

Azerbaijan Trade Relations Agreement

AGREEMENT ON TRADE RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF AZERBAIJAN

The United States of America and the Republic of Azerbaijan (hereinafter referred to collectively as "Parties" and individually as "Party"),

Recognizing that the development of bilateral trade may contribute to better mutual understanding and cooperation,

Taking into account the favorable implications for trade expansion of the economic restructuring and the development of a market-based economy in Azerbaijan,

Considering that expanded trade relations between the Parties will contribute to the general well-being of the peoples of each Party, and promote respect for internationally recognized rights of working people,

Acknowledging that the development of trade relations and direct contact between United States nationals and companies and Azerbaijani nationals and companies will promote openness and mutual understanding,

Considering that economic ties are an important and necessary element in the strengthening of their bilateral relations,

Reaffirming their desire to develop economic cooperation in accordance with the principles and provisions of the Final Act signed in Helsinki on the 1st of August, 1975, and other documents of the Conference on Security and cooperation in Europe, and in accordance with the Document of the Conference on Economic Cooperation in Europe held in Bonn in March-April 1990,

Being convinced that an agreement on trade relations between the two Parties will best serve their mutual interests, and

Desiring to create a framework which will foster the development and expansion of commercial ties between United States nationals and companies and Azerbaijani nationals and companies,

Have agreed as follows:

ARTICLE I

MOST FAVORED NATION AND NONDISCRIMINATORY TREATMENT

1. Each Party shall accord unconditionally to products originating in or exported to the territory of the other Party treatment no less favorable than that accorded to like products originating in or exported to the territory of any third country in all matters relating to:

- (a) customs duties and charges of any kind imposed on or in connection with importation or exportation, including the method of levying such duties and charges;
- (b) methods of payment for imports and exports, and the international transfer of such payments;
- (c) rules and formalities in connection with importation and exportation, including those relating to customs clearance, transit, warehouses and transshipment;
- (d) taxes and other internal charges of any kind applied directly or indirectly to imported products; and
- (e) rules concerning sale, purchase, transport, distribution, storage and use of products on the domestic market. o

2. Each Party has accorded no product originating in the territory of the other Party nondiscriminatory treatment with respect to the application of quantitative restrictions and the granting of licenses.

3. Each Party has accorded no import of product and service originating in the territory of the other Party nondiscriminatory treatment with respect to the allocation of the currency needed to pay for such imports.

4. The provision of paragraph 1, 2 and 3 has no application:

(a) advance accorded between the Parties by virtue of such Parties' fulfillment in a customs union of free trade area;

(b) advance accorded to the customs for the facilitation of frontier traffic;

(c) advance accorded to the customs in accordance with the Geneva Agreement on Tariff and Trade (the "GATT") and advance accorded to developing countries under the GATT and other international agreements; and

(d) action taken under Article XI (Market Disruption) of the Agreement.

ARTICLE II

GENERAL OBLIGATIONS WITH RESPECT TO MARKET ACCESS FOR PRODUCTS AND SERVICES

1. Recognizing the mutual benefit of trade liberalization on the basis of the Agreement and consistent with the most favored nation principle expressed in Article I, the Parties have on the basis of reciprocity and with the understanding that the trade liberalization will be mutual and reciprocal, and the service of the other Party and optimize mutual commitments including through the facilitation of reciprocal opening measures, the understanding from mutual trade negotiations. Taking the above into account and the understanding from the development of market mechanisms in Azerbaijan and the cooperation with the GATT and other international agreements, the Parties have agreed to increase export-import liberalization for products and services of the United States.

2. Trade in products, and services, shall be effected by consultation between the national and companies of the United States and the national and companies of Azerbaijan concluded in the exercise of their independent commercial judgment and on the basis of commercial considerations such as price, quality, delivery and terms of payment.

3. Neither Party shall encourage U.S. national companies or Azerbaijani national companies to engage in business or conduct trade transactions. Nevertheless, where the national companies decide to do so, the countries shall open the Parties will encourage them to fulfill their obligations to each other as necessary information to facilitate the transactions.

4. Each Party has accorded no product imported from the territory of the other Party, treatment not favorable than has accorded to like product originating in the customs territory of the other Party, technical regulation and standard including conformity marking and certification. Furthermore, the Parties have entered into technical, regulation and standard and no pre-established adopted or applied in a discriminatory manner with a view to creating obstacles to bilateral trade or to protect domestic production.

ARTICLE III

EXPANSION AND PROMOTION OF TRADE

1. The Parties affirm their desire to expand trade in products and services consistent with the terms of the Agreement. The Parties shall cooperate to encourage and facilitate the exchange of goods and services and to create favorable conditions for long-term development of trade liberalization between the United States, the national and companies and Azerbaijani national and companies.

2. The Parties shall cooperate to encourage the expansion of commercial relations with a view to increasing trade. In this regard, the Azerbaijani Parties expect that during the term of the Agreement,

Azerbaijan is a state company shall create their orders in the United States for production of services, while the United States Partyicipates shall be the effective of his Agreement shall be the creation of purchased by the United States is a state company for production of services from the Republic of Azerbaijan. Inward his end, the Parties shall publicize his Agreement to ensure that it is made available to interested parties.

3. The Parties shall be the creation of interested parties for business and for production of expanded machinery, equipment and technologies, including creation of favorable conditions to carry out such production.

4. Each Party shall be the creation of facilities and the holding of trade promotion activities such as fairs, exhibitions, missions and seminars in its territory and the territory of the other Party. Similarly, each Party shall be the creation of facilities and the participation of its respective state companies in such events. Subject to the laws and force with their respective territories, the Parties agree that with the import and re-export on a duty free basis of articles for use in such events, provided that such articles are not sold or otherwise transferred.

ARTICLE IV

GOVERNMENT COMMERCIAL OFFICES

1. Each Party shall allow government commercial offices to hire directly its security as a state, subject to its laws and procedures to ensure that they reside in the territory, hire security as a state.
2. Each Party shall ensure unhindered access for its security as a state to government commercial offices of the other Party. The
3. Each Party shall be the creation of its state companies in the activities of their respective government commercial offices, especially with respect to events held on the premises of such commercial offices.
4. Each Party shall create favorable conditions for access by government commercial office personnel to the other Party's security facilities as a basis for the federal authorities, representatives of state enterprises, institutions, foreign trade organizations, companies, joint ventures and other organizations.

ARTICLE V

BUSINESS FACILITIES

1. Each Party shall permit the establishment with its territory of commercial representation of state companies of the other Party and shall accord such representation as it sees fit as favorable as has accorded commercial representation of state companies and organizations of its territory. If either Party accredits commercial representation, the Party shall establish promptly an expedited accreditation procedure. In the event of this procedure, a certificate of accreditation shall be issued by the competent authorities of the Party for accreditation, in the case of a positive decision, issue a certificate of accreditation to commercial representation of the other Party within 60 days of the submission of such application. The accreditation procedure shall be administered with a goal of maximizing the participation of the market of the accrediting Party of companies ready to participate in the market, and the state companies. Commercial representation of a Party accredited through the above procedure shall be accorded treatment less favorable than has accorded accredited commercial representation of its territory, except that they shall be entitled to the assistance of the accrediting Party in carrying out office and residence space.
2. Each Party shall afford commercial representation of the other Party fair and equitable treatment with respect to the conduct of their operations.
3. Each Party shall permit commercial representation of the other Party to import and use in accordance with the national commercial practices, office and other equipment, such as typewriters, photocopyers, computers and electronic machines in connection with the conduct of their activities in the territory of such Party.

4. Each Pa ha pe mi on a nondi c imina o ba i , a nondi c imina o p ice (whe e uch p ice a e e o con o ed b he gove nmen), comme cia ep e en a ion of he o he Pa acce o office pace and iving accommoda ion , whe he o no de igna ed fo u e b fo eigne , a we a e ecommunica ion , municipa and oia e vice .

5. Each Pa ha pe mi uch comme cia ep e en a ion e abi hed in i e i o o hi e di ec emp o ee who a e na iona of ei he Pa o of hi d coun ie and o compen a e uch emp o ee on e ms and in a cu enc ha i mu ua ag eed be ween he pa ie , con i en wi h uch Pa ' minimum wage aws.

. Each Pa ha pe mi na iona and companie of he o he Pa o adve i e hei p oduc and e vice (a) h ough di ec ag eemen wi h he adve i ing media, including e evi ion, adio, p in and bi boa d, and (b) b di ec mai , including he u e of enc o ed enve ope and ca d p eadd e ed o ha na iona o compan .

7. Each Pa ha pe mi na iona and companie of he o he Pa o conduc ma ke udie , ei he di ec o b con ac , wi hin i e i o . To faci i a e he conduc of ma ke e ea ch, each Pa , upon eque of he o he Pa , ha make avai abe o in e e ed na iona and companie of ha Pa , non-confiden ia , nonp op ie a ma ke info ma ion wi hin i po e ion.

8. Each Pa ha pe mi comme cia ep e en a ion o ock and p ovide an adequa e upp of ampe and ep acemen pa fo befo e and af e a e e vice on a non-comme cia ba i .

9. Each Pa ha faci i a e di ec con ac be ween end-u e in i e i o and na iona and companie of he o he Pa . Each Pa ha cea e favo abe condi ion fo di ec con ac be ween i o ganiza ion and gove nmen in i u ion who e deci ion affec po en ia a e and pu cha e of good and e vice and na iona and companie of he o he Pa . Each Pa ha a o encou age di ec comme cia an ac ion be ween Aze baijani na iona and companie and U.S. na iona and companie , including ho e which ac f om ei he ide a p oduce , end-u e o bu e .

10. Each Pa ha pe mi na iona and companie of he o he Pa o engage and e ve a agen o con u an fo na iona o companie of ei he Pa 6 and of hi d coun ie on p ice and e ms mu ua ag eed be ween he pa ie . Each Pa ha pe mi na iona and companie of he o he Pa o engage i na iona and companie ha ac a di ibu o , p ovided ha uch na iona o companie a e en i ed o engage in uch ac ivi ie , on p ice and e ms mu ua ag eed be ween he pa ie .

11. Nei he Pa ha impo e mea u e which un ea onab impai con ac ua o p ope igh o o he in e e acqui ed wi hin i e i o b na iona and companie of he o he Pa .

12. No hing in pa ag aph 1, 5 o 10 of hi A ice ha be in e p e ed o confe an igh unde ei he Pa ' 6 aw and p ocedu e on en and e idence of a ien .

ARTICLE VI

TRANSPARENCY

1. Each Pa ha make avai abe pub ic on a ime ba i a aws and egua ion e a ed o comme cia ac ivi , including ade, inve men , axa ion, banking, in u ance and o he financia e vice , an po and abo .

2. Each Pa ha p ovide na iona and companie of he o he Pa wi h acce o avai abe nonconfiden ia , non-p op ie a da a on he na iona economy and individua ec o , including info ma ion on fo eign ade.

3. Each Pa ha a ow he o he Pa , when in e e ed, he oppo uni o con u on he fo mu a ion of u e and egua ion which affec he conduc of bu ine ac ivi ie .

ARTICLE VII

FINANCIAL PROVISIONS RELATING TO TRADE IN PRODUCTS AND SERVICES 6

1. Unless otherwise agreed between the parties, individual assignments, all commercial assignments between United States nationals and companies and Azerbaijani nationals and companies shall be made in United States dollars and may freely convertible currency shall be mutually agreed upon by such nationals and companies.
2. Residuals shall be placed by either Party upon the expiration of the freely convertible currencies, including deposits, investments, expenses, business in an authorized manner in accordance with the provisions and services by nationals and companies of the Party.
3. Nationals and companies of a Party holding currency of the Party received in an authorized manner may deposit such currency in authorized financial institutions located in the territory of the Party and may maintain and use such currency for local expenses in accordance with applicable law and regulations of the Party.
4. Within the framework of paragraph 2, in accordance with the provisions and services, each Party shall grant nationals and companies of the Party most-favored-national treatment, specifically:
 - (a) opening and maintaining accounts, in both foreign and local currency, and having access to funds deposited in financial institutions located in the territory of the Party; N
 - (b) payments, remittances and transfers of freely convertible currencies, financial investments, expenses, interest, benefits, royalties of the Parties, as well as benefits, royalties of a Party and of any subsidiary;
 - (c) access to exchange effected by financial institutions authorized to deal in foreign exchange, and authorized means of obtaining freely convertible currencies; and
 - (d) receipt and use of local currency.

ARTICLE VIII

PROTECTION OF INTELLECTUAL PROPERTY

1. Proceeding from the importance of intellectual property and the necessary legal protection in promoting trade and economic development and acknowledging the necessary functioning of a favorable conditions for adequate and effective legal protection of intellectual property and investment, the Parties have agreed that they shall:
 - (a) ensure in accordance with the provisions of the national legislation, protection and implementation of intellectual property rights, including copyright, literary, scientific and artistic works including computer programs and databases, patents and designs, inventions and industrial designs, know-how, trade secrets, trademarks and service marks, trade names, and protection against unfair competition;
 - (b) ensure a fair and equitable treatment in the field of intellectual property rights as set forth. Accordingly, each Party reaffirms its commitments made in specific industrial property in the Paris Convention for the Protection of Industrial Property of March 30, 1883, as revised at Stockholm on July 14, 1967 (the "Paris Convention"), and its commitments made in specific copyright in the Universal Copyright Convention of September 6, 1952; and
 - (c) encourage appropriate arrangements between investors in the United States and Azerbaijan to provide protection of intellectual property rights.
2. To provide adequate and effective protection and enforcement of intellectual property rights, each Party agrees to submit, to the respective legislative bodies, additional necessary regulatory legislation is Article and executive orders enacted and implemented as follows. In this connection, the Parties shall:
 - (a) enhance copyright legislation regarding the Azerbaijani Copyright Law of 1971 (the "Azerbaijani Copyright Law") and Azerbaijan Works (Paris 1971) (the "Beverly Hills Convention"); N

(b) provide copyright protection for computer programs and databases as if they were works under their respective laws;

(c)(1) provide protection for sound recordings first fixed by their respective nationals or first published in their national territory;

(c)(2) such protection shall include, among the minimum rights guaranteed to producers of these works, a right of reproduction and a right of public distribution and importation, notwithstanding the rights of an owner of a particular copy of a sound recording in such copy, the producer of a sound recording shall continue to enjoy the exclusive commercial rights in the recording; and

(d)(e) the Parties agree, that immediately after both Parties have enacted protection for sound recordings originating in their respective territories, to take such steps as are necessary under domestic law to extend such protection to sound recordings originating in the other Parties' territories;

(f) provide protection and process patent protection for all areas of technology (except the Parties' nuclear materials used solely in atomic weapons) for a term of at least 20 years from the filing of an application or at least 17 years from the grant of the patent; and

(g) provide broad protection for trademarks.

4. Upon the date when both Parties are members of the Bern Union, the protection of works in existence prior to that date shall be determined in accordance with Article 18 of the 1971 Paris Act of the Bern Convention.

4. The Parties shall introduce in their legislative proposals the principles enumerated in this Article to the Agreement. These principles shall form an integral part of the Agreement.

5. The Parties agree to constitute a working group on intellectual property matters in accordance with the terms and for the purposes set forth in this Article attached hereto.

ARTICLE IX

TRANSIT

Each Party shall facilitate the transit of products originating in the territory of the other Party and transport via the territory of the Party in accordance with the laws and regulations in force in the Party.

ARTICLE X

SUBJECTS FOR FURTHER ECONOMIC COOPERATION

1. The Parties shall take appropriate steps to foster economic cooperation on as broad a basis as possible in all fields in order to benefit their mutual interests, including with respect to statistics and standards.

2. The Parties, taking into account the growing economic significance of services industries, agree to consult on matters affecting the union of services business between the two countries and particular matters of mutual interest relating to national services sectors with the objective, among others, of attaining maximum possible market access and liberalization.

ARTICLE XI

MARKET DISRUPTION SAFEGUARDS

1. The Parties agree to consult promptly at the request of the Party when, in the event of a total or prospective imports of products originating in the territory of the other Party cause or threaten to cause significant anti-competitive market disruption. Market disruption exists when a domestic industry when imports of an article, like or similar competitive with an article produced by such domestic industry, are increasing rapidly, or their absolute or relative volume, so as to be a significant cause of material injury, or threaten to, to such domestic industry.

2. The contract provided for in paragraph I shall have the objective of (a) preventing a damage which may be caused or incurred by the mark, and (b) fixing the measure of prevention or remedy of the mark. The contract shall be concluded within a day from the date of the request for the contract, and the Parties shall agree.

3. Unless a different order is made by agreement of the parties, the importer of the product may (a) impose a reasonable import duty, tariff measure or other restriction or measure deemed appropriate, and for each period of time it deems necessary, or prevent or remedy the damage or act on the mark, and (b) take appropriate measures to ensure that the importer from the territory of the other Party complies with the reasonable import duty or other restriction or remedy with the mark. It is hereby agreed that the other Party shall be free to deviate from its obligation under the Agreement with respect to the above requirements.

4. Where in the judgment of the importer of the product, emergency or preventive or remedial measures are required, the importer of the product may take such action at any time and without prior consultation provided that the contract shall be requested immediately thereafter.

5. In the event of measures under Article, the Parties shall endeavor to give priority to those measures which cause least disturbance to the achievement of the goals of the Agreement.

6. The Parties acknowledge that the embargo of the mark is a safeguard provision in the Article which provides for the right of either Party to apply as applicable to fair trade.

7. Each Party shall ensure that its domestic legislation and procedure for determining marks are fair and afford affected parties an opportunity to submit their views.

ARTICLE XII

DIPUTATION

1. National and company of either Party shall be accorded a reasonable with respect to access to a common administrative body in the territory of the other Party, a passport, defense or otherwise. They shall obtain or enjoy immunity from the execution of judgment, proceeding for the recognition and enforcement of arbitral award or other liability in the territory of the other Party with respect to commercial actions; they shall obtain or enjoy immunity from taxation with respect to commercial actions, except as may be provided in other bilateral agreements.

2. The Parties encourage the adoption of arbitration for the settlement of disputes of commercial actions concluded between national and company of the United States and a national company of Azerbaijan. Such arbitration may be provided for by agreement in contract between national and company or independent arbitration agreement between them.

3. The parties to the dispute may provide for arbitration under any other law recognized by the parties, including the UNCITRAL Rules which cause the parties to designate an Appointing Authority under the Rules of the other party or the United States or Azerbaijan.

4. Unless otherwise agreed between the parties, the parties shall specify the place of arbitration as a country, other than the United States or Azerbaijan, and a party to the U.N. Convention on the Recognition and Enforcement of Foreign Arbitral Award, signed in New York, June 10, 1958.

5. Nothing in this Article shall be construed to prevent, and the Parties shall not prohibit, the parties from agreeing to any other form of arbitration or dispute settlement which they mutually prefer to agree to in their particular case.

6. Each Party shall ensure that its effective measures exist with its territory for the recognition and enforcement of arbitral award. S

ARTICLE II

II ON L SECUR Y

he provisions of his greemen shall no limi he righ of ei her Par y o ake any ac ion for he pro ec ion of i s securi y in eres s. t

ARTICLE V

CO NSUL IO NS

1. he Par ies agree o consul periodically wi hin he framework of he Join U.S.- zerbaijan commercial Commission o review he opera ion of his greemen , if and when es ablished.
2. he Par ies agree o consul promp ly hrough appropria e channels a he reques of ei her Par y o discuss any ma er concerning he in erpre a ion or implemen a ion of his greemen and o her relevan aspec s of he rela ions be ween he Par ies.

ARTICLE

DEF O NS

1. s used in his greemen , he erms se for h below shall have he following meaning:
 - (a) "company," means any kind of corpora ion, company, associa ion, sole proprie orship or o her organiza ion legally cons i u ed under he laws and regula ions of a Par y or an in ernal subdivision hereof, whe her or no organized for pecuniary gain or priva ely or governmen ally owned; provided ha , ei her Par y reserves he righ o deny any company he advan ages of his greemen if na ionals of any hird coun ry con rol such a company and, in he case of a company of he o her Par y, ha company has no subs an ial business ac ivi ies in he erri ory of he o her Par y or is con rolled by na ionals of a hird coun ry wi h which he denying coun ry does no main ain normal economic rela ions.
 - (b) "commercial represen a ion," means a represen a ion of a company or organiza ion of a Par y.
 - (c) "na ional," means a na ural person who is a na ional of a Par y under i s applicable law. t

ARTICLE

GE ER L EXCEP O NS

1. Subjec o he requiremen ha such measures are no applied in a manner which would cons i u e a means of arbi rary or unjust ifiable discrimina ion be ween coun ries where he same condi ions prevail, or a disguised res ric ion on in erna ional rade, no hing in his greemen shall be cons rued o prohibi he adop ion or enforcemen by a Par y of:
 - (a) measures necessary o secure compliance wi h laws or regula ions which are no con rary o he purposes of his greemen ;
 - (b) measures for he pro ec ion of in ellec ual proper y righ s and he preven ion of decep ive prac ices as se ou in r icle V of his greemen (and rela ed side le ers); or
 - (c) any o her measure referred o in r icle XX of he GA . t

ARTICLE I

VI E RY O FORCE, ERM D ERMI ON

1. his greemen (including i s side le ers which form an in egral par of he greemen) shall en er in o force upon an exchange of diploma ic no es in which he Par ies no ify each o her ha all necessary legal requiremen s for en ry in o force have been fulfilled and shall remain in force as provided in his r icle.
2. he ini ial erm of his greemen shall be hree years, subjec o paragraph 4 below. t

3. This A, t shall b xt d d fo succ ssiv t^{ms} of th y a s ach u l ss ith Pa ty has iv
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of th th cu t t^m.

4. Eith Pa ty^{ma} y t^{mi} at this A, t upo sixty days writt otic to th oth Pa ty a d i such cas
th Pa ti s will to th full st xt t p acticabl s k to^{mi} i^{mi}z possibl dis uptio to th i t ad latio s.

IN WITNESS WHEREOF th u d si d b i duly autho iz d hav si d this A, t.

DONE at Washi to this 12th day of Ap il 1993 i two o i i al copi s i th E lish la ua . A Az baija i
la ua t xt shall b p pa d which shall b co sid d qually auth tic upo a xcha of diplo^{ma}tic
ot s co fi its co fo ty with th E lish la ua t xt.

FOR THE UNITED STATES OF AMERICA:

FOR THE REPUBLIC OF AZERBAIJAN:

Washi to i 12 Ap il 1993ⁱ

Dæ Mr Mi ist :

I hav th ho o to f to th A, t o T ad R latio s b twe th U it d Stat s of A ica a d th
U io of Sovi t Socialist R public s i d i Washi to o Ju 1 1990 a d app ov d by th U it d Stat s
Co ss i Nov^{mb} 1991 (h i aft f d to as "Th A, t").

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t ch ical adjust ts:

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o its t ito y o to th U it d Stat s of A ica o its t ito y.

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of Fo i Affai s of Az baija .

Th sid a d a di l tt s to th A^{mo} t shall b add ss d to a d si d o b half of th R public of
Az baija by th Ho o abl Tofi Kasy^{mo}v Mi ist of Fo i Affai s of Az baija .

A t xt of th A, t shall b stablsh d i th Az baija i la ua which shall b qually auth tic with
th E lish la ua t xt.

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p ovisio s of law f c s to d aft s of l islativ acts i t oduc d b fo th dat of this ot a ot l va t
fo th pu pos s of this A, t a d th fo shall b d l t d; th Gov, t of th R public of Az baija
will i t oduc i 1993 th d aft laws c ssa y to fulfill th obli atio s co tai d i A ticl VIII of th A, t
a d will u d tak all possibl asu s to act th s laws du i 1993.

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Rob t A. Mosbach of th U it d Stat s of A ica is o lo l va t fo th pu pos s of th A, t a d
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Th t xt of th A^{mp} t shall fl ct th fact that "o a izatio " with sp ct to th Sovi t U io a s ,
atio al a d co^{mp}a y with sp ct to th R public of Az baija . mi

It is understood that with respect to Article VIII, paragraph (b) of the Agreement, the Republic of Azerbaijan is bound by the obligations of the United States of America under the Statute of the International Court of Justice, dated May 27, 1973, and the Paris Convention for the Protection of Industrial Property of March 30, 1883, as is demonstrated by the letter of July 14, 1967.

It is further understood that it is the intention of the Government of the United States of America to include the joint and several obligations with respect to the said but, notwithstanding, in the final principal payments guaranteed by the national budget of the Soviet Union in January 4, 1992, and extend the March 31, 1992, and in any multilateral action and budget of the Soviet Union to the national subsequence of the said.

In the future, the present, if the foregoing is acceptable, is the understanding of the matter in the principal institution of the government between the United States of America and the Republic of Azerbaijan.

Sincerely,

Michael K. ...

United States of America

Washington, 12 April 1993

Dear Mr. Ambassador:

I am pleased to confirm the following which is the basis of the:

Dear Mr. Minister:

I am pleased to see that the Agreement on Trade Relations between the United States of America and the Union of Soviet Socialist Republics, signed in Washington on June 1, 1990 and approved by the United States Congress in November 1991 (in the form of the "Trade Agreement").

Owing to the change in the position of the Soviet Union in the international agreement due to the passage of time, I am pleased to see that the Agreement has been modified and signed to incorporate the following technical adjustments:

When the Agreement is signed by the parties, it is the understanding of the Republic of Azerbaijan that it is the intention of the United States of America that it is the understanding of the Republic of Azerbaijan.

The Agreement shall be signed on behalf of the Republic of Azerbaijan by the Honorable T. Fig. K. Symon, Minister of Foreign Affairs of Azerbaijan.

The said understanding is the understanding of the Agreement shall be signed on behalf of the Republic of Azerbaijan by the Honorable T. Fig. K. Symon, Minister of Foreign Affairs of Azerbaijan.

At the time of the Agreement shall be signed in the Azerbaijan language, which shall be equally authentic with the English language text.

It is understood that in the exchange of the said letter of June 1, 1990 concerning the participation of the international community, with the participation of the judicial system, the introduction, support, and implementation of the provisions of the law, the financial and legal aspects of the introduction of the budget of the said are the intention of the present and the future of the Agreement and the said shall be the intention of the Government of the Republic of Azerbaijan will introduce in 1993 the said financial system to fulfill the obligations contained in Article VIII of the Agreement and will undertake the necessary steps to the said in the year 1993.

It is understood that the exchange of the said letter of June 1, 1990 and the said annex concerning the status of the U.S. commercial office and the said participation in Washington, D.C. initiated by the Secretary of Commerce Robert A. Mosbacher of the United States of America is in the language of the present and the future of the Agreement, and the said shall be the intention of the said.

It is understood that in the absence of Joint U.S.-AZERBAIJAN Commercial Commission proceedings, consultations should be conducted in accordance with the framework.

The text of the Agreement shall reflect that "organization" with respect to Soviet Union means national commodity with respect to Republic of Azerbaijan.

It is understood that with respect to Article VIII, paragraph (b) of the Agreement, the Republic of Azerbaijan is bound by the obligations of the Universal Copyright Convention of September 6, 1952 with the following date of May 27, 1973, and the Paris Convention for the Protection of Industrial Property of March 30, 1883, as revised at Stockholm on July 14, 1967.

It is further understood that it is intended that Government of the United States of America include the joint savings obligations with respect to the industrial, non-ferrous metals, and the following principles of payments of the savings in the bilateral contracts of the Soviet Union and January 4, 1992, and extend to March 31, 1992, and in any multiple industrial and non-ferrous metals of the Soviet Union to the same extent as follows.

The future national provisions, if the foregoing is acceptable, is that the following affirmative letter in the following institution of government between the United States of America and the Republic of Azerbaijan.

Sincerely,

Theresa K. Symov

Minister of Foreign Affairs

Republic of Azerbaijan

Washington, 12 April 1993

Dear Mr. Ambassador:

In connection with the signing of the Agreement on Trade Relations between the Republic of Azerbaijan and the United States of America (the "Agreement"), I would like to confirm the understanding reached by the Government of the following:

1. The Republic of Azerbaijan intends in the future to conclude the Convention Establishing the Customs Cooperation Council.
2. Beginning from January 1, 1991 the Harmonized Commodity Description and Coding System shall be implemented in the Republic of Azerbaijan.

I would like to further state that it is understood that the following principles of the Agreement. I would be grateful if you would confirm that it is understood that the following by the Government.

Sincerely,

Theresa K. Symov

Minister of Foreign Affairs

Republic of Azerbaijan

Theresa K. Symov

United States Ambassador

Washington, 12 April 1993

Dear Mr. Minister:

I would like to confirm the following principles of the following: X

Dear Mr. Ambassador:

In connection with the signing of this Agreement on Trade Relations between the Republic of Azerbaijan and the United States of America (the "Agreement"), I have the honor to confirm the understanding reached by our Governments as follows:

1. The Republic of Azerbaijan intends in the near future to accede to the Convention Establishing the Customs Cooperation Council.
2. Beginning from January 1, 1991 the Harmonized System of Nomenclature shall be implemented in the Republic of Azerbaijan.

I have the further honor to propose that this understanding be treated as an integral part of the Agreement. I would be grateful if you would confirm that this understanding is hereby agreed by your Government.

I have the further honor to confirm that the foregoing understanding is hereby agreed by my Government and constitutes an integral part of the Agreement.

Sincerely,

e

Michael Kantor,

United States Trade Representative

The Honorable Tigran Avetisyan

Minister of Foreign Affairs

Republic of Azerbaijan

Washington, 12 April 1993

Dear Mr. Minister:

In connection with the signing of this Agreement on Trade Relations between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to confirm the understanding reached by our Governments (the "Parties") as follows:

1. The Parties recognize that trade in textile and textile products is generally governed by separate arrangements.
2. The provisions of paragraph 2 of Article I of the Agreement (quantitative restrictions) shall not apply to trade in textile and textile products.
3. The elimination of the market disruption safeguard provision in Article XI of the Agreement (market disruption) is without prejudice to the right of either Party to apply any of its laws and regulations applicable to trade in textile and textile products.
4. Nothing in this letter or in the Agreement limits the application of any existing or future agreement between the Parties on trade in textile and textile products.

I have the further honor to propose that this understanding be treated as an integral part of the Agreement. I would be grateful if you would confirm that this understanding is hereby agreed by your Government.

Sincerely,

Michael Kantor,

United States Trade Representative

The Honorable Tigran Avetisyan

Minister of Foreign Affairs

Republic of Azerbaijan

Washington, 12 April 1993

Dear Mr. Ambassador:

I have the honor to acknowledge your letter which reads as follows:

Dear Mr. Minister:

In connection with the signing on this date of the Agreement on Trade Relations between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to inform the undersigned reached by your Governments (the "Parties") as follows:

1. The Parties recognize that trade in textiles and textile products is generally governed by separate arrangements.
2. The provisions of paragraph 2 of Article I of the Agreement (quantitative restrictions) shall not apply to trade in textiles and textile products.
3. The elaboration of the market disruption safeguard provisions in Article XI of the Agreement (market disruption) is without prejudice to the right of either Party to apply any of its laws and regulations applicable to trade in textiles and textile products.
4. Nothing in this side letter or in the Agreement limits the application of any existing or future agreement between the Parties on trade in textiles and textile products.

I have the further honor to propose that this undersigned be treated as an integral part of the Agreement. I would be grateful if you would confirm that this undersigned is shared by your Government.

I have the further honor to inform that the foregoing undersigned is shared by my Government and constitutes an integral part of the Agreement.

Sincerely,

Tig Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

The Honorable Michael Kantor

United States Trade Representative

Washington, 12 April 1993

Dear Mr. Minister:

In connection with the signing on this date of the Agreement on Trade Relations Between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to inform the undersigned reached by your Governments as follows:

With respect to paragraph 3 of Article VII of the Agreement, the Azerbaijani Party will give available consular to requests by nationals and companies of the United States to open and maintain deposit accounts in local currency received in an authorized manner and to use such currency for local expenses in accordance with permission granted. Such permission shall remain in force irrespective of possible future Azerbaijani laws and regulations which would restrict conditions the holding, use or deposit of the currency of the Republic of Azerbaijan by foreign nationals or companies.

I have the further honor to propose that this undersigned be treated as an integral part of the Agreement. I would be grateful if you would confirm that this undersigned is shared by your Government. d

Sincerely

Michael Kantor

United States Trade Representative

The Honorable Tofiq Khyomov

Minister of Foreign Affairs

Republic of Azerbaijan

Washington 12 April 1993

Dear Ambassador:

I have the honor to confirm receipt of your letter which reads as follows:

Dear Minister:

In connection with the signing on this date of the Agreement on Trade Relations Between the United States of America and the Republic of Azerbaijan (the "Agreement") I have the honor to confirm the understanding reached by our Governments as follows:

With respect to paragraph 3 of Article VII of the Agreement the Azerbaijan Party will give favorable consideration to requests by nations and companies of the United States to open and maintain deposit accounts in local currency received in authorized manner and to use such currency for local expenses in accordance with permission granted. Such permission shall remain in force irrespective of possible future Azerbaijani laws and regulations which would restrict conditions of the holding use or deposit of currency of the Republic of Azerbaijan by foreign nations or companies.

I have the further honor to propose that this understanding be treated as an integral part of the Agreement. I would be grateful if you would confirm that this understanding is shared by your Government.

I have the further honor to confirm that the foregoing understanding is shared by my Government and constitutes an integral part of the Agreement.

Sincerely

Tofiq Khyomov

Minister of Foreign Affairs

Republic of Azerbaijan

The Honorable Michael Kantor

United States Trade Representative

Washington 12 April 1993

Dear Minister:

In connection with the signing on this date of the Agreement on Trade Relations between the United States of America and the Republic of Azerbaijan (the "Agreement") I have the honor to confirm the understanding reached by our Governments as follows:

1. The Government of the United States will during 1990 request that the United States Congress repeal the prohibition on the importation into the United States of gold coins from the Republic of Azerbaijan and will take all possible measures to ensure the repeal of this prohibition by December 31 1991.
2. Until such time as the prohibition is repealed paragraphs 1 2 and 3 of Article I of the Agreement shall not apply to the importation into the United States of American gold coins.

I have the further to state that this declaration be treated as a integral part of the Agreement. I would be grateful if you would confirm that this declaration is shared by your Government.

Sincerely,

Michael Kasat

United States Trade Representative

The Honorable Igor Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

Washington, 12 April 1993

Dear Mr. Ambassador :

I have the honor to confirm receipt of your letter which reads as follows:

Dear Mr. Minister :

In connection with the signing of this date of the Agreement Trade Relations between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to confirm the declaration reached by your Governments as follows:

1. The Government of the United States will, during 1990, request that the United States Congress deal the prohibition of the importation of the United States foreign subsidiaries of the Republic of Azerbaijan and will take all possible measures to ensure the deal of this prohibition by December 31, 1991.
2. Until such time as the prohibition is repealed, paragraph 1, 2 and 3 of Article I of the Agreement shall apply to the importation of the United States foreign subsidiaries.

I have the further to state that this declaration be treated as an integral part of the Agreement. I would be grateful if you would confirm that this declaration is shared by your Government.

I have the further to confirm that the foregoing declaration is shared by my Government and constitutes an integral part of the Agreement.

Sincerely,

Igor Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

The Honorable Michael Kasat

United States Trade Representative

Washington, 12 April 1993

Dear Mr. Minister :

In connection with the signing of this date of the Agreement Trade Relations between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to confirm the declaration reached by your Governments as follows:

1. In order to facilitate commercial activities and economic relations, the Government of the Republic of Azerbaijan and the Government of the United States of America (the "Parties") agree to undertake the following activities: To

a. to encourage the respect of nationals and companies to develop, produce and provide directly, directly of nationals and companies involved in foreign trade and the offices, as well as other information self in contact and evaluation potential business partners, and lists of government agencies and offices involved in foreign trade policy and relations; and

b. to create favorable conditions for access to non-proprietary and non-confidential commercial information self in evaluation potential business partners such as the financial reports, profit and loss statements, and experience in foreign trade.

2. Notwithstanding the needs of small and medium-sized enterprises to expand trade, the Parties agree to pay attention to and provide appropriate support for small and medium-sized enterprises by promoting business cooperation networks which facilitate the sea cargo business partners, access to publications and data bases, and information on the availability of technological innovations.

3. Any commercial representation designated as a foreign mission is not guaranteed the terms provided for in Article V of the Agreement.

The Honorable Tofik Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

I have the honor to propose that the signed stand be treated as an integral part of the Agreement. I would be grateful if you would confirm that the signed stand is satisfied by your Government.

Sincerely,

Mikhail Kanto

United States Trade Representative

Washington, 12 April 1993

Dear Mr. Ambassador:

I have the honor to confirm receipt of your letter which reads as follows:

Dear Mr. Minister:

In connection with the signing on the date of the Agreement on Trade Relations between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to confirm the understanding reached by our Governments as follows:

1. In order to foster increased commercial activities and economic cooperation, the Government of the Republic of Azerbaijan and the Government of the United States of America (the "Parties") agree to undertake the following activities:

a. to encourage the respect of nationals and companies to develop, produce and provide directly, directly of nationals and companies involved in foreign trade and the offices, as well as other information self in contact and evaluation potential business partners, and lists of government agencies and offices involved in foreign trade policy and relations; and

b. to create favorable conditions for access to non-proprietary and non-confidential commercial information self in evaluation potential business partners such as the financial reports, profit and loss statements, and experience in foreign trade.

2. Notwithstanding the needs of small and medium-sized enterprises to expand trade, the Parties agree to pay attention to and provide appropriate support for small and medium-sized enterprises by promoting business cooperation networks which facilitate the sea cargo business partners, access to publications and data bases, and information on the availability of technological innovations.

The Honor e ch e K ntor

Un ted St tes Tr de Represent t ve

3. Any commerc represent t on des gn ted s fore gn miss on s not gu r nteed the r ghts prov ded for n Art c e of the Agreement.

I h ve the further honor to propose th t th s underst nd ng e tre ted s n ntegr p rt of the Agreement. I wou d e gr tefu f you wou d conf rm th t th s underst nd ng s sh red y your Government.

I h ve the further honor to conf rm th t the forego ng underst nd ng s sh red y my Government nd const tutes n ntegr p rt of the Agreement.

S ncere y,

Tof g K symov

n ster of Fore gn Aff rs

Repu c of Azer j n

Wash ngton, 12 Apr 1993

De r . n ster:

In connect on w th the s gn ng on th s d te of the Agreement on Tr de Re t ons Between the Un ted St tes of Amer c nd the Repu c of Azer j n (the "Agreement"), I h ve the honor to conf rm the underst nd ng re ched y our Governments (the "P rt es") reg rd ng cooper t on n the f e d of tour sm serv ces s fo ows:

1. Both P rt es sh f c t te the exp ns on of tour sm etween the Un ted St tes nd the Repu c of Azer j n nd encour ge the dopt on of me sures y tour st org n z t ons nd comp nes of oth countr es to s t sfy the des re of tour sts to e rn out the festy es, ch evements nd cu ture of e ch country.
2. T k ng nto ccount the gre t s gn f c nce of tour sm n est sh ng mutu underst nd ng etween the peop es of the Un ted St tes nd the Repu c of Azer j n, nd so the growth of ts ro e n the deve opment of economic cooper t on etween the two countr es, the P rt es gree to conc ude sep r te ter greement on tour sm.

Off c Tour sm Promot on Off ces

1. E ch P rty sh seek permiss on of the other P rty pr or to the est shment of off c , government tour sm promot on off ces n the others terr tory.
2. Permiss on to open tour sm promot on off ces or f e d off ces, nd the st tus of personne who he d nd st ff such off ces, sh e s greed upon y the P rt es, nd su ject to the pp c e ws nd regu t ons of the host country.
3. Tour sm promot on off ces opened y e ther P rty sh e oper ted on non-commerc s s. off c tour sm promot on off ces nd the personne ss gned to them sh not funct on s gents or pr nc p s n commerc

The Honor e Tof g K symov

n ster of Fore gn Aff rs

Repu c of Azer j n

tr ns ct ons, enter nto contr ctu greements on eh f of commerc org n z t ons or eng ge n other commerc ct v t es. Such off ces sh not se serv ces to the pu c or otherw ise compete w th tr ve gents or tour oper tors of the host country. V

4. Official governmental tourism statistics shall be established, reported and facilitated in the development of tourism between the United States and the Republic of Azerbaijan, including:

a) providing information about the tourist facilities and attractions in the respective countries, the public, the trade, and the media;

b) conducting meetings and workshops for representatives of the trade industry;

c) participating in trade shows;

d) distributing advertisements such as posters, brochures and slides, and as coordinating advertising campaigns; and

e) performing tourism market research.

5. Nothing in this side letter shall be interpreted as prejudicial to such facilities in the territory of the other.

Commercial Tourism Entails

1. Commercial tourism entails, whether privately or governmental-owned, branches thereof shall be treated as private commercial enterprises, fully subject to applicable laws and regulations of the host country.

2. Each Party shall ensure within the scope of its authority and in accordance with its laws and regulations that any company owned, controlled or administered by that Party or any international authority with any private company or international business companies, which effectively controls a significant portion of the supply of any tourism-related services in the territory of that Party shall provide the services on a non-discriminatory basis.

Nothing in this letter in the Agreement shall be construed to mean that tourism and trade-related services shall be included in the benefits from that Agreement as fully as other industries and sectors.

I have the further honor to propose that this understanding be treated as an integral part of the Agreement. I would be grateful if you would confirm that this understanding is shared by your Government.

Sincerely,

Michael Kantor

United States Trade Representative

Washington, 12 April 1993

Dear Mr. Ambassador:

I have the honor to confirm receipt of your letter which reads as follows:

Dear Mr. Minister:

In connection with the signing of this date of the Agreement on Trade Relations Between the United States of America and the Republic of Azerbaijan (the "Agreement"), I have the honor to confirm the understanding reached by our Governments (the "Parties") regarding cooperation in the field of tourism services as follows:

1. Both Parties shall facilitate the expansion of tourism between the United States and the Republic of Azerbaijan and encourage the adoption of measures by tourist organizations and companies of both countries to satisfy the desires of tourists to learn about the lifestyles, achievements and culture of each country.

2. Taking into account the increasingly significant tourism in establishing mutual understanding between the parties of the United States and the Republic of Azerbaijan, and as the result of its role in the development of economic cooperation between the two countries, the Parties agree to conclude a separate bilateral agreement on tourism.

Official Tourism Promotion Offices

1. Each Party shall seek permission of the other Party prior to the establishment of official government authority in the other's territory.

2. Permission to open authority in the official office, and the authority of persons who head and staff such office, shall be agreed upon by the Parties, and subject to the applicable laws and regulations of the host country.

3. The authority in the official office opened by the Party shall be operated on a non-commercial basis. Official authority and the personnel assigned to them shall not function as agents or principals in commerce.

The Honorable Michael Kanon

United States Trade Representative

4. In action, in connection with agreements on behalf of commercial organization or engagement in the commercial activities. Such office shall not exercise the public or the welfare competitive with the agents or operators of the host country.

4. official government authority office shall exercise activities, related to the facilitation of development of authority between the United States and the Republic of Azerbaijan, including:

a) providing information about the authority facilities and activities in the respective country to the public, the press, and the media;

b) conducting meetings and workshops for representatives of the private industry;

c) participating in trade fairs;

d) distributing advertising materials such as posters, brochures and slides, and a coordinating advertising campaign; and

e) performing other mutually agreed tasks.

5. Nothing in this article shall obligate the Parties to open such office in the territory of the other.

Commercial Tourism Enterprise

1. Commercial tourism enterprise, whether private or government-owned, or otherwise shall be established as a private commercial enterprise, for subject to the applicable laws and regulations of the host country.

2. Each Party shall ensure within the scope of its legal authority and in accordance with its laws and regulations shall allow companies owned, controlled or administered by the Parties to jointly venture the wholly owned private companies to jointly venture between private companies, which effective control or significant portion of the upper management or the wholly owned enterprise in the territory of the Parties shall provide the respective national and companies of the other Party on a fair and equitable basis.

Nothing in this article shall mean that authority and the wholly owned enterprise shall not receive the benefit from the agreements as fully as the industry and economy.

I have the full honor to propose that the understanding be established in the agreement of the agreements. I would be grateful if you would confirm that the understanding is established by the Government.

I have the full honor to confirm that the foregoing understanding is established by my Government and confirmed in the agreement of the agreements.

Since,

Tofig Karimov

Minister of Foreign Affairs

Republic of Azerbaijan 3

Washington April 1993

Dear Mr. Minister:

In connection with the Agreement on Trade Relations between the United States of America and the Republic of Azerbaijan ("Agreement") to be signed today I have the honor to confirm the understanding reached by our Governments as follows:

Upon the extension of most-favored-nation treatment by the United States of America to the Republic of Azerbaijan in accordance with the terms of said Agreement and after the date on which a note from the Government of the United States of America is delivered to the Government of the Republic of Azerbaijan stating that the Government of the United States has accordingly made available most-favored-nation treatment for the Republic of Azerbaijan no less favorable than that provided in an Agreement between the Governments of the United States of America and the Union of Soviet Socialist Republics Regarding Trade signed on October 8, 1971 the balance of \$674,000,000 in payment of lend lease accounts shall become due and shall be paid in accordance with the terms of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Settlement of Lend Lease Reciprocal Aid and Claims signed October 8, 1971.

The Government of the United States of America undertakes not to deliver the diplomatic note referred to above until export credits guarantees and insurance through the Export-Import Bank and other similar credits for the purchase of American goods are available to the Republic of Azerbaijan on terms appropriate to the transactions in accordance with the exchange of letters between Mr. Willis C. Armstrong and Mr. V. Alkhimov dated May 5, 1971.

I have the further honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.

Sincerely

Michael Kantor

United States Trade Representative

The Honorable Tifig Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

Washington April 1993

Dear Mr. Ambassador:

I have the honor to confirm receipt of your letter which reads as follows:

Dear Mr. Minister:

In connection with the Agreement on Trade Relations between the United States of America and the Republic of Azerbaijan ("Agreement") to be signed today I have the honor to confirm the understanding reached by our Governments as follows:

Upon the extension of most-favored-nation treatment by the United States of America to the Republic of Azerbaijan in accordance with the terms of said Agreement and after the date on which a note from the Government of the United States of America is delivered to the Government of the Republic of Azerbaijan stating that the Government of the United States has accordingly made available most-favored-nation treatment for the Republic of Azerbaijan no less favorable than that provided in an Agreement between the Governments of the United States of America and the Union of Soviet Socialist Republics Regarding Trade signed on October 8, 1971 the balance of \$674,000,000 in payment of lend lease accounts shall become due and shall be paid in accordance with the terms of the Agreement between the Government of the United States of America and the B

Government of the Union of Soviet Socialist Republics Regarding Settlement of Lend Lease, Reciprocal Aid and Claims, signed October 18, 1972.

The Government of the United States of America undertakes not to deliver the diplomatic note referred to above until export credits, guarantees and insurance through the Export-Import Bank and other similar credits for the purchase of American goods are available to the Republic of Azerbaijan on terms appropriate to the transactions, in accordance with the exchange of letters between Mr. Willis C. Armstrong and Mr. V. Alkaymov dated May 15, 1972.

I have the utmost honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.

The Honorable Michael Kantor

United States Trade Representative

I have the utmost honor to confirm that the foregoing understanding is shared by my Government and constitutes an integral part of the Agreement.

Sincerely,

To: Mr. Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

Washington, 12 April 1973

Dear Mr. Ambassador:

In connection with the signing on this date of the Agreement on Trade Relations between the Republic of Azerbaijan and the United States of America (the "Agreement"), I have the honor to confirm the understanding reached by our Governments as follows:

The Government of the Republic of Azerbaijan on 1973 will introduce or examine by the Azerbaijan legislature drafts of the legislative acts of the Republic of Azerbaijan governing relations on the creation and use of inventions and discoveries, scientific, literary and artistic works as well as other objects of intellectual property, which by virtue of their content will create conditions for Azerbaijan participation in the Berne Convention for the Protection of Literary and Artistic Works (the "Berne Convention").

The Government of the Republic of Azerbaijan will introduce in 1973 the draft laws necessary to fulfill the obligations contained in Article VIII of the Agreement and will undertake all possible measures to enact these laws during 1973. The Government of the Republic of Azerbaijan will seek prompt implementation of these laws.

To fulfill the obligations under paragraphs 4 and 5 of Article VIII of the Agreement, the Government of the Republic of Azerbaijan undertakes the following:

1. The Government of the Republic of Azerbaijan shall incorporate the following principles in its legislative proposals on intellectual property:

COPYRIGHT PROTECTION FOR COMPUTER SOFTWARE

1. Copyright protection for computer programs shall extend to all types of computer programs including application programs and operating systems which may be expressed in any language, whether in source or object code and regardless of their medium of fixation.

2. The duration and level of protection for computer programs shall be consistent with that provided to other literary works. 9

3. Limitati i ht exp e ly pe mitted t apply t lite a y wok u de the Pa i Act f the Be e C e ti hall al be made applicable t c mpute p ams. additi , wre f a c py f a c mpute p am hall be p vided the i ht:

(3.1) t make auth ize the maki f a i le c py adaptati f that c mpute p am p vided: I

(3.1.1) that uch ew c py adaptati i ceated a a e e tial tep i the utilizati f the c mpute p am -- i c ju cti with a machi e a d that it i ued i the ma e ,

(3.1.2) that uch a ew c py adaptati i f a chival pu p e ly a d that all a chival c pie a e de t yed -- i the eve t that c ti ued p e i f the c mpute p am h uld cea e t be i htful.

PROTECT ON AGA NST UNFA R COMPET T ON, NCLUD NG PROTECT ON OF TRADE SECRETS

1. P tecti a ai t u fai c mpetiti will be impleme ted i acc da ce with the p vi i f A ticle 10bi a d A ticle 10te f the Pa i C ve ti f the P tecti f du t ial P pe ty.

2. T ade ec et i clude a y f mula, device, c mpilati f i f mati , c mpute p am, patte , tech ique p ce that i ued c uld be ued i the wre ' bu i e a d ha actual p te tial ec mic value f m t bei e e ally k wn.

3. A t ade ec et hall be p tected whethe uch t ade ec et i f a tech ical c mme cial atu e, p vided that it: I

(3.1) ha actual p te tial c mme cial value f m t bei k wnt the eleva t public;

(3.2) i t eadily acce ible i a lawful ma e ; a d

(3.3) ha bee ubject t app p iate mea u e t keep it ec et.

The t ade ec et hall be p tected a l a the e c diti exi t.

4. The app p iati , di cl ue, a du e f a t ade ec et with ut the c e t f the wre hall be u lawful.

5. Eff t t c mme cially expl it the t ade ec et hall t be hi de ed impeded by imp i exce ive di c imi at y c diti c diti that dilute the value f the t ade ec et.

. The Gove me t f the Republic f Aze baija hall p vide f a eview f the f ll wi i ue c ce i p tecti f u d ec di :

1. The Gove me t f the Republic f Aze baija c mmit t eview the que ti f i cludi i the app p iate d aft le i lati which mu t be p e e ted t the le i latu e f the Republic f Aze baija i 1993, a p vi i t p vide t p duce f u d ec di , a te m f p tecti f fifty (50) yea f m the date f fi t publicati f the u d ec di .

2. Rec izi that the U ited State adhe e t the Ge eva Ph ams C ve ti , the Gove me t f the Republic f Aze baija c mmit t eview immediately afte e actme t f u d ec di p tecti , it adhe e ce t that C ve ti .

. The Gove me t f the Republic f Aze baija hall p vide f a eview f p tecti f i ve ti , a f ll ws:

1. IThe Gove me t f the Republic f Aze baija u de take t exami e a y d aft pate t law a d c ide p ble ubmi i f p p al i li ht fi te ati al i tellecual p pe ty i ht a eeme t .

2. The Gove me t f the Republic f Aze baija a d the Gove me t f the U ited State a ee t eek mutually acceptable p vi i c mpul y lice i f pate t i the wok i up p vided f i pa a aph 5 f A ticle V f the A eeme t. B th ide will p e e t p p al p vi i f c mpul y lice i that will be fully c ide ed by the wok i up i cludi the f ll wi :

(2.1) A c mpul y lice e t upply d me tic eed may be ive if: I

- (2.1.1), the service permits a making of the patent to ;
- (2.1.2) the service granted to a qualified to make the patent ;
- (2.1.3) the service shall show that the ombudsman of the Ministry of the Patent and Trademark Office has satisfied the basic needs of the trademark by the expiration of a period of five years from the date of the grant of the patent;
- (2.1.4) the service shall show that the patent owner has refused to grant a voluntary service terms with the Commissioner a patent ;
- (2.1.5) the patent owner does not show that his assets justified by the extent of the gain he has or the Commissioner a reason ;
- (2.1.6) the patent owner is responsible as a defendant in the compensation for the ;
- (2.1.7) the service is so extensive ;
- (2.1.8) the service will be assigned a part with that part of the representation or goodwill which exports such a ,
- (2.1.9) the service does not suffer a type of prejudice to the interests of the patent owner ;
- (2.1.10) the service does not ratify the trade secrets ; and
- (2.1.11) the service is to grant a compulsory service and the terms of the service are made by a court and a binding application and a decision with a decision ;
- (2.2) the Republic of Azerbaijan will grant a compulsory service ; and ,
- (2.3) A patent shall not be revoked except for a valid reason .

Notwithstanding the above provisions must be included during 1993. The agreed provisions shall be a part of the Agreement .

IV. The Government of the Republic of Azerbaijan shall establish with the Government of the United States a working group on intellectual property matters. This working group will address

the following topics :

1. The exchange of information and cooperation among authorities responsible for the protection of intellectual property ;
 2. The implementation of intellectual property laws ;
 3. The review of trade agreements the protection of intellectual property rights the extent of trade agreements to the intellectual trade relations ;
 4. The protection of the trademark layout designs ;
 5. The protection for products that
 - (5.1) were not patentable subject matter in the Republic of Azerbaijan before the effective date of the law ,
 - (5.2) that were the subject of patents in the United States or other countries that were based on applications filed before the effective date of the Azerbaijan law .
- During the consultation process of this protection and the trade agreement will be considered ; and
6. The government of the United States ,

I have the honour to advise that this draft agreement between the Government of the Republic of Azerbaijan and the United States of America (the "Agreement"), I have the honour to confirm the draft agreement is being signed by the Government.

Sincerely,

Tfig Kasymov

Minister of Foreign Affairs

Republic of Azerbaijan

Washington, 12 April 1993

Dear Mr. Minister:

I have the honour to confirm your letter which reads as follows:

Dear Mr. Ambassador:

I am in full agreement with the signing of this draft Agreement on Trade Relations between the Republic of Azerbaijan and the United States of America (the "Agreement"), I have the honour to confirm the draft agreement is being signed by the Government as follows:

The Government of the Republic of Azerbaijan in 1993 will undertake examination by the Azerbaijan legislative and executive bodies of the legislative acts of the Republic of Azerbaijan regarding the creation and development of scientific, literary and artistic works as well as the objects of intellectual property, which by virtue of their creation will create conditions for Azerbaijan's participation in the Berne Convention for the Protection of Literary and Artistic Works (the "Berne Convention").

The Government of the Republic of Azerbaijan will undertake in 1993 the drafting of laws necessary to fulfill the obligations set forth in Article VIII of the Agreement and will undertake all possible measures to enact these laws during 1993. The Government of the Republic of Azerbaijan will seek prompt implementation of these laws.

To fulfill the obligations set forth in Articles 4 and 5 of Article VIII of the Agreement, the Government of the Republic of Azerbaijan undertakes the following:

1. The Government of the Republic of Azerbaijan shall initiate the following principles in its legislative and intellectual property:

The Honorable Michael Kat

United States Trade Representative

COPYRIGHT PROTECTION FOR COMPUTER SOFTWARE

1. Copyright holders of computer programs shall extend all types of computer programs including applications and operating systems which may be expressed in any language, whether in source or object code and regardless of their medium of fixation.
 2. The duration and level of protection of computer programs shall be consistent with that provided in the literary works.
 3. Limitations on rights exclusively reserved to authors of literary works under the Paris Act of the Berne Convention shall also be made applicable to computer programs. In addition, where necessary for a computer program shall be provided the right of:
- (3.1) to make available the making of a single copy of that computer program provided:
- (3.1.1) that such copy of that computer program is created as an essential step in the utilization of the computer program -- in connection with a machine and that it is used in the manner,

(3.1.2) that the new copy or deposit for the original copy is destroyed -- in the event that continued possession of the computer program would be beneficial.

PROJECTS AGAINST UNFAIR COMPETITION, INCLUDING PROTECTION OF TRADE SECRETS

1. Protection in the information market will be implemented in accordance with the provisions of Article 10 of the Paris Convention for the Protection of Industrial Property.

2. Trade secrets, including formulae, device, compilation of information, computer program, pattern, technique or process that is used or could be used in the owner's business and that is or potentially is valuable from not being generally known.

3. A trade secret shall be protected whether the trade secret is of technical or commercial nature, provided that it:

(3.1) is or potentially is valuable from not being known to the relevant public;

(3.2) is not readily accessible in lawful manner; and

(3.3) has been subject to appropriate measures to keep it secret.

The trade secret shall be protected as long as the condition exists.

4. The appropriation, disclosure, and use of trade secrets without the consent of the owner shall be unlawful.

5. Efforts to commercially exploit the trade secret shall not be hindered or impeded by imposing excessive or discriminatory conditions or conditions that dilute the value of the trade secret.

II. The Government of the Republic of Azerbaijan shall provide for review of the following in connection with protection of ordering:

1. The Government of the Republic of Azerbaijan commits to review the question of inclusion in the appropriate draft legislation which must be presented to the legislature of the Republic of Azerbaijan in 1993, provision to provide to producer of ordering, term of protection for fifty (50) years from the date of first publication of the ordering.

2. Recognizing that the United States adheres to the Geneva Provisions Convention, the Government of the Republic of Azerbaijan commits to review immediately after enactment of ordering protection, it adheres to the Convention.

III. The Government of the Republic of Azerbaijan shall provide for review of protection for invention, follows:

1. The Government of the Republic of Azerbaijan undertakes to examine any draft patent law and consider possible inclusion of proposal in light of international intellectual property rights agreement.

2. The Government of the Republic of Azerbaijan and the Government of the United States agree to seek mutually acceptable provision on compulsory licensing of patent in the working group provided for in paragraph 5 of Article VIII of the Agreement. Both sides will present proposal on provision for compulsory licensing that will be fully considered by the working group in light of the following:

(2.1) A compulsory license to apply domestic need may be given if:

(2.1.1) the licensee only permits local making of the patented invention;

(2.1.2) the licensee is granted to one qualified to make the invention;

(2.1.3) to the licensee allow the combination of manufacture, sale and importation of the patented invention not tied to the needs of the local market by the expiration of period of five years from the date of the grant of the patent; or

(2.1.4) the licensing will attract patent law rather than voluntary licensing norms in line with normal commercial practice;

(2.1.5) the patent law does not withdraw incentives for legal, technical or commercial reasons;

(2.1.6) the patent law is not a national and quasi-competition law;

(2.1.7) the licensing is not exclusive;

(2.1.8) the licensing will not be a general exception with respect to prior rights which exploit a licensing;

(2.1.9) the licensing does not significantly prejudice the economic interests of patent law;

(2.1.10) the licensing does not contradict tradition;

(2.1.11) does not grant compulsory licensing and terms of licensing are made by a court and can appeal and reviewed in accordance with national law;

(2.2) the Republic of Azerbaijan will grant not compulsory licensing; and

(2.3) A patent shall not be void for invalidity.

Notwithstanding the provisions mentioned during 1993. The agreed provisions shall be an integral part of the Agreement.

IV. The Government of the Republic of Azerbaijan shall take all necessary measures to ensure that the working group on intellectual property matters. The working group will address

the following topics:

1. Exchange of information and cooperation among authorities responsible for protection of intellectual property;

2. The implementation of intellectual property laws;

3. The review of international trade in the protection of intellectual property rights in the context of international economic and trade relations;

4. The protection of integrated circuit layout design;

5. The protection of semiconductor products;

(5.1) where not patentable subject matter in the Republic of Azerbaijan for the effective date of the new Azerbaijani law on inventions; and

(5.2) that where the subject of patent in the Unit of State is not a criterion that where a national application filed for the effective date of the Azerbaijani law on inventions.

During the consultation process for the protection including, inter alia, the terms and conditions will be considered; and

6. The Government will protect inventions.

I have further requested that the understanding that the integral part of the Agreement. I would be grateful if you would confirm that the understanding is shared by your Government.

I have further requested that the foregoing understanding is shared by my Government and confirmed an integral part of the Agreement.

Sincerely,

Michael a

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TANC offers these agreements electronically as a public service for general reference. Every effort has been made to ensure that the text presented is complete and accurate. However, copies needed for legal purposes should be obtained from official archives maintained by the appropriate agency.

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