

WORLD TRADE ORGANIZATION

RESTRICTED

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Committee on Regional Trade Agreements

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FREE TRADE AGREEMENT BETWEEN THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA AND SLOVENIA

The following text reproduces the Agreement between the Republic of Slovenia and the Former Yugoslav Republic of Macedonia.¹

PREAMBLE

The Republic of Slovenia and the Republic of Macedonia (hereinafter called the Parties),

Committed to strengthening their economic cooperation, as well as promoting the development of trade cooperation in order to increase the volume of mutual trade and achieve better harmonization and structure of trade;

Confirming the objectives specified in the Agreement on Economic Cooperation signed on 25 February 1992 on mutually beneficial economic and trade relations between the two countries;

Reaffirming their commitment to pluralistic democracy based on the rule of law, human rights and fundamental freedoms;

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

Reaffirming their firm commitment to the principles of a market economy, which constitutes the basis for their relations,

Resolved to this end to eliminate progressively the obstacles to substantially all the mutual trade in accordance with the provisions of the General Agreement on Tariffs and Trade,

Firmly convinced that this Agreement will foster the intensification of mutually beneficial trade relations among them and contribute to the process of integration in Europe;

Considering that no provision of this Agreement may be interpreted as exempting the Parties from their obligations under other international agreements, especially the General Agreement on Tariffs and Trade,

Have decided as follows:

¹The Annexes and Protocols thereto have been submitted to the Secretariat for consultation by interested Members (Office 3006).

Article 1

Objectives

1. The Parties shall gradually establish a free-trade area in a transitional period ending on 1 January 2000 at the latest in accordance with the provisions of this Agreement and in conformity with Article XXIV of the General Agreement on Tariffs and Trade.
2. The objectives of this Agreement are:
 - (a) to promote through the expansion of trade the harmonious development of the economic relations between the Parties and thus to foster the advance of their economic activity, the improvement of living and employment conditions, and increased productivity and financial stability,
 - (b) to provide fair conditions of competition in trade between the Parties,
 - (c) to contribute by removing barriers to trade, to the harmonious development and expansion of world trade.

CHAPTER I

Industrial Products

Article 2

Scope

The provisions of this Chapter shall apply to industrial products originating in the Parties. The term "industrial products" means for the purpose of this Agreement the products listed in Chapters 25 to 97 of the Harmonized Commodity Description and Coding System.

Article 3

Customs duties on imports

1. No new customs duty on imports shall be introduced in trade between the Parties.
2. Customs duties on imports applicable in the Republic of Slovenia to products originating in the Republic of Macedonia shall be abolished on the date of entry into force of this Agreement.
3. Customs duties on imports applicable in the Republic of Macedonia to products originating in the Republic of Slovenia shall be abolished in accordance with the provisions in Protocol 1.

Article 4

Basic duties

1. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the Most Favoured Nation rate of duty applicable one day prior to the signing of this Agreement.

2. If, after entry into force of this Agreement, any tariff reduction is applied to an *erga omnes* basis, in particular reductions resulting from the tariff agreement concluded within the World Trade Organization, such reduced duties shall replace the basic duties referred to in paragraph 1 as from that date when such reductions are applied.
3. The reduced duties calculated in accordance with paragraph 2 shall be rounded to a whole number.
4. The Parties shall communicate to each other their respective customs duties.

Article 5

Special customs duties

1. No new special customs duties on imports shall be introduced in trade between the Parties.
2. The Republic of Macedonia shall abolish all special customs duties, except 1 per cent rate of fee registration as provided for in Protocol 1.
3. The Republic of Slovenia shall abolish all special customs duties on imports of products originating in the Republic of Macedonia on the day of entry into force of this Agreement

Article 6

Fiscal duties

The Parties shall neither apply nor introduce any customs duties of a fiscal nature.

Article 7

Customs duties and special customs duties on exports

1. No new customs duties or special customs duties on exports shall be introduced in trade between the Parties.
2. The Parties shall abolish between them all customs duties and special customs duties on exports on the date of entry into force of this Agreement.

Article 8

Quantitative restrictions on imports and measures having equivalent effect

1. No new quantitative restrictions on imports or measures having equivalent effect shall be introduced in trade between the Parties.
2. All quantitative restrictions and measures having equivalent effect on imports of products originating in the Parties shall be abolished on the date of entry into force of this Agreement.

Article 9

Quantitative restrictions on exports and measures having equivalent effect

1. No new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the Parties.
2. All quantitative restrictions and measures having equivalent effect on exports of products originating in the Parties shall be abolished on the date of the entry into force of this Agreement.

Article 10

Elimination of technical barriers to trade

1. The Parties shall co-operate and exchange information in the field of standardization metrology, assessment of conformity and accreditation with the aim of reducing technical barriers to trade.
2. For the purpose of eliminating and achieving effective implementation of this Agreement, the Parties may on the basis of this Agreement conclude an agreement on mutual recognition of test reports, certificates of conformity and other documents directly or indirectly related to conformity assessment of products which are the subject of trade between the Parties on the basis of regulation in force in the importing country.
3. A specification of conditions and methods for conformity assessment shall be prepared in mutual agreement by the competent national authorities for the carrying out of procedures of conformity assessment on the basis of the regulations in force in the exporting state.

CHAPTER II

Agricultural and Food Products

Article 11

Scope

1. The provisions of this Chapter shall apply to agriculture and food products originating in the Parties.
2. The term "agricultural and food products" means for the purpose of this Agreement the products listed in Chapters 1 to 24 of the Harmonized Commodity Description and Coding System.

Article 12

Exchange of concessions

1. The Parties grant each other the concessions specified in Protocol 2 in accordance with provisions of this Chapter and provisions of this Protocol.

2. The Parties shall, taking into account the role of agriculture in their economies, the development of trade in agricultural and food products between the Parties, the particular sensitivity of the agricultural and food products, the rules of their agricultural policy, the consequences of the multilateral trade negotiations under the General Agreement on Tariffs and Trade, examine the possibilities for further mutual granting of concessions.

Article 13

Concessions and agricultural policy

1. The provisions of this Chapter shall not restrict in any way the pursuance of the respective agricultural policies of the Parties or the adoption of any measures under such policies including the implementation of the respective provisions of the Agreement Establishing the World Trade Organization, on condition that the concessions granted on the basis of Article 12 and their value are maintained.

2. The Parties shall notify the Joint Committee of changes in their agricultural policy or of measures which may affect the conditions of agricultural and food trade between them as provided for in this Agreement. Prompt consultations shall be held, upon the request of any Party, to examine the newly-arisen situation.

Article 14

Specific safeguard measures

Notwithstanding other provisions of this Agreement and in particular Article 27, if, because of the particular sensitivity of agricultural and food products, imports of products originating in a Party, which are the subject to concessions granted under this Agreement, cause serious disturbance to the markets of the other Party, the Parties shall enter into consultations immediately to find an appropriate solution. The Party concerned may, if so required by circumstances, take measures it deems necessary for a specified period of time, or until the market disturbances disappear, or until the Parties find a joint solution.

These measures may not, however, bring about market access conditions applying to goods originating in Parties that would be worse than the conditions applying to goods originating in third countries, in accordance with the Most Favoured Nation principle.

Article 15

Sanitary and phytosanitary measures

1. The Parties shall apply their regulations in veterinary, the health of plants and people, in particular to the information system that deals with the development of infectious diseases of domestic animals, quarantine diseases, plant pests and weeds, as well as in the adjustments of similar documents in trade and transportation of goods.

2. The Parties shall apply their regulations in veterinary, the health of plants and people in a non-discriminatory way and shall not introduce any new measures that would needlessly obstruct trade.

CHAPTER III

General Provisions

Article 16

Rules of origin of goods and co-operation in customs administration

1. Protocol 3 lays down the rules of origin of goods and related methods of administrative co-operation.
2. The Parties shall take appropriate measures, including regular meetings by the Joint Commission specified in Article 34 of this Agreement and arrangements for administrative co-operation, to ensure that the provisions of Protocol 3 and Articles 3 to 10, 12, 17 and 28 of the Agreement are effectively and harmoniously implemented, and to reduce, as far as possible, the formalities imposed on trade, and to find mutually satisfactory solutions to any difficulties resulting from the implementation of these provisions.

Article 17

Internal taxation

1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, an unequal distinction between the products origination in the Parties.
2. For products exported into either Party, the reimbursement of internal taxation whose amount is higher than their prescribed indirect or direct taxation shall not be permitted to be claimed.

Article 18

General exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on the grounds of:

- public morality, public policy or public security;
- the protection of human, animal or plant life or health;
- the protection of national treasures possessing artistic, historic or archaeological value;
- protection of intellectual property;
- rules relating to gold or silver;
- environmental protection, including of conservation of non-renewable resources if such measures are in relation to restrictions in domestic production or consumption, and if they are in accordance with international agreements.

Such prohibitions or restrictions shall not, however, constitute means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 19

Security and protection exceptions

1. Nothing in this Agreement shall prevent a Party from introducing any measure which it considers necessary;
 - (a) to prevent the disclosure of data contrary to its essential security interests;
 - (b) for the protection of its essential security interests or for the implementation of international obligations or national policy;
 - (i) relating to trade in arms, ammunition and military equipment, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes, and to trade in other goods, materials and services the purposes of which is direct or indirect supply of the military; or
 - (ii) relating to the non-proliferation or control over trade in nuclear substances; or
 - (iii) in war time or other serious international tension.
2. In accordance with legislation valid in both countries on the types of goods to which a licence system applies for import or export in accordance with international agreements and conventions, the responsible bodies in both countries shall issue licences for import or export.
3. In the event of international trade in goods which pollute the environment of people and which originate in the Parties, the Parties shall apply the provisions and regulations prescribed by international agreements and conventions.

Article 20

State monopolies

1. The Parties shall adjust progressively any State monopoly of a commercial character so as to ensure that by the end of the fifth year after the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Parties. The Joint Committee shall be informed of the measures adopted to achieve this objective.
2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties. These provisions shall also apply to the monopolies that have been transferred by the State to others.

Article 21

Payments

1. Payments in freely convertible currencies relating to trade in goods between the Parties and the transfer of such payments to the territory of the Party to this Agreement where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any exchange or administrative restrictions on the grant repayment or acceptance of short and medium term credits to trade in goods in which a resident participates.

3. Notwithstanding the provisions of paragraph 2, until Article VIII of the Articles of Agreement of the International Monetary Fund becomes applicable for the Parties, the Parties reserve the right to apply exchange restrictions on the grant or acceptance of short and medium term credits related to trade in goods to the extent permitted according to their status in the International Monetary Fund, provided that these restrictions are applied in a non-discriminatory manner as regards the origin of the products and that they are not applied only to specific products or kind of products. The restrictions shall be of limited duration and shall be eliminated when conditions no longer justify their maintenance. The Parties shall immediately inform the Joint Commission of the introduction of such measures and of any changes therein.

Article 22

Rules of competition concerning undertakings

1. The following items are incompatible with the proper functioning of this Agreement if they affect trade between the Parties:

- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
- (b) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.

2. The provisions of paragraph 1 shall apply to the activities of all undertakings including public undertakings to which the Parties grant special or exclusive rights. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to provisions of paragraph 1 insofar as the application of these provisions does not obstruct the performance, in law or fact, of the particular public tasks assigned to them.

3. With regard to products referred to in Chapter II, the provisions stipulated in paragraph 1(a) shall not apply to such agreements, decisions and practices which form an integral part of a national market organization.

4. If a Party considers that a given practice is incompatible with paragraphs 1, 2 and 3 of this Article and if such practice causes or threatens to cause serious damage to the interest of that Party or material injury to its domestic industry, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 31.

Article 23

State aid

1. Any aid granted by a State being a Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, if it affects trade between the Parties, be incompatible with the proper functioning of this Agreement.

2. The Joint Commission shall, within three years from the entry into force of this Agreement, adopt the criteria on the basis of which the practices contrary to paragraph 1 shall be assessed, as well as the rules for their implementation.

3. The Parties shall ensure transparency in the area of State aid, *inter alia* by reporting annually to the Joint Commission on the total amount and distribution of the aid given and by providing to the other Party, upon request, information on aid programmes and on individual cases of State aid.

4. If a Party considers that a particular practice:

- is incompatible with the provisions of paragraph 1, and is in appropriately dealt with under the implementing rules referred to in paragraph 3, or
- in the absence of such rules and if such practice causes or threatens to cause serious damage to the interest of that Party or material injury to its domestic industry,

it may take appropriate measures under the conditions and in accordance with the provisions laid down in Article 31.

5. Such appropriate measures may only be taken in conformity with the procedures and under the conditions laid down by the General Agreement on Tariffs and Trade, and any other relevant document negotiated under its auspices which are applicable between the Parties

Article 24

Government procurement

1. The Parties consider the liberalization of their respective government procurement markets as an objective of this Agreement.

2. The Parties shall develop their respective regulations for government procurement with a view to grant suppliers of the other Party by the end of the transitional period referred to in Article 1 of this Agreement, at the latest, access to contract award procedures on their respective government procurement markets according to the provisions of the Agreement on Government Procurement concluded within the World Trade Organization.

3. The Joint Commission shall examine developments related to the achievement of the objectives of this Article and may recommend practical modalities of implementing the provisions of paragraph 2 so as to ensure free access, transparency and full balance of rights and obligations.

4. During the examination referred to in paragraph 3, the Joint Commission may consider, especially in the light of developments in this area in international relations, the possibility of extending the coverage and/or the degree of the market opening provided for in paragraph 2.

5. The Parties shall endeavour to accede to the agreements on government procurement concluded under the auspices of the World Trade Organization.

Article 25

Protection of intellectual property

1. The Parties shall grant and ensure the protection of intellectual property rights on a non-discriminatory basis, including measures for granting and enforcing these rights. The protection

shall be gradually improved and, before the end of the fifth year after entry into force of this Agreement, it shall reach the level that meets the basic standards set out in multilateral agreements listed in Annex I.

2. For the purpose of this Agreement "intellectual property protection" includes in particular protection of copyright, comprising computer programs and databases, and related rights, trade marks, geographical indications, industrial samples and models, patents, technical and design improvements, topographies of integrated circuits, as well as undisclosed information on know-how and improvements.

3. Protection of topographies of integrated circuits ensured by any Party shall be granted on reciprocal basis.

4. The Parties shall co-operate in issues relating to intellectual property. They shall hold, upon request of any Party, expert consultations on these issues, in particular on activities relating to the existing of future international conventions on harmonization, administration and enforcement of intellectual property and on activities in international organizations, such as the World Intellectual Property Organization, as well as issues governed by the Agreement on Trade-Related Aspects of Intellectual Property Rights.

Article 26

Dumping

If a Party finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade (GATT 1994) is taking place in trade relations governed by this Agreement, it may take appropriate measures against the practice in accordance with Article VI of the General Agreement on Tariffs and Trade 1994 and other agreements related to that Article, under the conditions and in accordance with the procedure laid down in Article 31.

Article 27

General safeguard measures

1. Where any product is being imported in such increased quantities and under such conditions that it causes or may to cause:

- (a) serious injury to domestic producers of like or directly competitive products in the territory of the importing Party, or
- (b) serious disturbances in any related sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 31.

Article 28

Structural adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 3 may be taken by any Party in the form of increased customs duties.

2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produces important social problems.

3. Customs duties on imports applicable in the Party concerned to products originating in the other Party introduced by these measures may not exceed 25 per cent *ad valorem* and shall maintain an element of preference for products originating in the other Party. The total value of imports of the product which are subject to these measures may not exceed 15 per cent of total imports of industrial products from the other Party as defined in Chapter I during the last year for which statistics are available.

4. These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Joint Commission. They shall cease to apply at the latest at the expiration of the transitional period.

5. No such measures can be introduced in respect of a product if more than three years elapsed since the elimination of all duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product.

6. The Party concerned shall inform the Joint Commission of any exceptional measures it intends to take and, at the request of the other Party, consultations shall be held within the Joint Commission on such measures and the sectors to which they apply prior to their introduction. When taking such measures the Party concerned shall provide the Joint Commission with a timetable for the elimination of the customs duties introduced under this Article. The timetable shall provide for the gradual removal of these duties in equal annual rates starting at the latest two years after their introduction. The Joint Commission may decide on a different timetable.

Article 29

Re-export and serious shortage of goods

1. Where compliance with the provisions of Articles 7 and 9 leads to:

- (a) re-export towards a third country against which the exporting Party maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 31.

Article 30

Fulfilment of obligations

1. The Parties shall take any general or specific measures necessary to fulfil their obligations under this Agreement for the purpose of achieving the objectives of this Agreement.

2. If a Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 31.

Article 31

Procedure for the application of safeguard measures

1. Before initiating the procedure for the application of safeguard measures out in the following paragraphs of this Article, the Parties shall endeavour to solve any disagreements between them through direct consultations.

2. If, in the case of the import of products that may lead to a situation referred to in Article 27, a Party introduces an administrative procedure having as its purpose the rapid provision of information on the trend of trade flows, it shall inform the other Party of this.

3. Without prejudice to paragraph 7 of this Article, a Party which intends to resort to safeguard measures shall promptly notify the other Party thereof and supply all relevant information. Consultations between the Parties shall take place without delay in the Joint Commission in order to find a solution.

4. (a) If the Parties do not meet within thirty days or if they fail to find a common solution with regard to Articles 26, 27 and 29, the Party concerned may adopt appropriate measures in order to rectify the situation, and shall notify the other Party of this.
- (b) With regard to Article 30, the Party concerned may take appropriate measures after the consultations have been concluded or after a period of three months has elapsed from the date of the notification to the other Party.
- (c) With regard to Article 22 and 23, the Party concerned may require from the other Party to eliminate the practice objected to. If the other Party fails to put an end to the practice objected to or if the Parties fail to reach an agreement within sixty days, the Party concerned may adopt the appropriate measures for the purpose of overcoming the problems that have arisen due to such a practice.

5. The safeguard measures taken shall be notified immediately to the other Party. They shall be restricted with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation that led to their introduction and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures that will least disturb the functioning of this Agreement. The measures introduced by a Party against acts or failures to act by the other Party may affect trade with this Party exclusively.

6. The safeguard measures taken shall be the subject of periodic consultations within the Joint Commission with a view to their relaxation as soon as possible, or abolition when conditions no longer justify their application.

7. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 26, 27 and 29, apply forthwith the provisional measures necessary to remedy the situation. The measures shall be notified without delay and consultations between the Parties shall take place as soon as possible.

Article 32

Balance-of-payments difficulties

1. The Parties shall endeavour to avoid the introduction of restrictive measures including measures relating to restrictions on imports for balance-of-payments purposes.
2. Where a Party is in serious balance-of-payments difficulties, or under imminent threat thereof, the Party may, in accordance with the relevant provisions of the General Agreement on Tariffs and Trade, adopt restrictive measures, including measures related to imports, which shall be of limited duration and may not go beyond what is necessary to remedy the balance-of-payments situation. The measures shall be progressively relaxed as balance-of-payments conditions improves and they shall be eliminated immediately when conditions no longer justify their maintenance. The Party shall immediately inform the other Party of their introduction and of the time schedule for their removal, as soon as it is possible.

Article 33

Evolutionary clause

1. Where a Party considers that it would be in the interests of the economies of both Parties to develop and deepen the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a well-grounded proposal to the other Party. The Parties may instruct the Joint Commission to examine such a proposal and, where appropriate, to make recommendations, particularly with a view to commencing negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 shall be ratified or approved by the Parties in accordance with their internal legislation.

Article 34

The Joint Commission

1. The Joint Commission, established by Article 17 of the Agreement on Economic Co-operation between the Republic of Slovenia and the Republic of Macedonia, signed on 25 February 1992 in Ljubljana, shall in addition to the tasks specified by the aforementioned Article, administer and supervise the implementation of this Agreement.
2. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, upon request of any Party, consult each other within the Joint Commission. The Commission shall search and review the possibility of further removal of the obstacles to trade between the Parties.
3. The Joint Commission may take decisions in the cases provided for in this Agreement. On other matters the Commission may give recommendations.

Article 35

Procedures of the Joint Commission

1. For the proper implementation of this Agreement the Joint Commission shall meet whenever necessary but at least once a year. Each Party may request a meeting.

2. The Joint Commission shall adopt decisions and recommendations by common agreement.
3. If a representative in the Joint Commission of a Party to this Agreement has accepted a decision subject to the fulfilment of internal legal requirements, the decision shall enter into force, if no other date is contained therein, on the day the lifting of the reservation is notified.
4. The Joint Commission shall adopt its rules of procedure which shall, *inter alia*, contain provisions for convening meetings and for the designation of the Chairman and his term of office.
5. The Joint Commission may decide to set up subcommittees and working groups which considers can assist it in accomplishing in tasks.

Article 36

Trade relations governed by this and other Agreements

This Agreement shall not prevent the maintenance or establishment of customs unions, free-trade areas or arrangements for frontier trade to the extent that these do not negatively affect the trade regime and in particular the provisions concerning the rules of origin provided for in this Agreement.

Article 37

Annexes, Protocols, Changes and Amendments

1. Annexes and Protocols to this Agreement are an integral part of it. The Joint Commission may decide to change or amend Annexes and Protocols in accordance with the provisions of paragraph 3 of the Article 35.
2. Proposed changes and amendments to this Agreement other than those referred to in paragraph 3 of Article 34 which are approved by the Joint Commission shall be submitted to the other Party for adoption and shall enter into force when they are adopted by both Parties.

Article 38

Entry into force

This Agreement shall be approved by both Parties in accordance with their own procedures.

This Agreement shall enter into force on the first day of the second month following the date on which the Parties have notified each other in writing on the completion of the procedures, specified in the first paragraph.

Article 39

Provisional application

The Parties agreed to provisionally apply this Agreement as from the first day of the second month following the signing of this Agreement until this Agreement enters into force in accordance with Article 38.

Each Party may cease to apply this Agreement provisionally by submitting a written notification to the other Party. The provisional application of this Agreement shall cease to apply six months after the date of this notification.

Article 40

Validity and withdrawal

This Agreement shall be signed for an unspecified period of time.

Each Party may withdraw from this Agreement by submitting written notification to the other Party. The withdrawal shall take effect six months after the day of notification.

Article 41

As from the date of entry into force of this Agreement the provisions of Articles 3, 4 and 5 and the second paragraph of Article 7 of the Agreement on Economic Co-operation between the Republic of Slovenia and the Republic of Macedonia signed on 25 February 1992 in Ljubljana, shall cease to be in force.

DONE at Skopje, on 1 July 1996 in two copies in the Slovene and Macedonian languages, where both texts have equal authenticity.

For
The Republic of Slovenia

For
The Republic of Macedonia

RECORD OF UNDERSTANDING

1. According to this Agreement the term "customs duties" shall mean customs rates of duty on imports of goods applicable in the Parties.
2. According to this Agreement the term "special customs duties" shall mean the special duty for equalising tax burden of imported goods and the special duty on imported goods paid upon the imports of goods into the Republic of Macedonia, and the special duty upon the imports of agricultural and food products into the Republic of Slovenia and the Republic of Macedonia.

ANNEX I
(referred to in Article 25)

Multilateral Agreements on Intellectual Property

The multilateral Agreements mentioned in Article 25 are the following:

- Paris Convention of 20 March 1883 for the Protection of Industrial Property (Stockholm Act, 1967);
 - Bern Convention of 9 September 1886 for the Protection of Literary and Artistic Works (Paris, Act, 1971);
 - International Convention of 26 October 1961 for the Protection of Performers, Producers of Phonogram and Broadcasting Organizations (Rome Convention);
 - European Patent Convention of 5 October 1973.
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