

Agreement between the European Community and the Russian Federation on trade in textile products

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AGREEMENT between the European Community and the Russian Federation on trade in textile products
THE EUROPEAN COMMUNITY,
of the one part, and
THE RUSSIAN FEDERATION
of the other part,
hereinafter referred to as 'the Parties` ,
DESIRING to promote, with a view to permanent cooperation and in conditions providing for predictability of trade, the mutual expansion and orderly and equitable development of trade in textile products between the European Community (hereinafter 'the Community`) and the Russian Federation (hereafter 'Russia`),
RESOLVED to take the fullest possible account of the serious economic and social problems at present affecting the textile industry in both the Community and Russia,
HAVING REGARD to the objectives and provisions of the Partnership and Cooperation Agreement between the European Communities and their Member States and the Russian Federation (hereinafter referred to as 'the Partnership and Cooperation Agreement`) which entered into force on 1 December 1997,
BEARING IN MIND Russia's process of accession to the World Trade Organisation (WTO),
HAVE AGREED AS FOLLOWS:

Article 1

1. The Parties confirm that the provisions of the Partnership and Cooperation Agreement shall apply to trade in the textile and clothing products (hereinafter referred to as 'textile products`) listed in Annex I save where this Agreement makes specific provision concerning such products.
2. The cooperation between the textile and clothing industries in the Community and in Russia and the elimination of the quantitative restrictions in trade in textiles and clothing is the fundamental objective of this Agreement.
3. All quantitative restrictions currently applied to trade in textile products originating in either Party shall be eliminated on 1 May 1998.
4. The Parties hereby agree that no new quantitative restrictions on trade between the Community and Russia in the textile and clothing products listed in Annex I shall be introduced save as is provided in this Agreement.

Article 2

1. The classification of the products covered by this Agreement and imported into the Community is based on the tariff and statistical nomenclature of the Community (hereinafter called 'the Combined Nomenclature` or, in abbreviated form, 'CN`) and any amendments thereof. The products nomenclature of foreign economic activity (hereinafter called in abbreviated form 'TN VED SNG`) shall be applied to the classification of goods for imports of those products into Russia.
2. The Parties agree that the introduction of changes, such as changes in practices, rules, procedures, and categorisation of textile products, including those changes relating to the Harmonised System and the Combined Nomenclature and the TN VED

SNG in respect of the products set out in Annex I should not affect the balance of rights and obligations between the Parties under this Agreement; should not adversely affect the access available to a Party; should not impede the full utilisation of such access, or disrupt trade under this Agreement. The Party initiating any such changes shall inform the other Party before their entry into force.

3. The origin of the products covered by this Agreement and imported into the Community shall be determined in accordance with the rules of origin in force in the Community. The origin of the products covered by this Agreement and imported into Russia shall be determined in accordance with the rules of origin in force in the Russian Federation.

The Parties shall notify each other of any amendments to the respective rules of origin.

Article 3

1. Without prejudice to the provisions of Article 4, imports of textile products from the territory of either Party may only be made subject to quantitative restraint in accordance with Article 17 of the Partnership and Cooperation Agreement.

2. For a period of three years following the date on which this Agreement enters into application:

- the level of any quantitative restraint fixed under the provisions referred to in paragraph 1 in respect of imports of textile products shall be set at a level not lower than the actual level of exports or imports from the Party concerned during the 12-month period terminating two months preceding the month in which the request for consultation was made or the date on which the measures were introduced,

- for those categories of textile products previously subject to quantitative limits and set out in Annex II, any quantitative restraint fixed under the provisions referred to in paragraph 1 for category of products shall be set at a level not lower than the level of the 1997 quota for the category in question and shall not be triggered until imports into the Community of products of Russian origin of that category have reached 5 % of the total imports into the Community for that category.

3. The Parties agree to consult fully, pursuant to Article 5 in the event of the application of this Article.

Article 4

1. Circumvention by transshipment, re-routing, false declaration concerning country or place of origin, and falsification of official documents, frustrates the effective functioning of this Agreement. Accordingly, the Parties will establish the necessary legal provisions and/or administrative procedures to address and take action against such circumvention. The Parties, consistent with their domestic laws and procedures, will cooperate fully to address problems arising from circumvention.

2. Should either Party believe that this Agreement is being circumvented by transshipment, re-routing, false declaration concerning country or place of origin, or falsification of official documents, and that no, or inadequate, measures are being applied to address and/or to take action against such circumvention, the Party should consult with the other with a view to seeking a mutually satisfactory solution. Such consultations should be held promptly, and within 30 days when possible.

3. The Parties will take necessary action, consistent with their domestic laws and procedures, to prevent, to investigate and, where appropriate, to take legal and/or administrative action against circumvention practices within their territory. The Parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of this Agreement, to establish the relevant facts in the places of import, export and, where applicable, transshipment. Such cooperation, consistent with domestic laws and procedures, will include: investigation of circumvention practices which increase restrained exports to

the territory of the Party maintaining such restraints: exchange of documents, correspondence, reports and other relevant information to the extent available; and facilitation of plant visits and contacts, on request and on a case-by-case basis. The Party should endeavour to clarify the circumstances of any such instances of circumvention or alleged circumvention, including the respective roles of the exporters or importers involved.

4. Where, as a result of investigation, there is sufficient evidence that circumvention has occurred (e.g. where evidence is available concerning the country or place of true origin, and the circumstances of such circumvention) the Parties shall take appropriate action, to the extent necessary to address the problem. Also, where there is evidence of the involvement of the territory of either Party through which goods have been transhipped, such action may include the introduction of restraints with respect to the Party concerned. Any such actions, together with their timing and scope, may be taken after consultations held with a view to arriving at a mutually satisfactory solution between the Parties. The Parties may agree on other remedies in consultation.

5. False declaration concerning fibre content, quantities, description or classification of merchandise also frustrates the objective of this Agreement. Where there is evidence that any such false declaration has been made for purposes of circumvention, the Parties shall take appropriate measures, consistent with domestic laws and procedures against the exporters or importers involved. Should either Party believe that this Agreement is being circumvented by such false declaration and that no, or inadequate, administrative measures are being applied to address and/or to take action against such circumvention, that Party should consult promptly with the other with a view to seeking a mutually satisfactory solution. This provision is not intended to prevent Parties from making technical adjustments when inadvertent errors in declarations have been made.

6. In order to facilitate the cooperation provided for under this Article, Russia undertakes to issue automatic export authorisations according to the relevant Russian legislation in respect of exports of textile products previously subject to quantitative limits and set out in Annex II.

For those categories subject to the issue of export licences the competent authorities of the Community will issue import authorisations only on the presentation of export authorisations issued by the competent Russian authorities.

Russia undertakes to transmit, on a weekly basis, information on quantities covered by the automatic export authorisations referred to above. This may be carried out by way of an electronic linkage between the competent Russian authorities and the Systeme integre de gestion de licences (hereinafter referred to as 'SIGL') as established by the Community. The Community will ensure full technical and financial assistance in setting up such linkage, within the limits of TACIS programme.

In case of significant and unjustified discrepancies between the information received through the electronic linkage with SIGL and the export authorisations submitted to the competent authorities of the Community, either Party may request consultations under Article 5 of the Agreement in order to identify the reasons for the discrepancies. Should these discrepancies be due to fraudulent transhipment of products not originating in Russia the Parties will agree appropriate measures in order to avoid their recurrence.

This system of double checking shall be maintained for as long as both Parties so desire.

7. Following a request from one Party the other Party shall provide data on a monthly basis in respect of its exports of the specific categories of textile products exported to the Party making the request.

Article 5

1. Save where it is otherwise provided, the special consultation procedures referred to in this Agreement shall be governed by the following rules:
 - any request for consultations shall be notified in writing to the other Party,
 - the request for consultation shall be followed within 15 days of the notification by a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request,
 - the Parties shall enter into consultations within one month of notification of the request at the latest, with a view to reaching agreement or a mutually acceptable conclusion within one further month at the latest.
2. If necessary, at the request of either of the Parties, consultations shall be held on any problems arising from the application of this Agreement. Any consultations held under this Article shall take place in a spirit of cooperation and with a desire to reconcile the differences between the Parties.

Article 6

1. This Agreement shall apply provisionally from the date of signature and shall enter into force on the first day of the month following the date on which the Parties notify each other of the completion of the procedures necessary for that purpose.
2. This Agreement shall be in force for the duration of the Partnership and Cooperation Agreement.
3. Either Party may at any time propose to hold consultations in accordance with Article 5 with a view to agreeing amendments to this Agreement.
4. Without prejudice to the removal of restrictions laid down by Article 1, the operation of this Agreement shall in any event be reviewed if Russia becomes a Member of the WTO during the validity of this Agreement.
5. Either Party may, at any time, denounce this Agreement by notifying the other Party in written form. This Agreement shall cease to apply six months after the date of such notification.
6. The Annexes attached to this Agreement shall form an integral part thereof.

Article 7

This Agreement shall be drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Russian languages, each of these texts being equally authentic.

Done at Brussels, 23 July 1998.

For the Russian Federation

>REFERENCE TO A GRAPHIC>

For the European Community

>REFERENCE TO A GRAPHIC>

ANNEX I

PRODUCTS REFERRED TO IN ARTICLE 1

1. When the constitutive material of the products of categories 1 to 114 is not specifically mentioned, these products are to be taken to be made exclusively of wool or of fine hair, of cotton or of man-made fibres.
2. Garments which are not recognisable as being garments for men or boys or as being garments for women or girls are classified with the latter.
3. Where the expression 'babies' garments` is used, this is meant to cover garments up to and including commercial size 86.
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ANNEX II

(The full descriptions of the categories listed in this Annex are to be found in Annex I to the Agreement)

Categories: 1, 2, 2(a), 3, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 20, 21, 22, 24, 29, 33, 37, 39, 50, 74, 83, 90, 115, 117 and 118.