

STABILISATION AND ASSOCIATION AGREEMENT**between the European Communities and their Member States, of the one part, and the former Yugoslav Republic of Macedonia, of the other part**

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Community, the Treaty establishing the European Coal and Steel Community, the Treaty establishing the European Atomic Energy Community, and the Treaty on European Union

hereinafter referred to as 'Member States', and

THE EUROPEAN COMMUNITY, THE EUROPEAN COAL AND STEEL COMMUNITY, THE EUROPEAN ATOMIC ENERGY COMMUNITY,

hereinafter referred to as the 'Community',

of the one part, and

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA,

hereinafter referred to as 'the former Yugoslav Republic of Macedonia',

of the other part,

CONSIDERING the strong links between the Parties and the values that they share, their desire to strengthen those links and establish a close and lasting relationship based on reciprocity and mutual interest, which should allow the former Yugoslav Republic of Macedonia to further strengthen and extend the relations established previously, in particular through the Cooperation Agreement signed on 29 April 1997 by way of Exchange of Letters, which entered into force on 1 January 1998,

CONSIDERING that the relationship between the Parties in the field of inland transport should continue to be governed by the Agreement between the European Community and the former Yugoslav Republic of Macedonia in the field of transport, signed on 29 June 1997, which entered into force on 28 November 1997,

CONSIDERING the importance of this Agreement, in the framework of the Stabilisation and Association process with the countries of south-eastern Europe, to be further developed by an EU Common strategy for this region, in the establishment and consolidation of a stable European order based on cooperation, of which the European Union is a mainstay, as well as in the framework of the Stability Pact,

CONSIDERING the commitment of the Parties to contribute by all means to the political, economic and institutional stabilisation in the former Yugoslav Republic of Macedonia as well as in the region, through the development of civic society and democratisation, institution building and public administration reform, enhanced trade and economic cooperation, the strengthening of national and regional security, as well as increased cooperation in justice and home affairs,

CONSIDERING the commitment of the Parties to increasing political and economic freedoms as the very basis of this Agreement, as well as their commitment to respect human rights and the rule of law, including the rights of persons belonging to national minorities, and democratic principles through free and fair elections and a multiparty system,

CONSIDERING the commitment of the Parties to the principles of free market economy and the readiness of the Community to contribute to the economic reforms in the former Yugoslav Republic of Macedonia,

CONSIDERING the commitment of the Parties to the full implementation of all principles and provisions of the UN Charter, of the OSCE, notably those of the Helsinki Final Act, the concluding documents of the Madrid and Vienna Conferences, the Charter of Paris for a New Europe, and of the Cologne Stability Pact for south-eastern Europe, so as to contribute to regional stability and cooperation among the countries of the region,

DESIROUS of establishing regular political dialogue on bilateral and international issues of mutual interest, including regional aspects,

CONSIDERING the commitment of the Parties to free trade, in compliance with the rights and obligations arising out of the WTO,

CONVINCED that the Stabilisation and Association Agreement will create a new climate for economic relations between them and above all for the development of trade and investment, factors crucial to economic restructuring and modernisation,

BEARING IN MIND the commitment by the former Yugoslav Republic of Macedonia to approximate its legislation to that of the Community,

TAKING ACCOUNT of the Community's willingness to provide decisive support for the implementation of reform, and to use all available instruments of cooperation and technical, financial and economic assistance on a comprehensive indicative multi-annual basis to this endeavour,

CONFIRMING that the provisions of this Agreement that fall within the scope of Part III, Title IV of the Treaty establishing the European Community bind the United Kingdom and Ireland as separate Contracting Parties, and not as part of the European Community, until the United Kingdom or Ireland (as the case may be) notifies the former Yugoslav Republic of Macedonia that it has become bound as part of the European Community in accordance with the Protocol on the position of the United Kingdom and Ireland annexed to the Treaty on European Union and the Treaty establishing the European Community. The same applies to Denmark, in accordance with the Protocol annexed to those Treaties on the position of Denmark,

RECALLING the European Union's readiness to integrate to the fullest possible extent the former Yugoslav Republic of Macedonia into the political and economic mainstream of Europe and its status as a potential candidate for EU membership on the basis of the Treaty on European Union and fulfilment of the criteria defined by the European Council in June 1993, subject to successful implementation of this Agreement, notably regarding regional cooperation,

HAVE AGREED AS FOLLOWS:

Article 1

— to foster regional cooperation in all the fields covered by this Agreement.

1. An Association is hereby established between the Community and its Member States of the one part and the former Yugoslav Republic of Macedonia of the other part.

TITLE I

2. The aims of this Association are:

GENERAL PRINCIPLES

— to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties,

Article 2

— to support the efforts of the former Yugoslav Republic of Macedonia to develop its economic and international cooperation, also through the approximation of its legislation to that of the Community,

— to promote harmonious economic relations and develop gradually a free trade area between the Community and the former Yugoslav Republic of Macedonia,

Respect for the democratic principles and human rights as proclaimed in the Universal Declaration of Human Rights and as defined in the Helsinki Final Act and the Charter of Paris for a New Europe, respect for international law principles and the rule of law as well as the principles of market economy as reflected in the Document of the CSCE Bonn Conference on Economic Cooperation, shall form the basis of the domestic and external policies of the Parties and constitute essential elements of this Agreement.

Article 3

International and regional peace and stability, the development of good neighbourly relations are central to the Stabilisation and Association Process. The conclusion and the implementation of this Agreement come within the framework of the regional approach of the Community as defined in the Council conclusions of 29 April 1997, based on the merits of the individual countries of the region.

Article 4

The former Yugoslav Republic of Macedonia commits itself to enter into cooperation and good neighbourly relations with the other countries of the region including an appropriate level of mutual concessions concerning the movement of persons, goods, capital and services as well as the development of projects of common interest. This commitment constitutes a key factor in the development of the relations and cooperation between the Parties and thus contributes to regional stability.

Article 5

1. The Association shall be fully realised over a transitional period of a maximum of ten years divided into two successive stages. The purpose of this division into successive stages is to implement progressively the provisions of the Stabilisation and Association Agreement and to focus on areas described hereinafter in Titles III, V, VI and VII during the first stage.

2. The Stabilisation and Association Council established under Article 108 shall regularly examine the application of this Agreement and the accomplishment by the former Yugoslav Republic of Macedonia of legal, administrative, institutional and economic reforms in the light of the preamble and in accordance with the general principles laid down in this Agreement.

3. Four years after the entry into force of this Agreement, the Stabilisation and Association Council shall evaluate the progress made and decide about the passage into the second phase and its duration, as well as on any possible changes to be brought about as regards the content of the provisions governing the second stage. In so doing, it will take into account the results of the abovementioned review.

4. The two stages envisaged in paragraphs 1 and 3 shall not apply to Title IV.

Article 6

The Agreement shall be fully compatible with the relevant WTO provisions, in particular Article XXIV of the GATT 1994 and Article V of the GATS.

TITLE II

POLITICAL DIALOGUE*Article 7*

Political dialogue between the Parties shall be further developed and intensified. It shall accompany and consolidate the rapprochement between the European Union and the former Yugoslav Republic of Macedonia and contribute to the establishment of close links of solidarity and new forms of cooperation between the Parties.

The political dialogue is intended to promote in particular:

- an increasing convergence of positions of the Parties on international issues and, in particular, on those issues likely to have substantial effects on the Parties,
- regional cooperation and the development of good neighbourly relations,
- common views on security and stability in Europe, including in the areas covered by Common Foreign and Security Policy of the European Union.

Article 8

Political dialogue may take place within a multilateral framework, and as a regional dialogue including other countries of the region.

Article 9

1. At ministerial level, political dialogue shall take place within the Stabilisation and Association Council, which shall have the general responsibility for any matter that the Parties might wish to put to it.

2. At the request of the Parties, political dialogue may also take place in the following formats:

- meetings, where necessary, of senior officials representing the former Yugoslav Republic of Macedonia, on the one hand, and the Presidency of the Council of the European Union and the Commission, on the other,
- taking full advantage of all diplomatic channels between the Parties, including appropriate contacts in third countries and within the United Nations, the OSCE and other international fora,
- any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue.

Article 10

Political dialogue at parliamentary level shall take place within the framework of the Stabilisation and Association Parliamentary Committee established under Article 114.

TITLE III

Article 13

REGIONAL COOPERATION**Cooperation with other countries concerned by the Stabilisation and Association Process***Article 11*

In conformity with its commitment to peace and stability, and to the development of good neighbourly relations, the former Yugoslav Republic of Macedonia will actively promote regional cooperation. The Community will also support projects having a regional or cross-border dimension through its technical assistance programmes.

Whenever the former Yugoslav Republic of Macedonia foresees to reinforce its cooperation with one of the countries mentioned in Articles 12 to 14 below, it shall inform and consult the Community and its Member States according to the provisions laid down in Title X.

*Article 12***Cooperation with other countries having signed a Stabilisation and Association Agreement**

No later than when at least one Stabilisation and Association Agreement will have been signed with another of the countries concerned by the Stabilisation and Association Process, the former Yugoslav Republic of Macedonia shall start negotiations with the country or the countries concerned with a view to concluding a Convention on regional cooperation, the aim of which will be to enhance the scope of cooperation between the countries concerned.

The main elements of this Convention will be:

- political dialogue,
- the establishment of a free trade area between the Parties, consistent with relevant WTO provisions,
- mutual concessions concerning the movement of workers, establishment, supply of services, current payments and movement of capital at an equivalent level to that of this Agreement,
- provisions on cooperation in other fields whether or not covered by this Agreement, and notably the field of Justice and Home Affairs.

This Convention will contain provisions for the creation of the necessary institutional mechanisms, as appropriate.

This Convention on regional cooperation shall be concluded within two years after the entry into force of at least the second Stabilisation and Association Agreement. Readiness by the former Yugoslav Republic of Macedonia to conclude such a Convention will be a condition for the further development of the relations between the former Yugoslav Republic of Macedonia and the EU.

The former Yugoslav Republic of Macedonia shall engage in regional cooperation with the other countries concerned by the Stabilisation and Association Process in some or all the fields of cooperation covered by this Agreement, and notably those of common interest. Such cooperation should be compatible with the principles and objectives of this Agreement.

*Article 14***Cooperation with countries candidate for EU accession**

The former Yugoslav Republic of Macedonia may foster its cooperation and conclude a Convention on regional cooperation with any country candidate for EU accession in any of the fields of cooperation covered by this Agreement. Such Convention should aim to gradually align bilateral relations between the former Yugoslav Republic of Macedonia and that country to the relevant part of the relations between the European Community and its Member States and that country.

TITLE IV

FREE MOVEMENT OF GOODS*Article 15*

1. The Community and the former Yugoslav Republic of Macedonia shall gradually establish a free trade area over a period lasting a maximum of 10 years starting from the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with those of the GATT 1994 and the WTO. In so doing they shall take into account the specific requirements laid down hereinafter.

2. The Combined Nomenclature of goods shall be applied to the classification of goods in trade between the two Parties.

3. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the duty actually applied *erga omnes* on the day preceding the signature of this Agreement.

4. If, after the signature of this Agreement, any tariff reduction is applied on an *erga omnes* basis, in particular reductions resulting from the tariff negotiations in the WTO, such reduced duties shall replace the basic duty referred to in paragraph 3 as from the date when such reductions are applied.

5. The Community and the former Yugoslav Republic of Macedonia shall communicate to each other their respective basic duties.

CHAPTER I

INDUSTRIAL PRODUCTS

Article 16

1. The provisions of this Chapter shall apply to products originating in the Community or the former Yugoslav Republic of Macedonia listed in Chapters 25 to 97 of the Combined Nomenclature, with the exception of the products listed in Annex I. § I, (ii) of the Agreement on agriculture (GATT 1994).

2. The provisions of Articles 17 and 18 shall neither apply to textile products nor to steel products, as specified in Articles 22 and 23.

3. Trade between the Parties in products covered by the Treaty establishing the European Atomic Energy Community shall be conducted in accordance with the provisions of that Treaty.

Article 17

1. Customs duties on imports into the Community of products originating in the former Yugoslav Republic of Macedonia shall be abolished upon the entry into force of this Agreement.

2. Quantitative restrictions on imports into the Community and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement with regard to products originating in the former Yugoslav Republic of Macedonia.

Article 18

1. Customs duties on imports into the former Yugoslav Republic of Macedonia of goods originating in the Community other than those listed in Annexes I and II shall be abolished upon the entry into force of this Agreement.

2. Customs duties on imports into the former Yugoslav Republic of Macedonia of goods originating in the Community which are listed in Annex I shall be progressively reduced in accordance with the following timetable:

- on 1 January of the first year after the entry into force of this Agreement each duty shall be reduced to 90 % of the basic duty,
- on 1 January of the second year after the entry into force of this Agreement each duty shall be reduced to 80 % of the basic duty,
- on 1 January of the third year after the entry into force of this Agreement each duty shall be reduced to 70 % of the basic duty,

— on 1 January of the fourth year after the entry into force of this Agreement each duty shall be reduced to 60 % of the basic duty,

— on 1 January of the fifth year after the entry into force of this Agreement each duty shall be reduced to 50 % of the basic duty,

— on 1 January of the sixth year after the entry into force of this Agreement each duty shall be reduced to 40 % of the basic duty,

— on 1 January of the seventh year after the entry into force of this Agreement each duty shall be reduced to 30 % of the basic duty,

— on 1 January of the eighth year after the entry into force of this Agreement each duty shall be reduced to 20 % of the basic duty,

— on 1 January of the ninth year after the entry into force of this Agreement each duty shall be reduced to 10 % of the basic duty,

— on 1 January of the tenth year after the entry into force of this Agreement the remaining duties shall be abolished.

3. Customs duties on imports into the former Yugoslav Republic of Macedonia of goods originating in the Community which are listed in Annex II shall be progressively reduced and eliminated in accordance with the timetable specified in the Annex.

4. Quantitative restrictions on imports into the former Yugoslav Republic of Macedonia of goods originating in the Community and measures having equivalent effect shall be abolished upon the date of entry into force of this Agreement.

Article 19

The Community and the former Yugoslav Republic of Macedonia shall abolish upon the entry into force of this Agreement in trade between themselves any charges having an effect equivalent to customs duties on imports.

Article 20

1. The Community and the former Yugoslav Republic of Macedonia shall abolish any customs duties on exports and charges having equivalent effect upon the entry into force of this Agreement.

2. The Community and the former Yugoslav Republic of Macedonia shall abolish between themselves any quantitative restrictions on exports and measures having equivalent effect upon the entry into force of this Agreement.

Article 21

The former Yugoslav Republic of Macedonia declares its readiness to reduce its customs duties in trade with the Community more rapidly than is provided for in Article 18 if its general economic situation and the situation of the economic sector concerned so permit.

The Stabilisation and Association Council shall make recommendations to this effect.

Article 22

Protocol 1 lays down the arrangements applicable to the textile products referred to therein.

Article 23

Protocol 2 lays down the arrangements applicable to steel products referred to therein.

CHAPTER II

AGRICULTURE AND FISHERIES*Article 24***Definition**

1. The provisions of this Chapter shall apply to trade in agricultural and fishery products originating in the Community or former Yugoslav Republic of Macedonia.
2. The term 'agricultural and fishery products' refers to the products listed in Chapters 1 to 24 of the Combined Nomenclature and the products listed in Annex I, §I, (ii) of the Agreement on agriculture (GATT, 1994).
3. This definition includes fish and fisheries products covered by chapter 3, headings 1604 and 1605, and sub-headings 0511 91, 2301 20 00 and ex 1902 20 ⁽¹⁾.

Article 25

Protocol 3 lays down the trade arrangements for processed agricultural products that are listed therein.

Article 26

1. On the date of entry into force of this Agreement, the Community shall abolish all quantitative restrictions and measures having equivalent effect, on imports of agricultural and fishery products originating in the former Yugoslav Republic of Macedonia.

⁽¹⁾ ex 1902 20 is 'stuffed pasta containing more than 20 % by weight of fish, crustaceans, molluscs or other aquatic invertebrates'.

2. On the date of entry into force of this Agreement, the former Yugoslav Republic of Macedonia shall abolish all quantitative restrictions and measures having equivalent effect, on imports of agricultural and fishery products originating in the Community.

*Article 27***Agricultural products**

1. From the date of entry into force of this Agreement, the Community shall abolish the customs duties and charges having equivalent effect, on imports of agricultural products originating in the former Yugoslav Republic of Macedonia, other than those of heading Nos 0102, 0201, 0202 and 2204 of the Combined Nomenclature.

For the products covered by Chapters 7 and 8 of the Combined Nomenclature, for which the Common Customs Tariff provides for the application of *ad valorem* customs duties and a specific customs duty, the elimination applies only to the *ad valorem* part of the duty.

2. From the date of entry into force of this Agreement, the Community shall fix the customs duties applicable to imports into the Community of 'baby-beef' products defined in Annex III and originating in the former Yugoslav Republic of Macedonia, at 20 % of the *ad valorem* duty and 20 % of the specific duty as laid down in the Common Customs Tariff of the European Communities, within the limit of an annual tariff quota of 1 650 tonnes expressed in carcass weight.

3. From the date of entry into force of this Agreement, the former Yugoslav Republic of Macedonia shall:

- (a) abolish the customs duties applicable on imports of certain agricultural products originating in the Community, listed in Annex IV(a);
- (b) abolish the customs duties applicable on imports of certain agricultural products originating in the Community, listed in Annex IV(b) within the limits of tariff quotas indicated for each product in that Annex. For the quantities exceeding the tariff quotas the former Yugoslav Republic of Macedonia shall reduce progressively the customs duties in accordance with the timetable indicated for each product in that Annex;
- (c) reduce progressively the customs duties applicable on imports of certain agricultural products originating in the Community, listed in Annex IV(c) within the limits of tariff quotas and in accordance with the timetable indicated for each product in that Annex.

4. The trade arrangements to apply to wine and spirit products will be defined in a separate wine and spirit agreement.

Article 28

Fisheries products

1. From the entry into force of this Agreement the Community shall totally eliminate customs duties on fish and fisheries products originating in the former Yugoslav Republic of Macedonia. Products listed in Annex V(a) shall be subject to the provisions laid down therein.

2. From the entry into force of this Agreement the former Yugoslav Republic of Macedonia shall abolish all charges having an equivalent effect to a custom duty and reduce customs duties on fish and fisheries products originating in the European Community by 50 % of the MFN duty. The residual duties shall be reduced over a period of six years to be eliminated at the end of this period.

The rules contained in this paragraph shall not apply to products listed in Annex V(b) which shall be subject to tariff reductions laid down in the said Annex.

Article 29

1. Taking account of the volume of trade in agricultural and fishery products between the Parties, of their particular sensitivities, of the rules of the Community common policies for agriculture and fisheries, of the rules of the agricultural policies of the former Yugoslav Republic of Macedonia, of the role of agriculture in the former Yugoslav Republic of Macedonia's economy, of the production and export potential of its traditional branches and markets and of the consequences of the multilateral trade negotiations under the WTO, the Community and the former Yugoslav Republic of Macedonia shall examine in the Stabilisation and Association Council, no later than 1 January 2003, product by product and on an orderly and appropriate reciprocal basis, the opportunities for granting each other further concessions with a view to implementing greater liberalisation of the trade in agricultural and fishery products.

2. The provisions of this Chapter shall in no way affect the application, on a unilateral basis, of more favourable measures by one or the other Party.

Article 30

Notwithstanding other provisions of this Agreement, and in particular Article 37, given the particular sensitivity of the agricultural and fisheries markets, if imports of products origin-

ating in one of the two Parties, which are the subject of concessions granted pursuant to Article 25, 27 and 28, cause serious disturbance to the markets or to their domestic regulatory mechanisms, in the other Party, both Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take the appropriate measures it deems necessary.

CHAPTER III

COMMON PROVISIONS

Article 31

The provisions of this Chapter shall apply to trade in all products between the Parties except where otherwise provided herein or in Protocols 1, 2 and 3.

Article 32

Standstill

1. From the date of entry into force of this Agreement, no new customs duties on imports or exports or charges having equivalent effect shall be introduced, nor shall those already applied be increased, in trade between the Community and the former Yugoslav Republic of Macedonia.

2. From the date of entry into force of this Agreement, no new quantitative restriction on imports or exports or measure having equivalent effect shall be introduced, nor shall those existing be made more restrictive, in trade between the Community and the former Yugoslav Republic of Macedonia.

3. Without prejudice to the concessions granted under Article 26, the provisions of paragraphs 1 and 2 of this Article shall not restrict in any way the pursuit of the respective agricultural policies of the former Yugoslav Republic of Macedonia and the Community or the taking of any measures under those policies insofar as the import regime in the Annexes III, IV(a), (b) and (c) and V(a) and (b) is not affected.

Article 33

Prohibition of fiscal discrimination

1. The Parties shall refrain from, and abolish where existing, any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the territory of the other Party.

2. Products exported to the territory of one of the Parties may not benefit from repayment of internal indirect taxation in excess of the amount of indirect taxation imposed on them.

Article 34

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

Article 35

Customs unions, free trade areas, cross-border arrangements

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade except insofar as they alter the trade arrangements provided for in this Agreement.

2. During the transitional periods specified in Articles 17 and 18, this Agreement shall not affect the implementation of the specific preferential arrangements governing the movement of goods either laid down in frontier agreements previously concluded between one or more Member States and the Socialist Federal Republic of Yugoslavia and succeeded to by the former Yugoslav Republic of Macedonia or resulting from the bilateral agreements specified in Title III concluded by the former Yugoslav Republic of Macedonia in order to promote regional trade.

3. Consultations between the Parties shall take place within the Stabilisation and Association Council concerning the agreements described in paragraphs 1 and 2 of this Article and, where requested, on other major issues related to their respective trade policies towards third countries. In particular in the event of a third country acceding to the Community, such consultations shall take place so as to ensure that account is taken of the mutual interests of the Community and the former Yugoslav Republic of Macedonia stated in this Agreement.

Article 36

Dumping

1. If one of the Parties finds that dumping is taking place in trade with the other Party within the meaning of Article VI of the GATT 1994, it may take appropriate measures against this practice in accordance with the Agreement on implementation of Article VI of the GATT 1994 and its own related internal legislation.

2. As regards paragraph 1 of this Article, the Stabilisation and Association Council shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. When no end has been put to the dumping within the meaning of Article VI of the GATT or no other satisfactory solution has been reached within 30 days of the matter being referred to the Stabilisation and Association Council, the importing Party may adopt the appropriate measures.

Article 37

General safeguard clause

1. Where any product of one Party is being imported into the territory of the other Party in such increased quantities and under such conditions as to cause or threaten to cause:

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

the importing Party may take appropriate measures under the conditions and in accordance with the procedures laid down in this Article.

2. The Community and the former Yugoslav Republic of Macedonia shall only apply safeguard measures between themselves in accordance with the provisions of this Agreement. Such measures shall not exceed what is necessary to remedy the difficulties which have arisen, and should normally consist of the suspension of the further reduction of any applicable rate of duty provided for under this Agreement for the product concerned or the increase of the rate of duty for that product.

Such measures shall contain clear elements progressively leading to their elimination at the end of the set period, at the latest. Measures shall not be taken for a period exceeding one year. In very exceptional circumstances, measures may be taken up to a total maximum period of three years. No safeguard measure shall be applied to the import of a product that has previously been subject to such a measure for a period of, at least, three years since the expiry of the measure.

3. In the cases specified in this Article, before taking the measures provided for therein or, in the cases to which paragraph 4(b) of this Article applies, as soon as possible, the Community or the former Yugoslav Republic of Macedonia, as the case may be, shall supply the Stabilisation and Association Committee with all relevant information, with a view to seeking a solution acceptable to the two Parties.

4. For the implementation of the above paragraphs the following provisions shall apply:

- (a) the difficulties arising from the situation referred to in this Article shall be referred for examination to the Stabilisation and Association Committee, which may take any decisions needed to put an end to such difficulties. If the Stabilisation and Association Committee or the exporting Party has not taken a decision putting an end to the difficulties or no other satisfactory solution has been reached within 30 days of the matter being referred to the Stabilisation and Association Committee, the importing Party may adopt the appropriate measures to remedy the problem in accordance with this Article. In the selection of safeguard measures priority must be given to those which least disturb the functioning of the arrangements established in this Agreement;
- (b) where exceptional and critical circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Party concerned may, in the situations specified in this Article, apply forthwith precautionary measures necessary to deal with the situation and shall inform the other Party immediately thereof.

5. The safeguard measures shall be notified immediately to the Stabilisation and Association Committee and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their abolition as soon as circumstances permit.

6. In the event of the Community or the former Yugoslav Republic of Macedonia subjecting imports of products liable to give rise to the difficulties referred to in this Article to an administrative procedure having at its purpose the rapid provision of information on the trend of trade flows, it shall inform the other Party.

Article 38

Shortage clause

1. Where compliance with the provisions of this Title leads to:
 - (a) a critical shortage, or threat thereof, of foodstuffs or other products essential to the exporting Party; or
 - (b) re-export to a third country of a product against which the exporting Party maintains quantitative export restrictions, export duties or measures or charges having equivalent effect, 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 this Article.

2. In the selection of measures, priority must be given to those which least disturb the functioning of the arrangements in this Agreement. Such measures shall not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination where the same conditions prevail, or a disguised restriction on trade and shall be eliminated when the conditions no longer justify their maintenance.

3. Before taking the measures provided for in paragraph 1 of this Article or, as soon as possible in cases to which paragraph 4 of this Article applies, the Community or the former Yugoslav Republic of Macedonia, as the case may be, shall supply the Stabilisation and Association Committee with all relevant information, with a view to seeking a solution acceptable to the Parties. The Parties within the Stabilisation and Association Committee may agree on any means needed to put an end to the difficulties. If no agreement is reached within 30 days of the matter being referred to the Stabilisation and Association Committee, the exporting Party may apply measures under this Article on the exportation of the product concerned.

4. Where exceptional and critical circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Community or the former Yugoslav Republic of Macedonia, whichever is concerned, may apply forthwith the precautionary measures necessary to deal with the situation and shall inform the other Party immediately thereof.

5. Any measures applied pursuant to this Article shall be immediately notified to the Stabilisation and Association Committee and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their elimination as soon as circumstances permit.

Article 39

State monopolies

The former Yugoslav Republic of Macedonia shall progressively adjust any State monopolies of a commercial character so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and of the former Yugoslav Republic of Macedonia. The Stabilisation and Association Council shall be informed about the measures adopted to attain this objective.

Article 40

Protocol 4 lays down the rules of origin for the application of tariff preferences provided for in this Agreement.

*Article 41***Restrictions authorised**

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures of artistic, historic or archaeological value or the protection of intellectual, industrial and commercial property, or rules relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 42

Both Parties agree to cooperate to reduce the potential for fraud in the application of the trade provisions of this Agreement.

Notwithstanding other provisions of this Agreement, and in particular Articles 30, 37 and 88 and Protocol 4, where one Party finds that there is sufficient evidence of fraud such as a significant increase in trade of products by one Party to the other Party, beyond the level reflecting economic conditions such as normal production and export capacities, or failure to provide administrative cooperation as required for the verification of evidence of origin by the other Party, both Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take the appropriate measures it deems necessary. In the selection of the measures priority must be given to those which least disturb the functioning of the arrangements established in this Agreement.

Article 43

The application of this Agreement shall be without prejudice to the application of the provisions of Community law to the Canary Islands.

TITLE V

MOVEMENT OF WORKERS, ESTABLISHMENT, SUPPLY OF SERVICES, CAPITAL

CHAPTER I

MOVEMENT OF WORKERS*Article 44*

1. Subject to the conditions and modalities applicable in each Member State:

- treatment accorded to workers who are nationals of the former Yugoslav Republic of Macedonia and who are legally employed in the territory of a Member State shall be

free of any discrimination based on nationality, as regards working conditions, remuneration or dismissal, compared to its own nationals,

- the legally resident spouse and children of a worker legally employed in the territory of a Member State, with the exception of seasonal workers and of workers coming under bilateral agreements, within the meaning of Article 45, unless otherwise provided by such agreements, shall have access to the labour market of that Member State, during the period of that worker's authorised stay of employment.

2. The former Yugoslav Republic of Macedonia shall, subject to conditions and modalities in that country, accord the treatment referred to in paragraph 1 to workers who are nationals of a Member State and are legally employed in its territory as well as to their spouse and children who are legally resident in the said country.

Article 45

1. Taking into account the labour market situation in the Member States, subject to their legislation and to compliance with the rules in force in the Member States in the area of mobility of workers:

- the existing facilities of access to employment for workers of the former Yugoslav Republic of Macedonia accorded by Member States with bilateral agreements should be preserved and if possible improved,
- the other Member States shall examine the possibility of concluding similar agreements.

2. The Stabilisation and Association Council shall examine the granting of other improvements, including facilities for access to professional training, in accordance with the rules and procedures in force in the Member States, and taking into account the labour market situation in the Member States and in the Community.

Article 46

Rules shall be laid down for the coordination of social security system for workers with the nationality of the former Yugoslav Republic of Macedonia, legally employed in the territory of a Member State, and for the members of their families legally resident there. To that effect, a decision of the Stabilisation and Association Council, which should not affect any rights or obligations arising from bilateral agreements where the latter provide for more favourable treatment, will put the following provisions in place:

- all periods of insurance, employment or residence completed by such workers in the various Member States shall be added together for the purpose of pensions and annuities in respect of old age, invalidity and death and for the purpose of medical care for such workers and such family members,

- any pensions or annuities in respect of old age, death, industrial accident or occupational disease, or of invalidity resulting therefrom, with the exception of non-contributory benefits, shall be freely transferable at the rate applied by virtue of the law of the debtor Member State or States,
- the workers in question shall receive family allowances for the members of their families as defined above.

The former Yugoslav Republic of Macedonia shall accord to workers who are nationals of a Member State and legally employed in its territory, and to members of their families legally resident there, treatment similar to that specified in the second and third indents of the first paragraph.

CHAPTER II

ESTABLISHMENT

Article 47

For the purposes of this Agreement:

- (a) a 'Community company' or a 'company of the former Yugoslav Republic of Macedonia' respectively shall mean a company set up in accordance with the laws of a Member State or of former Yugoslav Republic of Macedonia respectively and having its registered office or central administration or principal place of business in the territory of the Community or former Yugoslav Republic of Macedonia respectively.

However, should the company, set up in accordance with the laws of a Member State or of the former Yugoslav Republic of Macedonia respectively, have only its registered office in the territory of the Community or the former Yugoslav Republic of Macedonia respectively, the company shall be considered a Community or a company from the former Yugoslav Republic of Macedonia respectively if its operations possess a real and continuous link with the economy of one of the Member States or the former Yugoslav Republic of Macedonia respectively;

- (b) 'subsidiary' of a company shall mean a company which is effectively controlled by the first company;
- (c) 'branch' of a company shall mean a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management and is materially equipped to negotiate business with third Parties so that the latter, although knowing that there will if necessary be a legal link with the parent body, the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension;

- (d) 'establishment' shall mean:
 - (i) as regards nationals, the right to set up undertakings, in particular companies, which they effectively control. Business undertakings by nationals shall not extend to seeking or taking employment in the labour market or confer a right of access to the labour market of another Party;
 - (ii) as regards Community or the former Yugoslav Republic of Macedonia companies, the right to take up economic activities by means of the setting up of subsidiaries and branches in the former Yugoslav Republic of Macedonia or in the Community respectively;
- (e) 'operations' shall mean the pursuit of economic activities;
- (f) 'economic activities' shall in principle include activities of an industrial, commercial and professional character and activities of craftsmen;
- (g) 'Community national' and 'national of the former Yugoslav Republic of Macedonia' shall mean respectively a natural person who is a national of one of the Member States or of the former Yugoslav Republic of Macedonia;
- (h) with regard to international maritime transport, including inter-modal operations involving a sea leg, nationals of the Member States or of the former Yugoslav Republic of Macedonia established outside the Community or of the former Yugoslav Republic of Macedonia respectively, and shipping companies established outside the Community or the former Yugoslav Republic of Macedonia and controlled by nationals of a Member State or the nationals of the former Yugoslav Republic of Macedonia respectively, shall also be beneficiaries of the provisions of this Chapter and Chapter III, if their vessels are registered in that Member State or in the former Yugoslav Republic of Macedonia respectively, in accordance with their respective legislation;
- (i) 'financial services' shall mean those activities described in Annex VI. The Stabilisation and Association Council may extend or modify the scope of that Annex.

Article 48

1. The former Yugoslav Republic of Macedonia shall grant, upon entry into force of this Agreement:
 - (i) as regards the establishment of Community companies treatment no less favourable than that accorded to its own companies or to any third country company, whichever is the better, and
 - (ii) as regards the operation of subsidiaries and branches of Community companies in the former Yugoslav Republic of Macedonia, once established, treatment no less favourable than that accorded to its own companies and branches or to any subsidiary and branch of any third country company, whichever is the better.

2. The former Yugoslav Republic of Macedonia shall not adopt any new regulations or measures which introduce discrimination as regards the establishment of Community companies on its territory or in respect of their operation, once established, by comparison with its own companies.

3. The Community and its Member States shall grant, from the entry into force of this Agreement:

- (i) as regards the establishment of companies from the former Yugoslav Republic of Macedonia, treatment no less favourable than that accorded by Member States to their own companies or to any company of any third country, whichever is the better;
- (ii) as regards the operation of subsidiaries and branches of companies from the former Yugoslav Republic of Macedonia, established in their territory, treatment no less favourable than that accorded by Member States to their own companies and branches, or to any subsidiary and branch of any third country company, established in their territory, whichever is the better.

4. Five years after the entry into force of this Agreement, and in the light of the relevant European Court of Justice case law, and the situation of the labour market, the Stabilisation and Association Council will examine whether to extend the above provisions to the establishment of nationals of both Parties to this Agreement to take up economic activities as self-employed persons.

5. Notwithstanding the provisions of this Article:

- (a) subsidiaries and branches of Community companies shall have, from the entry into force of this Agreement, the right to use and rent real property in the former Yugoslav Republic of Macedonia;
- (b) subsidiaries of Community companies shall also have the right to acquire and enjoy ownership rights over real property as the companies of the former Yugoslav Republic of Macedonia and as regards public goods/goods of common interest, including natural resources, agricultural land and forestry, the same rights as enjoyed by companies of the former Yugoslav Republic of Macedonia, where these rights are necessary for the conduct of the economic activities for which they are established;
- (c) by the end of the first stage of transitional period the Stabilisation and Association Council shall examine the possibility of extending the rights under (b) to branches of the Community companies.

Article 49

1. Subject to the provisions of Article 48, with the exception of financial services described in Annex VI, each Party may regulate the establishment and operation of companies and

nationals on its territory, insofar as these regulations do not discriminate against companies and nationals of the other Party in comparison with its own companies and nationals.

2. In respect of financial services, notwithstanding any other provisions of this Agreement, a Party shall not be prevented from taking measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Such measures shall not be used as a means of avoiding the Party's obligations under the Agreement.

3. Nothing in the Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

Article 50

1. The provisions of this Chapter shall not apply to air transport services, inland waterways transport services and maritime cabotage services.

2. The Stabilisation and Association Council may make recommendations for improving establishment and operations in the areas covered by paragraph 1.

Article 51

1. The provisions of Articles 48 and 49 do not preclude the application by a Party of particular rules concerning the establishment and operation in its territory of branches of companies of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches as compared to branches of companies incorporated in its territory or, as regards financial services, for prudential reasons.

2. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences or, as regards financial services, for prudential reasons.

Article 52

In order to make it easier for Community nationals and nationals of the former Yugoslav Republic of Macedonia to take up and pursue regulated professional activities in the former Yugoslav Republic of Macedonia and Community respectively, the Stabilisation and Association Council shall examine which steps are necessary for the mutual recognition of qualifications. It may take all necessary measures to that end.

Article 53

1. A Community company or a company from the former Yugoslav Republic of Macedonia established in the territory of the former Yugoslav Republic of Macedonia or the Community respectively shall be entitled to employ, or have employed by one of its subsidiaries or branches, in accordance with the legislation in force in the host country of establishment, in the territory of the former Yugoslav Republic of Macedonia and the Community respectively, employees who are nationals of the Community Member States and former Yugoslav Republic of Macedonia respectively, provided that such employees are key personnel as defined in paragraph 2 and that they are employed exclusively by companies, subsidiaries or branches. The residence and work permits of such employees shall only cover the period of such employment.

2. Key personnel of the abovementioned companies, herein referred to as 'organisations', are 'intra-corporate transferees' as defined in (c) of this paragraph in the following categories, provided that the organisation is a legal person and that the persons concerned have been employed by it or have been partners in it (other than as majority shareholders), for at least the year immediately preceding such movement:

(a) persons working in a senior position with an organisation, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or stockholders of the business or their equivalent including:

- directing the establishment of a department or sub-division of the establishment,
- supervising and controlling the work of other supervisory, professional or managerial employees,
- having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions;

(b) persons working within an organisation who possess uncommon knowledge essential to the establishment's service, research equipment, techniques or management. The assessment of such knowledge may reflect, apart from knowledge specific to the establishment, a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession;

(c) an 'intra-corporate transferee' is defined as a natural person working within an organisation in the territory of a Party, and being temporarily transferred in the context of pursuit of economic activities in the territory of the other Party; the organisation concerned must have its principal place of business in the territory of a Party and the transfer be to an establishment (branch, subsidiary) of that organisation, effectively pursuing like economic activities in the territory of the other Party.

3. The entry into and the temporary presence within the territory of the Community or the former Yugoslav Republic of Macedonia of nationals of the former Yugoslav Republic of Macedonia and Community nationals respectively shall be permitted, when these representatives of companies are persons working in a senior position, as defined in paragraph 2(a) above, within a company, and are responsible for the setting up of a Community subsidiary or branch of a company from the former Yugoslav Republic of Macedonia or of a subsidiary or branch in the former Yugoslav Republic of Macedonia of a Community company in a Community Member State or in the former Yugoslav Republic of Macedonia respectively, when:

- those representatives are not engaged in making direct sales or supplying services, and
- the company has its principal place of business outside the Community or the former Yugoslav Republic of Macedonia, respectively, and has no other representative, office, branch or subsidiary in that Community Member State or former Yugoslav Republic of Macedonia respectively.

Article 54

During the first four years following the date of entry into force of this Agreement, the former Yugoslav Republic of Macedonia may introduce measures which derogate from the provisions of this Chapter as regards the establishment of Community companies and nationals of certain industries which:

- are undergoing restructuring, or are facing serious difficulties, particularly where these entail serious social problems in the former Yugoslav Republic of Macedonia, or
- face the elimination or a drastic reduction of the total market share held by the former Yugoslav Republic of Macedonia companies or nationals in a given sector or industry in the former Yugoslav Republic of Macedonia, or
- are newly emerging industries in the former Yugoslav Republic of Macedonia.

Such measures:

- (i) shall cease to apply at the latest two years after the end of the first stage of the transitional period;
- (ii) shall be reasonable and necessary in order to remedy the situation, and
- (iii) shall not introduce discrimination concerning the activities of Community companies or nationals already established in the former Yugoslav Republic of Macedonia at the time of introduction of a given measure, by comparison with companies or nationals from the former Yugoslav Republic of Macedonia.

While devising and applying such measures, the former Yugoslav Republic of Macedonia shall grant preferential treatment wherever possible to Community companies and nationals, and in no case treatment less favourable than that accorded to companies or nationals from any third country. Prior to the adoption of these measures, the former Yugoslav Republic of Macedonia shall consult the Stabilisation and Association Council and shall not put them into effect before a one month period has elapsed following the notification to the Stabilisation and Association Council of the concrete measures to be introduced by the former Yugoslav Republic of Macedonia, except where the threat of irreparable damage requires the taking of urgent measures, in which case the former Yugoslav Republic of Macedonia shall consult the Stabilisation and Association Council immediately after their adoption.

Upon the expiry of the fourth year following the entry into force of this Agreement the former Yugoslav Republic of Macedonia may introduce or maintain such measures only with the authorisation of the Stabilisation and Association Council and under conditions determined by the latter.

CHAPTER III

SUPPLY OF SERVICES

Article 55

1. The Parties undertake in accordance with the following provisions to take the necessary steps to allow progressively the supply of services by Community or the former Yugoslav Republic of Macedonia companies or nationals which are established in a Party other than that of the person for whom the services are intended.

2. In step with the liberalisation process mentioned in paragraph 1, the Parties shall permit the temporary movement of natural persons providing the service or who are employed by the service provider as key personnel as defined in Article 53, including natural persons who are representatives of a Community or the former Yugoslav Republic of Macedonia company or national and are seeking temporary entry for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service provider, where those representatives will not be engaged in making direct sales to the general public or in supplying services themselves.

3. As from the second stage of the transition period, the Stabilisation and Association Council shall take the measures necessary to implement progressively the provisions of paragraph 1. Account shall be taken of the progress achieved by the Parties in the approximation of their laws.

Article 56

1. The Parties shall not take any measures or actions which render the conditions for the supply of services by Community and the former Yugoslav Republic of Macedonia nationals or

companies which are established in a Party other than that of the person for whom the services are intended significantly more restrictive as compared to the situation existing on the day preceding the day of entry into force of the Agreement.

2. If one Party is of the view that measures introduced by the other Party since the entry into force of the Agreement result in a situation which is significantly more restrictive in respect of supply of services as compared with the situation existing at the date of entry into force of the Agreement, such first Party may request the other Party to enter into consultations.

Article 57

With regard to supply of transport services between the Community and the former Yugoslav Republic of Macedonia, the following provisions shall apply:

1. with regard to inland transport, the relationship between the Parties is governed by the Agreement between the European Community and the former Yugoslav Republic of Macedonia in the field of transport entered into force on 28 November 1997. The Parties confirm the importance they attach to the correct application of this Agreement;
2. with regard to international maritime transport the Parties undertake to apply effectively the principle of unrestricted access to the market and traffic on a commercial basis.
 - (a) The above provision does not prejudice the rights and obligations under the United Nations Code of Conduct for Liner Conferences, as applied by one or the other Party to this Agreement. Non-conference liners will be free to operate in competition with a conference as long as they adhere to the principle of fair competition on a commercial basis;
 - (b) the Parties affirm their commitment to a freely competitive environment as being an essential of the dry and liquid bulk trade.
3. In applying the principles of paragraph 2, the Parties shall:
 - (a) not introduce cargo-sharing clauses in future bilateral agreements with third countries, other than in those exceptional circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;
 - (b) prohibit cargo-sharing arrangements in future bilateral agreements concerning dry and liquid bulk trade;
 - (c) abolish, upon the entry into force of this Agreement, all unilateral measures and administrative, technical and other obstacles that could have restrictive or discriminatory effects on the free supply of services in international maritime transport.

4. With a view to ensuring a coordinated development and progressive liberalisation of transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in air transport shall be dealt with by special agreements to be negotiated between the Parties after the entry into force of this Agreement.
5. Prior to the conclusion of the agreement referred to in paragraph 4, the Parties shall not take any measures or actions which are more restrictive or discriminatory as compared with the situation existing prior to the entry into force of this Agreement.
6. During the transitional period, the former Yugoslav Republic of Macedonia shall adapt its legislation, including administrative, technical and other rules, to that of the Community existing at any time in the field of air and inland transport insofar as it serves liberalisation purposes and mutual access to markets of the Parties and facilitates the movement of passengers and of goods.

In step with the common progress in the achievement of the objectives of this Chapter, the Stabilisation and Association Council shall examine ways of creating the conditions necessary for improving freedom to provide air and inland transport services.

CHAPTER I

CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

Article 58

The Parties undertake to authorise, in freely convertible currency, in accordance with the provisions of Article VIII of the Articles of Agreement of the International Monetary Fund, any payments and transfers on the current account of balance of payments between the Community and the former Yugoslav Republic of Macedonia.

Article 59

1. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of the Agreement, the Parties shall ensure the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title V, and the liquidation or repatriation of these investments and of any profit stemming therefrom.

2. With regard to transactions on the capital and financial account of balance of payments, from the entry into force of this Agreement, the Parties shall ensure the free movement of capital relating to credits related to commercial transactions or

to the provision of services in which a resident of one of the Parties is participating, and to financial loans and credits, with a maturity longer than a year.

They shall also ensure, from the beginning of the second stage, free movement of capital relating to portfolio investment and financial loans and credits with a maturity shorter than a year.

3. Without prejudice to paragraph 1, the Parties shall not introduce any new restrictions on the movement of capital and current payments between residents of the Community and the former Yugoslav Republic of Macedonia and shall not make the existing arrangements more restrictive.

4. Without prejudice to the provisions of Article 58 and of this Article, where, in exceptional circumstances, movements of capital between the Community and the former Yugoslav Republic of Macedonia cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or the former Yugoslav Republic of Macedonia, the Community and the former Yugoslav Republic of Macedonia, respectively, may take safeguard measures with regard to movements of capital between the Community and the former Yugoslav Republic of Macedonia for a period not exceeding six months if such measures are strictly necessary.

5. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and the former Yugoslav Republic of Macedonia in order to promote the objectives of this Agreement.

Article 60

1. During the first stage, the Parties shall take measures permitting the creation of the necessary conditions for the further gradual application of Community rules on the free movement of capital.

2. By the end of the first stage, the Stabilisation and Association Council shall examine ways of enabling Community rules on the movement of capital to be applied in full.

CHAPTER V

GENERAL PROVISIONS

Article 61

1. The provisions of this Title shall be applied subject to limitations justified on grounds of public policy, public security or public health.

2. They shall not apply to activities that in the territory of either Party are connected, even occasionally, with the exercise of official authority.

Article 62

For the purpose of this Title, nothing in this Agreement shall prevent the Parties from applying their laws and regulations regarding entry and stay, employment, working conditions, establishment of natural persons and supply of services, provided that, in so doing, they do not apply them in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific provision of this Agreement. This provision shall be without prejudice to the application of Article 61.

Article 63

Companies which are controlled and exclusively owned jointly by the former Yugoslav Republic of Macedonia companies or nationals and Community companies or nationals shall also be covered by the provisions of this Title.

Article 64

1. The Most-Favoured-Nation treatment granted in accordance with the provisions of this Title shall not apply to the tax advantages that the Parties are providing or will provide in the future on the basis of agreements designed to avoid double taxation or other tax arrangements.

2. None of the provisions of this Title shall be construed to prevent the adoption or enforcement by the Parties of any measure aimed at preventing the avoidance or evasion of taxes pursuant to the tax provisions of agreements to avoid double taxation and other tax arrangements or domestic fiscal legislation.

3. None of the provisions of this Title shall be construed to prevent Member States or the former Yugoslav Republic of Macedonia in applying the relevant provisions of their fiscal legislation, from distinguishing between taxpayers who are not in identical situations, in particular as regards their place of residence.

Article 65

1. The Parties shall endeavour wherever possible to avoid the imposition of restrictive measures, including measures relating to imports, for balance of payments purposes. A Party adopting such measures shall present as soon as possible to the other Party a timetable for their removal.

2. Where one or more Member States or the former Yugoslav Republic of Macedonia is in serious balance of payments difficulties, or under imminent threat thereof, the Community or the former Yugoslav Republic of Macedonia, as the case may be, in accordance with the conditions established under

the WTO Agreement, adopt restrictive measures, including measures relating to imports, which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or the former Yugoslav Republic of Macedonia, as the case may be, shall inform the other Party forthwith.

3. Any restrictive measures shall not apply to transfers related to investment and in particular to the repatriation of amounts invested or reinvested or any kind of revenues stemming therefrom.

Article 66

The provisions of this Title shall be progressively adjusted, notably in the light of requirements arising from Article V of the General Agreement on Trade in Services (GATS).

Article 67

The provisions of this Agreement shall not prejudice the application by each Party of any measure necessary to prevent the circumvention of its measures concerning third-country access to its market through the provisions of this Agreement.

TITLE VI

APPROXIMATION OF LAWS AND LAW ENFORCEMENT*Article 68*

1. The Parties recognise the importance of the approximation of the existing and future laws of the former Yugoslav Republic of Macedonia to those of the Community. The former Yugoslav Republic of Macedonia shall endeavour to ensure that its laws will be gradually made compatible with those of the Community.

2. This gradual approximation of law will take place in two stages.

3. Starting on the date of signing of the Agreement and lasting as explained in Article 5, the approximation of laws shall extend to certain fundamental elements of the Internal Market *acquis* as well as to other trade-related areas, along a programme to be defined in coordination with the Commission of the European Communities. The former Yugoslav Republic of Macedonia will also define, in coordination with the Commission of the European Communities, the modalities for the monitoring of the implementation of approximation of legislation and law enforcement actions to be taken, including reform of the judiciary.

Deadlines will be set for competition law, intellectual property law, standards and certification law, public procurement law and data protection law. Legal approximation in other sectors of the internal market will be an obligation to be met at the end of the transition period.

4. During the second stage of the transitional period laid down in Article 5 the approximation of laws shall extend to the elements of the *acquis* that are not covered by the previous paragraph.

Article 69

Competition and other economic provisions

1. The following are incompatible with the proper functioning of the Agreement, insofar as they may affect trade between the Community and the former Yugoslav Republic of Macedonia:

- (i) 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;
- (ii) abuse by one or more undertakings of a dominant position in the territories of the Community or of the former Yugoslav Republic of Macedonia as a whole or in a substantial part thereof;
- (iii) any public aid which distorts or threatens to distort competition by favouring certain undertakings or certain products.

2. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the rules of Articles 81, 82 and 87 of the Treaty establishing the European Community.

3. (a) For the purposes of applying the provisions of paragraph 1(iii), the Parties recognise that during the first four years after the entry into force of this Agreement, any public aid granted by the former Yugoslav Republic of Macedonia shall be assessed taking into account the fact that the former Yugoslav Republic of Macedonia shall be regarded as an area identical to those areas of the Community described in Article 87(3)(a) of the Treaty establishing the European Community.

(b) Each Party shall ensure transparency in the area of public aid, *inter alia* by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of public aid.

Each Party shall ensure that the provisions of this Article are applied within five years of the Agreement's entry into force.

4. With regard to products referred to in Chapter II of Title IV:

- paragraph 1 (iii) shall not apply,
- any practices contrary to paragraph 1(i) shall be assessed according to the criteria established by the Community on the basis of Articles 36 and 37 of the Treaty establishing the European Community and specific Community instruments adopted on this basis.

5. If the Community or the former Yugoslav Republic of Macedonia considers that a particular practice is incompatible with the terms of paragraph 1, and:

- if such practice causes or threatens to cause serious injury to the interests of the other Party or material injury to its domestic industry, including its services industry, it may take appropriate measures after consultation within the Stabilisation and Association Council or after thirty working days following referral for such consultation.

In the case of practices incompatible with paragraph 1(iii), such appropriate measures may, where the WTO Agreement applies thereto, only be adopted in accordance with the procedures and under the conditions laid down thereby or the relevant Community internal legislation.

6. The Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business confidentiality.

Article 70

With regard to public undertakings, and undertakings to which special or exclusive rights have been granted, each Party shall ensure that as from the third year following the date of entry into force of this Agreement, the principles of the Treaty establishing the European Community, in particular Article 86 thereof, are upheld.

Article 71

Intellectual, industrial and commercial property

1. Pursuant to the provisions of this Article and Annex VII, the Parties confirm the importance that they attach to ensure adequate and effective protection and enforcement of intellectual, industrial and commercial property rights.

2. The former Yugoslav Republic of Macedonia shall take the necessary measures in order to guarantee no later than five years after entry into force of this agreement a level of protection of intellectual, industrial and commercial property rights similar to that existing in the Community, including effective means of enforcing such rights.

3. The former Yugoslav Republic of Macedonia undertakes to accede, within the period referred above, to the multilateral conventions on intellectual, industrial and commercial property rights referred to in Annex VII.

If problems in the area of intellectual, industrial and commercial property affecting trading conditions occur, they shall be referred urgently to the Stabilisation and Association Council, at the request of either Party, with a view to reaching mutually satisfactory solutions.

Article 72

Public contracts

1. The Parties consider the opening-up of the award of public contracts on the basis of non-discrimination and reciprocity, in particular in the WTO context, to be a desirable objective.

2. The companies of the former Yugoslav Republic of Macedonia, whether established or not in the Community, shall be granted access to contract award procedures in the Community pursuant to Community procurement rules under treatment no less favourable than that accorded to Community companies as from the entry into force of this Agreement.

The above provisions will also apply to contracts in the utilities sector once the government of the former Yugoslav Republic of Macedonia has adopted the legislation introducing the Community rules in this area. The Community shall examine periodically whether the former Yugoslav Republic of Macedonia has indeed introduced such legislation.

Community companies not established in the former Yugoslav Republic of Macedonia shall be granted access to contract award procedures in the former Yugoslav Republic of Macedonia pursuant to the Law on Public Procurement under treatment no less favourable than that accorded to companies of the former Yugoslav Republic of Macedonia at the latest five years after the entry into force of this Agreement. Community companies established in the former Yugoslav Republic of Macedonia under the provisions of Chapter II of Title V shall have, upon entry into force of this Agreement, access to contract award procedures under treatment no less favourable than that accorded to companies of the former Yugoslav Republic of Macedonia.

The Stabilisation and Association Council shall periodically examine the possibility for the former Yugoslav Republic of Macedonia to introduce access to award procedures in the former Yugoslav Republic of Macedonia for all Community companies.

3. As regards establishment, operations, supply of services between the Community and the former Yugoslav Republic of Macedonia, and also employment and movement of labour linked to the fulfilment of public contracts, the provisions of Articles 44 to 67 are applicable.

Article 73

Standardisation, metrology, accreditation and conformity assessment

1. The former Yugoslav Republic of Macedonia shall take the necessary measures in order to gradually achieve conformity with Community technical regulations and European standardisation, metrology, accreditation and conformity assessment procedures.

2. To this end, the Parties shall seek:

- to promote the use of Community technical regulations and European standards, tests and conformity assessment procedures,
- to conclude, where appropriate, European Conformity Assessment Protocols,
- to foster the development of the quality infrastructure: standardisation, metrology, accreditation and conformity assessment,
- to promote participation in the work of specialised European organisations (CEN, CENELEC, ETSI, EA, WELMEC, EUROMED, etc.).

TITLE VII

JUSTICE AND HOME AFFAIRS

Article 74

Reinforcement of institutions and rule of law

In their cooperation in justice and home affairs the Parties will attach particular importance to the reinforcement of institutions at all levels in the areas of administration in general and law enforcement and the machinery of justice in particular. This includes the consolidation of the rule of law. Cooperation in the field of justice will focus in particular on the independence of the judiciary, the improvement of its effectiveness and training of the legal professions.

*Article 75***Visa, border control, asylum and migration**

1. The Parties shall cooperate in the areas of visa, border control, asylum and migration and will set up a framework for cooperation, including at a regional level, in these fields.

2. Cooperation in the matters referred to in paragraph 1 shall be based on mutual consultations and close coordination between the Parties and should include technical and administrative assistance for:

- exchange of information on legislation and practices,
- the drafting of legislation,
- enhancing the efficiency of the institutions,
- training of staff,
- security of the travel documents and detection of false documents.

3. Cooperation will focus in particular:

- in the area of asylum, on the development and implementation of national legislation to meet the standards of the 1951 Geneva Convention and thereby to ensure that the principle of non-refoulement is respected,
- in the field of legal migration, on admission rules and rights and status of the persons admitted. In relation to migration, the Parties agree to the fair treatment of nationals of other countries who reside legally on their territories and to promote an integration policy aiming at granting them rights and obligations comparable to those of their citizens.

The Stabilisation and Association Council can recommend additional subjects for cooperation under this Article.

*Article 76***Prevention and control of illegal immigration; readmission**

1. The Parties agree to cooperate in order to prevent and control illegal immigration. To this end:

- the former Yugoslav Republic of Macedonia agrees to readmit any of its nationals illegally present on the territory of a Member State, upon request by the latter and without further formalities once such persons have been positively identified as such,
- and each Member State of the European Union agrees to readmit any of its nationals illegally present on the territory of the former Yugoslav Republic of Macedonia, upon request by the latter and without further formalities once such persons have been positively identified as such.

The Member States of the European Union and the former Yugoslav Republic of Macedonia will provide their nationals with appropriate identity documents and will extend to them the administrative facilities necessary for such purposes.

2. The Parties agree to conclude, upon request, an agreement between the former Yugoslav Republic of Macedonia and the European Community regulating the specific obligations for the former Yugoslav Republic of Macedonia and for the Member States of the European Union for readmission, including an obligation for the readmission of nationals of other countries and stateless persons.

3. Pending the conclusion of the agreement with the Community referred to in paragraph 2, the former Yugoslav Republic of Macedonia agrees to conclude, upon request of a Member State, bilateral agreements with individual Member States of the European Union regulating the specific obligations for readmission between the former Yugoslav Republic of Macedonia and the Member State concerned, including an obligation for the readmission of nationals of other countries and stateless persons.

4. The Stabilisation and Association Council shall examine what other joint efforts can be made to prevent and control illegal immigration, including the trafficking in human beings.

*Article 77***Combating money laundering**

1. The Parties agree on the necessity of making every effort and cooperating in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offences in particular.

2. Cooperation in this area may include administrative and technical assistance with the purpose to develop the implementation of regulations and efficient functioning of the suitable standards and mechanisms to combat money laundering equivalent to those adopted by the Community and international fora in this field.

*Article 78***Preventing and combating crime and other illegal activities**

1. The Parties agree to cooperate on fighting and preventing criminal and illegal activities, organised or otherwise, such as:

- trafficking in human beings,
- illegal economic activities, and in particular corruption, illegal transactions on products such as industrial waste, radioactive material and transactions involving illegal or counterfeit products,

- illicit trafficking in drugs and psychotropic substances,
- smuggling,
- illicit arms trafficking,
- terrorism.

Cooperation in the above matters will be the subject of consultations and close coordination between the parties.

2. The technical and administrative assistance in this field may include:

- the drafting of national legislation in the field of criminal law,
- enhancing the efficiency of the institutions charged with fighting and preventing crime,
- staff training and the development of investigative facilities,
- the formulation of measures to prevent crime.

Article 79

Cooperation on illicit drugs

1. Within their respective powers and competencies, the Parties shall cooperate to ensure a balanced and integrated approach towards drugs. Drug policies and actions shall be aimed at reducing the supply, trafficking and demand of illicit drugs as well as at a more effective control of precursors.

2. The Parties shall agree on the necessary methods of cooperation to attain these objectives. Actions shall be based on commonly agreed principles along the lines of the EU Drug Strategy.

3. The cooperation between the Parties shall comprise technical and administrative assistance in particular in the following areas: drafting of national legislation and policies; establishment of institutions and information centres; training of personnel; drug related research; and the prevention of diversion of precursors used for the illicit manufacture of drugs. The Parties may agree to include other areas.

TITLE VIII

COOPERATION POLICIES

Article 80

1. The Community and the former Yugoslav Republic of Macedonia shall establish a close cooperation aimed at contributing to the development and growth potential of the former Yugoslav Republic of Macedonia. Such cooperation shall strengthen existing economic links on the widest possible foundation, to the benefit of both Parties.

2. Policies and other measures will be designed to bring about the economic and social development of the former Yugoslav Republic of Macedonia. These policies should ensure

that environmental considerations are also fully incorporated from the outset and that they are linked to the requirements of harmonious social development.

3. Cooperation policies shall be integrated into a regional framework of cooperation. Special attention will have to be devoted to measures that can foster cooperation between the former Yugoslav Republic of Macedonia and its neighbouring countries including Member States, thus contributing to regional stability. The Stabilisation and Association Council may define priorities between and within the cooperation policies described hereinafter.

Article 81

Economic policy

1. The Community and the former Yugoslav Republic of Macedonia shall facilitate the process of economic reform by cooperating to improve understanding of the fundamentals of their respective economies and of implementing economic policy in market economies.

2. To these ends the Community and the former Yugoslav Republic of Macedonia shall cooperate to:

- exchange information on macroeconomic performance and prospects and on strategies for development,
- analyse jointly economic issues of mutual interest, including the framing of economic policy and the instruments for implementing it.

3. At the request of the authorities of the former Yugoslav Republic of Macedonia, the Community may provide assistance designed to support the efforts of the former Yugoslav Republic of Macedonia towards the introduction of full convertibility of the Denar and the gradual development of its policies towards those of the European Monetary System. Cooperation in this area will include informal exchange of information concerning the principles and the functioning of the European Monetary System and the European System of Central Banks.

Article 82

Statistical cooperation

1. Cooperation in the area of statistics shall aim at the development of an efficient and sustainable statistical system capable of providing in due time reliable, objective and accurate data needed to plan and monitor the process of transition and reform in the former Yugoslav Republic of Macedonia. It shall enable the national statistical system coordinated by the State Statistical Office to meet better the needs of its customers, both public administration and private businesses. The statistical system is to respect the fundamental principles of statistics issued by the United Nations and the stipulations of the European Statistical law and develop towards the *acquis communautaire* in statistics.

2. To this end the Parties may cooperate in particular:
- to promote the development of an efficient statistical service in the former Yugoslav Republic of Macedonia based on an appropriate institutional framework,
 - to develop and maintain national capacity for collecting, processing and disseminating statistical information of high quality using modern technologies in the most efficient way,
 - to provide private and public sector economic operators and the research community with the appropriate socio-economic data needed to monitor state reforms,
 - to enable the national statistical system to adopt the principles and standards of the European statistical system,
 - to ensure the confidentiality of individual data.
3. Cooperation in this field shall include, but not limited to, providing information on methods, participation in selected EUROSTAT working groups and exchange of statistical data.

Article 83

Banking, insurance and other financial services

1. The Parties shall cooperate with the aim of establishing and developing a suitable framework for the encouragement of banking, insurance and financial services sector in the former Yugoslav Republic of Macedonia.

The cooperation shall focus on:

- the adoption of a common accounting system compatible with European standards,
- the strengthening and restructuring of the banking, insurance and other financial sectors,
- the improvement of supervision and regulation of banking and other financial services,
- the exchange of information in particular in respect of proposed legislation,
- the preparation of translations and terminology glossaries.

2. The Parties shall cooperate with the aim of developing efficient audit systems in the former Yugoslav Republic of Macedonia following the harmonised Community methods and procedures.

Cooperation shall focus on:

- technical assistance to the Office of Auditors in the former Yugoslav Republic of Macedonia,
- the establishment of internal audit units in official agencies,

- the exchange of information with regard to auditing systems,
- the standardisation of audit documentation,
- training and advisory operations.

Article 84

Investment promotion and protection

1. Cooperation between the Parties shall be aimed at establishing a favourable climate for private investment, both domestic and foreign.
2. The particular aims of cooperation shall be:
- for the former Yugoslav Republic of Macedonia to improve a legal framework which favours and protects investment,
 - the conclusion, where appropriate, with Member States of bilateral agreements for the promotion and protection of investment,
 - the implementation of suitable arrangements for the transfer of capital,
 - the improvement of investment protection.

Article 85

Industrial cooperation

1. Cooperation shall be aimed at promoting the modernisation and restructuring of the industry and individual sectors in the former Yugoslav Republic of Macedonia, as well as industrial cooperation between economic operators of both sides, with the particular objective of strengthening the private sector under conditions that ensure that the environment is protected.

2. Industrial cooperation initiatives will reflect the priorities determined by both Parties. They will take into account the regional aspects of industrial development, promoting transnational partnerships when relevant. The initiatives should seek in particular to establish a suitable framework for undertakings, to improve management know-how and to promote markets, market transparency and the business environment.

Article 86

Small and medium-sized enterprises

The Parties shall aim to develop and strengthen private sector small and medium-sized enterprises (SMEs), the establishment of new undertakings in areas offering potential for growth and cooperation between SMEs in the Community and the former Yugoslav Republic of Macedonia.

Article 87

Tourism

Cooperation between the Parties in the field of tourism will be aimed at facilitating and encouraging tourism and tourist trade through know-how transfer, participation of the former Yugoslav Republic of Macedonia in important European tourism organisations and studying the opportunities for joint operations, notably in regional tourism projects.

Article 88

Customs

1. The aim of cooperation shall be to guarantee compliance with all the provisions scheduled for adoption in the area of trade and to achieve the approximation of the customs system of the former Yugoslav Republic of Macedonia to that of the Community, thus helping to pave the way for liberalisation measures planned under this Agreement.

2. Cooperation shall include the following in particular:

- the exchange of information including on the methods of investigation,
- the development of cross-border infrastructure between the Parties,
- the possibility of interconnection between the transit systems of the Community and the former Yugoslav Republic of Macedonia, as well as the adoption and use of the Single Administrative Document (SAD),
- the simplification of inspections and formalities in respect of the carriage of goods,
- support for introduction of modern customs information systems.

3. Without prejudice to further cooperation provided for in this Agreement, and in particular Articles 76, 77 and 78, mutual assistance between administrative authorities in customs matters of the Parties shall take place in accordance with the provisions of Protocol 5.

Article 89

Taxation

The Parties will establish cooperation in the field of taxation including measures aiming at the further reform of the fiscal system, the modernisation of the tax services with a view to ensuring effectiveness of tax collection and the fight against fiscal fraud.

Article 90

Social cooperation

1. With regard to employment, cooperation between the Parties shall focus notably on upgrading job-finding and careers advice services, providing back-up measures and promoting local development to assist industrial and labour market restructuring. It shall also include measures such as studies, the secondment of experts and information and training operations.

2. With regard to social security, cooperation between the Parties shall seek to adapt the social security system of the former Yugoslav Republic of Macedonia to the new economic and social requirements, notably by providing the services of experts and organising information and training activities.

3. Cooperation between the Parties will involve the adjustment of legislation in the former Yugoslav Republic of Macedonia concerning working conditions and equal opportunities for women and men.

4. The Parties shall develop cooperation between them with the aim of improving the level of protection of the health and safety of workers, taking as a reference the level of protection existing in the Community.

Article 91

Education and training

1. The Parties shall cooperate with the aim of raising the level of general education and professional qualifications in the former Yugoslav Republic of Macedonia taking into consideration the priorities of the former Yugoslav Republic of Macedonia.

2. The Tempus programme will contribute to strengthening cooperation between the two Parties in the field of education and training, promoting democracy, the rule of law and economic reform.

3. The European Training Foundation will also contribute to the upgrading of training structures and activities in the former Yugoslav Republic of Macedonia.

Article 92

Cultural cooperation

The Parties undertake to promote cultural cooperation. This cooperation serves, *inter alia*, to raise mutual understanding and esteem between individuals, communities and peoples.

*Article 93***Information and communication**

The Community and the former Yugoslav Republic of Macedonia will take the measures necessary to stimulate the mutual exchange of information. Priority will be given to programmes aimed at providing the general public with basic information about the Community and professional circles in the former Yugoslav Republic of Macedonia with more specialised information.

*Article 94***Cooperation in the audio-visual field**

The Parties shall cooperate to promote the audio-visual industry in Europe and encourage co-production in the fields of cinema and television.

The Parties will coordinate, and where appropriate, harmonise their policies on the regulation of content aspects of cross-border broadcasting, paying particular attention to matters relating to the acquisition of intellectual property rights for programmes and broadcast by satellite or cable.

*Article 95***Electronic communications infrastructure and associated services**

The Parties will strengthen cooperation in the area of electronic communications infrastructures, including classical telecommunications networks and relevant electronic audio-visual transport networks, and associated services, with the objective of ultimate alignment with the *acquis* by the former Yugoslav Republic of Macedonia one year after the entry into force of the Agreement.

The abovementioned cooperation will focus on the following priority areas:

- policy development,
- legal and regulatory aspects,
- institution building required for a liberalised environment,
- modernisation of the former Yugoslav Republic of Macedonia's electronic infrastructure and its integration into European and world networks, with a focus on improvements at a regional level,
- international cooperation,
- cooperation within European structures especially those involved in standardisation,
- coordinating positions in international organisations and fora.

*Article 96***Information Society**

The Parties agree to strengthen cooperation with the objective of further developing the Information Society in the former Yugoslav Republic of Macedonia. Global objectives will be preparing society as a whole for the digital age, attracting investments and interoperability of networks and services.

The authorities of the former Yugoslav Republic of Macedonia, with the assistance of the Community, will review carefully any political commitment undertaken in the European Union with the objective of aligning its own policies on those of the Union.

The authorities of the former Yugoslav Republic of Macedonia will establish a plan for the adoption of Community legislation in the area of the Information Society.

*Article 97***Consumer protection**

The Parties will cooperate in order to align the standards of consumer protection in the former Yugoslav Republic of Macedonia on those of the Community. Effective consumer protection is necessary in order to ensure that the market economy functions properly, and this protection will depend on the development of an administrative infrastructure in order to ensure market surveillance and law enforcement in this field.

To that end, and in view of their common interests, the Parties will encourage and ensure:

- the harmonisation of legislation and the alignment of consumer protection in the Republic of Macedonia on that in force in the Community,
- a policy of active consumer protection including the increase of information and development of independent organisations,
- effective legal protection for consumers in order to improve the quality of consumer goods and maintain appropriate safety standards.

*Article 98***Transport**

1. In addition to the Agreement between the European Community and the former Yugoslav Republic of Macedonia in the field of transport, the Parties shall develop and step up the cooperation in order to enable the former Yugoslav Republic of Macedonia to:

- restructure and modernise transport and related infrastructure,
- improve movement of passengers and goods and access to the transport market, by the removing of administrative, technical and other barriers,

- achieve operating standards comparable to those in the Community,
- develop a transport system compatible with and aligned on the Community system,
- improve the protection of environment in transport, reduction of harmful effects and pollution.

2. Cooperation shall include the following priority areas:

- the development of road, rail, airport and port infrastructure and other major routes of common interest and Trans-European and Pan-European links,
- the management of railways and airports, including appropriate cooperation between the relevant national authorities,
- road transport, including taxation and social and environmental aspects,
- combined rail and road transport,
- the harmonisation of international transport statistics,
- the modernisation of technical transport equipment in line with Community standards, and assistance in acquiring financing to that end, particularly as regards road-rail transport, multi-modal transport and transshipment,
- the promotion of joint technological and research programmes,
- the adoption of coordinated transport policies that are compatible with those applied in the Community.

Article 99

Energy

1. Cooperation will reflect the principles of the market economy and the European Energy Charter Treaty, and will develop with a view to the gradual integration of Europe's energy markets.
2. Cooperation shall include the following in particular:
 - formulation and planning of energy policy, including modernisation of infrastructure, improvement and diversification of supply and improvement of access to the energy market, including facilitation of transit,
 - management and training for the energy sector and transfer of technology and know-how,
 - the promotion of energy saving, energy efficiency, renewable energy and studying the environmental impact of energy production and consumption,

- the formulation of framework conditions for restructuring of energy utilities and cooperation between undertakings in this sector.

Article 100

Agriculture, and the agro-industrial sector

Cooperation in this field shall have as its aim the modernisation and restructuring of agriculture and the agro-industrial sector, water management, rural development, the gradual harmonisation of veterinary and phytosanitary legislation with Community standards and the development of fishery and forestry sectors in the former Yugoslav Republic of Macedonia.

Article 101

Regional and local development

The Parties will strengthen regional development cooperation, with the objective of contributing to economic development and reducing regional imbalances.

Specific attention will be given to cross-border, trans-national and interregional cooperations. To this end, the exchange of information and experts may be undertaken.

Article 102

Cooperation in research and technological development

1. The Parties shall promote bilateral cooperation in civil scientific research and technological development (RTD) on the basis of mutual benefit and, taking into account the availability of resources, adequate access to their respective programmes, subject to appropriate levels of effective protection of intellectual, industrial and commercial property rights (IPR).
2. Science and technology cooperation shall cover:
 - the exchange of scientific and technical information,
 - the organisation of joint scientific meetings,
 - joint RTD activities,
 - training activities and mobility programmes for scientists, researchers and technicians engaged in RTD on both sides.
3. Such cooperation shall be implemented according to specific arrangements to be negotiated and concluded in accordance with the procedures adopted by each Party, and which shall set out, *inter alia*, appropriate IPR provisions.

*Article 103***Environment and nuclear safety**

1. The Parties shall develop and strengthen their cooperation in the vital task of combating environmental degradation, with the view to supporting environmental sustainability.

2. Cooperation could centre on the following priorities:

- combating local, regional and cross-border pollution (air, water quality, including waste water treatment and drinking water pollution) and establishing effective monitoring,
- development of strategies with regard to global and climate issues,
- efficient, sustainable and clean energy production and consumption, safety of industrial plants,
- classification and safe handling of chemicals,
- waste reduction, recycling and safe disposal, and the implementation of the Basle Convention on the control of trans-boundary movements of hazardous wastes and their disposal (Basle 1989),
- the environmental impact of agriculture; soil erosion and pollution by agricultural chemicals,
- the protection of forests, the flora and fauna; the conservation of bio-diversity,
- town and country planning, including construction and urban planning,
- environmental impact assessment and strategic environmental assessment,
- continuous approximation of laws and regulations to Community standards,
- international Conventions in the area of environment to which the Community is Party,
- cooperation at regional level as well as cooperation within the framework of the European Environment Agency,
- education, information and awareness on environmental issues.

3. In the field of protection against natural disasters, the aim of cooperation is to ensure the protection of people, animals, property and environment against man-made disasters. To this end the cooperation could include the following areas:

- exchange of the outcome of scientific and research development projects,
- mutual monitoring, early notification and warning systems on hazards, disasters and their consequences,
- rescue and relief exercises and assistance systems in case of disasters,

- exchange of experience in rehabilitation and reconstruction after disaster.

4. Cooperation in the field of nuclear safety could cover the following topics:

- upgrading the laws and regulations of the former Yugoslav Republic of Macedonia on nuclear safety and strengthening the supervisory authorities and their resources,
- radiation protection, including environmental radiation monitoring,
- radioactive waste management: the former Yugoslav Republic of Macedonia undertakes to provide to the Stabilisation and Association Council information concerning any intention to import or store radioactive waste,
- encouraging the promotion of Agreements between the EU Member States, or Euratom, and the former Yugoslav Republic of Macedonia on early notification of information in cases of nuclear accidents and on nuclear safety issues generally, if appropriate,
- strengthening the supervision and control on the transport of materials sensitive to radioactive pollution.

TITLE IX

FINANCIAL COOPERATION*Article 104*

In order to achieve the objectives of this Agreement and in accordance with Articles 3, 108 and 109 the former Yugoslav Republic of Macedonia may receive financial assistance from the Community in the forms of grants and loans, including loans from the European Investment Bank.

Article 105

Financial assistance, in the form of grants, shall be covered by the operation measures provided for in the relevant Council Regulation within a multi-annual indicative framework established by the Community following consultations with the former Yugoslav Republic of Macedonia.

The overall objectives of the assistance, in the form of institution-building and investment, shall contribute to the democratic, economic and institutional reforms of the former Yugoslav Republic of Macedonia, in line with the Stabilisation and Association process. Financial assistance may cover all areas of harmonisation of legislation and cooperation policies of this Agreement, including Justice and Home Affairs.

Consideration should be given to the full implementation of the infrastructure projects of common interest identified in the Transport Agreement.

Article 106

At the request of the former Yugoslav Republic of Macedonia and in case of special need, the Community could examine in coordination with international financial institutions, the possibility of granting on an exceptional basis macro-financial assistance subject to certain conditions taking into account the availability of all financial resources.

Article 107

In order to permit optimum use of the resources available, the parties shall ensure that Community contributions are made in close coordination with those from other sources such as the Member States, other countries and international financial institutions.

To this effect, information on all sources of assistance shall be exchanged regularly between the Parties.

TITLE X

INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

Article 108

A Stabilisation and Association Council is hereby established which shall supervise the application and implementation of this Agreement. It shall meet at an appropriate level at regular intervals and when circumstances require. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

Article 109

1. The Stabilisation and Association Council shall consist of the members of the Council of the European Union and members of the Commission of the European Communities, on the one hand, and of members of the Government of the former Yugoslav Republic of Macedonia, on the other.

2. The Stabilisation and Association Council shall establish its rules of procedure.

3. Members of the Stabilisation and Association Council may arrange to be represented, in accordance with the conditions to be laid down in its rules of procedure.

4. The Stabilisation and Association Council shall be chaired in turn by a representative of the European Community and a representative of the former Yugoslav Republic of Macedonia, in accordance with the provisions to be laid down in its rules of procedure.

5. In matters that concern it, the European Investment Bank shall take part, as an observer, in the work of the Stabilisation and Association Council.

Article 110

The Stabilisation and Association Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions within the scope of the Agreement in the cases provided for therein. The decisions taken shall be binding on the Parties, which shall take the measures necessary to implement the decisions taken. When deciding on the transition to the second stage, as provided for in Article 5, the Stabilisation and Association Council may also decide on any possible changes to be brought about as regards the content of the provisions governing the second stage.

In its rules of procedure the Stabilisation and Association Council shall determine the duties of the Stabilisation and Association Committee, which shall include the preparation of meetings of the Stabilisation and Association Council, and shall determine how the Committee shall function.

The Stabilisation and Association Council may delegate to the Stabilisation and Association Committee any of its powers. In this event the Stabilisation and Association Committee shall take its decisions in accordance with the conditions laid down in this Article.

The Stabilisation and Association Council may also make appropriate recommendations.

It shall draw up its decisions and recommendations by agreement between the Parties.

Article 111

Each Party may refer to the Stabilisation and Association Council any dispute relating to the application or interpretation of this Agreement. The Stabilisation and Association Council may settle the dispute by means of a binding decision.

Article 112

The Stabilisation and Association Council shall be assisted in the performance of its duties by a Stabilisation and Association Committee, composed of representatives of the Council of the European Union and of representatives of the Commission of the European Communities, on the one hand, and of representatives of the former Yugoslav Republic of Macedonia on the other.

Article 113

The Stabilisation and Association Committee may create subcommittees. The Transport Committee established under the Transport Agreement shall assist the Stabilisation and Association Committee.

Article 114

A Stabilisation and Association Parliamentary Committee is hereby established. It shall be a forum for Members of the former Yugoslav Republic of Macedonia Parliament and the European Parliament to meet and exchange views. It shall meet at intervals that it shall itself determine.

The Stabilisation and Association Parliamentary Committee shall consist of members of the European Parliament, on the one hand, and of Members of the Parliament of the former Yugoslav Republic of Macedonia, on the other.

The Stabilisation and Association Parliamentary Committee shall establish its rules of procedure.

The Stabilisation and Association Parliamentary Committee shall be chaired in turn by the European Parliament and the Parliament of the former Yugoslav Republic of Macedonia, in accordance with the provisions to be laid down in its rules of procedure.

Article 115

Within the scope of this Agreement, each Party undertakes to ensure that natural and legal persons of the other Party have access free of discrimination in relation to its own nationals to the competent courts and administrative organs of the Parties to defend their individual rights and their property rights.

Article 116

Nothing in this Agreement shall prevent a Party from taking any measures:

- (a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- (b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 117

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:

- the arrangements applied by the former Yugoslav Republic of Macedonia in respect of the Community shall not give rise to any discrimination between the Member States, their nationals or their companies or firms,
- the arrangements applied by the Community in respect of the former Yugoslav Republic of Macedonia shall not give rise to any discrimination between the nationals of the former Yugoslav Republic of Macedonia or its companies or firms.

2. The provisions of paragraph 1 shall be without prejudice to the right of the Parties to apply the relevant provisions of their fiscal legislation to taxpayers who are not in identical situations as regards their place of residence.

Article 118

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall see to it that the objectives set out in this Agreement are attained.

2. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Stabilisation and Association Council with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the Stabilisation and Association Council and shall be the subject of consultations within the Stabilisation and Association Council if the other Party so requests.

Article 119

The Parties agree to consult promptly through appropriate channels at the request of either Party to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.

The provisions of this Article shall in no way affect and are without prejudice to Articles 30, 37, 38 and 42.

Article 120

This Agreement shall not, until equivalent rights for individuals and economic operators have been achieved under this Agreement, affect rights ensured to them through existing agreements binding one or more Member States, on the one hand, and the former Yugoslav Republic of Macedonia, on the other.

Article 121

Protocols 1, 2, 3, 4 and 5 and Annexes I to VII shall form an integral part of this Agreement.

Article 122

This Agreement is concluded for an unlimited period.

Either Party may denounce this Agreement by notifying the other Party. This Agreement shall cease to apply six months after the date of such notification.

Article 123

For the purposes of this Agreement, the term 'Parties' shall mean the Community, or its Member States, or the Community and its Member States, in accordance with their respective powers, of the one part, and the former Yugoslav Republic of Macedonia, of the other part.

Article 124

This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the European Community, the European Coal and Steel Community and the European Atomic Energy Community are applied and under the conditions laid down in those Treaties, and to the territory of the former Yugoslav Republic of Macedonia on the other.

Article 125

The Secretary General of the Council of the European Union shall be the depository of the Agreement.

Article 126

This Agreement is drawn up in duplicate each of the official languages of the Parties, each of these texts being equally authentic.

Article 127

The Parties shall approve this Agreement 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 notify each other that the procedures referred to in the first paragraph have been completed.

Upon its entry into force, this Agreement shall replace the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia signed on 29 April 1997 by way of Exchange of Letters.

*Article 128***Interim Agreement**

In the event that, pending the completion of the procedures necessary for the entry into force of this Agreement, the provisions of certain parts of this Agreement, in particular those relating to the free movement of goods, are put into effect by means of an Interim Agreement between the Community and the former Yugoslav Republic of Macedonia, the Parties agree that, in such circumstances, for the purpose of Title IV, Articles 69, 70 and 71 of this Agreement and Protocol 1 to 5 hereto, the terms 'date of entry into force of this Agreement' mean the date of entry into force of the Interim Agreement in relation to obligations contained in these Articles and Protocols.

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ANNEX I

Imports into the former Yugoslav Republic of Macedonia of less sensitive industrial goods originating in the Community

(Referred to in Article 18(2))

Tariff code	DESCRIPTION
2517	Pebbles, gravel, broken or crushed stone, of a kind commonly used for concrete aggregates, for road metalling or for railway or other ballast, shingle and flint, whether or not heat-treated; macadam of slag, dross or similar industrial waste, whether or not incorporating the materials cited in the first part of the heading; tarred macadam; granules, chippings and powder, of stones of heading No 2515 or 2516, whether or not heat-treated: – Granules, chippings and powder, of stones of heading No 2515 or 2516, whether or not heat-treated:
41 00 00	-- Of marble
49 00 00	-- Other
2518	Dolomite, whether or not calcined; dolomite, roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; agglomerated dolomite (including tarred dolomite).
2520	Gypsum; anhydrite; plasters (consisting of calcined gypsum or calcium sulphate) whether or not coloured, with or without small quantities of accelerators or retarders.
2523	Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers:
10 00 00	– Cement clinkers
29 00 00	-- Other
3105	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg.
3214	Glaziers' putty, grafting putty, resin cements caulking compounds and other mastics; painters' fillings; non-refractory surfacing preparations for facades, indoor walls, floors, ceilings or the like.
3303	Perfumes and toilet waters.
3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments) including sunscreen or sun tan preparations; manicure or pedicure preparations.
3305	Preparations for use on the hair.
3306	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individual retail packages.
3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparation, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties.
3405	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, non-wovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading No 3404.
3506	Prepared glues and other prepared adhesives, not elsewhere specified or included; products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg.
3701	Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs.
3702	Photographic film in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed.

Tariff code	DESCRIPTION
3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphurtreated bands, wicks and candles, and fly-papers).
3918	Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in note 9 to this chapter.
3919	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls.
3921	Other plates, sheets, film, foil and strip, of plastics.
3923	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.
3924	Tableware, kitchenware, other household articles and toilet articles, of plastics.
3925	Builders' ware of plastics, not elsewhere specified or included.
3926	Other articles of plastics and articles of other materials of heading Nos 3901 to 3914:
4008	Plates, sheets, strip, rods and profile shapes, of vulcanised rubber other than hard rubber: <ul style="list-style-type: none"> – Of cellular rubber: <ul style="list-style-type: none"> 11 00 00 – – Plates, sheets and strip 19 00 00 – – Other – Of non-cellular rubber: <ul style="list-style-type: none"> – – Plates, sheets and strip: <ul style="list-style-type: none"> 21 10 00 – – – Floor coverings and mats 21 90 00 – – – Other. – – Other: <ul style="list-style-type: none"> 29 90 00 – – – Other
4015	Articles of apparel and clothing accessories (including gloves), for all purposes, of vulcanised rubber other than hard rubber: <ul style="list-style-type: none"> – Gloves: <ul style="list-style-type: none"> – – Other: <ul style="list-style-type: none"> 19 10 00 – – – Household gloves 19 90 00 – – – Other – Other: <ul style="list-style-type: none"> 90 00 00 – Other
4016	Other articles of vulcanised rubber other than hard rubber: <ul style="list-style-type: none"> – Other: <ul style="list-style-type: none"> 91 00 00 – – Floor coverings and mats
4302	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading No 4303.
4303	Articles of apparel, clothing accessories and other articles of furskin.
4409	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.
4415	Packing cases, boxes, crates, drums and similar packings, of wood; cabledrums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood.

Tariff code	DESCRIPTION
4802	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and punch card stock and punch tape paper, in rolls or sheets, other than paper of heading No 4801 or 4803; hand-made paper and paperboard:
	– Other paper and paperboard, not containing fibres obtained by a mechanical process or of which not more 10 % by weight of the total fibre content consist of such fibres:
	– – Weighing less than 40 g/m ² :
51 10 00	– – – Paper weighing not more than 15 g/m ² for use in stencil making
51 90 00	– – – Other
52 20 00	– – – In rolls
52 80 00	– – – In sheets
	– – Weighing more than 150 g/m ² :
53 20 00	– – – In rolls
53 80 00	– – – In sheets
4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in note 2 to this chapter:
	– Other paper and paperboard, weighing 225 g/m ² or more:
	– – Made from wastepaper:
80 11 00	– – – Testliner
80 19 00	– – – Other
80 90 00	– – Other
4811	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface-coloured, surface-decorated or printed, in rolls or sheets, other than goods of the kind described in heading No 4803, 4809 or 4810:
	– Paper and paperboard coated, impregnated or covered with plastics (excluding adhesives):
31 00 00	– – Bleached, weighing more than 150 g/m ²
39 00 00	– – Other
40 00 00	– Paper and paperboard, coated, impregnated or covered with wax, paraffin wax, stearin, oil or glycerol
4814	Wallpaper and similar wall coverings; window transparencies of paper.
4815	Floor coverings on a base of paper or of paperboard, whether or not cut to size.
4816	Carbon paper, self-copy paper and other copying or transfer papers (other than those of heading No 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes.
4817	Envelopes, letter cards, plain postcards and correspondence cards, of paper or paperboard; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery.
4820	Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, exercise books, blotting-pads, binders (loose-leaf or other), folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; albums for samples or for collections and book covers, of paper or paperboard.
4821	Paper or paperboard labels of all kinds, whether or not printed.
4909	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.
4910	Calendars of any kind, printed, including calendar blocks.

Tariff code	DESCRIPTION
6601	Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas).
6802	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading No 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and powder, of natural stone (including slate).
6805	Natural or artificial abrasive powder or grain, on a base of textile material, of paper, of paper-board or of other materials, whether or not cut to shape or sewn or otherwise made up.
6807	Articles of asphalt or of similar material (for example, petroleum bitumen or coal tar pitch).
6809	Articles of plaster or of compositions based on plaster.
6810	Articles of cement, of concrete or of artificial stone, whether or not reinforced.
6811	Articles of asbestos-cement, of cellulose fibre-cement or the like.
6813	Friction material and articles thereof (for example, sheets, rolls, strips, segments, discs, washers, pads), not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textile or other materials.
6815	Articles of stone or of other mineral substances (including carbon fibres, articles of carbon fibres and articles of peat), not elsewhere specified or included.
6902	Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods, other than those of siliceous fossil meals or similar siliceous earths.
6904	Ceramic building bricks, flooring blocks, support or filler tiles and the like.
6905	Roofing tiles, chimney-pots, cowls, chimney liners, architectural ornaments and other ceramic constructional goods.
6907	Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing.
6908	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing.
6910	Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures.
6911	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.
6912	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china.
6914	Other ceramic articles.
7007	Safety glass, consisting of toughened (tempered) or laminated glass: <ul style="list-style-type: none"> – Toughened (tempered) safety glass: <ul style="list-style-type: none"> – – Of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels: <ul style="list-style-type: none"> 11 10 00 – – – Of size and shape suitable for incorporation in motor vehicles 11 90 00 – – – Other <ul style="list-style-type: none"> – – Other: <ul style="list-style-type: none"> 19 10 00 – – – Enamelled 19 20 00 – – – Coloured throughout the mass (body tinted), opacified, flashed or having an absorbent or reflecting layer

Tariff code	DESCRIPTION
19 80 00	--- Other - Laminated safety glass: -- of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels: --- Other:
21 91 00	---- of size and shape suitable for incorporation in motor vehicles
21 99 00	---- Other
29 00 00	-- Other
7009	Glass mirrors, whether or not framed, including rear-view mirrors.
7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading No 7010 or 7018).
7019	Glass fibres (including glass wool) and articles thereof (for example, yarn, woven fabrics): - Slivers, rovings, yarn and chopped strands:
11 00 00	-- chopped strands, of a length of Not more than 50 mm
12 00 00	-- Rovings
19 00 00	-- Other
7106	Silver (including silver plated with gold or platinum), unwrought or in semimanufactured forms, or in powder form.
7108	Gold (including gold plated with platinum) unwrought or in semimanufactured forms, or in powder form.
7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal.
7114	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal.
7115	Other articles of precious metal or of metal clad with precious metal.
7116	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed).
7117	Imitation jewellery.
7217	Wire of iron or non-alloy steel: - Plated or coated with other base metals: -- Containing by weight less than 0,25 % of carbon: --- With a maximum cross-sectional dimension of less than 0,8 mm
30 11 00	---- Copper-coated
30 19 00	---- Other --- With a maximum cross-sectional dimension of 0,8 mm or more:
30 31 00	---- Copper-coated
30 39 00	---- Other
30 50 00	-- Containing by weight 0,25 % or more but less than 0,6 % of carbon
30 90 00	-- Containing by weight 0,6 % or more of carbon - Other: -- Containing by weight less than 0,25 % of carbon:
90 10 00	--- With a maximum cross-sectional dimension of less than 0,8 mm
90 30 00	--- With a maximum cross-sectional dimension of 0,8 mm or more
90 50 00	-- Containing by weight 0,25 % or more but less than 0,6 % of carbon
90 90 00	-- Containing by weight 0,6 % or more of carbon

Tariff code	DESCRIPTION
7307	Tube or pipe fittings (for example couplings, elbows, sleeves), of iron or steel:
	– Cast fittings:
	– – Of non-malleable cast iron:
11 10 00	– – – Of a kind used in pressure systems
11 90 00	– – – Other
	– – Other:
19 10 00	– – – Of malleable cast iron
19 90 00	– – – Other
	– Other:
91 00 00	– – Flanges
	– – Threaded elbows, bends and sleeves:
92 10 00	– – – Sleeves
92 90 00	– – – Elbows and bends
	– – Butt welding fittings:
	– – – With greatest external diameter not exceeding 609,6 mm:
93 11 00	– – – – Elbows and bends
93 19 00	– – – – Other
	– – – With greatest external diameter exceeding 609,6 mm:
93 91 00	– – – – Elbows and bends
93 99 00	– – – – Other
	– – Other:
99 10 00	– – – Threaded
99 30 00	– – – For welding
99 90 00	– – – Other
7311	Containers for compressed or liquefied gas, of iron or steel.
7313	Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel.
7403	Refined copper and copper alloys, unwrought:
	– Refined copper:
11 00 00	– – Cathodes and sections of cathodes
7418	Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper; sanitary ware and parts thereof, of copper.
7614	Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated:
7616	Other articles of aluminium.
7801	Unwrought lead
7802	Lead waste and scrap.
7803	Lead bars, rods, profiles and wire
7804	Lead plates, sheets, strip and foil; lead powders and flakes.
7805	Lead tubes, pipes and tube or pipe fittings (for example, couplings, elbows, sleeves).
7806	Other articles of lead.
7901	Unwrought zinc:
	– Zinc, not alloyed:
11 00 00	– – Containing by weight 99,99 % or more of zinc

Tariff code	DESCRIPTION
	-- Containing by weight less than 99,99 % of zinc:
12 10 00	--- Containing by weight 99,95 % or more but less than 99,99 % of zinc
12 30 00	--- Containing by weight 98,5 % or more but less than 99,95 % of zinc
12 90 00	--- Containing by weight 97,5 % or more but less than 98,5 % of zinc
7902	Zinc waste and scrap
7903	Zinc dust, powders and flakes.
7904	Zinc bars, rods, profiles and wire.
7905	Zinc plates, sheets, strip and foil.
7906	Zinc tubes, pipes and tube or pipe fittings (for example, couplings, elbows, sleeves).
7907	Other articles of zinc.
8211	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading No 8208, and blades therefor: -- Other: -- Table knives having fixed blades:
91 30 00	--- table knives with handle and blade of stainless steel
91 80 00	--- Other
92 00 00	-- Other knives having fixed blades
93 00 00	-- Knives having other than fixed blades
94 00 00	-- Blades
8215	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware: -- Other:
10 30 00	--- Of stainless steel
	-- Other sets of assorted articles:
20 10 00	-- Of stainless steel
20 90 00	-- Other
	-- Other:
99 10 00	--- of stainless steel
99 90 00	--- Other
8301	Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, of base metal; keys for any of the foregoing articles, of base metal:
20 00 00	-- Locks of a kind used for motor vehicles
8302	Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat-racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal.
8304	Filing cabinets, card-index cabinets, paper trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture of heading No 9403

Tariff code	DESCRIPTION
8309	Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung covers, seals and other packing accessories, of base metal:
10 00 00	– Crown corks
8419	Machinery, plant or laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric:
	– Dryers:
31 00 00	– – For agricultural products
32 00 00	– – For wood, paper pulp, paper or paperboard.
39 00 00	– – Other
	– – Other:
89 10 00	– – – cooling towers and similar plant for direct cooling (without a separating wall) by means of recirculated water
8423	Weighing machinery (excluding balances of a sensitivity of 5 cg or better), including weight operated counting or checking machines; weighing machine weights of all kinds:
	– – having a maximum weighing capacity exceeding 30 kg but not exceeding 5 000 kg:
82 10 00	– – – Check weighers and automatic control machines operating by reference to a pre-determined weight
82 90 00	– – – Other
	– – Other:
89 10 00	– – – Weighbridges
89 90 00	– – – Other
8460	Machine-tools for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal or cermets by means of grinding stones, abrasives or polishing products, other than gear cutting, gear grinding or gear finishing machines of heading No 8461.
8461	Machine-tools for planing, shaping, slotting, broaching, gear cutting, gear grinding or gear finishing, sawing, cutting-off and other machine-tools working by removing metal or cermets, not elsewhere specified or included.
8462	Machine-tools (including presses) for working metal by forging, hammering or die-stamping; machine-tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching; presses for working metal or metal carbides, not specified above.
8463	Other machine-tools for working metal or cermets, without removing material.
8464	Machine-tools for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass:
	– Grinding or polishing machines:
	– – For working glass:
20 19 00	– – – Other
20 80 00	– – Other
90 00 00	– Other

Tariff code	DESCRIPTION
8474	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid (including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand:
8477	Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this chapter.
8478	Machinery for preparing or making up tobacco, not specified or included elsewhere in this chapter.
8480	Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics.
8483	Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints): <ul style="list-style-type: none"> – Gears and gearing, other than toothed wheels, chain sprockets and other transmission elements presented separately; ball or roller screws; gear boxes and other speed changers, including torque converters: – – Other: <ul style="list-style-type: none"> 40 91 00 – – – Gears and gearing (other than friction gears): 40 92 00 – – – Ball or roller screws 40 93 00 – – – Gear boxes and other speed changers: 40 98 00 – – – Other
8501	Electric motors and generators (excluding generating sets): <ul style="list-style-type: none"> – Motors of an output not exceeding 37,5 W: <ul style="list-style-type: none"> 10 10 00 – – Synchronous Motors of an output not exceeding 18 W – – Other: <ul style="list-style-type: none"> 10 91 00 – – – Universal AC/DC motors 10 93 00 – – – AC motors 10 99 00 – – – DC motors – Other AC motors, single-phase: <ul style="list-style-type: none"> – – Other: <ul style="list-style-type: none"> 40 91 00 – – – Of an output not exceeding 750 W
8508	Electro-mechanical tools for working in the hand, with self-contained electric motor.
8509	Electro-mechanical domestic appliances, with self-contained electric motor.
8512	Electrical lighting or signalling equipment (excluding articles of heading No 8539), windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles: <ul style="list-style-type: none"> 10 00 00 – Lighting or visual signalling equipment of a kind used on bicycles
8515	Electric (including electrically heated gas), laser or other light or photon beam, ultrasonic, electron beam, magnetic pulse or plasma arc soldering, brazing or welding machines and apparatus, whether or not capable of cutting; electric machines and apparatus for hot spraying of metals or cermets: <ul style="list-style-type: none"> – Brazing or soldering machines and apparatus: <ul style="list-style-type: none"> 11 00 00 – – Soldering irons and guns

Tariff code	DESCRIPTION
19 00 00	-- Other
	-- Machines and apparatus for resistance welding of metal:
21 00 00	-- Fully or partly automatic
29 00 00	-- Other
	-- Machines and apparatus for arc (including plasma arc) for welding of metals:
31 00 00	-- Fully or partly automatic
	-- Other:
39 10 00	--- For manual welding with coated electrodes, complete with welding or cutting devices
39 90 00	--- Other
	-- Other machines and apparatus:
	-- For treating metals:
80 11 00	--- For welding
80 19 00	--- Other
	-- Other:
80 91 00	--- For resistance welding of plastics
80 99 00	--- Other
8517	Electrical apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or for digital line systems; videophones.
8518	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; headphones, earphones and combined microphone/speaker sets; audio-frequency electric amplifiers; electric sound amplifier sets.
8519	Turntables (record-decks), record-players, cassette-players and other sound reproducing apparatus, not incorporating a sound recording device.
8520	Magnetic tape recorders and other sound recording apparatus, whether or not incorporating a sound reproducing device.
8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner.
8524	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37.
8527	Reception apparatus for radio-telephony, radio-telegraphy or radiobroadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock.
8528	Reception apparatus for television, whether or not incorporating radiobroadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors.
8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof:
	-- trailers and semi-trailers of the caravan type, for housing or camping:
10 10 00	-- Folding caravans
10 90 00	-- Other
	-- Self-loading or Self-unloading trailers and semi-trailers for agricultural purposes:
20 10 00	-- Manure spreaders

Tariff code	DESCRIPTION
20 90 00	-- Other. --- Other: ---- New:
39 30 00	----- Semi-trailers. ----- Other:
39 51 00	----- With a single axle
39 59 00	----- Other.
39 80 00	---- Used.
40 00 00	- Other trailers and semi-trailers
80 00 00	- Other vehicles - Parts:
90 10 00	-- Chassis
90 30 00	-- Bodies
90 90 00	-- Other parts
9402	Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles:
90 00 00	Other
9404	Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered:
10 00 00	- Mattress supports -- Of other materials:
29 10 00	--- Spring interior
29 90 00	--- Other - Sleeping bags:
30 10 00	-- Filled with feathers or down
30 90 00	-- Other - Other:
90 10 00	-- Filled with feathers or down
90 90 00	-- Other

ANNEX II

Imports into the former Yugoslav Republic of Macedonia of sensitive industrial goods originating in the Community

(Referred to in Article 18(3))

Customs duties on imports into the former Yugoslav Republic of Macedonia of goods originating in the Community which are listed in this Annex shall be progressively reduced in accordance with the following timetable:

- on 1 January of the third year after the entry into force of the Agreement each duty shall be reduced to 80 % of the basic duty;
- on 1 January of the fifth year after the entry into force of the Agreement each duty shall be reduced to 70 % of the basic duty;
- on 1 January of the sixth year after the entry into force of the Agreement each duty shall be reduced to 60 % of the basic duty;
- on 1 January of the seventh year after the entry into force of the Agreement each duty shall be reduced to 50 % of the basic duty;
- on 1 January of the eighth year after the entry into force of the Agreement each duty shall be reduced to 40 % of the basic duty;
- on 1 January of the ninth year after the entry into force of the Agreement each duty shall be reduced to 20 % of the basic duty;
- on 1 January of the tenth year after the entry into force of the Agreement the remaining duties shall be abolished.

Tariff code	DESCRIPTION
2515	Marble, travertine, ecaussine and other calcareous monumental or building stone of an apparent specific gravity of 2,5 or more, and alabaster, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.
2516	Granite, porphyry, basalt, sandstone and other monumental or building stone, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations.
2711	Petroleum gases and other gaseous hydrocarbons.
3004	Medicaments (excluding goods of heading No 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale: <ul style="list-style-type: none"> – Containing other antibiotics: <ul style="list-style-type: none"> 20 10 00 – – Put up in forms or in packings of a kind sold by retail – Containing hormones or other products of heading No 2937 but not containing antibiotics: <ul style="list-style-type: none"> – – Containing insulin: <ul style="list-style-type: none"> 31 10 00 – – – Put up in forms or in packings of a kind sold by retail – – Containing adrenal cortical hormones: <ul style="list-style-type: none"> 32 10 00 – – – Put up in forms or in packings of a kind sold by retail – – Other: <ul style="list-style-type: none"> 39 10 00 – – – Put up in forms or in packings of a kind sold by retail – Containing alkaloids or derivatives thereof but not containing hormones, other products of heading No 2937 or antibiotics: <ul style="list-style-type: none"> 40 10 00 – – Put up in forms or in packings of a kind sold by retail – Other medicaments containing vitamins or other products of heading No 2936: <ul style="list-style-type: none"> 50 10 00 – – Put up in forms or in packings of a kind sold by retail – Other: <ul style="list-style-type: none"> – – Put up in forms or in packings of a kind sold by retail: <ul style="list-style-type: none"> 90 11 00 – – – Containing iodine or iodine compounds

Tariff code	DESCRIPTION
90 19 00	--- Other
	-- Other:
90 91 00	--- Containing iodine or iodine compounds
90 99 00	--- Other
3005	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes.
3205	Colour lakes; preparations as specified in note 3 to this chapter based on colour lakes.
3208	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in note 4 to this chapter.
3209	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium.
3210	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.
3401	Soap, organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent.
3402	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading No 3401:
	- Preparations put up for retail sale:
20 10 00	-- Surface — active preparations
20 90 00	-- Washing preparations and cleaning preparations
	- Other:
90 10 00	-- Surface-active preparations
90 90 00	-- Washing preparations and cleaning preparations
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms:
10 00 00	- Polyvinyl chloride, not Mixed with any other substances
	- Other polyvinyl chloride:
21 00 00	-- Non-plasticised
22 00 00	-- Plasticised
40 00 00	- Other vinyl chloride copolymers
50 00 00	- Vinylidene chloride polymers
	- Fluoro-polymers:
61 00 00	-- Polytetrafluoroethylene
69 00 00	-- Other
90 00 00	- Other
3917	Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics.
3920	Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials.

Tariff code	DESCRIPTION
3922	Baths, shower baths, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastic.
4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, interchangeable tyre treads and tyre flaps, of rubber:
	– Retreaded tyres:
10 90 00	– – Other
	– Used pneumatic tyres:
20 90 00	– – Other
90 00 00	– Other
4202	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purses, mapcases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottlecases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper.
4203	Articles of apparel and clothing accessories, of leather or of composition leather.
4205	Other articles of leather or of composition leather.
4304	Artificial fur and articles thereof.
4418	Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes.
4808	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading No 4803:
10 00 00	– Corrugated paper and paperboard, whether or not perforated
30 00 00	– Other kraft paper, creped or crinkled, whether or not embossed or perforated
90 00 00	– Other
4810	Paper and paperboard, coated on one or both sides with kaolin (china clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or sheets:
	– Paper and paperboard of a kind used for writing, printing or other graphic purposes, not containing fibres obtained by a mechanical process or of which not more than 10 % by weight of the total fibre content consists of such fibres:
	– Other paper and paperboard:
	– – Multi-ply:
91 10 00	– – – Each layer bleached
91 30 00	– – – With only one outer layer bleached
91 90 00	– – – Other
4818	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, napkins for babies, tampons, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres.

Tariff code	DESCRIPTION
4819	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like:
10 00 00	– Cartons, boxes and cases, of corrugated paper or paperboard
30 00 00	– Sacks and bags, having a base of a width of 40 cm or more
40 00 00	– Other sacks and bags, including cones
50 00 00	– other packing containers, including record sleeves
60 00 00	– box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or the like
4823	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres:
	– Trays, dishes, plates, cups and the like, of paper or paperboard:
60 10 00	– – Trays, dishes and plates
60 90 00	– – Other
	– Moulded or pressed articles of paper pulp:
70 10 00	– – Moulded trays and boxes for packing eggs
70 90 00	– – Other
6402	Other footwear with outer soles and uppers of rubber or plastics.
6403	Footwear with outer soles of rubber, plastics, leather or composition leather, and uppers of leather.
6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.
6405	Other footwear.
6406	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.
7303	Tubes, pipes and hollow profiles, of cast iron.
7304	Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel.
7305	Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel.
7306	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel.
7308	Structures (excluding prefabricated buildings of heading No 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel.
7309	Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment.

Tariff code	DESCRIPTION
7310	Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 litres, whether of not lined or heat-insulated, but not fitted with mechanical or thermal equipment:
10 00 00	– Of a capacity of 50 litres or more
	– Of a capacity of less than 50 litres:
	– – – Other, with a wall thickness of:
21 91 00	– – – – Less than 0,5 mm
21 99 00	– – – – 0,5 mm or more
	– – Other:
29 10 00	– – – With a wall thickness of less than 0,5 mm
29 90 00	– – – With a wall thickness of 0,5 mm or more
7317	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading No 8305) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of copper.
7318	Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel.
7320	Springs and leaves for springs, of iron or steel.
7321	Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel.
7323	Table, kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel:
	– – Of stainless steel:
93 10 00	– – – Articles for table use
93 90 00	– – – Other
	– – Of iron (other than cast iron) or steel, enamelled:
94 10 00	– – – Articles for table use
94 90 00	– – – Other
	– – Other:
99 10 00	– – – Articles for table use
	– – – Other:
99 91 00	– – – – Varnished or painted.
99 99 00	– – – – Other
7325	Other cast articles of iron or steel:
10 00 00	– Of non-malleable cast iron
	– – Other:
	– – – Other:
99 10 00	– – – Of malleable cast iron
99 99 00	– – – – Other
7604	Aluminium bars, rods and profiles.
7608	Aluminium tubes and pipes.
7610	Aluminium structures (excluding prefabricated buildings of heading No 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures.

Tariff code	DESCRIPTION
7611	Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment.
7612	Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment.
8303	Armoured or reinforced safes, strong-boxes and doors and safe deposit lockers for strong-rooms, cash or deed boxes and the like, of base metal.
8402	Steam or other
8403	Central heating boilers other than those of heading No 8402.
8404	Auxiliary plant for use with boilers of heading No 8402 or 8403 (for example, economisers, super-heaters, soot removers, gas recoverers); condensers for steam or other vapour power units.
8413	Pumps for liquids, whether or not fitted with a measuring device; liquid elevators.
8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters.
8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading No 8415: <ul style="list-style-type: none"> - Combined refrigerator-freezers, fitted with separate external doors: <ul style="list-style-type: none"> -- Other: <ul style="list-style-type: none"> --- Of a capacity exceeding 340 litres: <ul style="list-style-type: none"> ---- New ---- Used --- Other: <ul style="list-style-type: none"> ---- New ---- Used - Refrigerators, household type: <ul style="list-style-type: none"> -- Compression-type: <ul style="list-style-type: none"> --- Of a capacity exceeding 340 litres: <ul style="list-style-type: none"> ---- New ---- Used --- Other: <ul style="list-style-type: none"> ---- Table model: <ul style="list-style-type: none"> ----- New ----- Used ---- Building-in type: <ul style="list-style-type: none"> ----- New ----- Used ---- Other, of a capacity: <ul style="list-style-type: none"> ----- Not exceeding 250 litres: <ul style="list-style-type: none"> ----- New
10 91 10	---- New
10 91 90	---- Used
	--- Other:
10 99 10	---- New
10 99 90	---- Used
	- Refrigerators, household type:
	-- Compression-type:
	--- Of a capacity exceeding 340 litres:
21 10 10	---- New
21 10 90	---- Used
	--- Other:
	---- Table model:
21 51 10	----- New
21 51 90	----- Used
	---- Building-in type:
21 59 10	----- New
21 59 90	----- Used
	---- Other, of a capacity:
	----- Not exceeding 250 litres:
21 91 10	----- New

Tariff code	DESCRIPTION
21 91 90	----- Used
	----- Exceeding 250 litres but not exceeding 340 litres:
21 99 10	----- New
21 99 90	----- Used
	-- Absorption-type, electrical:
22 00 10	--- New
22 00 90	--- Used
	-- Other:
29 00 10	--- New
29 00 90	--- Used
	- Freezers of the chest type, not exceeding 800 litres capacity:
	-- Other:
	--- Of a capacity not exceeding 400 litres:
30 91 10	----- New
30 91 90	----- Used
	--- Of a capacity exceeding 400 litres but not exceeding 800 litres:
30 99 10	----- New
30 99 90	----- Used
	- Freezers of the upright type, not exceeding 900 litres capacity:
	-- Other:
	--- Of a capacity not exceeding 250 litres:
40 91 10	----- New
40 91 90	----- Used
	--- Of a capacity exceeding 250 litres but not exceeding 900 litres:
40 99 10	----- New
40 99 90	----- Used
	- Other refrigerating or freezing chests, cabinets, display counters, showcases and similar refrigerating or freezing furniture:
	-- Refrigerated show-cases and counters (incorporating a refrigerating unit or evaporator):
	--- For frozen food storage:
50 11 10	----- New
50 11 90	----- Used
	--- Other:
50 19 10	----- New
50 19 90	----- Used
	-- Other refrigerating furniture:
50 90 10	----- New
50 90 90	----- Used
	- Parts:
91 00 00	-- Furniture designed to receive refrigerating or freezing equipment
8457	Machining centres, unit construction machines (single station) and multistation transfer machines, for working metal.
8458	Lathes (including turning centres) for removing metal.
8459	Machine-tools (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes (including turning centres) of heading No 8458.

Tariff code	DESCRIPTION
8504	Electrical transformers, static converters (for example, rectifiers) and inductors.
8507	Electric accumulators, including separators therefor, whether or not rectangular (including square): <ul style="list-style-type: none"> – Lead-acid of a kind used for starting piston engines: <ul style="list-style-type: none"> -- Other: <ul style="list-style-type: none"> --- Of a weight exceeding 5 kg: <ul style="list-style-type: none"> 10 81 00 ---- Working with liquid electrolyte 10 89 00 ---- Other
8516	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading No 8545.
8529	Parts suitable for use solely or principally with the apparatus of heading Nos 8525 to 8528.
8534	Printed circuits.
8535	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, fuses, lightning arresters, voltage limiters, surge suppressors, plugs, junction boxes), for a voltage exceeding 1 000 V.
8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders, junction boxes), for a voltage not exceeding 1 000 V: <ul style="list-style-type: none"> – Fuses: <ul style="list-style-type: none"> -- For a current not exceeding 10 A 10 50 00 -- For a current exceeding 10 A but not exceeding 63 A 10 90 00 -- For a current exceeding 63 A – Automatic circuit breakers: <ul style="list-style-type: none"> 20 10 00 -- For a current not exceeding 63 A 20 90 00 -- For a current exceeding 63 A – Other apparatus for protecting electrical circuits: <ul style="list-style-type: none"> 30 10 00 -- For a current not exceeding 16 A 30 30 00 -- For a current exceeding 16 A but not exceeding 125 A 30 90 00 -- For a current exceeding 125 A – Relays: <ul style="list-style-type: none"> -- For a voltage not exceeding 60 V: <ul style="list-style-type: none"> 41 10 00 --- For a current not exceeding 2 A 41 90 00 --- For a current exceeding 2 A -- Other <ul style="list-style-type: none"> 49 00 00 -- Other – Other switches: <ul style="list-style-type: none"> -- For a voltage not exceeding 60 V: <ul style="list-style-type: none"> 50 11 00 --- Push-button switches 50 15 00 --- Rotary switches

Tariff code	DESCRIPTION
50 19 00	--- Other -- Other:
50 90 10	--- Starters for fluorescent lamp
50 90 90	--- Other - Lamp-holders, plugs and sockets: -- Other:
69 10 00	--- For co-axial cables
69 30 00	--- For printed circuits
69 90 00	--- Other - Other apparatus:
90 01 00	-- Prefabricated elements for electrical circuits
90 10 00	-- Connections and contact elements for wire and cables
90 85 00	-- Other
8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading No 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading No 8517.
8538	Parts suitable for use solely or principally with the apparatus of heading No 8535, 8536 or 8537.
8539	Electric filament or discharge lamps, including sealed-beam lamp units and ultraviolet or infra-red lamps; arc-lamps: - Other filament lamps, excluding ultraviolet or infra-red lamps: -- Tungsten halogen:
21 30 00	--- of a kind used for motor-cycles or other motor vehicles --- Other, for a voltage:
21 92 00	----- Exceeding 100 V
21 98 00	----- Not exceeding 100 V -- Other, of a power not exceeding 200 W and for a voltage exceeding 100 V:
22 10 00	--- Reflector lamps
22 90 00	--- Other
29 30 00	-- Other --- of a kind used for motor-cycles or other motor vehicles --- other for a voltage:
29 92 00	----- Exceeding 100 V
29 98 00	----- Not exceeding 100 V - discharge lamps, other than ultraviolet lamps: -- Mercury or sodium vapour lamps; metal halide lamps:
32 10 00	--- Mercury vapour lamps
8544	Insulated (including enamelled or anodised) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors.

Tariff code	DESCRIPTION
8607	Parts of railway or tramway locomotives or rolling-stock: <ul style="list-style-type: none"> - Brakes and parts thereof: <ul style="list-style-type: none"> -- Air brakes and parts thereof: <ul style="list-style-type: none"> 21 10 00 --- Of cast iron or cast steel 21 90 00 --- Other -- Other: <ul style="list-style-type: none"> 29 10 00 --- Of cast iron or cast steel 29 90 00 --- Other.
8702	Motor vehicles for the transport of 10 or more persons, including the driver.
8703	Motor cars and other motor vehicles principally design for the transport of persons (other than those of heading No 8702), including station wagons and racing cars
8704	Motor vehicles for the transport of goods
8706	Chassis fitted with engines, for the motor vehicles of heading Nos 8701 to 8705.
8707	Bodies (including cabs), for the motor vehicles of heading Nos 8701 to 8705.
8708	Parts and accessories of the motor vehicles of heading Nos 8701 to 8705: <ul style="list-style-type: none"> - Bumpers and parts thereof: <ul style="list-style-type: none"> 10 00 90 -- Others - Others parts and accessories of bodies (including cabs) <ul style="list-style-type: none"> -- Safety seat belts: <ul style="list-style-type: none"> 21 00 90 --- Other -- Other <ul style="list-style-type: none"> 29 00 90 --- Other - Braces and servo-braces and parts thereof: <ul style="list-style-type: none"> -- Mounted brake linings: <ul style="list-style-type: none"> 31 00 90 --- Other -- Other: <ul style="list-style-type: none"> 39 00 90 --- Other - Suspension shock-absorbers: <ul style="list-style-type: none"> 80 00 90 -- Other <ul style="list-style-type: none"> -- Clutches and parts thereof: <ul style="list-style-type: none"> 93 00 90 --- Other -- Other <ul style="list-style-type: none"> 99 00 90 --- Other
8711	Motor-cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars; side cars
8712	Bicycles and other cycles (including delivery tricycles), not motorised
9401	Seats (other than those of heading No 9402), whether or not convertible into beds, and parts thereof: <ul style="list-style-type: none"> - Seats of a kind used for aircraft: <ul style="list-style-type: none"> 10 90 00 -- Other 20 00 00 - Seats of a kind used for motor vehicles <ul style="list-style-type: none"> - Swivel seats with variable height adjustment:

Tariff code	DESCRIPTION
30 10 00	-- Upholstered, with backrest and fitted with castors or glides
30 90 00	-- Other
40 00 00	- Seats other than garden seats or camping equipment, convertible into beds
50 00 00	- Seats of cane, osier, bamboo or similar materials
	- Other seats, with wooden frames:
61 00 00	-- Upholstered
69 00 00	-- Other
	- Other seats, with metal frames:
71 00 00	-- Upholstered
79 00 00	-- Other
80 00 00	- Other seats
	- Parts:
	-- Other:
90 30 00	---- Of wood
90 80 00	---- Other
9403	Other furniture and parts thereof:
	- Metal furniture of a kind used in offices:
10 10 00	-- Drawing tables (other than those of heading No 9017)
	-- Other:
	---- Not exceeding 80 cm in height:
10 51 00	----- Desks
10 59 00	----- Other
	---- Exceeding 80 cm in height:
10 91 00	----- Cupboards with doors, shutters or flaps
10 93 00	----- Filing, card-index and other cabinets.
10 99 00	----- Other
	- Other metal furniture:
	-- Other:
20 91 00	---- Beds
20 99 00	---- Other
	- Wooden furniture of a kind used in offices:
	-- Not exceeding 80 cm in height:
30 11 00	---- Desks
30 19 00	---- Other
	-- Exceeding 80 cm in height:
30 91 00	---- Cupboards with doors, shutters or flaps; filing, card-index and other cabinets
30 99 00	---- Other
	- Wooden furniture of a kind used in the kitchen:
40 10 00	-- Fitted kitchen units
40 90 00	-- Other
50 00 00	- Wooden furniture of a kind used in the bedroom
	- Other wooden furniture:
60 10 00	-- Wooden furniture of a kind used in the dining room and the living room

Tariff code	DESCRIPTION
60 30 00	-- Wooden furniture of a kind used in shops
60 90 00	-- Other wooden furniture
	- Furniture of plastics:
70 90 00	-- Other
80 00 00	- Furniture of other materials, including cane, osier, bamboo or similar materials
	- Parts:
90 10 00	-- Of metal
90 30 00	-- Of wood
90 90 00	-- Of other materials
9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included.
9406	Prefabricated buildings

ANNEX III

EC definition of 'baby beef' products

(Referred to in Article 27(2))

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

CN code	TARIC subdivision	Description
		Live bovine animals:
		– Other:
		– – Domestic species:
		– – – Of a weight exceeding 300 kg:
		– – – – Heifers (female bovines that have never calved):
		– – – – – For slaughter:
ex 0102 90 51	10	– Not yet having any permanent teeth, of a weight of 320 kg or more but not exceeding 470 kg ⁽¹⁾
ex 0102 90 59		– – – – – Other:
	11	– Not yet having any permanent teeth, of a weight of 320 kg or more but not exceeding 470 kg ⁽¹⁾
	21	
	31	
	91	
		– – – – Other:
		– – – – – For slaughter:
ex 0102 90 71	10	– Bulls and steers not yet having permanent teeth, of a weight of 350 kg or more but not exceeding 500 kg ⁽¹⁾
ex 0102 90 79		– – – – – Other:
	21	– Bulls and steers not yet having permanent teeth, of a weight of 350 kg or more but not exceeding 500 kg ⁽¹⁾
	91	
		Meat of bovine animals, fresh or chilled:
ex 0201 10 00		– Carcasses and half-carcasses:
	91	– Carcasses of a weight of 180 kg or more but not exceeding 300 kg, and half carcasses of a weight of 90 kg or more but not exceeding 150 kg, with a low degree of ossification of the cartilages (in particular those of the symphysis pubis and the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾
		– Other cuts with bone in:
ex 0201 20 20		– – ‘Compensated’ quarters:
	91	– ‘Compensated’ quarters of a weight of 90 kg or more but not exceeding 150 kg, with a low degree of ossification of the cartilages (in particular those of the symphysis pubis and the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾
ex 0201 20 30		– – Unseparated or separated forequarters:
	91	– Separated forequarters, of a weight of 45 kg or more but not exceeding 75 kg, with a low degree of ossification of the cartilages (in particular those of the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾
ex 0201 20 50		– – Unseparated or separated hindquarters:
	91	– Separated hindquarters of a weight of 45 kg or more but not exceeding 75 kg (but 38 kg or more and not exceeding 68 kg in the case of ‘Pistola’ cuts), with a low degree of ossification of the cartilages (in particular those of the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾ .

⁽¹⁾ Entry under this subheading is subject to conditions laid down in the relevant Community provisions

ANNEX IV(a)

Imports into the former Yugoslav Republic of Macedonia of agricultural goods originating in the Community (zero-duty tariff)

(Referred to in Article 27(3)(a))

CN code (1)	DESCRIPTION
0101	Live horses, asses, mules and hinnies:
	– Horses:
0101 11 00 00	– – Pure-bred breeding animals
0101 19	– – Other:
0101 19 90 00	– – – Other
0101 20	– Asses, mules and hinnies:
0101 20 10 00	– – Asses
0101 20 90 00	– – Mules and hinnies
0102	Live bovine animals:
0102 10	– Pure-bred breeding animals:
0102 10 10 00	– – Heifers (female bovines that have never calved)
0102 10 30 00	– – Cows
0102 10 90 00	– – Other
0102 90	– Other:
	– – Domestic species:
0102 90 05 00	– – – Of a weight not exceeding 80 kg
	– – – Of a weight exceeding 80 kg but not exceeding 160 kg:
0103	Live swine:
0103 10 00 00	– Pure-bred breeding animals
	– Other:
0103 91	– – Weighing less than 50 kg:
0103 91 10 00	– – – Domestic species
0103 91 90 00	– – – Other
0104	Live sheep and goats:
0104 10	– Sheep:
0104 10 10 00	– – Pure-bred breeding animals
	– – Other:
0104 20	– Goats:
0104 20 10 00	– – Pure-bred breeding animals
0105	Live poultry, that is to say, fowls of the species <i>Gallus domesticus</i> , ducks, geese, turkeys and guinea fowls:
	– Weighing not more than 185 g:
0105 11	– – Fowls of the species <i>Gallus domesticus</i> :
	– – – Grandparent and parent female chicks:
0105 11 11 00	– – – – Laying stocks
0105 19	– – Other:
	– – – Geese:
0105 19 00 10	– – – – Laying stocks
	– Other:
0105 92	– – Fowls of the species <i>Gallus domesticus</i> weighing not more than 2 000 g:
0105 92 00 10	– – – Laying stocks weighing more than 2 000 g

CN code (1)	DESCRIPTION
0105 99	-- Other:
	--- Ducks:
0105 99 10 10	---- Laying stocks
0106 00	Other live animals:
0106 00 00 10	- Domestic rabbits
0106 00 00 20	- Pigeons
0106 00 00 30	- Frogs
0106 00 00 40	- Dogs and cats
0106 00 00 50	- Bees
0106 00 00 60	- Wild animals
0106 00 90 00	- Other
0205 00 00 00	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen
0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen:
0206 10 00 00	- Of bovine animals, fresh or chilled
	- Of bovine animals, frozen:
0206 21 00 00	-- Tongues
0206 22 00 00	-- Livers
0206 30 00 00	- Of swine, fresh or chilled
	- Of swine, frozen:
0206 41 00 00	-- Livers
0206 49 00 00	-- Other
0206 80 00 00	- Other, fresh or chilled
0206 90 00 00	- Other, frozen
0208	Other meat and edible meat offal, fresh, chilled or frozen:
0208 10 00 00	- Of rabbits or hares
0208 20 00 00	- Frogs' legs
0208 90 00 00	- Other
0210 90 00 00	- Other, including edible flours and meals of meat or meat offal
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter, products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included:
0404 10 00 00	- Whey and modified whey, whether or not concentrated or containing added sugar or other sweetening matter
0404 90 00 00	- Other
0408	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter:
	- Egg yolks:
0408 11	-- Dried:
0408 11 20 00	--- Unfit for human consumption
0408 11 80 00	--- Other
0408 19	-- Other:
0408 19 20 00	--- Unfit for human consumption
	--- Other:
0408 19 81 00	---- Liquid
0408 19 89 00	---- Other, including frozen
	- Other:

CN code (1)	DESCRIPTION
0408 91	-- Dried:
0408 91 20 00	--- Unfit for human consumption
0408 91 80 00	--- Other
0408 99	-- Other:
0408 99 20 00	--- Unfit for human consumption
0408 99 80 00	--- Other
0410 00 00 00	Edible products of animal origin, not elsewhere specified or included
0504 00 00 00	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked
0601	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower; chicory plants and roots other than roots of heading No 1212:
0601 10 00 00	- Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant
0601 20 00 00	- Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, in growth or in flower; chicory plants and roots
0602	Other live plants (including their roots), cuttings and slips; mushroom spawn:
0602 10	- Unrooted cuttings and slips:
0602 10 10 00	-- Of vines
0602 10 90 00	-- Other
0602 20	- Trees, shrubs and bushes, grafted or not, of kinds which bear edible fruit or nuts:
0602 20 10 00	-- Vine slips, grafted or rooted
0602 20 90 00	-- Other
0602 30 00 00	- Rhododendrons and azaleas, grafted or not
0602 40 00 00	- Roses, grafted or not
0602 90	- Other:
0602 90 10 00	-- Mushroom spawn
0701	Potatoes, fresh or chilled:
0701 10 00 00	- Seed
0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled:
0703 10	- Onions and shallots:
0703 10 00 10	-- For sowing
0713	Dried leguminous vegetables, shelled, whether or not skinned or split:
0713 10	- Peas (<i>Pisum sativum</i>):
0713 10 10 00	-- For sowing
0713 20	
0713 20 10 00	-- For sowing
0713 31	-- Beans of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek:
0713 31 10 00	--- For sowing
0713 32	-- Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>):
0713 32 10 00	--- For sowing
0713 33	-- Kidney beans, including white pea beans (<i>Phaseolus vulgaris</i>):
0713 33 10 00	--- For sowing
0713 39	-- Other:
0713 39 10 00	--- For sowing
0713 40	- Lentils:
0713 40 10 00	--- For sowing

CN code (1)	DESCRIPTION
0713 50	– Broad beans (<i>Vicia faba var. major</i>) and horse beans (<i>Vicia faba var. equina</i> , <i>Vicia faba var. minor</i>):
0713 50 10 00	– – – For sowing
0713 90	– Other:
0713 90 10 00	– – For sowing.
0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith:
0714 10 00 00	– Manioc (cassava)
0714 20 00 00	– Sweet potatoes
0714 90 00 00	– Other
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled:
	– Coconuts:
0801 11 00 00	– – Desiccated
0801 19 00 00	– – Other
	– Brazil nuts:
0801 21 00 00	– – In shell
0801 22 00 00	– – Shelled
	– Cashew nuts:
0801 31 00 00	– – In shell
0801 32 00 00	– – Shelled
0814 00 00 00	Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions
0904	Pepper of the genus <i>Piper</i> , dried or crushed or ground fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> :
	– Pepper:
0904 11 00 00	– Neither crushed nor ground
0904 12 00 00	– Crushed or ground
0905 00 00 00	Vanilla
0906	Cinnamon and cinnamon-tree flowers:
0906 10 00 00	– Neither crushed nor ground
0906 20 00 00	– Crushed or ground
0907 00 00 00	Cloves (whole fruit, cloves and stems)
0908	Nutmeg, mace and cardamoms:
0908 10 00 00	– Nutmeg
0908 20 00 00	– Mace
0908 30 00 00	– Cardamoms
0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries:
0909 10 00 00	– Seeds of anise or badian
0909 20 00 00	– Seeds of coriander
0909 30 00 00	– Seeds of cumin
0909 40 00 00	– Seeds of caraway
0909 50 00 00	– Seeds of fennel; juniper berries
0910	Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry and other spices:
0910 10 00 00	– Ginger
0910 20 00 00	– Saffron

CN code (1)	DESCRIPTION
0910 30 00 00	- Turmeric (curcuma)
0910 40 00 00	- Thyme; bay leaves
0910 50 00 00	- Curry
	- Other spices:
0910 91 00 00	-- Mixtures referred to in note 1(b) to this chapter
0910 99 00 00	-- Other
1002 00	Rye:
1002 00 00 10	- Seed
1002 00 00 90	- Other
1003 00	Barley:
1003 00 00 10	- Seed
1004 00	Oats:
1004 00 00 10	- Seed
1005	Maize (corn):
1005 10	- Seed:
1005 10 10 00	-- Hybrid
1005 10 90 00	-- Other
1006	Rice:
1006 10	- Rice in the husk (paddy or rough):
1006 10 00 10	-- For sowing
1007 00 00 00	Grain sorghum
1008	Buckwheat, millet and canary seed; other cereals:
1008 10 00 00	- Buckwheat
1008 20 00 00	- Millet
1008 30 00 00	- Canary seed
1008 90 00 00	- Other cereals
1103 13	-- Of maize (corn):
1103 13 00 10	--- Unfit for human consumption
1105	Flour, meal, powder, flakes, granules and pellets of potatoes:
1105 10 00 00	- Flour, meal and powder
1105 20 00 00	- Flakes, granules and pellets
1106	Flour, meal and powder of the dried leguminous vegetables of heading No 0713, of sago or of roots or tubers of heading No 0714 or of the products of Chapter 8:
1106 20 00 00	- Of sago or of roots or tubers of heading No 0714
1106 30	- Of the products of Chapter 8:
1106 30 00 10	-- Of coconut
1108	Starches; inulin:
	- Starches:
1108 11 00 00	-- Wheat starch
1108 12	-- Maize (corn) starch:
1108 12 00 10	--- Unfit for retail sale
1108 12 00 90	--- Other
1108 13 00 00	-- Potato starch
1108 14 00 00	-- Manioc (cassava) starch
1108 19 00 00	-- Other starches
1108 20 00 00	- Inulin

CN code (1)	DESCRIPTION
1201 00	Soya beans, whether or not broken:
1201 00 10 00	– For sowing
1201 00 90 00	– Other
1202	Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken:
1202 10	– In shell:
1202 10 10 00	– – For sowing
1202 10 90 00	– – Other
1202 20 00 00	– Shelled, whether or not broken
1203 00 00 00	Copra
1204 00 00 00	Linseed, whether or not broken
1207	Other oil seeds and oleaginous fruits, whether or not broken:
1207 10 00 00	– Palm nuts and kernels
1207 20 00 00	– Cotton seeds
1207 30 00 00	– Castor oil seeds
1207 40 00 00	– Sesamum seeds
1207 50 00 00	– Mustard seeds
1207 60 00 00	– Safflower seeds
	– Other:
1207 92 00 00	– – Shea nuts (karite nuts)
1207 99 00 00	– – Other
1208	Flours and meals of oil seeds or oleaginous fruits, other than those of mustard:
1208 10 00 00	– Of soya beans
1208 90 00 00	– Other
1209	Seeds, fruit and spores, of a kind used for sowing:
	– Beet seed:
1209 11 00 00	– – Sugar beet seed
1209 19 00 00	– – Other
1209 22 00 00	– – Clover (<i>Trifolium</i> spp.) seed
1209 23 00 00	– – Fescue seed
1209 24 00 00	– – Kentucky Blue grass (<i>Poa pratensis</i> L.) Seed
1209 25 00 00	– – Rye grass (<i>Lolium multiflorum</i> Lam., <i>Lolium perenne</i> L.) seed
1209 26 00 00	– – Timothy grass seed
1209 29 00 00	– – Other
1209 30 00 00	– Seeds of herbaceous plants cultivated principally for their flowers
	– Other:
1209 91 00 00	– – Vegetable seeds
1209 99 00 00	– – Other
1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered:
1211 10 00 00	– Liquorice roots
1211 20 00 00	– Ginseng roots
1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety <i>Cichorium intybus sativum</i>) of a kind used primarily for human consumption, not elsewhere specified or included:

CN code (1)	DESCRIPTION
1212 10 00 00	– Locust beans, including locust bean seeds
1212 30 00 00	– Apricot, peach or plum stones and kernels
	– Other:
1212 92 00 00	– – Sugar cane
1212 99 00 00	– – Other
1213 00 00 00	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets
1214	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets:
1214 10 00 00	– Lucerne (alfalfa) meal and pellets
1214 90 00 00	– Other
1301	Lac; natural gums, resins, gum-resins and oleoresins (for example, balsams):
1301 10 00 00	– Lac
1301 20 00 00	– Gum arabic
1301 90	– Other:
1301 90 00 10	– – Cannabis resin
1301 90 00 90	– – Other
1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products:
	– Vegetable saps and extracts:
1302 11 00 00	– – Opium
1502 00	Fats of bovine animals, sheep or goats, other than those of heading No 1503:
1502 00 10 00	– For industrial uses other than the manufacture of foodstuffs for human consumption
1502 00 90 00	– Other
1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified:
1504 10 00 00	– Fish-liver oils and their fractions
1504 20	– Fats and oils and their fractions, of fish, other than liver oils:
1504 20 00 10	– – Fish oils
1504 20 00 90	– – Other
1504 30	– Fats and oils and their fractions, of marine mammals:
	– – Solid fractions:
1504 30 11 00	– – – Whale oil and sperm oil
1504 30 19 00	– – – Other
1504 30 90 00	– – Other
1508	Ground-nut oil and its fractions, whether or not refined, but not chemically modified:
1508 10 00 00	– Crude oil
1508 90 00 00	– Other
1511	Palm oil and its fractions, whether or not refined, but not chemically modified:
1511 10 00 00	– Crude oil
1511 90 00 00	– Other
1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified:
	– Sunflower-seed or safflower oil and fractions thereof:
	– Cotton-seed oil and its fractions:
1512 21 00 00	– – crude oil, whether or not gossypol has been removed
1512 29 00 00	– – Other

CN code (1)	DESCRIPTION
1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified:
	– Coconut (copra) oil and its fractions:
1513 11 00 00	– – Crude oil
1513 19 00 00	– – Other
	– Palm kernel or babassu oil and fractions thereof:
1513 21 00 00	– – Crude oil
1513 29 00 00	– – Other
1515	Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified:
	– Linseed oil and its fractions:
1515 11 00 00	– – Crude oil
1515 19 00 00	– – Other
	– Maize (corn) oil and its fractions:
1515 30 00 00	– Castor oil and its fractions
1515 40 00 00	– Tung oil and its fractions
1515 50 00 00	– Sesame oil and its fractions
1515 90 00 00	– Other
1516	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinized, whether or not refined, but not further prepared:
1516 10	– Animal fats and oils and their fractions:
1516 10 00 10	– – Fish and whale
1516 10 00 90	– – Other
1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel:
	– Lactose and lactose syrup:
1702 11 00 00	– – Containing by weight 99 % or more lactose, expressed as anhydrous lactose, calculated on the dry matter
1702 19 00 00	– – Other
1702 20 00 00	– Maple sugar and maple syrup
1702 30	– Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20 % by weight of fructose:
1702 30 10 00	– – Isoglucose
	– – Other:
	– – – Containing in the dry state, 99 % or more by weight of glucose:
1702 30 51 00	– – – – In the form of white crystalline powder, whether or not agglomerated
1702 30 59 00	– – – – Other
	– – – Other:
1702 30 91 00	– – – – In the form of white crystalline powder, whether or not agglomerated
1702 30 99 00	– – – – Other
1702 40 00 00	– Glucose and glucose syrup, containing in the dry state at least 20 % but less than 50 % by weight of fructose
1702 60 00 00	– Other fructose and fructose syrup, containing in the dry state more than 50 % by weight of fructose
1703	Molasses resulting from the extraction or refining of sugar:
1703 10 00 00	– Cane molasses
1703 90 00 00	– Other
1805 00 00 00	Cocoa powder, not containing added sugar or other sweetening matter

CN code ⁽¹⁾	DESCRIPTION
2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No 2006:
2005 10	– Homogenised vegetables:
2005 10 00 10	– – Food for children in containers not exceeding 250 g
2104	Soups and broths and preparations therefor; homogenised composite food preparations:
2104 20	– Homogenised composite food preparations:
2104 20 00 10	– – Food for children in containers not exceeding 250 g
2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves:
2301 10 00 00	– Flours, meals and pellets, of meat or meat offal; greaves
2303	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets:
2303 10 00 00	– Residues of starch manufacture and similar residues
2303 20 00 00	– Beet-pulp, bagasse and other waste of sugar manufacture
2303 30 00 00	– Brewing or distilling dregs and waste
2304 00 00 00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil
2305 00 00 00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil
2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading No 2304 or 2305:
2306 10 00 00	– Of cotton seeds
2306 20 00 00	– Of linseed
2306 30 00 00	– Of sunflower seeds
2306 40 00 00	– Of rape or colza seeds
2306 50 00 00	– Of coconut or copra
2306 60 00 00	– Of palm nuts or kernels
2306 70 00 00	– Of maize (corn) germ
2306 90 00 00	– Other
2307 00 00 00	Wine lees; argol
2308	Vegetable materials and vegetable waste, vegetable residues and byproducts, whether or not in the form of pellets, of a kind used in animal feeding, not elsewhere specified or included:
2308 10 00 00	– Acorns and horse-chestnuts
2308 90 00 00	– Other
2309	Preparations of a kind used in animal feeding:
2309 90	– – Complete food and super concentrates for animal, fish or cattle feed:
2309 90 00 11	– – – Fish or marine mammal solubles
2309 90 00 30	– – Premixtures
2401	Unmanufactured tobacco; tobacco refuse

⁽¹⁾ As defined in the Customs Tariff Law of 31 July 1996 of the former Yugoslav Republic of Macedonia (Official Journal 38/96).

ANNEX IV(b)

**Imports into the former Yugoslav Republic of Macedonia of agricultural goods originating in the Community
(zero-duty tariff within tariff quotas)**

(Referred to in Article 27(3)(b))

CN code (*)	Description	Year 2001		Year 2002		Year 2003 and beyond	
		Tariff quota (tonnes)	Applicable duty for exceeding quantities (% of MFN)	Tariff quota (tonnes)	Applicable duty for exceeding quantities (% of MFN)	Tariff quota (tonnes)	Applicable duty for exceeding quantities (% of MFN)
0206 29 00	-- Other	200	90	300	80	400	70
0207	-- Meat and edible offal, of poultry of heading No 0105, fresh, chilled or frozen	1 500	90	2 000	80	3 000	70
0402	-- Milk and cream concentrated or containing added sugar or other sweetening matter	200	90	300	80	400	70
0405 10	-- Butter	100	90	200	80	300	70
0406 20	-- Grated or powdered cheese, of all kinds	50	90	70	80	100	70
0406 30	-- Processed cheese, not grated or powdered						
0805 10	-- Oranges	5 000	90	7 000	80	8 000	70
0805 20	-- Mandarins						
0805 30	-- Lemons						
0805 40	-- Grapefruit						
1005 90	-- Other:	20 000	90	20 000	80	20 000	70
1601	-- Sausages and similar products of meat, meat offal or blood; food preparations based on these products	300	90	600	80	1 200	70
1602	-- Other prepared or preserved meat, meat offal and blood	200	90	500	80	800	70
2005 70 00	-- Olives	600	90	1 000	80	1 600	70
1507 10 00	-- Crude oil, whether or not degummed	5 000	90	10 000	80	15 000	70
1512 11 00	-- Crude oil						
1514 10 00	-- Crude oil						
1701	Cane or beet sugar and chemically pure sucrose in solid form:	5 000	90	10 000	80	15 000	70
	-- raw sugar not containing added flavouring or colouring matter:						
1701 11 00	-- Cane sugar						
1701 12 00	-- Beet sugar						

CN code ⁽¹⁾	Description	Year 2001		Year 2002		Year 2003 and beyond	
		Tariff quota (tonnes)	Applicable duty for exceeding quantities (% of MFN)	Tariff quota (tonnes)	Applicable duty for exceeding quantities (% of MFN)	Tariff quota (tonnes)	Applicable duty for exceeding quantities (% of MFN)
2309	Preparations of a kind used in animal feeding: -- Complete food and super concentrates for animal, fish or cattle feed:	7 000	90	10 000	80	12 000	70
2309 90	- Other:						
2309 90 00 19	-- Other						
2309 90 00 20	-- Cattle food enriched with molasses, carbon hydrates, vitamins, minerals						
2309 90 00 90	- Other						

⁽¹⁾ As defined in the Customs Tariff Law of 31 July 1996 of the former Yugoslav Republic of Macedonia (Official Journal 38/96).

ANNEX IV(c)

Imports into the former Yugoslav Republic of Macedonia of agricultural goods originating in the Community (concessions within tariff quotas)

(Referred to in Article 27(3)(c))

CN code ⁽¹⁾	Description	Annual quantity (tonnes)	Applicable duty (% of MFN)		
			From 1 January 2001	From 1 January 2002	From 1 January 2003
0203	Meat of swine, fresh, chilled or frozen	2 000	90 %	80 %	70 %
0406	Cheese and curd	600	90 %	80 %	70 %

⁽¹⁾ As defined in the Customs Tariff Law of 31 July 1996 of the former Yugoslav Republic of Macedonia (Official Journal 38/96).

ANNEX V(a)

Imports into the Community of fish and fisheries products originating in the former Yugoslav Republic of Macedonia

(Referred to in Article 28(1))

Code	Description	Year 1	Year 2	Year 3
		Duty %	Duty %	Duty %
0301 91 10 0301 91 90 0302 11 10 0302 11 90 0303 21 10 0303 21 90 0304 10 11 ex 0304 10 19 ex 0304 10 91 0304 20 11 ex 0304 20 19 ex 0304 90 10 ex 0305 10 00 ex 0305 30 90 0305 49 45 ex 0305 59 90 ex 0305 69 90	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> , and <i>Oncorhynchus chrysogaster</i>): live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meals; flours, meats and pellets, fit for human consumption.	90 % of MFN	80 % of MFN	70 % of MFN
0301 93 00 0302 69 11 0303 79 11 ex 0304 10 19 ex 0304 10 91 ex 0304 20 19 ex 0304 90 10 ex 0305 10 00 ex 0305 30 90 ex 0305 49 80 ex 0305 59 90 ex 0305 69 90	Carp: live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption.	90 % of MFN	80 % of MFN	70 % of MFN

ANNEX V(b)

Imports into the former Yugoslav Republic of Macedonia of fish and fisheries products originating in the Community

(Referred to in Article 28(2))

Code ⁽¹⁾	Description	Year 1	Year 2	Year 3
		Duty %	Duty %	Duty %
0301	Live fish:	90 % of MFN	80 % of MFN	70 % of MFN
0301 10 00 00	- Ornamental fish			
	- Other live fish:			
0301 91 00 00	-- Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>):			
0301 92 00 00	-- Eels (<i>Anguilla</i> spp.)			
0301 93 00 00	--- Carp			
0301 99	-- Other:			
0301 99 00 10	--- Freshwater fish			
0302 11 00 00	-- Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>)			
0302 66 00 00	-- Eels (<i>Anguilla</i> spp.)			
0302 69 00 10	--- Freshwater fish			
0303 21 00 00	-- Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>)			
0303 29 00 10	--- Freshwater fish			
0303 79 00 10	--- Freshwater fish			
0304 10 00 10	--- Of freshwater fish			
0304 20 00 10	--- Of freshwater fish			
0304 90 00 10	--- Of freshwater fish			
0305 49 00 00	-- Other			
	- dried fish, whether or not salted but not smoked:			
0305 59 00 00	-- Other			
	- fish salted but not dried or smoked and fish in brine			
0305 69 00 00	-- Other			

⁽¹⁾ As defined in the Customs Tariff Law of 31 July 1996 of the former Yugoslav Republic of Macedonia (Official Journal 38/96).

ANNEX VI

Establishment: financial services

(Referred to in Title V, Chapter II Articles 47 and 49)

Financial Services: Definitions

A financial service is any service of a financial nature offered by a financial service provider of a Party.

Financial services include the following activities:

A. All insurance and insurance-related services:

1. direct insurance (including co-insurance):
 - (i) life;
 - (ii) non-life;
2. reinsurance and retrocession;
3. insurance inter mediation, such as brokerage and agency;
4. services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;

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

1. acceptance of deposits and other repayable funds from the public;
2. lending of all types, including, *inter alia*, consumer-credit, mortgage credit, factoring and financing of commercial transaction;
3. financial leasing;
4. all payment and money transmission services, including credit charge and debit cards, travellers cheques and bankers draft;
5. guarantees and commitments;
6. trading for own account of customers, whether on an exchange, in an over the counter market or otherwise, the following:
 - (a) money market instruments (cheques, bills, certificates of deposits, etc.),
 - (b) foreign exchange,
 - (c) derivative products including, but not limited to, futures and options,
 - (d) exchange rates and interest rate instruments, including products such as swaps, forward rate agreements, etc.,
 - (e) transferable securities,
 - (f) other negotiable instruments and financial assets, including bullion;
7. participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
8. money broking;
9. asset management, such as cash or portfolio management, all forms of collective investment management, pension-fund management, custodial depository and trust services;
10. settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;
11. advisory intermediation and other auxiliary financial services on all the activities listed in points 1 to 10 above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;
12. provision and transfer of financial information, and financial data processing and related software by providers of other financial services.

The following activities are excluded from the definition of financial services:

- (a) activities carried out by central banks or by any other public institution in pursuit of monetary and exchange rate policies;
- (b) activities conducted by central banks, government agencies or departments, or public institutions, for the account or with the guarantee of the government, except when those activities may be carried out by financial service providers in competition with such public entities;
- (c) activities forming part of a statutory system of social security or public retirement plans, except when those activities may be carried by financial service providers in competition with public entities or private institutions.

ANNEX VII

Intellectual, industrial and commercial property rights

(Referred to in Article 71)

1. Article 71(3) concerns the following Multilateral Conventions:
 - Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the purposes of Patent Procedures (1977, modified in 1980);
 - Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid, 1989);
 - International Convention for the Protection of New Varieties of Plants (UPOV Geneva Act, 1991).The Stabilisation and Association Council may decide that Article 71(3) shall apply to other multilateral conventions.
 2. The Parties confirm the importance they attach to the obligations arising from the following multilateral conventions:
 - International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome, 1961);
 - Paris Convention for the Protection of Industrial Property (Stockholm Act, 1967 and amended in 1979);
 - Madrid Agreement concerning the International Registration of Marks (Stockholm Act, 1967 and amended in 1979);
 - Patent Co-operation Treaty (Washington, 1970, amended in 1979 and modified in 1984);
 - Convention for the Protection of Producers of Phonograms against Unauthorised Duplications of their Phonograms (Geneva 1971);
 - Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971);
 - Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks (Geneva, 1977 and amended in 1979).
 3. From entry into force of this Agreement, the former Yugoslav Republic of Macedonia shall grant to Community companies and nationals, in respect of the recognition and protection of intellectual, industrial and commercial property, treatment no less favourable than that granted by it to any third country under bilateral agreements.
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LIST OF PROTOCOLS

- Protocol 1 on textile and clothing products
- Protocol 2 on steel products
- Protocol 3 on trade between the former Yugoslav Republic of Macedonia and the Community in processed agricultural products
- Protocol 4 concerning the definition of the concept of 'originating products' and methods of administrative co-operation
- Protocol 5 on mutual administrative assistance in customs matters

PROTOCOL 1**on textile and clothing products***Article 1*

This Protocol applies to the textile and clothing products (hereinafter 'textile products') listed in Section XI (Chapter 50 to 63) of the combined nomenclature of the Community.

Article 2

1. Textile products falling within Section XI (Chapter 50 to 63) of the combined nomenclature and originating in the former Yugoslav Republic of Macedonia as defined in Protocol 4 of this Agreement will enter into the Community free of customs duties on the day of entry into force of this Agreement.

2. The duties applied to direct imports into the former Yugoslav Republic of Macedonia of textile products falling within Section XI (Chapter 50 to 63) of the combined nomenclature and originating in the Community as defined in Protocol 4 of the Agreement, shall be abolished on the date of entry into force of Agreement except for products listed in Annex I to this Protocol for which the rates of duties shall be progressively reduced as provided therein.

3. Subject to this Protocol, the provisions of the Agreement and in particular Articles 19 and 34 of the Agreement shall apply to trade in textile products between the Parties.

Article 3

The double-checking arrangements and other related issues regarding exports of textile products originating in the former Yugoslav Republic of Macedonia to the Community and originating in the Community to the former Yugoslav Republic of Macedonia are stipulated in the Agreement between the European Community and the former Yugoslav Republic of Macedonia on trade in textile products as renewed and applied since 1 January 2000.

Article 4

From the entry into force of this Agreement, no new quantitative restrictions or measures of equivalent effect shall be imposed except as provided for under the above Agreement and its Protocols.
