

**Basic Multilateral Agreement on International Transport for
Development of the Europe-the Caucasus-Asia corridor
(Baku, 8 September 1998)**

(as amended by the Protocols on amendments of 09.11.2003 and 13.12.2007)

Entered into force on 16 March 2000

The States-participants of this Agreement, hereinafter referred to as the Parties, desirous to develop economic relations, trade and transport communication in the regions of Europe, the Black Sea, the Caucasus, the Caspian Sea and Asia have agreed to conclude a Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor (hereinafter referred to as the Basic Agreement).

Article 1. General Provisions

The provisions of the Basic Agreement shall regulate the international transport of goods and passengers between the Parties and transport in transit through the territories of the Parties.

Article 2. Definitions

For the purpose of the Basic Agreement "International Transport" means the movement of goods or passengers by or in:

- a) Road transport (including trailer and semi-trailer);
- b) Railway transport;
- c) Water transport;
- d) Air transport;
- e) Any container within the meaning of the Customs Convention on Containers;
- f) Pipeline,

when the place of taking over the goods or passengers and the place designated for delivery, as specified in the contract, are situated in two different countries, where at least one is Party to the Basic Agreement, and includes storage in the course of transit.

Article 3. Objectives of the Basic Agreement

The objectives of the Basic Agreement are:

- a. To develop economic relations, trade and transport communication in the regions of Europe, the Black Sea, the Caucasus, the Caspian Sea and Asia;
- b. To facilitate access to the international market of road, air and railway transport and also commercial maritime navigation;
- c. To facilitate international transport of goods and passengers and international transport of hydrocarbons;
- d. To ensure traffic safety, security of goods and environmental protection;
- e. To harmonize transport policy and also the legal framework in the field of transport;
- f. To create equal conditions of competition between different types of transport.

Article 4 was amended in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor of 9 October 2003 (in effect as of 23 November 2011 with respect to the Republic of Azerbaijan, the Republic of Bulgaria, Romania and Georgia)

Article 4. Facilitation of International Transport

1. Each Party shall grant to other Parties the right of transit of international means of transport, goods and passengers through its territory under the conditions mentioned in the Basic Agreement.
2. The Parties shall ensure the most effective arrangements for facilitation of transport in transit on their territories.
3. The Provisions of the Basic Agreement shall not affect the rights and obligations of the Parties arising from other international conventions and agreements to which they are or may become Parties.
4. *For 3 years when the given amendment comes into force, the Parties have to ensure free issue of single/double entry visas for persons transporting and/or accompanying humanitarian goods and reconstruction materials transported to Afghanistan via the "TRACECA" international transport corridor Europe- the Caucasus-Asia.*

Article 5. Payment of Taxes, Duties and other Payments

Taxes, duties and other payments, irrespective of their names and origin shall not be imposed for transport in transit, except payments for transport and customs services, services related to transport, as well as payments for use of transport infrastructure.

Article 6 was amended in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07 (in effect as of 4 April 2010 with respect to the Republic of Bulgaria, the Republic of Azerbaijan, the Republic of Armenia, Romania and Georgia)

Article 6. Preferential Terms and Tariffs

1. Tariffs for transport transit services shall be established on the basis of preferential terms.
2. The Parties have agreed that should preferential terms and tariffs be established between two Parties for types of transport referred to in Article 1 of the Basic Agreement, no less preferential terms and tariffs will be applicable between these Parties and other Parties.
These provisions shall not apply to advantages granted by the Republic of Bulgaria and Romania in virtue of their membership in the European Union to the Member State of this Union or to any third country.

Article 7. Traffic Safety, Security of Goods and Environmental Protection

The Parties shall take appropriate measures to ensure safety of traffic, passengers and carriers, security of goods and means of transport as well as protection of the environment in international transport referred to in Article 1 of the Basic Agreement.

Article 8. Inter-Governmental Commission

1. The Parties shall set up an Inter-Governmental Commission to regulate the issues regarding the implementation and the application of provisions of the Basic Agreement.

2. The Inter-Governmental Commission shall consist of the Highest Governmental Authorities of the Parties or their representatives with full authority to make decisions under the Basic Agreement.

The Inter-Governmental Commission shall take decisions on the basis of consensus.

3. The Inter-Governmental Commission shall meet regularly, not less than once a year, alternating in each of the Parties each hosting for one year. As such, the host Party shall be Chairman for one year. The Chairman of the Inter-Governmental Commission shall be the head of the delegation of the Party in which the meeting takes place.

The Inter-Governmental Commission shall meet at the proposal of the Chairman, or of any Party, with the participation of representatives of the Parties, who can invite relevant experts.

4. The Inter-Governmental Commission shall draw up its own Rules of Procedure.

5. If necessary, the Inter-Governmental Commission may present proposals for amendments and changes to the Basic Agreement as well as adoption of new Technical Annexes to the Basic Agreement.

6. The Inter-Governmental Commission shall formulate decisions for adoption by the Parties and appropriate recommendations on questions within the Basic Agreement, including the following subjects:

a. Coordination of transport policies;

b. Ensuring the enforcement of the provisions of the Basic Agreement;

c. Collection and free exchange of relevant information;

d. Harmonious development of transport between the Parties, taking into account primarily traffic safety, goods security and environmental aspects involved;

e. Promotion of cooperation between transport enterprises and institutions;

f. Promotion of multi-modal transport;

g. Simplifying customs procedures and practices which are to be applied at established crossing points.

7. The Inter-Governmental Commission may establish working groups for each field referred to in clause 1 of Article 10 of the Basic Agreement and define their powers and duties.

Article 9. Permanent Secretariat

1. The Inter-Governmental Commission shall establish a Permanent Secretariat in order to give effect to the provisions of the Basic Agreement.

2. The Secretariat shall be based in Baku, Republic of Azerbaijan, and shall maintain permanent representation in each of the Parties.

3. The Inter-Governmental Commission shall develop and approve Terms of Reference of the Permanent Secretariat, define the scope of its powers, rights and obligations, the procedure for the appointment of officials, and also prepare proposals on the system of jointly financing the work of the Permanent Secretariat.

The system of financing shall be approved by the governments of the Parties.

4. The Permanent Secretariat shall supervise the implementation of the provisions of the Basic Agreement and shall also implement the decisions of the Inter-Governmental Commission and put forward appropriate proposals to the Inter-Governmental Commission.

Article 10. Technical Annexes

1. The Technical Annexes on international road transport, international railway transport, international commercial maritime navigation and customs and documentation procedures are integral parts of the Basic Agreement as well as other Technical Annexes which may subsequently be adopted if necessary.

2. Technical Annexes shall be binding on Parties in the same manner and to the same extent as the Basic Agreement and shall provide detailed regulation of issues set out in the Basic Agreement. However, should any conflict arise between the provisions of the Basic Agreement and the provisions contained in any Technical Annex the provisions of the Basic Agreement shall prevail.
3. Any Party may propose amendments to the Technical Annexes and, if necessary, submit drafts of new Technical Annexes to the Permanent Secretariat.
4. Proposed amendments to the Technical Annexes and new drafts shall be considered by the Inter-Governmental Commission.

Article 11. Presentation of Amendments and Additions

1. With the agreement of the Parties, amendments and additions to the Basic Agreement shall be incorporated by means of Protocols which shall form an integral part of the Basic Agreement.
2. The manner of entry into force of Protocols shall be the same as for the Basic Agreement.

Article 12. Dispute Settlement

1. Any dispute, controversy or claim between the Parties arising in connection with application, interpretation or from breach or termination of the Basic Agreement, and which cannot be settled by negotiation, shall be referred by any Party involved to the Inter-Governmental Commission for consideration.
2. Any such dispute, controversy or claim which is not settled by the Inter-Governmental Commission shall, at the request of all the Parties involved, be referred to the appropriate international court or arbitration body, or to the International Court of Justice at the Hague within the sphere of its competence.

Article 13. Entry into Force

1. The Basic Agreement shall enter into force 30 days after the notification by the fourth Party to the Depository referred to in Article 15 of the Basic Agreement of completion of the appropriate internal state procedures required by its respective national legislation
2. The Basic Agreement shall enter into force for other Parties 30 days after notification to the Depository of completion of internal state procedures pursuant to their national legislation.

Article 14. Accession to Agreement

1. The Basic Agreement is open for accession of any State.
2. Documents concerning accession, upon approval by all Parties for such accession, shall be deposited for keeping with the Depository, referred to in Article 15 of the Basic Agreement.
3. The Basic Agreement shall come into force for the acceding States 30 days after depositing the documents on accession with the Depository.
4. Regional Economic Integration Organizations may accede to the Basic Agreement as associates.
5. The Inter-Governmental Commission may formulate the terms on which Regional Economic Integration Organizations may enter into association with Parties to the Basic Agreement.

Article 15. Depository

1. The Depository of the Basic Agreement shall be the Republic of Azerbaijan which will send the certified copies of the Basic Agreement to the States who signed it.
2. The Depository shall inform the Parties of accession of other States to the Basic Agreement and of termination in respect of any of the Parties.

Article 16. Duration and Variation

1. The Basic Agreement is made for the period of 10 years.
The validity of the Basic Agreement shall be extended for successive five-year periods unless the Parties declare otherwise.
2. The Basic Agreement may be terminated on the territory of any Party if this Party gives at least six months' notice in writing to the Depository of its intention to terminate the Basic Agreement.
3. The obligations under the treaties, agreements and other understandings signed in accordance with provisions of the Basic Agreement shall remain in force after its termination until completely fulfilled.

Done at Baku on 8th September 1998 in one original copy in English and Russian languages, both texts being equally authentic.

In witness whereof the undersigned Heads of States and Governments or their plenipotentiaries have signed the Basic Agreement which includes the reservations attached hereto.

For the Republic of Armenia

For the Republic of Azerbaijan

For the Republic of Bulgaria

For Georgia

For the Republic of Kazakhstan

For the Kyrgyz Republic

For the Republic of Moldova

For Romania

For the Republic of Tajikistan

For the Republic of Turkey

For the Ukraine

For the Republic of Uzbekistan

**RESERVATION
OF THE REPUBLIC OF AZERBAIJAN TO THE BASIC
MULTILATERAL AGREEMENT ON INTERNATIONAL TRANSPORT FOR
DEVELOPMENT OF THE EUROPE-THE CAUCASUS-ASIA CORRIDOR**

1. The Republic of Azerbaijan declares that none of the rights, obligations and provisions set out in the Basic Multilateral Agreement on International Transport for Development of the Europe - the Caucasus - Asia Corridor and its Technical Annexes shall be applied by the Republic of Azerbaijan in respect of transport passing across its territory for which the territory of the Republic of Armenia is an originating, transit or destination territory.
2. The Republic of Azerbaijan reserves the right to amend or revoke at any time the provisions of Paragraph 1 of the present Reservation, and other Parties shall be notified in writing of any such amendments or revocation.

HEYDAR ALIYEV
President of the Republic of Azerbaijan

**RESERVATION
OF THE REPUBLIC OF KAZAKHSTAN TO THE BASIC
MULTILATERAL AGREEMENT ON INTERNATIONAL TRANSPORT FOR
DEVELOPMENT OF THE EUROPE-THE CAUCASUS-ASIA CORRIDOR**

Provisions of Article 4 of the Technical Annex on International Railway Transport to the Basic Agreement and Appendix 2 thereto shall not apply to the Republic of Kazakhstan.

ERKIN KALIYEV
Head of Delegation of the Republic of Kazakhstan
Minister of Transport and Communications

**RESERVATION
OF ROMANIA TO THE BASIC MULTILATERAL AGREEMENT
ON INTERNATIONAL TRANSPORT FOR DEVELOPMENT OF THE EUROPE-THE
CAUCASUS-ASIA CORRIDOR**

Appendix 2 to the Technical Annex regarding International Railway Transport is not to be applied in the case of Romania.

EMIL CONSTANTINESCU
President of Romania

**RESERVATION
OF THE ISLAMIC REPUBLIC OF IRAN TO THE BASIC MULTILATERAL
AGREEMENT ON INTERNATIONAL TRANSPORT FOR DEVELOPMENT OF THE
EUROPE-THE CAUCASUS-ASIA CORRIDOR**

The implementation of Article 12 of the aforementioned Agreement on dispute settlement is duly bound to be followed with the consent of all concerned Parties and in complying to the relevant domestic laws and regulations.

MANOUCHEHR MOTTAKI
Minister of Foreign Affairs
Tehran, 25 March 2009

TECHNICAL ANNEX ON INTERNATIONAL ROAD TRANSPORT TO THE BASIC AGREEMENT

Article 1. General Provisions

The provisions of this Technical Annex shall regulate the international road transport of goods and passengers:

- a. Bilateral, between the Parties;
- b. In transit, through the territories of the Parties.

Article 2. Definitions

For the purpose of this Technical Annex terms have the following meaning:

1. The term "carrier" means any natural or legal person, registered in the territory of one of the Parties and admitted to carrying out the international road transport of goods or passengers in accordance with the national legislation in force.
2. The term "motor-vehicle" means:
 - When transporting goods -- a motor-lorry, motor-lorry with trailer, motor-tractor or motor-tractor with semi-trailer;
 - When transporting passengers -- a bus, i.e. motor vehicle designed for transport of passengers and which has not less than 8 seats, not taking into account a driver's seat as well as a trailer for carriage of luggage.
3. The term "transport" means the movement of laden or unladen motor-vehicles by road, even if for a part of the journey the motor-vehicle, trailer or semi-trailer is using waterways or rail.
4. The term "dangerous goods" means goods considered as dangerous according to the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR) of 1957.
5. The term "perishable goods" means goods considered as perishable according to the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be used for such Carriage (ATP) of 1970.
6. The term "permit" means a document issued by the competent authority of a Party and giving the right to a motor-vehicle registered in another Party to enter, leave and pass in transit through the territory of the first Party.
7. The term "special permit" means a document issued by the competent authority of a Party and giving the right to a motor-vehicle registered in another Party to carry out special categories of transport in the territory or through the territory of the first Party.
8. The term "registration" means registration in a Party of a motor-vehicle in accordance with requirements of its competent national authorities.

Article 3. Access to the Market

1. Each Party shall allow any carrier registered in another Party to carry goods or passengers between any point in its territory and any point on the territory of other Parties, or vice-versa, and in transit through its territory, subject to permits, and without any groundless delays or restrictions.
2. A carrier may undertake third country transport only if a special permit from the competent authorities or the organizations of the Parties for such transport is available.

Article 4. Weights and Dimensions

1. Weights and dimensions of laden or unladen motor-vehicles shall be in conformity with the terms set out in the official registration documents for these motor-vehicles and may not exceed the limits in force in the host Party.
2. A special permit is required if the weight or dimensions of a laden or unladen motorvehicle when engaged in transport under this Technical Annex exceed the maximum permissible limits of those in the host Party.

Article 5. Specific Categories of Transport

1. The transport of dangerous goods and perishable goods shall be carried out in accordance with the national legislation of the Parties.
2. A special permit is required for the transport of dangerous and perishable goods by motor-vehicles within the territory of the Parties.

Article 6. Driving Licences and Certificates of Roadworthiness

Driving licences, certificates of roadworthiness and official registration documents for motor-vehicles issued by the competent authority of one Party and valid on its territory shall be recognized on the territories of other Parties.

Article 7. Infringements

In the event of any infringement of the provisions of this Technical Annex by a carrier of a Party, the Party on whose territory the infringement occurred shall be obliged as soon as possible to notify the other Party which shall take such measures as provided for by its national legislation. These Parties shall inform each other of all the sanctions imposed by them.

Article 8. Fiscal matters *

When carrying out transport in accordance with this Technical Annex, the following items imported onto the territory of any Party shall be mutually exempted from customs duties, charges, taxes:

1. Motor fuel and lubricants within the norms stipulated by the internal legislation of a Party contained in standard tanks of a vehicle installed by the manufacturer;
2. Spare parts and tools designated for repair of the damaged motor-vehicle which carries out such transport.

Unused spare parts are subject to re-export and replaced spare parts must be re-exported, destroyed or turned in according to the procedures established on the territory of the relevant Party.

* *not to be applied with respect to the Republic of Bulgaria and Romania in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07*

TECHNICAL ANNEX ON INTERNATIONAL RAILWAY TRANSPORT TO THE BASIC AGREEMENT

Article 1. General Provisions

The provisions of this Technical Annex shall regulate the international railway transport of goods and passengers:

- a. Bilateral, between the Parties;
- b. In transit, through the territories of the Parties.

Article 2. Definitions

For the purpose of this Technical Annex, terms have the following meaning:

1. the term "national railway company" means any legal person, which is established in one of the Parties and has a legal access in the country of establishment to international railway transport in accordance with national legislation;
2. the term "train" means a locomotive and/or wagons registered in one of the Parties, which are used and equipped for the transport of goods and/or passengers;
3. the term "transport" means the movement of freight and passenger trains by railway, even in those cases when a part of the transport is carried out by waterways.

Article 3. Implementation of the Technical Annex

Bodies responsible for the implementation of the provisions of this Technical Annex are enumerated in Appendix 1 to this Technical Annex.

Article 4. Preferential Terms and Tariffs*

Preferential terms and tariffs shall be established in accordance with Articles 6 and 8 of the Basic Agreement and Appendix 2 to this Technical Annex.

Article 5. Documents

The Parties shall recognize the licences for carrying out transport, freight forwarding and other activities, issued in accordance with the national regulations of the Parties, as well as the certificates and other documents for operation and convoy of trains on the territories of the Parties.

Article 6. Cooperation Objectives

1. The Parties shall cooperate at the governmental level:
 - a. To develop international railway transport, including multimodal connections;
 - b. To maintain and develop the railway connections, established between the national railway infrastructures of the Parties and the mutual organizational management of national railway systems;

* *Not to be applied with respect to the Republic of Kazakhstan in accordance with the Reservation to the Basic Multilateral Agreement*

- c. To establish direct economic relations, including the joint use of terminals and warehouses between the national railway companies and other related enterprises on the most preferential terms;
- d. To open representations of national railway companies on the territories of the Parties;
- e. To exchange information including statistical data.
- 2. The Parties shall cooperate at the level of competent authorities:
 - a. To facilitate border crossing operations;
 - b. To provide energy resources for international railway transport;
 - c. To work out the agreed methods of cost calculation as a basis of preferential tariffs and common operational rates;
 - d. To establish a system of liability for infringement of the technological parameters of the transport operations, loading and unloading, return of trains, belonging to national railway companies of the Parties as well as for environmental pollution;
 - e. To perform obligations on acquisition, repair of trains, containers, equipment and machinery mutually agreed by the national railway companies;
 - f. To develop training of railway personnel based on international training standards;
 - g. To render assistance to railway personnel during its stay and when on duty on the territory of another Party, and in case of sudden illness or injury, to render free first medical aid.

Appendix 1 was amended in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07 (in effect as of 4 April 2010 with respect to the Republic of Bulgaria, the Republic of Azerbaijan, the Republic of Armenia, Romania and Georgia)

APPENDIX 1 TO TECHNICAL ANNEX ON INTERNATIONAL RAILWAY TRANSPORT

Responsible bodies according to Article 3 of the Technical Annex on international railway transport are:

1. For the Republic of Armenia - State closed joint stock company "The Railway of the Republic of Armenia".
2. For the Republic of Azerbaijan - Azerbaijan State Railway.
3. For the Republic of Bulgaria – Ministry of Transport of the Republic of Bulgaria.
4. For Georgia - Department of Railway Transport.
5. For the Republic of Kazakhstan - Republic State Enterprise "Kazakhstan Temir Zholy".
6. For the Kyrgyz Republic - Department of Kyrgyz Railway.
7. For the Republic of Moldova - State Enterprise "Railway of Moldova".
8. For Romania - Ministry of Transport of Romania.
9. For the Republic of Tajikistan - Tajikistan Railway Administration.
10. For the Republic of Turkey - State Railways Administration (TCDD).
11. For the Ukraine - The Ukrainian Railways "Ukrzaliznytsya".
12. For the Republic of Uzbekistan - State-Shareholder's Railway Company "Uzbekiston Temir Yullary".

Appendix 2 was amended in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor of 9 October 2003 (in effect as of 23 November 2011 with respect to the Republic of Azerbaijan, the Republic of Bulgaria, Romania and Georgia)

APPENDIX 2 TO TECHNICAL ANNEX ON INTERNATIONAL RAILWAY TRANSPORT*

Pursuant to Article 4 of the Technical Annex on International Railway Transport, the following preferential terms and tariffs apply for the Parties to the Basic Agreement:

- a. Up to 50% discount on the full current tariffs for transport of goods by railway, except on preferential tariffs existing in relevant agreements and contracts;
- b. For transport of empty wagons by train ferry, up to 50% reduction on the full current tariffs.
- c. *to apply VAT zero-rate on railway transport services on international and transit railway connection, including transportation, forwarding, loading/unloading and storage services.*

Payment for transport of empty wagons by train ferry is to be made by the consignor directly to the owners of ferries or to forwarders having a contract with the owners of ferries.

* *Provisions of the Appendix 2 are not to be applied with respect to the Republic of Kazakhstan and Romania in accordance with the reservations to the Basic Multilateral Agreement.*

Not to be applied with respect to the Republic of Bulgaria in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07

The Technical Annex was amended in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07 (in effect as of 4 April 2010 with respect to the Republic of Bulgaria, the Republic of Azerbaijan, the Republic of Armenia, Romania and Georgia)

TECHNICAL ANNEX ON INTERNATIONAL COMMERCIAL MARITIME NAVIGATION TO THE BASIC AGREEMENT

Article 1. General Provisions

The provisions of this Technical Annex shall regulate the international commercial maritime navigation between the Parties and in transit through the territories of the Parties effected by vessels of any Party.

Article 2. Definitions

For the purpose of this Technical Annex terms have the following meaning:

1. The term "Vessel ", means any merchant vessel entered in the Register Book or in any other official list of a Party and sailing under the flag of this Party in accordance with its legislation. However, this term does not include:
 - a. Warships and vessels used for non commercial purposes;
 - b. Fishing boats.
2. the term "Crew Member" means the master and any person occupied on board the ship with functions connected with steering, exploitation and servicing of the vessel and included in the crew list of this vessel within the period of the voyage.

Article 3. Facilitation of Transport

The Parties shall adopt, within the limits of their respective national legislation, all appropriate measures to facilitate commercial maritime transport, to prevent unproductive delays to vessels and to expedite and simplify as much as possible the carrying out of customs formalities required in ports.

Article 4

1. The Parties shall promote the development of merchant shipping, following the principles of equality in rights.
2. When carrying goods and passengers the Parties shall promote close cooperation between their freight, shipping and related enterprises and organizations.

Article 5. Development of International Commercial Maritime Navigation.

1. The Parties shall:
 - a. Promote the participation of vessels belonging to the Parties in maritime transport and transport on inland waterways between the ports of the Parties as well as the use of sea routes and inland waterways of the Parties when carrying the transit goods of third countries and remove any difficulties in this field;
 - b. Guarantee free access on the land side to multimodal transport, without prejudice to the legislation of the host Party.

2. The provisions of this Article shall not prejudice the right of vessels of third countries to take part in carriage between the ports of the Parties.

Article 6

The Parties shall, in accordance with their legislation in force, render necessary assistance to the shipping and related enterprises and commercial organizations of any Party in opening of lines to ports or from ports of another Party as well as in establishment of their representatives or joint ventures on the territory of another Party.

Article 7

The Parties shall apply their efforts for maintenance and development of effective business relationships between their authorities managing the matters of commercial maritime navigation and shall promote the contacts between their relevant enterprises and organizations, including the following issues:

- a. Effective use of merchant fleet and ports, expansion of economic and scientific relations;
- b. Exchange of information and experience of work in various maritime operations for the purpose of speeding up and easing of transport flows on sea routes;
- c. Coordination of policies regarding activities in international organizations involved in problems of commercial maritime navigation and participation in international agreements on maritime transport.

Article 8

Each Party, shall abstain from any discriminatory measures with respect to the vessels of another Party carrying out liner and tramp navigation between the Parties.

Article 9. Favorable Treatment

1. Each Party shall grant favorable treatment in its ports open to foreign commerce and navigation, to vessels of another Party.
2. The provisions of clause 1 of this Article shall apply to customs formalities, the levying of charges and port duties, freedom of access to the ports and the use of their capacities, as well as to all facilities afforded to navigation and commercial operations in respect of vessels, crew members, goods and passengers.
3. The provisions of clause 1 of this Article:
 - a. Do not apply to the ports closed for foreign vessels;
 - b. Do not apply to sea cabotage and other activities reserved for own citizens and organizations only;
 - c. Do not oblige any Party to extend the exceptions to the rules on compulsory pilotage accorded to its own vessels to the vessels of another Party.
4. *The provisions of this Article shall not apply to advantages granted by the Republic of Bulgaria and Romania in virtue of their membership in the European Union to the Member State of this Union or to any third country.*

Article 10. Documents

1. Any Party shall recognize the documents certifying the nationality of the vessels and other ship's documents, issued or recognized by another Party.

2. Vessels of any Party provided with the measurement certificates in accordance with the International Convention on Ship Measurement of 1969 shall be released from re-measuring in the ports of another Party and this Certificate shall be assumed as a basis when calculating port duties.

Article 11. Environmental Protection

1. Vessels of Parties shall take necessary measures to prevent environmental damage within the territory of any Party according to the International Regulations.
2. Vessels belonging to owners from any Party shall be liable for any damage referred to in clause 1 of this Article, according to the legislation of the country in which the environmental damage has occurred and according to international agreements.

The Technical Annex was amended in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor of 9 October 2003 (in effect as of 23 November 2011 with respect to the Republic of Azerbaijan, the Republic of Bulgaria, Romania and Georgia)

TECHNICAL ANNEX ON CUSTOMS AND DOCUMENTATION PROCEDURES TO THE BASIC AGREEMENT*

Article 1. General Provisions

1. The Provisions of this Technical Annex shall regulate the customs and documentation procedures in the international transport of goods and passengers through the territories of the Parties.
2. In all cases not regulated by this Technical Annex the national legislation of the relevant Party shall be applied.

Article 2. International Conventions

1. It is recommended to the Parties to accede as soon as possible to the following International Conventions:
 - a. Customs Convention on International Transport of Goods under cover of TIR Carnets 1975;
 - b. International Convention on the Harmonisation of Frontier Controls on Goods 1982;
 - c. Customs Convention on Containers 1972.
2. The Parties shall agree to manage their activities according to provisions envisaged by the Conventions listed in clause 1 of this Article.

Article 3. Customs Control

1. Customs control shall be performed at specially designated posts of Customs control.
2. Customs officials alone shall have the powers to stop and examine goods in international transport through the territories of the Parties within their own territories.

Article 4. Documentation Procedures

1. Each Party shall retain the customs declaration for goods as the key customs document.
2. A harmonised format for the customs declaration for goods, in the UN aligned form, shall be developed and introduced within the territories of the Parties.
3. Harmonised UN aligned commercial documentation accompanying the goods in bilingual form shall be introduced for use within the territories of the Parties as soon as possible.
4. The Parties shall promote the establishment and development of licensed services of customs brokers.
5. *The Parties will not apply customs deposits, bank guarantees, financial risk insurance policies, railway guarantees for transit of goods by railway transport.*

* *not to be applied with respect to the Republic of Bulgaria and Romania in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07*

TECHNICAL ANNEX
ON THE INTERNATIONAL CUSTOMS TRANSIT PROCEDURES IN THE
CORRIDOR EUROPE - THE CAUCASUS - ASIA FOR THE CARRIAGE OF GOODS
BY RAIL USING THE “SMGS” RAILWAY BILL TO THE BASIC AGREEMENT*

The Technical Annex was put in force by the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor of 9 October 2003 (in effect as of 23 November 2011 with respect to the Republic of Azerbaijan, the Republic of Bulgaria, Romania and Georgia)

Article 1
General provisions

The provisions of this Technical Annex shall regulate the international customs transit procedures for the carriage of goods by rail in the frame of “Basic Multilateral Agreement on international transport for development of the Europe – the Caucasus – Asia corridor” using the SMGS railway bill:

- a) bilateral, between the Parties;
- b) in transit, through the territories of the Parties.

Article 2
Definitions

For the purpose of this Technical Annex terms have the following meaning:

- a) "international customs transit" - means a customs procedure under which goods are carried across one or more frontiers under customs controls from a customs office of departure to a customs office of destination;
- b) "SMGS Agreement" - means the Agreement on International Goods Transport by Rail, which entered into force on 01.11.1951 with changes and editions on 01.01.1998;
- c) "railway bill" - means the SMGS Railway bill subject to the Agreement on International Goods Transport by Rail; the railway bill may consist of a system of electronic exchanges of data;
- d) " competent authorities " - means the customs authority or any other authority responsible for applying of this Technical Annex;
- e) " customs office of departure " - means any customs office in a country, where an international customs transit operation begins in respect of all or part of a consignment;
- f) " customs office of destination " - means any customs office in a country, where an international customs transit operation ends in respect of all or part of a consignment;
- g) " customs office of transit " - means any customs office, through which a consignment enters or leaves the territory of a Party during an international customs transit operation;
- h) " customs payments " - means the customs duties and all other duties, taxes, fees and other charges which are collected on, or in connection with the importation or exportation of goods, but not including fees and charges limited in amount to the approximate cost of services rendered;

** not to be applied with respect to the Republic of Bulgaria and Romania in accordance with the Protocol on amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe the Caucasus-Asia Corridor in respect of the new status of the Republic of Bulgaria and Romania acceded to the EU on 1 January 2007 of 13.12.07*

i) "principal" - means a private individual or legal entity which itself or, if need be, by means of an authorized representative, manifests through a declaration designed for this purpose a willingness to carry out an international customs transit operation;

Article 3 Objective

The objective of this Technical Annex is to establish the TRACECA international customs transit procedure for the carriage of goods undertaken by railway transport, with usage of SMGS Railway bill.

Article 4 Scope

Each Party recognizes the SMGS Railway bill, used in accordance with the provisions of this Technical Annex, as a customs transit document.

Article 5 Modification of the railway bill

For the purposes of this Technical Annex, the railway bill may not be modified in form or content without the prior agreement of an Intergovernmental Commission "TRACECA".

Article 6 Legal value

1. A railway bill used in accordance with this Technical Annex and indemnifications measures taken by the competent authorities of a Party shall have the same legal effect in the other Parties as a railway bill used in accordance with the rules and identification measures taken by each Party's own competent authorities.
2. Finding reached by the competent authorities of the Party when inspections are carried out under this Technical Annex shall have the same probative force in the Parties as findings of each Party's own competent authorities.

Article 7 Mutual assistance

The competent authorities of the Party shall communicate to one another, insofar as their laws permit, all information available to them, which might contribute to the satisfactory application of this Technical Annex.

As a result, the competent authorities shall communicate to one another all findings, documents, reports, and records of proceedings and information relating to transit operations carried out under the cover of a railway bill, and to infringements and irregularities, which have occurred in the course of or in connection with such operations.

Article 8 Control of records

1. National railway companies of each Party, if it is necessary, in accordance with the national legislation supply the competent authorities of the Parties in which they established with copies of the transport documents, which they have at their disposal.

2. National railway companies must arrange to keep the transport documents, which they have at their disposal for at least one year.

Article 9 Responsibilities

1. A national railway company which accepts goods for carriage under TRACECA international Customs transit procedures shall be a principle and shall as such be responsible to the competent authorities of the Party whose territory is entered in the course of such carriage for the proper conduct of the international Customs transit operation.

2. Where a consignment is accepted for carriage from a railway company of a third country, national railway company which takes over the consignment under international Customs transit procedures shall when that consignment enters the territory of the Parties become a principal and be responsible to the competent authorities of the Parties whose territory is entered in the course of such carriage for the proper conduct of the international Customs transit operation.

3. National railway companies of the Parties shall be jointly and strictly responsible with national railway companies referred to in paragraphs 1 and 2 to the competent authorities of the Parties for the proper conduct of International Customs transit operations entering the territories of the Parties.

4. In accordance with the responsibilities stipulated in paragraphs 1 to 3, national railway companies shall be liable for any Customs payments, which may become due as a result of an infringement or irregularity committed by national railway company in the course of or in connection with the undertaken transit operation.

Article 10 Exemption from duties and taxes

A national railway company responsible for the proper conduct of an international Customs transit operation in accordance with the provisions of this Technical Annex shall be exempted from Custom payments in relation to goods which:

a) Have been destroyed as a result of force majeure or unforeseeable circumstances, duly established;

b) Are recognized as missing for reasons deriving from their nature and characteristics, including natural wear or shrinkage under normal conditions of transport.

Article 11 Guarantee waiver

For the purpose of applying this Technical Annex, national railway companies of the Parties shall be exempted from the obligation to furnish a guarantee.

Article 12
Label

National railway companies shall ensure that when consignments are carried by rail under International Customs transit procedures in accordance with the provisions of this Technical Annex, that the Railway bill bears a special mark (stamp), a specimen of which is given in Appendix 1.

Article 13
Amendment of the carriage contract

If it necessary, national railway companies shall be permitted to modify a carriage contract only with prior agreement from Customs in accordance with a written statement of consignee or consignor of goods.

Article 14
Formalities on departure

At the start of a transport operation the railway bill shall be presented to Customs at the office of departure together with the documents required for the custom purpose of completing formalities and controls.

Article 15
Identification measures

As a general rule, and having regard to identification measures applied by a national railway company, Customs at the office of departure may not apply additional measures of identification.

Article 16
Waiver of Formalities at the Customs office of transit

Pursuant to this Technical Annex, simplified procedures are carried out at Customs offices of transit, active on the territories of contracting parties, i. e. representing to the customs offices of transit in these countries SMGS railway bill, which should contain all necessary information for custom purposes.

The competent authorities as documents enabling them to check the proper conduct of transit operations shall treat the transport documents provided for in article 8.

Article 17
Formalities at the Customs office of destination

In accordance with rules, acting on the territory of the Parties, SMGS railway bill should be submitted to the Customs office of destination.

The Customs office of destinations shall forthwith return the railway bill to the railway company after stamping sheet 1 and shall retain the additional copy of the freight bill.

Article 18
Infringements and irregularities

Where an infringement or irregularity is committed in the course of the connection with an International Customs transit procedure, culpable persons will be held responsible to these

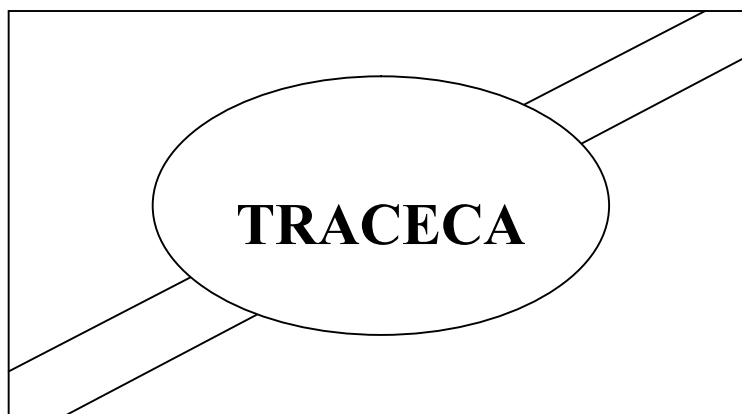
competent authorities of the Party in the territory of which the infringement or irregularity was committed.

Article 19 Additional facilities

This Technical Annex shall not prevent the application of additional facilities which Parties grant or may wish to grant either by unilateral provisions or by virtue of bilateral or multilateral agreements provided that such facilities do not impede the application of the provisions of this Technical Annex.

Appendix 1

An example of a mark (stamp)
(In accordance with Article 12)



(White mark on blue background)
size 5,0 cm X 3,0 cm

Reservation of the Republic of Bulgaria to the Technical Annex on the International Customs Transit Procedures in the corridor Europe - the Caucasus - Asia for the carriage of goods by rail using the "SMGS" railway bill to the Basic Multilateral Agreement on International Transport for Development of the Europe- the Caucasus- Asia Corridor

1. For the Republic of Bulgaria the text of the Article 9, item 4 is acceptable with the following correction "In accordance with the responsibilities stipulated in paragraphs 1 to 3q national railway companies shall be liable for any Customs payments, which may become due as a result of an infringement or irregularity committed in the course of or in connection with the undertaken transit operation".
2. Concerning Article 17, paragraph 2: In relation of the Republic of Bulgaria, the procedure should be applied as follows: "The Customs office of destinations after drawing up SMGS railway bill shall forthwith return the railway bill to the railway company after stamping sheet 2 and keeping up sheet 4 and the necessary documents".

**Deputy Prime Minister and
Minister of Transport and Communications
of the Republic of Bulgaria**

Nikolay Vassilev

**Reservation of Georgia
to the Protocol on Amendments to the Basic Multilateral Agreement on International Transport
for Development of the Europe- the Caucasus-Asia Corridor**

Regarding clause 3 of the said Protocol, Georgia will consider the issue after appropriate amendments to the “Tax Code of Georgia”.

**Head of Delegation of Georgia
09.10.2003
Yerevan**

M. Adeishvili

**Reservation of the Republic of Kazakhstan
to the Protocol on Amendments to the Basic Multilateral Agreement on International Transport
for Development of the Europe- the Caucasus-Asia Corridor**

Clauses 2 and 4 of the Protocol could not be accepted by Kazakhstan Party due to the fact, that Basic Multilateral Agreement was signed with reservation on railway transport.

**Head of Delegation of the Republic of Kazakhstan
09.03.2003
Yereven**

Baydauletov N.T.

**Reservation of the Republic of Turkey
to the Protocol on Amendments to the Basic Multilateral Agreement on International Transport
for Development of the Europe- the Caucasus-Asia Corridor**

Regarding the article 4 of the said protocol, Turkey will consider this issue when it becomes a party to the SMGS Agreement.

**Head of Turkish delegation
09.10.2003**

**Reservation of the Ukraine
to the Protocol on Amendments to the Basic Multilateral Agreement on International Transport
for Development of the Europe- the Caucasus-Asia Corridor**

Supporting Protocol’s positions, Ukraine does not consider the necessary for itself to make them as amendment to the Basic multilateral Agreement.

The Protocol’s positions are realized by the Government of Ukraine by means of the national legislation for all 6 international transport corridors which cross the territory of Ukraine.

**Head of Delegation of Ukraine
Deputy Minister of transport**

S. Krol’

**Reservation of the Republic of Uzbekistan
to the Protocol on Amendments to the Basic Multilateral Agreement on International Transport
for Development of the Europe- the Caucasus-Asia Corridor**

1. The Republic of Uzbekistan shall consider the issues stipulated in paragraph 1 of the Protocol on bilateral basis.
2. Paragraph 4 of the Protocol shall be accepted without extending to the Republic of Uzbekistan the obligations, stipulated in paragraph 1 of Article 8, paragraph 4 of Article 9, and with replacement of “Inter-Governmental Commission of TRACECA” by “OSJD Committee” in Article 5 and replacement of “the railway companies” by “cosigner” in Article 12 of the Technical Annex.

**The Ambassador Extraordinary and
Plenipotentiary of the Republic of Uzbekistan to
the Republic of Azerbaijan**

Abdugafur ABDURAKHMANOV

**Declaration of Romania
to the Protocol on Amendments to the Basic Multilateral Agreement on International Transport
for Development of the Europe- the Caucasus-Asia Corridor**

In respect of Romania the phrase “to apply VAT zero-rate” mentioned in paragraph 3 of the Protocol on Amendments to the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor, adopted at Yerevan on the 9th of October 2003, shall be interpreted as “the application of exemptions from value-added tax with the right of deduction for service providers” in accordance with the relevant provisions of the domestic law.