party shall adopt 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 173

Specific exceptions

1. **Nothing in this Title shall be construed to prevent 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 when 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 Title shall be construed to prevent 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 174

Self-regulatory organisations

When 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 organization 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 when the Party provides directly or indirectly such entities, privileges or advantages in supplying financial services, the Party shall ensure observance of the obligations of Articles 4.1 (National Treatment and Most Favourable Nation Treatment for establishment) and 9 (National Treatment for cross border trade).

Article 175

Clearing and payment systems

Under terms and conditions that accord national treatment, 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, and to official funding and refinancing facilities available in the normal course of ordinary business. This paragraph is not intended to confer access to the Party's lender of last resort facilities.

Article 176

Financial stability and regulation of financial services in Armenia

The Parties recognize the importance of the adequate regulation of financial services to ensure financial stability, fair and efficient markets and protection of investors, depositors, policy-holders and persons to whom fiduciary duty is owed by financial services suppliers. The international best practice standards in financial regulation provide the overall benchmark, in particular in the way they are implemented in the European Union. In this context, the Republic of Armenia commits to the approximation, as appropriate, of EU legislation published in Official Journal of the European Union.

SECTION VII TRANSPORT SERVICES

Article 177

This Section sets out the principles regarding the liberalisation of international transport services pursuant to Chapters II, III and IV of this Title.

Article 178

mmm)

nnn)1) For the purpose of this section and Chapters II, III and IV of this Title:

ooo)

(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 to this effect the right to directly contract with providers of other modes of transport;

ppp) **(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:**

qqq) **- the loading/discharging of cargo to/from a ship;**

rrr) **- the lashing/unlashing of cargo;**

sss) **- the reception/delivery and safekeeping of cargoes before shipment or after discharge;**

ttt) **(c) "customs clearance services" (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/stripping, repairing and making them available for shipments;

uuu) **(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:**

vvv) **- 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;**

www) **- 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.

(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 agree to 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.

In view of the existing levels of liberalisation between the Parties in international maritime transport:

xxx)

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

zzz)

aaaa) (b) each Party shall 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.

bbbb)

3) In applying these principles, the Parties shall:

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

cccc)

dddd) (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.

4) . 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.

5). Each Party shall make available to 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, shore-based operational services essential to ship operations, including

communications, water and electrical supplies, emergency repair facilities, anchorage, berth and berthing services.

6). 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 of the European Union.

7) 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 179

Gradual approximation

1. The Parties recognize the importance of gradual approximation of the legislation of the Republic of Armenia on Transport Services to that of the European Union.

CHAPTER VI ELECTRONIC COMMERCE

Article 180

Objective and Principles

1. The Parties, recognising that electronic commerce increases trade opportunities in many sectors, agree to promote the development of electronic commerce between them, in particular by co-operating on the issues raised by electronic commerce under the provisions of this Title.

2. The Parties agree that the development of electronic commerce must 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 agree that electronic transmissions shall be considered as the provision of services, within the meaning of Chapter III (Cross-border supply of services), which cannot be subject to customs duties.

Article 181

Regulatory aspects of e-commerce

1. The parties shall maintain a dialogue on regulatory issues raised by electronic commerce, which will inter alia address the following issues:

- **the recognition of certificates of electronic signatures issued to the public and the facilitation of cross-border certification services,**
- **the liability of intermediary service providers with respect to the transmission, or storage of information,**
- **the treatment of unsolicited electronic commercial communications,**
- **the protection of consumers in the ambit of electronic commerce,**
- **any other issue relevant for the development of electronic commerce.**

2. Such cooperation can take the form of exchange of information on the Parties' respective legislation on these issues as well as on the implementation of such legislation.

SECTION I LIABILITY OF INTERMEDIARY SERVICE PROVIDERS

Article 182

Use of Intermediaries' Services

The Parties recognise that the services of intermediaries can be used by third parties for infringing activities and shall provide for the following measures for intermediary service providers.

Article 183

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, Parties 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 administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement.

Article 184

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, Parties 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:

(a) the provider does not modify the information;

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

(c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;

(d) the provider 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) the provider acts expeditiously to remove or to disable access to the information it 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 administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement.

Article 185

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:

(a) the provider 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) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when 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 administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the

possibility for the Parties of establishing procedures governing the removal or disabling of access to information.

Article 186

No General Obligation to Monitor

1. The Parties shall not impose a general obligation on providers, when providing the services covered by Articles XX.2, XX.3 and XX.4, to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity.

2. The Parties may establish obligations for information society service providers promptly to inform the competent public authorities of alleged illegal activities undertaken or 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.

CHAPTER VII EXCEPTIONS

Article 187

General exceptions

eeee) 1. Without prejudice to general exceptions set in Articles […] of this Agreement, the provisions of this Title are subject to the exceptions contained in this Article.

ffff) 2. 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 establishment or cross-border supply of services, nothing in this Title shall be construed to prevent the adoption or enforcement by any Party of measures:

gggg) (a) necessary to protect public security or public morals or to maintain public order;

hhhh) (b) necessary to protect human, animal or plant life or health;

iiii) (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;

jjjj) (d) necessary for the protection of national treasures of artistic, historic or archaeological value;

kkkk) (e) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Title including those relating to:

llll) (i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;

mmmm) (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;

nnnn) (iii) safety;

oooo) (f) inconsistent with Articles 4.1 and 9 on National Treatment, 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[24].

3. [The provisions of this Title and of Annexes (XYZ) (lists of commitments on establishment, temporary presence of persons for business purposes and cross-border supply of services) shall not apply to the Parties' respective social security systems or to activities in the territory of each Party, which are connected, even occasionally, with the exercise of official authority.]

Article 188

Taxation measures

The Most-Favoured-Nation treatment granted in accordance with the provisions of this Title shall 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.

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[24] **Measures that are aimed at ensuring the equitable or effective 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; or

(ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory; or

(iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or

(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; or

(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 paragraph (f) of this provision 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 189

Security Exceptions

1. Nothing in this Agreement shall be construed:

(a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests; or

(b) to prevent 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;

(ii) relating to fissionable and fusionable materials or the materials from which they are derived; or

(iii) taken in time of war or other emergency in international relations; or

(c) to prevent any Party from taking any action in pursuance of obligations it has accepted for the purpose of maintaining international peace and security.

CHAPTER 5

SERVICES AND ESTABLISHMENT

SECTION XXX

INVESTMENT

ARTICLE 190

Review

In order to facilitate bilateral investment, the Parties shall jointly review the investment environment and the investment legal framework, no later than three years after the entry into force of this Agreement and at regular intervals thereafter. Based on this review, they shall consider the opportunity to start negotiations with a view to supplementing this Agreement, including with respect to investment protection.

CHAPTER 6

CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

Article 191

Current Payments

The Parties undertake to 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 EU and the Republic of Armenia.

Article 192

Capital Movements

1. With regard to transactions on the capital and financial account of the balance of payments, from the entry into force of the Agreement, the Parties shall ensure the free movement of capital relating to direct

investments[1] made in accordance with the laws of the host country and in accordance with the provisions of the Title on establishment, trade in services and e-commerce, and the liquidation or repatriation of such invested capital and of any profit stemming therefrom.

2. With regard to transactions on the capital and financial account of the balance of payments not covered by Paragraph 1 of this Article, the Parties shall ensure, from the entry into force of this Agreement and without prejudice to other provisions of this Agreement, the free movement of capital relating to:

- credits relating to commercial transactions, including the provision of services, in which a resident of one of the Parties is participating,

- financial loans and credits by the investors of the other Party,

- capital participation in a juridical person 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 EU and the Republic of Armenia and shall not make the existing arrangements more restrictive.

Article 193

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 and 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 or penal offences, deceptive and fraudulent practices, or those necessary to deal with the effects of a default on contracts (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;

[1]Including the acquisition of real estate related to direct investment.

(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 judgements in juridical or administrative proceedings.

Article 194

Safeguard measures

In exceptional circumstances of serious difficulties for the operation of exchange rate policy or monetary policy[2], in the case of the Republic of Armenia, or for the operation of the economic and monetary union, in the case of the European Union, or threat thereof, the Party concerned may take safeguard measures that are strictly necessary with regard to capital movements, payments or transfers between the EU and the Republic of Armenia for a period not exceeding a year. The Party maintaining or adopting the safeguard measure 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 195

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.

[2] Including serious balance of payments difficulties.

CHAPTER 7

INTELLECTUAL PROPERTY

Article 196
Objectives

The objectives of this chapter are to:

(a) facilitate the production and commercialization of innovative and creative products between the Parties contributing to a more sustainable and inclusive economy for the Parties; and
(b) achieve an adequate and effective level of protection and enforcement of intellectual property rights.

Sub-Section 1

Principles

Article 197
Nature and Scope of Obligations

1. The Parties shall ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties including the WTO Agreement on Trade-related Aspects of Intellectual Property (hereinafter called TRIPS Agreement). The provisions of 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, intellectual property refers at least to all categories of intellectual property that are the subject of Articles 4 to 11 of this Agreement.
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 (Stockholm Act 1967).

Article 198
Exhaustion

Each Party shall provide for a regime of national or regional exhaustion of intellectual property rights.

Sub-Section 2

Standards Concerning Intellectual Property Rights

Article 199
Copyright and Related Rights

Article 199.1 – *Protection Granted*

The Parties:

- **shall comply with the rights and obligations set out in the Berne Convention for the Protection of Literary and Artistic Works; the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations and the TRIPs Agreement, the WIPO Copyright Treaty – WCT and the WIPO Performances and Phonograms Treaty – WPPT. The Parties shall make all reasonable efforts to accede to the WIPO Beijing Treaty on Audiovisual Performances.**

Article 199.2 - *Authors*

The Parties shall provide for authors the exclusive right to authorise or prohibit:

- direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part of their works;

- any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof;

- 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;

- rental and lending of the original and copies of their works.

Article 199.3 - *Performers*

The Parties shall provide for performers the exclusive right to authorise or prohibit:

- the fixation[14] of their performances;

- direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part of fixations of their performances;

- the distribution to the public, by sale or otherwise, fixations of their performances;

- the making available 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 of fixations of their performances;

[14] Fixation means the embodiment of sounds or images, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device.

- 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;

- rental and lending of fixations of their performances.

Article 199.4 – *Producers of phonograms*

The Parties shall provide for phonogram producers the exclusive right to authorise or prohibit:

direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part of their phonograms;

the distribution to the public, by sale or otherwise, their phonograms, including copies thereof;

- the making available 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 of their phonograms;

- rental and lending in respect of their phonograms.

Article 199.5 – *Broadcasting organisations*

Each Party shall provide broadcasting organisations with the exclusive right to authorise or prohibit:

- **the fixation of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite;**
- **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;**
- **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;**
- **the distribution to the public, by sale or otherwise, of fixations of their broadcasts;**
- **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 199.6 –*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 EU: 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, and to ensure that this 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 this remuneration between them.

Article 199.7 - *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 provisions in respect of collective works or for a legal person to be designated as a right holder, the term of protection shall be calculated according to the provision of 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 of this Article 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 these 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. The Parties 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, shall benefit 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 performers otherwise than in a phonogram 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 this 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 from the date of the first publication or the first communication to the public, whichever is the earlier. Parties may adopt effective measures to ensure that profits generated in the additional 20 years of protection after 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 this 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.

12. The economic rights of broadcasting organizations shall expire not less than 50 years after the first transmission of a broadcast, whether this 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 199.8 - *Protection of Technological Measures*

1. The Parties 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 or she is pursuing that objective.

2. The Parties 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 circumvention of, or

(b) have only a limited commercially significant purpose or use other than to circumvent, or

(c) are primarily designed, produced, adapted or performed for the purpose of enabling or facilitation the circumvention of,

any effective technological measures.

3. For the purposes of this Agreement, 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 national 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 199.9 - *Protection of Rights Management Information*

1. The parties 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;

(b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject-matter protected under this Agreement 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 he 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 Agreement, the expression 'rights-management information' means any information provided by right holders which identifies the work or other subject-matter referred to in this Agreement, 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 2, shall apply when any of these items of 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 Agreement.

Article 199.10 - *Exceptions and limitations*

1. The Parties may provide for limitations or exceptions to the rights set out in the Articles [199.2 – 199.7] 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. The Parties shall provide that temporary acts of reproduction referred to in Articles 199.3 to 199.6, 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 199.3 to 199.6.

Article 199.11 – *Artists' Resale Right in Works of Art*

1. The Parties 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. The Parties may provide that the right referred to in paragraph 1 shall 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 payable by the seller. The Parties 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 shall be a matter for determination by national legislation.

Article 199.12 - *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 agree to promote transparency of collective management organisations, in particular regarding royalties they collect, deductions they apply to royalties they collect, the use of the royalties collected, 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 must 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 these royalties.

Article 200
Trade marks

Article 200.1 – *International Agreements*

The Parties:

- **shall adhere to the *Protocol related to the Madrid Agreement concerning the International Registration of Marks,***
- **shall 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**
- **shall make all reasonable efforts to accede to the *Singapore Treaty on the Law of Trademarks*.**

Article 200.2 - *Rights conferred by a trademark*

The registered trade mark 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 trade mark in relation to goods or services which are identical with those for which the trade mark is registered;**

(b) **any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.**

Article 200.3 – *Registration Procedure*

The Parties 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.

The Parties shall provide for the possibility to oppose trademark applications. Such opposition proceedings shall be adversarial.

The Parties shall provide a publicly available electronic database of trademark applications and trade mark registrations. The database of trademark applications shall be accessible at least during the opposition period.

Article 200.4 – *Well-known Trademarks*

For the purpose of giving effect to protection of well-known trademarks, as referred to in Article 6*bis* of the Paris Convention (1967) and Article 16(2) and (3) of the TRIPS Agreement, the Parties shall apply the Joint Recommendation 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 (September 1999).

Article 200.5 – *Exceptions to the Rights Conferred by a Trademark*

The Parties shall provide for limited exceptions to the rights conferred by a trademark such as the fair use of descriptive terms and such as in the case of geographical indications, and they may provide other limited exceptions, provided such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

Article 200.6 - *Grounds for revocation*

1. The Parties 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; however, no person may claim that the proprietor's rights in a trade mark 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 trade mark 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 trade mark 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;

(b) in consequence of the use made of it by the proprietor of the trade mark 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.

Article 201

Geographical Indications

- **Article 201.1** - ***Scope of application***

- **1. This Article applies to the protection of geographical indications which are originating in the territories of the Parties.**

- **2. Geographical indications of a Party to be protected by the other Party, shall only be subject to this Article if covered by the scope of the legislation referred to in Article 201.2.**

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- **Article 201.2 - *Established geographical indications***

- **1. Having examined the Armenian legislation listed in Annex I Part A the European Union concludes that this legislation meets the elements laid down in Annex I Part B.**

- **2. Having examined the European Union legislation listed in Annex I Part A, Armenia concludes that these laws meet the elements laid down in Annex I Part B.**

- **3. Having completed an objection procedure and having examined the geographical indications of the European Union listed in Annex II which have been registered by the European Union under the legislation referred to in paragraph 2, Armenia undertakes to protect them according to the level of protection laid down in this Agreement.**

- **4. Having completed an objection procedure and having examined the geographical indications of Armenia listed in Annex II which have been registered by Armenia under the legislation referred to in paragraph 1, the European Union undertakes to protect them according to the level of protection laid down in this Agreement.**

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- **Article 201.3 - *Addition of new geographical indications***

- **1. The Parties agree on the possibility to add new geographical indications to be protected in Annex II in accordance with the procedure set out in Article 6.11 (3) after having completed the objection procedure and after having examined the geographical indications as referred to in Article 203.2(3) and 203.2(4) to the satisfaction of both Parties.**

2. The Parties shall have no obligation to protect a geographical indication pursuant to this Article where:

(a) the geographical indication would conflict with the name of a plant variety or an animal breed and as a result would likely mislead consumers as to the true origin of the product.

(b) in the light of a reputed or well-known trade mark, protection would be liable to mislead consumers as to the true identity of the product.

(c) the term is generic.

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- **Article 201.4 - *Scope of protection of geographical indications***

- **1. The geographical indications listed in Annex II, as well as those added pursuant to Article 203.3, shall be protected 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, transcript, 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, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;**

- **(d) any other practice liable 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. If geographical indications are wholly or partially homonymous, protection shall be granted to each indication provided that it has been used in good faith and with due regard for local and traditional usage and the actual risk of confusion. Without prejudice to Article 23 of the Agreement on the TRIPS Agreement, the Parties shall mutually decide the practical conditions of use under which the 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 the consumer into believing that products come 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, and the name is homonymous with a geographical indication of the other Party, the latter shall be informed and be given the opportunity to comment before the name becomes protected.**

- **5. Nothing in this Article 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. The Parties shall notify each other if a geographical indication ceases to be protected in its country of origin. Such notification shall take place in accordance with procedures laid down in Article 201.11(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 public.

- **Article 201.5 -** ***Right of use of geographical indications***

- **1. A name protected under this Agreement 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 agreement, the use of such protected name shall not be subject to any registration of users, or further charges.**

Article 201.6 - *Relationship with trademarks*

- **1. The Parties shall refuse to register or shall invalidate a trademark that corresponds to any of the situations referred to in Article 201.4(1) in relation to a protected geographical indication for like products, provided an application to register the 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 Articles 201.2 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 201.3, the date of application for protection shall be the date of the transmission of a request to the other Party to protect a geographic indication.**

- **4. Without prejudice to Article 201.3(2) point (b), the Parties shall protect geographical indications also where a prior trademark exists. A prior trademark shall mean a trademark the use of which corresponds to one of the situations referred to in Article 201.4(1), which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, 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 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 the Parties.**

- **5. By way of derogation from paragraph 4, Armenian prior trademarks which consist of or contain the geographical indication of the European Union 'Cognac' or 'Champagne', including in transcription or translation registered for like products not complying with the relevant specification, shall be invalidated, revoked or modified in order to eliminate that name as an element of the whole trade mark at the latest within 14 years for 'Cognac' and 2 years for 'Champagne' respectively following the entry into force of this agreement.**

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- **Article 201.7 - *Enforcement of protection***

- **The Parties shall enforce the protection provided for in Articles 203.4 to 203.6 by appropriate administrative action by their public authorities. They shall also enforce such protection at the request of an interested party.**

Article 201.8 – *Temporary Measures*

1. Goods which were produced and labelled in conformity with national law before the entry into force of the Agreement, but which do not comply with the requirements of the Agreement, may continue to be sold after the entry into force of the Agreement until their stocks run out.

2. For a respective transitional period of 24 years to count as of one year from the entry into force of this Agreement and of 3 years from the entry into force of this Agreement the protection pursuant to this Agreement of the geographical indications of the European Union 'Cognac' and 'Champagne' shall not preclude those names from being used on products originating in Armenia exported to third countries where the laws and regulation so permits, in order to designate and present certain comparable products originating in Armenia, provided that:

- **the name is labelled exclusively in non-Latin characters,**

- **the true origin of the product is clearly labelled in the same field of vision,**

and

- **that nothing in the presentation is likely to mislead the public as to the true origin of the product.**

3. For a respective transitional period of 13 years to count as of one year from the entry into force of this Agreement and of 2 years from the entry into force of this Agreement the protection pursuant to this Agreement of the geographical indications of the European Union 'Cognac' and 'Champagne' shall not preclude those names from being used in Armenia provided that:

- **the name is labelled exclusively in non-Latin characters,**

- **the true origin of the product is clearly labelled in the same field of vision,**

and

- **that nothing in the presentation is likely to mislead the public as to the true origin of the product.**

4. For the purposes of facilitating the smooth and effective termination of the use of the EU geographical indication 'Cognac' for products originating in Armenia, as well as assisting the Armenian industry in maintaining its competitive position in export markets, the European Union will provide to Armenia technical and financial assistance. This assistance, to be provided in conformity with EU law, will 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 will be defined in a financial and technical assistance package to be agreed definitely by the Parties within one year from the entry into force of the Agreement. Parties shall jointly develop the terms of reference of such assistance package, based on thorough assessment of the needs to be covered by such assistance, delivered through an international consulting firm jointly chosen by the Parties.

6. In the event that the European Union does not provide the financial and technical assistance referred to in paragraph 4, Armenia, may have recourse to the dispute settlement mechanism provided for in Chapter [Dispute Settlement] 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 8 years from the date of the entry into force of the Agreement.

Article 201.9 - *General rules*

- **1. Import, export and commercialisation of products referred to in Articles 201.2 and 201.3 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. Any matter arising from product specifications of registered geographical indications shall be dealt with in the [Joint Committee] established pursuant to Article 201.11.**
- **3. Geographical indications protected under this Article may only be cancelled by the Party in which the product originates.**
- **4. A product specification referred to in this Article shall be that approved, including any amendments also approved, by the authorities of the Party in the territory of which the product originates.**

Article 201.10 - *Co-operation and transparency*

- **1. The Parties shall, either directly or through the Joint Committee established pursuant to Article 201.11, maintain contact on all matters relating to the implementation and the functioning of this Article. In particular, a Party may request from the other Party information relating to product specifications and their modification, and contact points for control provisions.**
- **2. Each Party may make publicly available the specifications or a summary thereof and contact points for control provisions corresponding to geographical indications of the other Party protected pursuant to this Article.**

Article 201.11 - *Joint Committee*

- **1. Both Parties agree to set up a Sub-Committee consisting of representatives of the European Union and Armenia with the purpose of monitoring the development of this Article and of intensifying their co-operation and dialogue on geographical indications.**
- **2. The Sub-Committee adopts its decisions by consensus. It shall determine its own rules of procedure. It shall meet at the request of either of the Parties, alternatively in the European Union and in Armenia, at a time and a place and in**

a manner (which may include by videoconference) mutually determined by the Parties, but no later than [90] days after the request.

- **3. The Sub-Committee shall also see to the proper functioning of this Article and may consider any matter related to its implementation and operation. In particular, it shall be responsible for:**

  (a) amending Part A of Annex I, as regards the references to the law applicable in the Parties;

  (b) amending Part B of Annex I, as regards the elements for registration and control of geographical indications;

  (c) amending Annex II, as regards 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,

  (e) exchanging information on geographical indications for the purpose of considering their protection in accordance with this Article.

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Article 202
Designs

Article 202.1 - *International Agreements*

The Parties shall adhere to the Geneva Act to the Hague Agreement Concerning the International Registration of Industrial Designs (1999).

Article 202.2 - *Protection of Registered Industrial Designs*

1. The Parties shall provide for the protection of independently created designs that are new and are original[15]. This protection shall be provided by registration and shall confer an exclusive right upon their holders in accordance with the provisions of this article.

2. A design applied to or incorporated in 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.

[15] For the purpose of this Article, a Party may consider that a design having individual character is original.

3. "Normal use" within the meaning of paragraph 2(a) shall mean 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 owner's consent at least from making, offering for sale, selling, importing, exporting, stocking such a product or using articles 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 202.3 – *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 signatory.

Article 202.4 – *Exceptions and exclusions*

1. The Parties 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 owner 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 must necessarily 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 202.5 - *Relationship to Copyright*

A design shall also be eligible for protection under the law of copyright of that 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 the domestic laws and regulations.

Article 203

Patents

Article 203.1 - *International Agreements*

The Parties shall adhere to the Patent Co-operation Treaty and make all reasonable efforts to comply with the Patent Law Treaty

Article 203.2 – *Patents and Public Health*

1. The Parties recognise the importance of the Doha Declaration on the TRIPS Agreement and Public Health adopted on 14 November 2001 by the Ministerial Conference of the World Trade Organisation. In interpreting and implementing the rights and obligations under this Chapter, the Parties shall ensure consistency with this Declaration.

2. The Parties shall contribute to the implementation and respect the Decision of the WTO General Council of 30 August 2003 on Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

Article 203.3 - ***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. They 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 the relevant legislation, may shorten the period of effective protection under the patent.

2. The Parties 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 paragraph 1 second sentence above, reduced by a period of five years.

3. Notwithstanding paragraph 2, the duration of the further period of protection may not exceed five years[16].

Article 204
Scope of protection of trade secrets

[16] In the European Union, a further 6 months 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.

1. The Parties affirm their commitments under paragraphs 1 and 2 of Article 39 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;

(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 conducts 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 by 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, containing 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 meet any of the following conditions:

(i) having acquired the trade secret in a manner referred to in point (a);
(ii) being in breach of a confidentiality agreement or any other duty not to disclose the trade secret, or
(iii) being in breach of a contractual or any other duty to limit the use of the trade secret;

(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 when a person induced another person to carry out the actions referred to in point (b).

4. Nothing in this subsection shall be understood as requiring any Party to consider any of the following conducts 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;

(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 [204.1]: Civil Judicial Procedures and Remedies for Trade Secrets

1. Each party shall ensure that the any person participating in the civil judicial proceedings referred to in Article 204 (Scope of Protection of Trade Secrets) 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 206.1 (Scope of Protection of Trade Secrets), 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 their respective domestic law, the possibility of restricting access to certain documents in whole or in part; of restricting access to hearings and their corresponding records or transcript; and of making available a non-confidential version of judicial decision in which the passages containing trade secrets have been removed or redacted.

(e) impose sanctions on parties, or other persons subject to the court's jurisdiction for violation of remedies and/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 that proceedings.

3. **The Parties shall not be required to provide for the judicial procedures and remedies referred to in Article 204 (Scope of Protection of Trade Secrets) 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 205

Protection of Data Submitted to Obtain an Authorisation to put a Medicinal Product on the Market

1. The Parties 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 will also benefit from protection against unfair commercial practices.

2. The Parties shall ensure that for a period of 8 years from the first marketing authorisation in the party concerned, the public body responsible for the granting of a marketing authorisation will not take into account commercially confidential 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 agree otherwise.

3. During a 10 year period, starting from the date of grant 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 will not permit placing a medicinal product on the market, unless the subsequent applicant submits his/her 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 this 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 10 year period referred to in paragraph 3 shall be extended to a maximum of 11 years if, during the first 8 after obtaining the authorisation, the authorisation holder obtains authorisation for one or more new therapeutic indications which are held to bring a significant clinical benefit in comparison with existing therapies.

Article 206
Data Protection on Plant protection products

1. The Parties shall recognise a temporary right to the owner of a test or study report submitted for the first time to achieve a marketing authorisation for a plant protection product. During such period, the test or study report will 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. This right will be hereinafter referred to as "data protection".

2. The test or study report 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 10 years from the first authorisation granted by the concerned authority in that Party. For low risk plant protection products, the period may be extended to 13 years.

4. Those periods are extended by 3 months for each extension of authorisation for minor uses if the applications for such authorisations are made by the authorisation holder at least 5 years after first authorisation granted by

the concerned authority.[17] 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.

5. A test or study shall also be protected if it was necessary for the renewal or review of an authorisation. In those cases, the period for 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 will be laid down by the Parties.

Article 207
Plant Varieties

The Parties shall protect plant varieties rights, in accordance with the International Convention for the Protection of New Varieties of Plants (UPOV) as lastly revised in Geneva on March 19, 1991, (the so-called "1991 UPOV ACT") including the exceptions to the breeder's right as referred to in Article 15 of the said Convention, and co-operate to promote and enforce these rights.

For the Republic of Armenia the provisions of this Article shall apply no later than 3 years after entry into force of this Agreement.

Sub-Section 3

Enforcement of Intellectual Property Rights

Article 208
General Obligations

1. **The Parties reaffirm their commitments under the TRIPS Agreement and in particular of its Part III, and shall provide for the following complementary measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights[18]. Those measures, procedures and remedies shall be**

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17 **"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 particular Party or widely grown to meet an exceptional need for plant protection.**

18 **For the purposes of this sub-section the notion of "intellectual property rights" should include at least the following rights: copyright; rights related to copyright; *sui generis* right of a database maker; rights of the creator of the topographies of a semi conductor product; trade mark rights; design rights; patent rights, including rights derived from supplementary protection certificates; geographical indications; utility model rights; plant variety rights; trade names in so far as these are protected as exclusive rights in the national law concerned. Trade secrets are excluded from the scope of this Sub-section. Enforcement of trade secrets is addressed in Article [X.2]: Civil Judicial Procedures and Remedies for Trade Secrets.**

fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

i. **2. Those measures and remedies shall also 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.**

ii.

Article 209

Entitled Applicants

iii.

iv. **The Parties 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:**

v. **(a) the holders of intellectual property rights in accordance with the provisions of the applicable law,**

vi. **(b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by and in accordance with the provisions of the applicable law,**

vii. **(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 provisions of the applicable law,**

viii. **(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 provisions of the applicable law.**

Sub-Section 3.1

Civil Enforcement

Article 210

Measures for Preserving Evidence

1. **The Parties shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his 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. Such measures 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 and/or distribution of these 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. Right to be heard shall be available to the other party in reasonable time.

Article 211
Right of information

1. Each Party shall ensure that, during 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 and/or any other person which is party to a 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.

(a) 'Any other person' in this paragraph means a person who:

(i) was found in possession of the infringing goods on a commercial scale;

(ii) was found to be using the infringing services on a commercial scale;

(iii) was found to be providing on a commercial scale services used in infringing activities; or

(iv) was indicated by the person referred to in this subparagraph as being involved in the production, manufacture or distribution of the goods or the provision of the services.

(b) Information shall, as appropriate, comprise:

(i) 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; or

(ii) 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
an infringement of an intellectual property right; or

(e) govern the protection of confidentiality of information sources or the processing of personal data.

Article 212
Provisional and Precautionary Measures

1. The Parties 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, or to 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, the Parties 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/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 213**
- *Corrective Measures*
-

1. The Parties 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 those measures shall be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

Article 214
Injunctions

The Parties shall ensure that, where a judicial decision is taken finding 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 215
Alternative Measures

The Parties may provide that, in appropriate cases and at the request of the person liable to be subject to the measures provided for in Article 17 (Corrective measures) and/or Article 18 (Injunctions), the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in these two Articles if that person acted unintentionally and without negligence, if execution of the measures in question would cause him disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

Article 216
Damages

1. **The Parties 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 prejudice suffered by him/her as a result of the infringement. When the judicial authorities set 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 (a), they may, in appropriate cases, set 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, the Parties 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 217
Legal Costs

The Parties shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall as a general rule be borne by the unsuccessful party, unless equity does not allow this.

Article 218
Publication of Judicial Decisions

The Parties shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at 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 219
Presumption of authorship or ownership

The Parties shall recognise that for the purposes of applying the measures, procedures and remedies provided for in this Agreement, (a) for the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for his/her name to appear on the work in the usual manner; (b) the provision under (a) shall apply mutatis mutandis to the holders of rights related to copyright with regard to their protected subject matter.

Sub-section 3.2
Border Enforcement

1. When implementing border measures for the enforcement of intellectual property rights the Parties shall ensure consistency with their obligations under the GATT and TRIPS Agreements.

2. With a view to ensuring effective protection of intellectual property rights in the customs territory of the parties, the 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. These approaches include risk analysis techniques based, *inter alia*, on information provided by rights holders, intelligence gathered and cargo inspections.

3. The customs authorities 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 3 years after entering into force of this agreement the Parties shall initiate discussions regarding the rights of the customs authorities to detain or suspend, upon their own initiative, the release of goods under customs control and 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, the Parties have no obligation but may decide to apply such procedures 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 cooperation in respect of international trade in goods suspected of infringing intellectual property rights. For that purpose, the Parties shall be ready to establish and notify contact points in their customs administrations. Such cooperation includes exchanges of information regarding mechanisms for receiving information from rights holders, best practices, and experiences with risk management strategies, as well as information to aid in the identification of shipments suspected of containing infringing goods. Any information shall be provided in full respect of the provisions on protection of personal data applicable in the territories of the Parties.

7. Without prejudice to other forms of cooperation, Protocol [to complete] on Mutual Administrative Assistance in Customs Matters will be applicable for the purposes of border enforcement of intellectual property rights.

8. Without prejudice to the general competence of the Trade Committee, the [Committee on Customs] referred to in Article [to complete] of this Agreement shall be responsible to ensure the proper functioning and implementation of this Article and will set the priorities and provide for the adequate procedures for cooperation between the competent authorities of both Parties.

Sub-section 3.3
Other enforcement provisions

Article 220
Codes of Conduct

1. Parties 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.**
- **b) the submission to the competent authorities of the Parties of draft codes of conduct and of any evaluations of the application of these codes of conduct.**

Article 221
Co-operation

***1. The Parties agree to co-operate with a view to supporting implementation of the commitments and obligations undertaken under this chapter.**

***2. Subject to the provisions of Article [X], horizontal art. on assistance/co-operation issues] of this Agreement, areas of co-operation 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; exchange of experiences in the European Union and Armenia on legislative progress;
b) exchange of experiences and information in the European Union and Armenia on enforcement of intellectual property rights;
c) exchange of experiences in the European Union and Armenia on central and sub-central enforcement by customs, police, administrative and judiciary bodies; co-ordination to prevent exports of counterfeit goods, including with other countries;
d) capacity-building; exchange and training of personnel;
e) promotion and dissemination of information on intellectual property rights in, *inter alia*, business circles and civil society; public awareness of consumers and right holders;
f) enhancement of institutional co-operation, for example between intellectual property offices;
g) actively promoting awareness and education of the general public for intellectual property rights policies: formulate effective strategies to identify key audiences and create communication programmes to increase consumer and media awareness on the impact of intellectual property violations, including the risk to health and safety and the connection to organised crime.

3. Without prejudice and as a complement to paragraphs 1 and 2, the Parties agree to hold effective dialogues as necessary on intellectual property issues ("IP Dialogue") to address topics relevant to the protection and enforcement of intellectual property rights covered by this chapter, and also any other relevant issue.

The following articles relating to enforcement of infringements on a digital environment should be placed in a chapter dealing with e-commerce, but will be discussed by the IPR teams.

Article 222
Liability of Intermediary Service Providers

Article 222.1 – *Use of Intermediaries' Services*

1. The Parties recognise that the services of intermediaries can be used by third parties for infringing activities and shall provide for the following measures for intermediary service providers.

Article 222.2 - *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, Parties 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 administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement.

Article 222.3 - *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, Parties 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:

(a) the provider does not modify the information;

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

(c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;

(d) the provider 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) the provider acts expeditiously to remove or to disable access to the information it 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 administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement.

Article 222.4 - *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:

(a) the provider 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) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when 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 administrative authority, in accordance with Parties' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for the Parties of establishing procedures governing the removal or disabling of access to information.

Article 222.5 - *No General Obligation to Monitor*

1. The Parties shall not impose a general obligation on providers, when providing the services covered by Articles XX.2, XX.3 and XX.4, to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity.

2. The Parties may establish obligations for information society service providers promptly to inform the competent public authorities of alleged illegal activities undertaken or 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.

CHAPTER 8
PUBLIC PROCUREMENT

Article 223
Relationship to the WTO Government Procurement Agreement

The Parties reaffirm their mutual obligations under the WTO Government Procurement Agreement and subject it to bilateral dispute settlement as foreseen under Chapter [XYZ] of this Agreement.

Article 224
Additional Scope of Application

The Parties shall extend the application of the rules set out in Articles I –IV, VI – XV, XVI.1 – XVI.3, XVII and XVIII of the WTO Government Procurement Agreement to the procurements covered in Appendix [X] of this Agreement. The [Cooperation Committee] may decide to modify or rectify Appendix [X]. Article XIX of the WTO Government Procurement Agreement shall apply mutatis mutandis, with notifications being made directly to the other Party.

Article 225
Additional Disciplines

The Parties shall apply both to the procurements covered through their respective Appendixes I to the WTO Government Procurement Agreement and to those covered through Appendix [X] of this Agreement the following rules:

Electronic publication of procurement notices

1. **All the notices of intended procurement shall be 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. Such medium shall be widely disseminated and such notices shall remain readily accessible to the public, at least until expiration of the time-period indicated in the notice.**

Requirements for review procedures

2. **Parties shall ensure that the measures taken concerning the review procedures specified in Article XVIII GPA include provision for 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 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;**
   - **(c) award damages to persons harmed by an infringement.**
3. **In the case of the review of an award decision, Parties 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. **Parties 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.
Where bodies responsible for review procedures are not judicial in character, written reasons for their decisions shall always be given and provision must be made 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. The members of such an independent body shall be 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. At least the President of this independent body shall have the same legal and professional qualifications as members of the judiciary. The independent body shall take its decisions following a procedure in which both sides are heard, and these decisions shall, by means determined by each Member State, be legally binding.

Standstill period

6. A contract may not be concluded following the decision to award a contract falling within the scope of this Chapter before the expiry of a 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, if other means of communication are used, before the expiry of a 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. 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 GPA. Tenderers shall be deemed to be concerned if they have not yet been definitively excluded. An exclusion is definitive if it has been notified to the tenderers concerned and has either 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 available information about the rejection of their application before the notification of the contract award decision to the tenderers concerned.

7. Parties may provide that the periods referred to in Paragraph 6 do not apply in the following cases:

(a) if the only tenderer concerned within the meaning of Paragraph 6 is the one who is awarded the contract and there are no candidates concerned;

(b) in the case of a contract based on a framework agreement and in the case of a specific contract based on a dynamic purchasing system.

Ineffectiveness

8. Parties shall ensure 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 if the contracting authority has awarded a contract without prior publication without this being permissible.

The consequences of a contract being considered ineffective shall be provided for by national law, which may provide for the retroactive cancellation of all contractual obligations or limit the scope of the cancellation to those obligations which still have to be performed. In the latter case, Parties shall provide for the application of other penalties.

9. Parties may provide that the review body may not consider a contract ineffective, even though it has been awarded, if the review body or a judiciary body finds, after having examined all relevant aspects, that overriding reasons relating to a general interest require that the effects of the contract should be maintained. In this case, Parties 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 constitution, acquisition or maintenance of a legal person are accorded national treatment with regard to any government procurement of the Party in its territory. This obligation applies irrespectively of whether or not the procurement is covered by the Parties' annexes to the WTO Government Procurement Agreement or by Appendix [X] of this Agreement. However, the general exceptions set forth in Article III of the WTO Government Procurement Agreement shall be applied.

Appendix [X]

European Union:
Works concessions contracts covered under Directive 2014/23/EU., when awarded by an entity listed in the European Union's Annexes 1-2 to the WTO Government Procurement Agreement, under the regime of that Directive. This regime complies with Articles I, II, IV, VI, VII (except § 2 (e) and (l)), XVI (except §§ 3-4) and XVIII of the WTO Government Procurement Agreement.
Armenia:
Concession contracts under the regime of the Law on Public Procurement, when awarded by an entity listed in the Armenian Annexes 1-2 to the WTO Government Procurement Agreement.

CHAPTER 9

TRADE AND SUSTAINABLE DEVELOPMENT

Article 226

Context and objectives

2.

1. The Parties recall the Agenda 21 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 on Full Employment and Decent Work of 2006 and the ILO Declaration on Social Justice for a Fair Globalisation 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" ("Transforming Our World: the 2030 Agenda for Sustainable Development") adopted in 2015, and 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 this objective is integrated and reflected at every level of their trade relationship.

3.

2. The Parties reaffirm their commitment to pursue sustainable development, whose pillars – economic development, social development and environmental protection – are interdependent and mutually reinforcing. They underline the benefit of considering trade-related labour[19] and environmental issues as part of a global approach to trade and sustainable development.

Article 227

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, consistently with its commitment to the internationally recognised standards and agreements referred to in Articles [3] and [4], 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.

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[19] **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 2008 Declaration on Social Justice for a Fair Globalisation.**

Article 228

Multilateral labour standards and agreements

1. The Parties recognise full and productive employment and decent work for all as key elements for managing globalisation, 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 this context, the Parties commit to consult and co-operate 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, adopted by the International Labour Conference at its 86th Session in 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 their protocols, 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 and their protocols ratified by Armenia and the Member States of the European Union respectively.

4. The Parties will also consider the ratification of the remaining priority and other Conventions that are classified as up-to-date by the ILO. In this context, the Parties shall regularly exchange information on their respective situation and advancement 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 should not be used for protectionist trade purposes.

Article 229

Multilateral 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 this 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 to which they are party.

3. The Parties shall regularly exchange information on their respective situation and advancements as regards ratifications of Multilateral Environmental Agreements 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 (UNFCCC), the Paris Agreement, and the Kyoto Protocol. They commit to working 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 its related agreements and decisions.

5. Nothing in this Agreement shall prevent Parties from adopting or maintaining measures to implement the Multilateral Environmental Agreements 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 230

Trade and investment favouring sustainable development

The Parties reconfirm their commitment to enhance the contribution of trade to the goal of sustainable development in its economic, social and environmental dimensions. Accordingly:

(a) The Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and they shall seek greater policy coherence between trade policies, on the one hand, and labour policies on the other.

(b) The Parties shall strive to facilitate and promote trade and investment in environmental goods and services, including through addressing related non-tariff barriers.

(c) The Parties 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 the adoption of policy frameworks conducive to the deployment of best available technologies; and through the promotion of standards that respond to environmental and economic needs, and the minimisation of technical obstacles to trade.

(d) The Parties 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.

(e) The Parties agree to promote corporate social responsibility, including through exchange of information and best practices. In this 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.

Article 231

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, and its ratified Protocols, and its Strategic Plan for Biodiversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and other relevant international instruments to which they are party.

2. To this end, the Parties commit to:

(a) Promote a 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, co-operate to maximise the impact and ensure the mutual supportiveness of their respective policies.

(c) Promote the inclusion in the Appendices to the CITES of species which meet the criteria agreed within CITES for such inclusion.

(d) Adopt and implement effective measures against illegal trade in wildlife products, including CITES protected species, and co-operate in the fight against this illegal trade.

(e) Cooperate at the regional and global levels with the aim of promoting 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; 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; the access to genetic resources and the fair and equitable sharing of benefits arising from their utilisation.

Article 232

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 forests' contribution to the Parties' economic, environmental and social objectives.

2. To this end, the Parties commit to:

(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, co-operate 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 co-operate 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 criteria agreed within CITES for such inclusion.

(f) Co-operate at the regional and global levels with the aim of promoting the conservation of forest cover and sustainable management of all

types of forests, with use of certification promoting responsible management of the forests.

Article 233

Trade and sustainable management of living marine resources

Taking into account the importance of ensuring responsible management of fish stocks in a sustainable manner as well as promoting good governance in trade, the Parties commit to:

(a) promoting best practices in fisheries management with a view to ensuring conservation and management of fish stocks in a sustainable manner, and based on the ecosystem approach;

(b) taking effective measures to monitor and control fishing activities;

(c) promoting coordinated data collection schemes and scientific cooperation between the Parties in order to improve current scientific advice for fisheries management; and

(d) Cooperating in the fight against illegal, unreported and unregulated (IUU) fishing and fishing related activities with comprehensive, effective and transparent measures. The Parties shall also implement policies and measures to exclude IUU products from trade flows and their markets, in accordance with the FAO International Plan of Action to prevent, deter and eliminate illegal, unreported and unregulated fishing.

Article 234

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 235

Scientific information

When preparing and implementing measures aimed at protecting the environment or labour conditions that may affect trade or investment, the Parties shall take account of available scientific and technical information, and relevant international standards, guidelines or recommendations if they exist, including the precautionary principle.

Article 236

Transparency

Each Party, in accordance with its domestic laws and Chapter [X] [Transparency], shall ensure that any measures aimed at protecting the environment and labour conditions that may 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 237

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 238

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 co-operate in, inter alia, the following areas:

(a) labour or environmental aspects of trade and sustainable development in international fora, including in particular the WTO, the ILO, UNEP, UNDP 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 the Agreement on sustainable development and ways to enhance, prevent or mitigate them respectively, also taking into account sustainability impact assessments carried out by either or both the Parties.

(e) promoting the ratification and effective implementation of fundamental, priority and other up-to-date ILO Conventions and their protocols and 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 awareness raising, adherence, implementation and follow-up of 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 inspectorate) for upholding labour rights, labour statistics, human resources development and lifelong learning, social protection and social inclusion, social dialogue and gender equality.

(i) trade-related aspects of MEAs, including customs co-operation.

(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 pressure on deforestation including with regard to illegal logging.

(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 on sustainable development issues that may 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 [5 of Title VIII INSTITUTIONAL, GENERAL AND FINAL PROVISIONS].

4. The Cooperation Committee may adopt rules for such cooperation and dialogue.

Article 239

Dispute Settlement

Subsection 2 of Section 3 of Chapter [… (Dispute Settlement) 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 [9] and [10] of Chapter [..](Dispute Settlement), the Parties, taking the report into account, shall discuss suitable measures to be implemented. The Cooperation Committee shall monitor the implementation of any such measures and shall keep the matter under review, including through the mechanism referred to in Article [13(3)].

CHAPTER 10

COMPETITION CHAPTER

Article 240
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 1
ANTITRUST AND MERGERS

Article 240.1
Legislative framework

(1) **The Parties shall (adopt or) maintain their respective law which applies to all sectors of the economy[20] 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,

(c) concentrations between enterprises which significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position.

For the purposes of this chapter, this law will be referred to hereafter as competition law.[21]

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[20] **For greater certainty, competition rules in the EU apply to the agricultural sector in accordance with Regulation 1308/2013 of the European Parliament and Council establishing a common organisation of the markets in agricultural products and its subsequent amendments or replacements, if any (Official Journal L347/2013).**

[21] **For the purpose of this section (antitrust and mergers) Armenia considers the reference to competition law to comprise its whole system of competition rules in the areas of antitrust and cartels and mergers.**

(2) **All enterprises, private or public, shall be subject to the competition law referred to in this article. The application of the competition law should 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 to the competition law of a Party should be limited to tasks of public interest, proportionate to the desired public policy objective and transparent.**

Article 240.2
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 above in Article X.2.**

(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.**

Article 240.3
Cooperation

(1) **In order to fulfill 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 competition policy development and the investigation of antitrust and merger cases.**

(2) For this purpose, the competition authorities of the Parties will endeavour to coordinate, where this is possible and appropriate, their enforcement activities relating to the same or related cases.

(3) **To facilitate the cooperation referred to in paragraph (1) above, the Parties' competition authorities may exchange information**.

SECTION 2
SUBSIDIES

Article 240.4
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, subsidies granted to enterprises providing goods or services should not be granted by a Party when they negatively affect, or are likely to affect, competition and trade.

Article 240.5
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 WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement) irrespective of whether it is granted to an enterprise supplying goods or services.**[22]

(2) A subsidy shall be subject to this Chapter only if this subsidy is determined to be specific in accordance with the provisions of and within the meaning of Article 2 of the SCM Agreement. Any subsidy falling under the provisions of Article X.11 shall be deemed to be specific.

(3) Subsidies to all enterprises, including public and private enterprises, shall be subject to this Chapter. The application of the rules in this section must not obstruct the performance, in law or in fact, of particular services of public interest that may be assigned to the enterprises in question. Exemptions should be limited to tasks of public interest, proportionate to public policy objectives assigned to them and transparent.

(4) Article X.9 (consultations) shall not apply to subsidies related to trade in goods covered by Annex 1 of the WTO Agreement on Agriculture. Article X.9 (consultations) and X.10 (subsidies subject to conditions) shall not apply to audio-visual sector.

Article 240.6
Relationship with the WTO

[22] **This Article 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 the WTO level, the Parties may adopt a decision by [relevant committee] to update this Agreement in this respect.**

The provisions in this Chapter shall be applied without prejudice to the rights and obligations of each Party under Article XV GATS, Article VI of GATT 1994, the SCM Agreement and the WTO Agreement on Agriculture.

Article 240.7
Transparency

(1) **Each Party shall notify every two years the legal basis, form, amount or budget and, where possible, the recipient of the subsidy provided within the reporting period.**

(2) Such notification is deemed to have been fulfilled if the relevant information is made available by the Parties or on their behalf on a publicly accessible website, as from 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 the Parties comply with their notification obligations under Article 25 of the SCM Agreement, provided that the notification contains all the information required under subparagraph (1).

Article 240.8
Consultations

(1) **If a Party considers that a subsidy granted by the other Party, which is not covered by Article X.10 of this Chapter (subsidies subject to conditions), may negatively affect the first Party's interests, the first Party may express its concern to the other Party and request consultations on the matter. The requested Party shall accord full and sympathetic consideration to such a request.**

(2) Without prejudice to transparency requirements in Article X.8 and with a view to resolving the matter, the consultations should in particular aim at establishing the policy objective and/or purpose and 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 consultation, the requested Party shall provide information on the subsidy in question within no more than 60 days from the date of reception of the request.

(4) If the requesting Party, after receiving information on the subsidy in question, considers that the subsidy concerned by the consultations negatively affects or may negatively affect in a disproportionate manner, the requesting Party's trade or investment interests, 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 the subsidy in question.

Article 240.9
Subsidies subject to conditions

The Parties 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 to cover 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;

(b) Subsidies to insolvent or ailing enterprises in various forms (such as loans and guarantees, cash grants, capital injections, provision of assets below market prices, tax exemptions) with a duration above one year are allowed provided that a credible restructuring plan has been prepared which is based on realistic assumptions with the view to ensuring the return of the insolvent or ailing enterprises within a reasonable time to long-term viability and with the enterprise contributing itself to the costs of restructuring.[23] [24]

Article 240.10
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.

[23] **This does not prevent the Parties from providing temporary liquidity support in the form of loan guarantees or loans limited to the amount needed to merely to keep an ailing firm in business for the time necessary to adopt a restructuring or liquidation plan.**

[24] **Small- and medium-sized enterprises are not required to contribute themselves to the costs of restructuring.**

SECTION 3
GENERAL PROVISIONS

[EU: Article 240.11
Dispute settlement

No Party shall have recourse to dispute settlement under this Agreement for any matter arising under Section I of this Chapter (antitrust and mergers) and Article X.9 (consultations), paragraph 4.]

Article 240.12
Confidentiality

(1) When exchanging information under this Chapter the Parties shall take into account the limitations imposed by their respective legislations concerning professional and business secrecy and shall ensure the protection of business secrets and other confidential information.

(2) When a Party communicates information under this Agreement, the receiving Party shall maintain the confidentiality of the communicated information.

Article 240.13
Review clause

The Parties shall keep under constant review the matters to which reference is made in this Chapter. Each Party may refer such matters to the [Cooperation Committee]. The Parties agree to review progress in implementing this Chapter every five years after the entry into force of this Agreement, unless both Parties agree otherwise.

CHAPTER 11

Chapter on Initial Provisions and Definitions

State-owned enterprise

Article 241 (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 242
Definitions

For the purposes of this Chapter, the following definitions shall apply:

(a) "State-owned enterprise" means an enterprise, including any subsidiary, in which a Party, directly or indirectly:

(a) 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; or

(b) can appoint more than half of the members of the enterprise's board of directors or an equivalent body; or

(c) 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 authorized 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) **A "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 are undertaken with an orientation towards profit-making**[25].

(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.**

(f) **"Designate" means to establish or authorize a monopoly, or to expand the scope of a monopoly to cover an additional good or service.**

Article 243
Scope of application

1. **The Parties confirm their rights and obligations under Article XVII, paragraphs 1 through 3, of GATT 1994, the Understanding on the Interpretation of Article XVII of GATT 1994, as well as under Article VIII of GATS, paragraphs 1, 2 and 5**.

2. **This Chapter applies to all enterprises defined in Article 1 engaged in a commercial activity. Where an enterprise combines commercial and non-commercial activities**[26]**, only the commercial activities of that enterprise are covered by this Chapter.**

3**. This Chapter applies to all enterprises defined in Article 1 at central and sub-central levels of government.**

4. **This Chpater shall not apply to the procurement by a Party or its procuring entities within the meaning of the procurements covered in Appendix [X] of the Chapter XY - Public Procurement) or the WTO Government Procurement Agreement.**

5. **This Chapter shall not apply to any service supplied in the exercise of governmental authority**[27]**.**

6. Article 4 (Non-discrimination and commercial considerations)

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[25] **For greater certainty, this excludes activities undertaken by an enterprise: (a) which operates on a not-for-profit basis; or (b) which operates on cost recovery basis.**

26 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 Article 1(d) ("commercial activities").

[27] **"a service supplied in the exercise of governmental authority" has the same meaning as in the WTO General Agreement in Trade in Services.**

(a) does not apply to the sectors set out in Article.x and Article.y [*reference to the Scope articles in the sections on Establishment and on Cross-border supply of Services within the Trade in Services chapter*]

(b) does not apply to a measure of a state-owned enterprise, enterprise granted special rights or privileges, or designated monopoly if a reservation of a Party, taken against a national treatment or most-favoured nation treatment obligation under Article. x [*reference to the National Treatment and Most Favourable Nation treatment article in the Establishment Section within the Trade in Services chapter]*, as set out in that Party's Schedule to Annex XX (Reservations on Establishment), would be applicable if the same measure had been adopted or maintained by that Party.

(c) applies 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 Article. x [*reference to the Market Access article in the Cross-border supply of Services Section within the Trade in Services chapter*] and Article.y [*reference to the National Treatment article in the Cross-border supply of Services Section within the Trade in Services chapter*], subject to conditions or qualifications set out in its schedule in annex YY (commitments on cross-border services).

Article 244

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 or designating or maintaining monopolies or from granting enterprises special rights or privileges.**

2. **Where an enterprise falls within the scope of application of this Chapter, the Parties shall not require or encourage such an enterprise to act in a manner inconsistent with this Agreement.**

Article 245

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 purchases or sales of goods or services, except to fulfil any terms of their public service mandate that are not inconsistent with paragraph 1(b); and

(b) in its purchase of a good or service:

(i) accords to a good or service supplied by an enterprise of the other Party treatment no less favourable than it accords to a like good or a like service supplied by enterprises of the Party; and

(ii) accords to a good or service supplied by an enterprise that is an established enterprise in the Party's territory treatment no less favourable than it accords to a like good or a like service supplied by enterprises in the relevant market in the Party's territory that are established enterprises of the Party; and

(c) in its sale of a good or service:

(i) accords to an enterprise of the other Party treatment no less favourable than it accords to enterprises of the Party; and

(ii) accords to an enterprise that is an established enterprise in the Party's territory treatment no less favourable than it accords to enterprises in the relevant market in the Party's territory that are established enterprises of the 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; or

(b) refusing to purchase or supply goods or services,

provided that such different terms or conditions or refusal is undertaken in accordance with commercial considerations.

Article 246
Regulatory principles

1. The Parties shall endeavour to ensure that enterprises defined in Article 1 observe internationally recognised standards of corporate governance.

2. Each Party shall ensure that any regulatory body or function that it establishes or maintains is not accountable to any of the enterprises that it regulates in order to ensure the effectiveness of the regulatory function and acts impartially[28] in like circumstances with respect to all enterprises that it regulates, including state-owned enterprises, enterprises granted special rights or privileges and designated monopolies.[29]

3. Each Party shall ensure the enforcement of laws and regulations in a

[28] **For greater certainty, 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.**

[29] **For greater certainty, 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 as set out in this Agreement shall prevail.**

consistent and non-discriminatory manner, including on enterprises defined in Article 1.

Article 247
Transparency

1. A Party which has reason to believe that its interests under this Section are being adversely affected by the commercial activities of an enterprise or enterprises defined in Article 1of the other Party and subject to the scope of this Section as defined in Article 2 may request in written form that Party to supply information about the operations of that enterprise related to the carrying out of the provisions of this Section. Requests for such information shall indicate the enterprise, the products/services and markets concerned, and include indications that the enterprise is engaging in practices that hinder trade or investment between the Parties. For each Party, the provisions of Paragraph 1(a) to (e) do not apply to enterprises which qualify as small or medium-sized enterprises as defined by the Party's laws and regulations.

This information includes the following:

(a) the ownership and the voting structure of the enterprise, indicating the percentage of shares and the percentage of voting rights that a Party and/or an enterprise defined in Article 1 cumulatively own;

(b) a description of any special shares or special voting or other rights that a Party and/or an enterprise defined in Article 1 hold, 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 defined in Article 1;

(d) a description of which government departments or public bodies regulate and/or monitor the enterprise, a description of the reporting lines[30], and the rights and practices of the government or any public bodies in the appointment, dismissal or remuneration of managers;

(e) annual revenue or total assets, or both;

(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 defined in Article 1.

2. The provisions of paragraphs 1 and 2 shall not require any 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 would prejudice the legitimate commercial interests of particular enterprises.

[30] **For greater certainty, a Party is not obliged to divulge reports or the contents of any reports.**

CHAPTER 12

TRANSPARENCY

Article 248
Definitions

For the purposes of this Chapter:

1. "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;

2. "Interested person" means any natural or legal person that may be affected by a measure of general application.

Article 249
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, including for small and medium-sized enterprises.

Article 250
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) provide for the objective of and rationale for such measures to the extent possible; and

(c) allow for sufficient 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 251
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 communications between the Parties on any matter covered by this Agreement.

2. Upon request of the other Party, the contact points 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, and how they would be applied. 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 for persons seeking a solution to problems that have arisen from the application of measures of general application under this Agreement. They shall be without prejudice to any appeal or review procedures which the Parties establish or maintain. They shall also be without prejudice to the Parties' rights and obligations under Chapter [X] (Dispute Settlement).

5. The Parties recognise that the response provided for in this Article may not be definitive or legally binding but for information purposes only, unless otherwise provided 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 252
Administration of measures of general application

1. Each Party shall administer in a uniform, objective, impartial and reasonable manner all measures of general application. To this end, each Party, in applying such measures to particular persons, goods, services of the other Party in specific cases, shall:

(a) endeavour to provide the interested persons, that are directly affected by a proceeding, with reasonable notice, in accordance with its domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any issues in controversy;

(b) afford such interested persons 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 proceeding, and the public interest permit; and

(c) ensure that its procedures are based on and in accordance with its domestic law.

Article 253
Review and appeal

1. Each Party shall establish or maintain, in accordance with its domestic law, judicial, arbitral or administrative tribunals procedures for the purpose of the prompt review and, where warranted, correction of administrative action relating to matters covered by this Agreement. Such 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 proceeding 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 254
Good regulatory practice and administrative behaviour

1. The Parties agree to cooperate in promoting regulatory quality and performance, including through exchange of information and best practices on their respective regulatory reform processes and regulatory impact assessments.

2. The Parties subscribe to the principles of good administrative behaviour, and agree to cooperate in promoting such principles, including through the exchange of information and best practices.

Article 255
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 would prejudice the legitimate commercial interests of particular enterprises, public or private.

Article 256
Specific provisions

The provisions of this Chapter shall apply without prejudice to any specific rules established in other Chapters of this Agreement.

CHAPTER 13

DISPUTE SETTLEMENT

Section 1

Objective and Scope

ARTICLE 257

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 258

Scope of application

This Chapter shall apply with respect to any dispute concerning the interpretation and application of the provisions of the [Trade Title] (hereinafter referred to as "covered provisions"), except as otherwise provided.

Section 2

Consultations and mediation

ARTICLE 259

Consultations

1. **The Parties shall endeavour to resolve any dispute referred to in Article 2 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 Cooperation Committee, identifying the measure at issue and the covered provisions 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 or seasonal goods or services or energy-related matters shall be held within 15 days of the 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. **If the Party to which the request is made does not respond to the request for consultations within ten days of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 of this Article, or if the Parties agree not to have consultations, or consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article 5.**

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 covered provisions. Each Party shall endeavor to ensure the participation of personnel of their competent governmental authorities who have expertise in the matter subject to the consultations.

ARTICLE 260

Mediation

1. Any 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, adopted by the Cooperation Committee pursuant to Article [X] paragraph [Y] of Chapter [Institutional Provisions] at its first meeting.

Section 3

Dispute Settlement Procedures

Subsection 1

Arbitration Procedure

ARTICLE 261

Initiation of the arbitration procedure

1. Where the Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 3, 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 Cooperation 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 covered provisions in a manner sufficient to present the legal basis for the complaint clearly.

ARTICLE 262

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, each Party shall, within five days from the expiry of the timeframe established in paragraph 2, appoint an arbitrator from the sub-list of that Party contained in the list established under Article 23. If either Party fails to appoint an arbitrator, the arbitrator shall, upon request of the other Party, be selected by lot by the chairperson of the Cooperation Committee, or the chairperson's delegate, from the sub-list of that Party contained in the list established under Article 23.

4. Unless the Parties reach an agreement concerning the chairperson of the arbitration panel within the timeframe established in paragraph 2, the chairperson of the Cooperation Committee or the chairperson's delegate shall, upon request of either Party, select by lot the chairperson of the arbitration panel from the sub-list of chairpersons contained in the list established under Article 23.

5. The chairperson of the Cooperation 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. Should any of the lists provided for in Article 23 not be established or not contain sufficient names at the time a request is made pursuant to paragraph 3 or 4, the arbitrators shall be drawn by lot from the individuals who have been formally proposed by one or both Parties.

ARTICLE 262 BIS

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 the covered provisions 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 the covered provisions […] and to deliver a report in accordance with Articles 8, 9, 10 and 22 of Chapter […] on Dispute Settlement."

2. The Parties must notify the agreed terms of reference to the arbitration panel within three days of their agreement.

ARTICLE 263

Arbitration panel preliminary ruling on urgency

If a Party so requests, the arbitration panel shall decide, within ten days of its establishment, whether it deems the case to be urgent. This request to the arbitration panel shall be notified simultaneously to the other Party.

ARTICLE 264

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. **Any Party may deliver a written request to the arbitration panel to review precise aspects of the interim report within 14 days of its receipt. This 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 referred to in Article 2 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 answer clearly to the questions and observations of the Parties.**

ARTICLE 265

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 Cooperation 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 should 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 7, including those involving perishable goods or 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. **Any Party may deliver a written request to the arbitration panel to review precise aspects of the interim report pursuant to Article 8 paragraph 2 within 14 days of the receipt of the interim report. This request shall be notified simultaneously to the other Party. A Party may comment on the other's Party's request within seven days of the delivery of the written request to the arbitration panel.**

ARTICLE 266

Final report of the arbitration panel

1. **The arbitration panel shall deliver its final report to the Parties and to the Cooperation 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 Cooperation 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 should 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 7, including those involving perishable goods or seasonal goods or services or energy-related matters, the arbitration panel shall make every effort to deliver its final report within 60 days after the date of establishment of the arbitration panel. Under no circumstances should the final report be delivered later than 75 days after the date of establishment of the arbitration panel.**

Subsection 2

Compliance

ARTICLE 267

Compliance with the final report of the arbitration panel

The Party complained against shall take the necessary measure to comply promptly and in good faith with the final report of the arbitration panel in order to bring itself in compliance with the covered provisions.

ARTICLE 268

Reasonable period of time for compliance

1. **If immediate compliance is not possible, the Parties shall endeavour to agree on the period of time to comply 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 Cooperation Committee of the time it will require for compliance ("the reasonable period of time").**

2. **If there is disagreement between the Parties on 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 request shall be delivered simultaneously to the other Party and to the Cooperation Committee. The arbitration panel shall deliver its determination of the reasonable period of time to the Parties and to the Cooperation Committee within 20 days of the date of the 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. This 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 of the Parties.**

ARTICLE 269

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 Cooperation Committee of any measure that it has taken to comply with the final report. This 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 or the consistency of any measure notified under paragraph 1 with the covered provisions, the complaining Party may deliver a written request to the original arbitration panel to rule on the matter. This request shall be notified simultaneously to the Party complained against. Such request shall identify the specific measure at**

issue and explain how such measure is inconsistent with the covered provisions, in a manner sufficient to present the legal basis for the complaint clearly. The arbitration panel shall deliver its report to the Parties and to the Cooperation Committee within 45 days of the date of receipt of the request.

Article 270

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 measure taken to comply exists or that the measure notified under Article 13 paragraph 1 is inconsistent with that Party's obligations under the covered provisions, 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, in case such request is made, if 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 13 paragraph 2, the complaining Party shall be entitled, upon notification to the other Party and to the Cooperation Committee, to suspend obligations arising from the covered provisions. 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 from ten days after the receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration under paragraph 3.**

3. **If the Party complained against considers that the intended suspension of obligation 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 request shall be notified to the complaining Party and to the Cooperation Committee before the expiry of the ten-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 Cooperation 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 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 18; or

(b) the Parties have agreed that the measure notified under Article 13 paragraph 1 brings the Party complained against in conformity with the covered provisions; or

(c) any measure that the arbitration panel under Article 13 paragraph 2 has found to be inconsistent with the provisions referred to in Article 2 has been withdrawn or amended so as to bring it in conformity with those provisions.

ARTICLE 271

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 Cooperation 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 from 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 from the receipt 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 Cooperation Committee. The arbitration panel report shall be delivered to the Parties and to the Cooperation 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 covered provisions, 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 covered provisions, the level of suspension of obligations or of compensation shall be, where relevant, adapted in light of the arbitration panel report.

Subsection 3

Common Provisions

ARTICLE 272

Replacement of arbitrators

If in an arbitration proceeding 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 6 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 273

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 Cooperation 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 274

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 Cooperation 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 the 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 275

Rules of Procedure and Code of Conduct

1. **Dispute settlement procedures under this Chapter shall be governed by this Chapter, Rules of Procedure and by the Code of Conduct adopted by the Cooperation Committee pursuant to subparagraph [X] of paragraph [Y] of Article [Z] [institutional body to be defined] of Chapter [XX] at its first meeting.**

2. **Any hearing of the arbitration panel shall be open to the public unless otherwise provided for in the Rules of Procedure.**

ARTICLE 276

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 fulfilling its functions, including 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 fulfilling 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. Any information obtained under this Article must be disclosed to each Party and submitted for their comments.**

ARTICLE 277

Rules of interpretation

The arbitration panel shall interpret the covered provisions in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention on the Law of Treaties 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 (hereinafter referred to as the "DSB"). The reports of the arbitration panel cannot add to or diminish the rights and obligations of the Parties under this Agreement.

ARTICLE 278

Decisions and reports of the arbitration panel

1. **The arbitration panel shall make every effort to take any decision 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 covered 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. It shall not create any rights or obligations for natural or legal persons.**

4. **The Cooperation 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 4

General Provisions

ARTICLE 279

Lists of arbitrators

1. **The Cooperation Committee shall, based on proposals made by the Parties, 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 Cooperation Committee will 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 covered provisions. 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 Cooperation Committee may establish additional lists of 15 individuals with knowledge and experience in specific sectors covered by the covered provisions. 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 6 of this Chapter.

Article 280

Choice of Forum

1. When 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 an panel under Article 5;

(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;

(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 281

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 of 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 282

Referrals to the Court of Justice of the European Union

1. The procedures set out in this Article shall apply to disputes concerning approximation provisions in Article 27, Article X11, Article 46, Article 50 of the Services Chapter of this Agreement.

2. Where a dispute raises a question of interpretation of a provision of Union law referred to in paragraph 1, the arbitration panel shall not decide the question, but request the Court of Justice of the European Union to give a ruling on the question. 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 283

Armenia shall benefit from financial assistance through the relevant EU funding mechanisms and instruments. Armenia may also benefit from loans by the European Investment Bank, European Bank for Reconstruction and Development and other international financial institutions. The financial assistance will contribute to achieving the objectives of this Agreement and will be provided in accordance with the following Articles.

Article 284

1. The main principles of financial assistance shall be in accordance with the relevant EU Financial Instruments' Regulations. The priority areas of the EU financial assistance agreed by the Parties shall be laid down in annual action programmes based, whenever applicable, on multi-annual frameworks which reflect agreed policy priorities. The amounts of assistance established in these programmes shall take into account Armenia's needs, sector capacities and progress with reforms, in particular in areas covered by this Agreement. In order to permit optimum use of the resources available, the Parties shall endeavor to ensure that EU assistance is implemented in close cooperation and coordination with other donor countries, donor organizations and international financial institutions, and in line with international principles of aid effectiveness.

2. At the request of Armenia and subject to the applicable conditions, the EU may provide macro-financial assistance to Armenia.

Article 285

The fundamental legal, administrative and technical basis of financial assistance shall be established within the framework of relevant agreements concluded between the Parties.

Article 286

The Association 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 287

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 EU and of Armenia in accordance with Chapter 2 (on Anti-Fraud and Control Provisions) of this Title.

CHAPTER 2

ANTI-FRAUD AND CONTROL PROVISIONS

Article *288*

Definitions

For the purposes of this Chapter, the definitions set out in Protocol *[…]* to this Agreement shall apply.

Article 289

Scope

This Chapter shall be applicable to any further agreement or financing instrument to be concluded between the Parties, and any other EU financing instrument to which the Armenian authorities or other entities or persons under the jurisdiction 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 290

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, inter alia by means of mutual administrative assistance and mutual legal assistance in the fields covered by this Agreement.

Article 291

Exchange of information and further cooperation at operational level

1. For the purposes of proper implementation of this Chapter, the competent Armenian and EU authorities 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 Armenian counterparts on further cooperation in the field of anti-fraud, including operational arrangements with the Armenian authorities.

3. For the transfer and processing of personal data, Article *[…]* in Title*[…]* , (Justice, Freedom, and Security) of this Agreement applies.

Article 292

Cooperation to protect the euro and the dram against counterfeiting

The competent Armenian and EU authorities should cooperate with a view to effective protection of euro and the dram against counterfeiting. Such cooperation shall include assistance necessary to prevent and combat counterfeiting of the euro and the dram, including exchange of information.

Article 293
Prevention of fraud, corruption and irregularities

1. Where entrusted with the implementation of EU funds, the Armenian authorities 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 Armenian authorities 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 Armenian authorities shall inform the Commission of any prevention measure taken.

4. To this end, the competent Armenian authorities shall provide the 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 294
Investigation and Prosecution

The Armenian authorities shall ensure 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 Armenian authorities in this task.

Article 295
Communication of fraud, corruption and irregularities

1. The Armenian authorities shall transmit to the 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. In case of suspicion of fraud and corruption, the European Anti-Fraud Office shall also be informed.

2. The Armenian authorities shall also report on all measures taken in connection with facts communicated under this article. Should there be no suspected or actual cases of fraud, corruption, or any other irregularity to report, the Armenian authorities shall inform the Commission on the occasion of the annual relevant Subcommittee meeting.

Article 296
Audits

1**. The 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 both of 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 also 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. Commission inspectors or other persons mandated by the 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 Armenia.

4. The Commission or other persons mandated by the 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. This right of access should be communicated to all public institutions 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 Armenian audit bodies shall cooperate in a spirit of trust while maintaining their independence.

Article 297
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 EU's financial interests

2. On-the-spot checks and inspections shall be prepared and conducted by the European Anti-fraud Office in close cooperation with the competent Armenian authorities.

3. The Armenian authorities 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 Armenian authorities shall be entitled to participate in the on-the-spot checks and inspections.

4. If the Armenian authorities 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 Armenian authorities shall give the European Anti-Fraud Office such assistance in accordance with Armenian law, as it needs to allow it to discharge its duty in carrying out an on-the-spot check or inspection.

Article 298

Administrative measures and sanctions

Administrative measures and sanctions may be on economic operators by the Commission in accordance with Regulations 966/2012 of 25 October and COM Delegated Regulation 1268/2012 of 29 October and with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests. Additional measures and sanctions complementing those mentioned above, may be imposed by Armenian authorities in accordance with the applicable national law.

Article 299

Recovery

1. Where the Armenian authorities are entrusted with the implementation of EU funds the Commission is entitled to recover EU funds unduly paid, in particular through financial corrections. The Armenian authorities shall take any appropriate measure to recover EU funds unduly paid. The Commission shall take into account the measures taken by the Armenian authorities to prevent the loss of the EU funds concerned.

2. In the cases referred to in paragraph 1, the Commission shall consult with Armenia on the matter before taking any decision on recovery. Disputes on recovery will be discussed in the Association Council.

3. Chapter *[…]* of this Title, which impose pecuniary obligation on persons other than States, shall be enforceable in Armenia in accordance with the following principles:

(a) enforcement of such decisions shall be governed by the rules of civil procedure in force in Armenia. The enforcement shall be issued, without other formality than verification of the authenticity of the decision, by the national authority which the government of Armenia shall designate for this purpose and shall make known to the Commission and to the Court of Justice of the European Union;

(b) when these formalities have been completed on application by the Commission, the latter may proceed to enforcement in accordance with Armenian law, 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 Commission shall inform the Armenian authorities of any decision by the Court to suspend the enforcement. The courts 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 300
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 Armenian law and by the corresponding provisions applicable to the EU institutions. Such information may not be communicated to persons other than those in the EU institutions, in the Member States or in 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 301
Approximation of legislation

Armenia shall carry out approximation of its legislation to the EU acts and international instruments referred to in the Annex […] to this Agreement according to the provisions of that Annex.

Declaration concerning Chapter […] Anti-Fraud Provisions

The obligation to take appropriate measure to remedy any irregularities, fraud, active or passive corruption practices and exclude conflict of interest at any stage of the implementation of EU funds referred to in Chapter […] is not deemed to establish a financial liability of Armenia for obligations assumed by entities and persons under its jurisdiction.
The European Union, while exercising its right to control in accordance to Chapter […], will respect national rules on bank secrecy.

27.02.2017

TITLE VIII: INSTITUTIONAL, GENERAL

AND FINAL PROVISIONS

CHAPTER 1

INSTITUTIONAL FRAMEWORK

Article 302

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 meet at ministerial level and 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 consist of representatives of the Parties at ministerial level.

5. The Partnership Council shall establish its own rules of procedure.

6. The Partnership Council shall be chaired alternately by a representative of the EU and a representative of the Republic of Armenia.

7. 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 by the Agreement. 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 to the completion of the respective internal procedures.

8. **The Partnership Council shall be a forum for exchange of information on European Union and Armenian legislative acts, both under preparation and in force, and on implementation, enforcement and compliance measures.**

9. The Partnership Council shall have the power to update or amend the Annexes […] to this

Agreement, without prejudice to any specific provisions under [Title: Trade and Trade Related Matters] of this Agreement.

Article 303

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 EU 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. These 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 to the completion of the respective internal procedures.

7. The Partnership Committee shall meet in a specific configuration to address all issues related to [Title VI: Trade and Trade related Matters] of this Agreement. The Partnership Committee shall meet in this configuration at least once a year.

Article 304

Sub-committees and other Bodies

1. The Partnership Committee shall be assisted by sub-committees and other bodies established under this Agreement.

2. The Partnership Council may decide to set up any subcommittee and other bodies in specific areas necessary for the implementation of this Agreement and shall determine their

composition, duties and functioning.

3. The sub-committees shall report on their activities to the Partnership Committee regularly.

4. The existence of any of the sub-committees shall not prevent either Party from bringing any matter directly to the Partnership Committee, including in its Trade configuration.

Article 305
Parliamentary Partnership Committee

1. A Parliamentary Partnership Committee is hereby established. It shall be a forum to meet and exchange views for Members of the European Parliament and Members of the National Assembly of the Republic of Armenia. It shall meet at intervals which it shall itself determine.

2. The Parliamentary Partnership Committee shall consist of Members of the European Parliament, on the one hand, and of Members of the National Assembly, on the other.

3. The Parliamentary Partnership Committee shall establish its own rules of procedure.

4. The Parliamentary Partnership Committee shall be chaired in turn 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.

5. 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.

6. The Parliamentary Partnership Committee shall be informed of the decisions and recommendations of the Partnership Council.

7. The Parliamentary Partnership Committee may make recommendations to the Partnership Council.

8. The Parliamentary Partnership Committee may create Parliamentary Partnership sub-committees.

Article 306
Civil Society Platform

1. The Parties shall also 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 on the side of the EU, including Members of the European Economic and Social Committee, and representatives of civil society organisations, networks and platforms on the side 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 own rules of procedure that includes among others the principles of transparency, inclusiveness and rotation.

4. **The Civil Society Platform shall be chaired alternately by a representative of the EU civil society and a representative of the civil society on the Armenian side 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 organize 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 307

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 free of discrimination in relation to its own nationals to the competent courts and administrative organs of the Parties to defend their individual and property rights.

Article 308

Security Exceptions

Nothing in this Agreement shall be construed:

(a) To require either Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;

(b) To prevent either Party from taking any action which it considers necessary for the protection of its essential security interests:

- **Connected with the production of, or trade in arms, munitions or war materials;**
- **Relating to economic activities carried out directly or indirectly for the purpose of provisioning a military establishment;**
- **Relating to fissionable and fusionable materials or the materials from which they are derived; or**
- **Taken in time of war or other emergency in international relations;**

(c) To prevent 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 309

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 EU and its Member States shall not give rise to any discrimination between the Member States or their natural or legal persons;

(b) the arrangements applied by the EU 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 310

Gradual approximation

The Republic of Armenia shall carry out gradual approximation of its legislation to EU law as referred to in the Annexes of this Agreement, based on commitments identified in Titles [to be added] of this Agreement, and according to the provisions of these Annexes. This provision shall be without prejudice to any specific provisions under Title [to be added] Trade and Trade Related Matters of this Agreement.

Article 311

Dynamic approximation

In line with the goal of gradual approximation of Armenian legislation to EU law, the Partnership Council shall periodically revise and update Annexes to this Agreement including in order 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 respective internal procedures. This provision shall be without prejudice to any specific provisions under Title [number to be added: Trade and Trade Related Matters] of this Agreement.

Article 312

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 EU shall assess the approximation of the Armenian legislation to EU law, as defined in this Agreement. This includes aspects of implementation and enforcement. These assessments may be conducted by the EU individually, by the EU in agreement with Armenia. To facilitate the assessment process, the Republic of Armenia shall report to the EU on progress in approximation, where appropriate before the end of the transitional periods set out in this Agreement in relation to EU legal acts. The reporting and assessment process, including modalities and frequency of assessments, shall take into account specific modalities defined in this Agreement or decisions by the institutional bodies established by this Agreement.

3. Assessment of approximation may include on-the-spot missions, with the participation of EU institutions, bodies and agencies, non-governmental bodies, supervisory authorities, independent experts and others, as necessary.

Article 313

Results of monitoring, including assessments of approximation

1. The results of monitoring activities, including the assessments of approximation set out in Article 11, 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 [number to be added: Trade and Trade Related Matters] of this Agreement have been implemented and are being enforced, the Partnership Council, under the powers conferred to it in Articles [number to be added] and [number to be added], shall decide on further market opening where foreseen in Title [number to be added: Trade and Trade Related Matters].

3. A joint recommendation as referred to in paragraph 1 of this Article submitted to the Partnership Council, or the failure to reach such a recommendation, shall not be subject to dispute settlement as defined in Title [number to be added (Trade and Trade Related Matters)]of this Agreement. A decision taken by the [relevant institutional body], or the failure to take a decision, shall not be subject to dispute settlement as defined in Title [number to be added Trade and Trade Related Matters] of this Agreement.

Article 314

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, 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 the GATT 1994 and the Understanding on the Balance of Payment Provisions of the 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 the GATS.

5. Any Party maintaining or having adopted restrictive measures referred to in paragraphs 1 and 2 of 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 IMF 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 IMF of the balance- of-payments and the external financial position of the Party concerned.

Article 315

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 316
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 317

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 17 (Dispute Settlement).

4. The Partnership Council may settle a dispute by means of a binding decision in accordance with Article 17 (Dispute Settlement).

Article 318

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 [number to be added: Trade and Trade Related Matters] shall be exclusively governed by Chapter […] on Dispute Settlement mechanism of the [Title: Trade and Trade Related Matters]].

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. Consultations on a dispute can also be held at any meeting of the Partnership Committee or any other relevant body referred to in Article 3 (Sub-committees and other Bodies) of this Agreement, as agreed between the Parties or at the request of either of the Parties. Consultations may also be held in writing.

3. 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.

4. A dispute shall be deemed to be resolved when the Partnership Council has taken a binding decision to settle the matter as provided for in paragraph 4 of Article 16 (Fulfilment of Obligations), or when it has declared that the dispute has reached an end.

5. All information disclosed during the consultations shall remain confidential.

Article 319

Appropriate measures in case of non-fulfilment of obligations

1. A Party may take appropriate measures, if the matter is not resolved within three months of the date of notification of a formal request for dispute settlement according to Article 16 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: Trade and trade-related measures. The measures set out under paragraph 1 of this Article shall be notified immediately to the Partnership Council and shall be the subject of consultations in accordance with paragraph 2 of Article 16 (Fulfilment of Obligations), and of dispute settlement in accordance with paragraph 3 of Article 16 (Fulfilment of Obligations) and Article 17 (Dispute Settlement) of this Agreement.

3. The exceptions referred to in paragraphs 1 and 2 above 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 of Title I (General Principles) of this Agreement.

Article 320

Relation to other agreements

1. This Agreement replaces the Partnership and Cooperation Agreement /PCA/ between the European Communities and their Member States, of the one part, and Armenia, of the other part, signed in Luxembourg on 22 April 1996 and which entered into effect on 1 July 1999. References to 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 as 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 as 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 321

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 322

Definition of the Parties

For the purposes of this Agreement, the term "Parties" shall mean the EU, or its Member States, or the EU and its Member States, in accordance with their respective powers as derived from the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU) 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 323

Territorial Application

This Agreement shall apply, on the one hand, to the territories in which the Treaty on European Union (TEU), the Treaty on the Functioning of the European Union (TFEU) and the Treaty establishing the European Atomic Energy Community are applied and under the conditions laid down in those Treaties, and to the territory of Republic of Armenia on the other hand.

Article 324

Depositary of the Agreement

The General Secretariat of the Council of the European Union shall be the depositary of this Agreement.

Article 325

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 the deposit of the last instrument of ratification or approval.

3. This Agreement may be amended in writing by common consent of the Parties. These amendments shall enter into force in accordance with the provisions of this Article.

4. The Annexes and Protocols of this Agreement shall form an integral part thereof.

5. Notwithstanding paragraph 2 of this Article, the Union and the Republic of Armenia may provisionally apply this Agreement in whole or in part, in accordance with their respective internal procedures and legislation, 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 Union's notification on the completion of the procedures necessary for this 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 procedures and applicable legislation.

7. For the purpose of the relevant provisions of this Agreement, including its respective Annexes and Protocols, 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 of this Article.

8. During the period of the provisional application, in so far as the provisions of PCA are not covered by the provisional application of this Agreement, they continue to apply.

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 326

Authentic Texts

This Agreement is drawn up in duplicate in the Armenian, Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, each text being equally authentic.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement.