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**Working Party on the
Accession of Georgia**

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ACCESSION OF GEORGIA

Questions and Replies to the Memorandum on the Foreign Trade Regime (Document WT/ACC/GEO/3)

In a communication dated 3 July 1996 (WT/ACC/GEO/1), the Government of Georgia applied for accession under Article XII of the Agreement Establishing the World Trade Organization (WTO).

At its meeting on 18 July 1996, the General Council established a Working Party with the following terms of reference: "To examine the application of the Government of Georgia to accede to the WTO Agreement under Article XII, and to submit to the General Council recommendations which may include a draft Protocol of Accession." The membership is open to all WTO Members indicating their wish to serve on the Working Party. In document WT/ACC/GEO/3, Members had been invited to submit questions in writing concerning the foreign trade regime of Georgia. The questions submitted by Members and the replies thereto provided by the authorities of Georgia are reproduced hereunder.

Delegations wishing to raise additional questions concerning the foreign trade regime of Georgia might inform the delegation of Georgia (with a copy to the Secretariat) of such questions in advance of the next meeting of the Working Party, so that considered replies can be made available by Georgia to Members at the time of the Working Party meeting.

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I. INTRODUCTION

Question 1.

In our review of the foreign trade Memorandum, we have referred to laws, decrees, and regulations that do not appear to have yet been provided to the Working Party. In order to facilitate Georgia's compilation of these laws and regulations for submission to the Working Party, we have listed all the relevant laws and regulations, as follows. Please submit translated copies of these laws and regulations to the Secretariat for review by the Working Party well in advance of the first Working Party meeting. (Note references to these laws and regulations have been retained in the questions following for contextual purposes.)

- an electronic copy of the HS schedule;
- new Customs Code;
- the 1996 Law "On Customs Duty";
- Resolution No. 843 of the Cabinet of Ministers, dated 12 May 1994, providing instructions for determining the customs value of imported goods;
- the draft Law "On Value Added Tax";
- the Decree of 21 October 1992 "On Customs Tariff";
- the draft legislation on anti-dumping and countervailing duties;
- Resolution No. 744 of the Cabinet of Ministers of Georgia of 30 November 1995, on export licensing;
- Resolution No. 637-11 of 21 February 1995, on export restrictions applicable to ferrous and non-ferrous scrap metals;
- Laws "On Standardization" and "On Certification of Products and Services," adopted by the Parliament of Georgia on 6 September 1996;
- the draft law on free economic zones;
- Decree No. 162 of 11 February 1996 and Resolution No. 264 of the Cabinet of Ministers of the Republic of Georgia of 30 March 1993 "On Delivery of Products and Goods for State Needs of the Republic of Georgia";
- the draft law on trademarks;
- the draft law on the protection of appellations of origin;
- the draft patent law;
- Law on Protection of Selective Achievements;
- the draft law on protection of layout designs;
- the new Civil Code provisions applicable to protection of intellectual property;
- Articles 147 and 166 of the Criminal Code;
- the intellectual property regime provisions of the draft Criminal Code;
- Law "On Promotion and Guarantees of Investment Activity";
- Law "On Entrepreneurship";
- the draft insurance law;
- the Law "On Commercial Bank Activities";
- the Coal and Metal Association Agreement.

Answer:

See document WT/ACC/GEO/4/Add.1.

II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

2. Economic Policies

(a) Main directions of the ongoing economic policies Privatization

Question 2.

Georgia states that telecommunication enterprises of strategic importance are not liable to privatization. Could Georgia provide more information on the specific sectors of telecommunication which cannot be privatized? Does Georgia intend to liberalize this sector in the short term?

Answer:

In accordance with the Article 4 of the Law of 30 May 1997 "On Privatization of State Property", the following units of the Ministry of Communications and Post are not liable to privatization: frequency spectrum, State post communication, radio and television broadcasting, trunk-line and international telephone communication, government communication means and Georgia's position on geo-stationary orbit. Georgia does not intend to liberalize this sector in the short term.

Question 3.

Please confirm the number of medium and large enterprises which are joint-stock companies - 1,000 million seems rather high.

According to the Memorandum, there are about 1000 million medium and large enterprises that are joint-stock companies. This seems a rather large number. Is it correct?

Answer:

There are 1,072 medium and large enterprises that are joint-stock companies in Georgia as of 1 July 1997; the number - 1,000 million, given in the Memorandum is not correct. Instead of 1,000 million it should have been 1,000.

Question 4.

It is noted that privatization of State property is allowed, except "enterprises subject to privatization in 1997-2000 or transformation into joint-stock companies leaving the controlling block of stocks (51 per cent) in State property or enterprises not liable to privatization at all". Does this mean that three categories of companies have been defined for the period 1997-2000 - those subject to full privatization; those subject only to partial privatization; and those not liable for privatization at all? What percentage of GDP do companies subject to full privatization account for?

Answer:

There is no official division into three categories of companies as it is shown in the question.

Article 4 of the Law "On Privatization of State Property" of 30 July 1997, defines State property not subject to privatization, the rest of the State property is liable for privatization.

Companies subject to full privatization account for 75 per cent of GDP.

Question 5.

According to the Memorandum, the controlling block of shares are kept by the government only in exceptional cases when an enterprise is of strategic purpose and the number of such enterprises is strictly limited. Please identify and describe the activities of the joint-stock companies that have "strategic purpose". Does the Government of Georgia maintain a controlling block of shares in any companies other than those to be privatized in 1997-2000 (as identified in the Memorandum), television and radio transmission channels, and enterprises producing controlling devices for geological, hydrometeorological, environmental protection and natural conditions?

Answer:

In accordance with Decree No. 335 of 23 May 1996 of the President of Georgia, a list of 52 joint-stock companies was approved, in which the controlling block of shares must be kept as State property. At present, with recommendations of the World Bank and the European Communities, a new draft decree of the President of Georgia is being prepared, but is not adopted yet, which provides for a reduction of the number of the above-mentioned companies from 52 to 32, so the total number will be reduced by 40 per cent. These 32 joint-stock companies belong to extractive and processing enterprises of strategic importance. Privatization of television and radio channels and enterprises producing controlling devices for geological, hydrometeorological, environmental protection and natural conditions is allowed, except television and radio channels of governmental importance.

Question 6.

According to the Memorandum, a Georgian enterprise can only participate in the privatization process if the share of government in his authorized capital does not exceed 25 per cent. Please explain this policy in further detail. Does this policy mean that if the State controlled portion of any enterprise accounts for 25 per cent or less of the business, then full privatization is prohibited? If so, why?

Answer:

No, this section means that if an enterprise is 25 per cent or more owned by government, it cannot be a buyer of a company to be privatized.

Question 7.

Please provide a table showing progress to date and future plans for privatization, noting the total number of firms originally intended to be privatized, the number for whom privatization has already been completed (and what type of privatization, e.g., stock or purchase), the number in preparation for privatization under current plans, and those to be privatized in the future.

Please provide a table outlining by category (e.g., agriculture, manufacturing, trading, other industry service), the number of firms not privatized, the approximate portion/importance of trade/production in relevant sectors accounted for by these firms.

Answer:

Table 1. Privatization by Sector as of 1 July 1997

Sector	Approved	Privatized (total)	Privatized in 1997
Total number	10355	10093	296
Industry	319	223	2
Energy	31	28	0
Bread products corporation	139	95	0
Food and Agriculture	548	341	26
Construction	165	252	10
Trade	4056	3897	57
Every day repairs and other services	4106	3891	22
Oil products	164	164	0
Health	669	523	18
Social services	85	396	8
Transport	73	90	6
Non-dwelling space		193	147

Table 2. Establishment of Joint-Stock Companies by Sector as of 1 July 1997

Sector	Approved	Established (total)	Established in 1997
Total number	1267	1072	23
Industry	198	170	0
Mine Chemistry	31	26	0
Bread products corporation	61	41	1
Food and Agriculture	404	315	1
Architecture and Construction	219	210	2
Trade and material resources	81	65	0
Oil products	49	27	0
Sakgazi (Gas Company)	57	29	3
Transport	116	96	0
Social services	49	45	0
Energy		47	16
Poti and Batumi Airports	2	1	0

By the Decree No. 818 of the President of Georgia dated 19 December 1996, the privatization plan of electro-energetic sector was approved. Privatization of the energy sector will start at the end of 1997, the first privatization of energy companies will be in the distribution-realization sector, and then there will be privatization of electric power stations included in the generation sector.

The Ministry of State Property Management together with the Ministry of Health Care will elaborate a development plan for medical institutions, identifying hospitals to be privatized and to be left as State property.

Work is actively going on to accelerate the process of privatization of enterprises that were approved and are not privatized yet.

(b) Monetary and fiscal policies
Fiscal policy

Question 8.

When does Georgia intend to move VAT taxation definitely to the destination principle? Is the basic VAT rate the same for imported goods and domestic ones?

Answer:

The new Taxation Code of Georgia will move VAT taxation to the destination principle which entered into force from 1 September 1997. The VAT rate is the same for imported and domestic goods in accordance with Article 102 of the Taxation Code of Georgia.

Question 9.

Is the list of products subject to excise tax and mentioned on pages 11-12 (WT/ACC/GEO/3) an exhaustive list? Could Georgia confirm that there won't be any discrimination on imported and produced goods regarding excise taxes? Does Georgia intend to reduce the excise rates on tobacco and ethyl spirits which currently reach 100 per cent?

Answer:

In accordance with the Article 130 of the Taxation Code of Georgia two items have been added to the list of products subject to excise tax and mentioned on pages 11-12 (WT/ACC/GEO/3). These items are:

- ethyl petrol – rate of excise tax 50 per cent;
- caviar of sturgeon and trout, delicacy products of delicacy types of fish and sea products – rate of excise tax 20 per cent.

In accordance with the Taxation Code, tobacco products (except raw materials) of 3, 4, 5 and 6 class are subject to excise tax, the rate of which is 5 per cent.

In accordance with the Article 130 of the Taxation Code the rates of excise taxes are the same for imported and domestic products.

Currently the Government of Georgia does not intend to reduce excise rates on tobacco and ethyl spirits.

- (c) **Foreign exchange and payments system, relations with International Monetary Fund, application of foreign exchange controls if any**

Question 10.

Is the national currency convertible on current account?

Answer:

The national currency is convertible on current account without any restrictions.

Question 11.

It would be helpful if Georgia could provide the Working Party with an update on its discussions with the IMF Board of Governors concerning Article VIII obligations.

Answer:

Georgia has joined Article VIII of the IMF and accepts all its provisions (see IMF Press Release No. 97/4, 27 January 1997).

Question 12.

What restrictions exist on individuals and firms to obtain, bank and dispose of foreign exchange? What requirements exist concerning the conversion of export earnings from foreign exchange?

Answer:

No restrictions exist both for legal or natural persons to obtain, bank and dispose of foreign exchange.

No requirements exist concerning the conversion of export earnings from foreign exchange.

Question 13.

Please outline the current status of Georgia's foreign exchange system in the context of its membership in the International Monetary Fund.

Answer:

Georgia's current foreign exchange system represents a free convertibility regime and is in compliance with the requirements of the IMF Statute.

Question 14.

Please describe the extent to which Georgia's currency is convertible, for trade and for other payments.

Answer:

The extent to which Georgia's currency is convertible for trade and for other payments is not restricted.

(d) Foreign and domestic investment policies

Question 15.

It is noted that “the list of sectors where investments are prohibited is presented by the President of Georgia and approved by the Parliament”. Does this refer only to foreign investment or does it refer also to domestic investment e.g. in the course of privatization? Is there a closed list of sectors where investment may be prohibited? In what sectors are "investments" currently prohibited?

Answer:

In accordance with Article 9 of the Law “On Promotion and Guarantees of Investment Activity” the list of the sectors where investments are prohibited is subject to approval by the President of Georgia (such a list is not approved yet). This requirement applies not only to foreign investors but also to domestic investors.

An investor does not have the right to carry out the following activities without permission (including licence):

- production of weapons and explosives;
- production of narcotic, poisons and pharmaceutical substances;
- exploration and exploitation of any renewable and non-renewable substances;
- exploration of the deposits of natural resources;
- establishment of casinos and gambling houses network, securing the organization of games and lotteries;
- banking activity;
- insurance activity;
- issuance of securities;
- communications; and
- other activities stipulated by the legislation of Georgia.

There is no closed list of sectors in Georgia where investment may be prohibited.

Question 16.

In accordance with paragraph 2 of Article 2 of the Law “On Promotion and Guarantees of Investment Activity” an “enterprise in which the share of foreign investor is no less than 25 per cent, enjoys the same rights as a foreign investor”. Is a company in which the share of foreign investor is less than 25 per cent considered to be a Georgian enterprise? Please explain if there is any difference between how the two are treated.

Answer:

In accordance with paragraph 3, Article 2 of the Law “On Promotion and Guarantees of Investment Activity” an enterprise in which the share of a foreign investor is not less than 25 per cent, enjoys the same rights as the foreign investor. Actually, there is no difference in rights between domestic and foreign investors. Work is going on to remove this paragraph from this Law.

In accordance with paragraph 1, Article 3 of the Law “On Promotion and Guarantees of Investment Activity” every foreign investor shall have in the pursuit of an investment or in the conduct

of its business the same rights and protection as physical and legal persons of Georgia. This appears to be in full conformity with the Article III of the GATT.

3. Foreign Trade

Question 17.

According to the Memorandum, cross border "frontier trade" exports are estimated at United States \$ 91 million and cross border imports are estimated United States \$ 44 million. Please define "frontier trade" as the term is used by Georgia in this paragraph.

Please describe the sources of the cross border trade and products and services involved. Are imported products arriving from frontier areas sold within Georgia's customs territory - subject to customs duties?

Answer:

The term "cross border trade (frontier trade)" has been used by the State Department of Socio-Economic Information instead of the term "non-organized trade" and means trade activities performed on territories of frontier regions. Other types of foreign trade emerged later on (for example: charter) circumvent customs declarations. These types are also included in the category of "cross border trade" – "non-organized trade".

Non-organized trade has a significant share in the total export-import structure of Georgia. For calculating this factor several indirect methods of valuation are used. However, the greatest part of the volume of this factor has the results of using so called "mirror statistics". Namely, after comparing the foreign trade statistical data of several countries it was determined that imports from Georgia in these countries is much higher than the data of Georgia's exports to these countries registered by the Customs Department of Georgia. Apart from this, "property of migrants" is also included in it, for calculation and evaluation of which several countries' relevant information sources are used.

During assessment of the volume of non-organized trade the expert evaluations of foreign trade on the territory of Abkhazia (Georgia) are also included, which are based on extrapolation of data of previous years.

There are no special frontier areas in Georgia that are excluded from the customs territory of Georgia. Accordingly imported goods are subject to customs duty at the customs point of Georgia.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND TRADE IN SERVICES

2. Government Entities Responsible for Making and Implementing Policies Affecting Foreign Trade

Question 18.

Please describe the process by which Georgia's accession package (including adoption of WTO provisions and tariff and services scheduled commitments), once approved by the WTO, will be ratified and implemented in Georgia.

Answer:

The Georgia's accession procedure to the WTO is regulated by Article 65 of the Constitution of Georgia:

"1. The Parliament of Georgia ratifies treaties and international agreements, rejects or abrogates them by the majority of the total number of Parliament.

2. Treaties and international agreements which require ratification by their terms, must be ratified as well as any treaty and international agreement which:

... envisages entrance into an international organization or inter-state unity;"

Georgia's accession package approved by the WTO will need ratification by the Parliament of Georgia. Upon ratification the WTO provisions will automatically become law in Georgia.

3. Division of Authority Between Central and Sub-Central Governments

Question 19.

At present in Georgia, decentralization of decision-making to local authorities makes it difficult for foreign companies to find out the rules in force. Different local rules can also influence and impose impediments to the border trade. Please give details of the powers of sub-central governments in areas that affect foreign trade.

Answer:

In accordance with the Article 3 of the Constitution of Georgia:

"1. The Georgian supreme national bodies have exclusive power to administer:

(f) custom and tariff regimes and foreign trade;

(g) State finances and State loans; the minting of money; legislation on banking, credit, insurance and taxes;...."

These provisions of the Constitution are extended to all over the territory of Georgia including the autonomous Republics of Abkhazia and Ajaria. However, due to the existing political situation in the autonomous Republic of Abkhazia, this region is not, de facto, under the jurisdiction of the Central Government of Georgia.

According to the Law "On Normative Acts" ministerial rules and normative acts of all units of Government must be published and filed with the Ministry of Justice to be effective.

In accordance with Article 6 of the Taxation Code, general State and local taxes exist in Georgia.

Question 20.

Please describe the legal relationship between the Central Government of Georgia and governments of the autonomous Abkhazian and Ajarian Republics with respect to policies affecting foreign trade. Are the autonomous regions included in the customs territory of Georgia? Do trade policies developed by the Central Government of Georgia have the force of law in the autonomous

republics? Do officials from the Central Government administer the trade laws in the autonomous republics, i.e. enforce customs laws at the borders?

Answer:

In accordance with Article 3 of the Constitution of Georgia:

- “1. The Georgian supreme national bodies have exclusive power to administer:
- (f) custom and tariff regimes and foreign trade;
 - (g) State finances and State loans; the minting of money; legislation on banking, credit, insurance and taxes;....
 - (p) legislation on trade, criminal law, civil law, administrative and labour law;”

These provisions of the Constitution are applied throughout the territory of Georgia including the autonomous Republics of Abkhazia and Ajaria. However, due to the existing political situation in the autonomous Republic of Abkhazia, this region is not, de facto, under the jurisdiction of the Central Government of Georgia.

The autonomous regions of Abkhazia and Ajaria are included in the customs territory of Georgia.

Trade policies developed by the Central Government of Georgia have the force of law in the autonomous republics.

The officials from the Central Government administer the trade laws in the autonomous republics.

Question 21.

Please describe for the Working Party the nature of any authority granted to sub-central authorities, including but not limited to information on application of taxes on goods and services, non-tariff measures affecting international trade, investment regulations and requirements, registration or licensing of economic activities, subsidies, price controls, and standards and sanitary requirements.

Answer:

In accordance with Article 3 of the Constitution of Georgia:

- “1. The Georgian supreme national bodies have exclusive power to administer: ...
- (b) the status and administration of boundaries and their protection, the status of territorial waters, airspace, the continental shelf and special economic zones and their defence; ...
 - (f) custom and tariff regimes and foreign trade;
 - (g) State finances and State loans; the minting of money; legislation on banking, credit, insurance and taxes;
 - (h) standards and measurements; geodesy and cartography; time and State statistics; ... the merchant fleet; transit and air transport; ...
 - (l) boundary-sanitary cordon; ...
 - (o) legislation on intellectual property;
 - (p) legislation on trade, criminal law, civil law, administrative and labour law;”

4. Any Legislative Programmes or Plans to Change the Regulatory Regime

Question 22.

It would be helpful if Georgia could provide the Working Party with a programme of proposed and draft legislation relating to foreign trade and the adjustment of Georgia's foreign trade policy to WTO norms. Does Georgia intend to submit to WTO Working Party members for comment any of these pieces of legislation whilst they are still in a draft form?

Answer:

The following draft laws are intended to be considered by the Parliament of Georgia at its autumn session:

- Customs Code (second hearing);
- On Statistics;
- On Customs Fees;
- On Customs Tariffs;
- On Advertisement;
- On Licensing of Entrepreneurial Activity;
- On Patents.

The English versions of the draft Customs Code and the draft Patent Law are available for consultation in the WTO Secretariat (Accessions Division, Room 1126). Other draft laws listed above will be immediately submitted to the WTO Secretariat after their translation into English.

Question 23.

Does Georgia need specific legislation to implement the WTO or will the provisions automatically become law in Georgia upon Parliamentary ratification?

Answer:

Georgia does not need specific legislation to implement the WTO provisions. They will automatically become law in Georgia upon Parliamentary ratification and will apply throughout its territory. However, it is necessary to bring the Georgian legislation in full conformity with the WTO provisions.

Question 24.

If new legislation and regulations will be necessary to implement WTO provisions, what specific steps have been taken to date to do so?

Answer:

See answer to question 22.

5. Laws and Legal Acts

Question 25.

It is important that the passing of laws and regulations and their application is transparent. Information on laws and regulations must be easily available, clear and predictable. Non-publication of certain provisions of normative acts is allowed in certain cases. This severely hampers transparency in conditions of trade. Furthermore, laws, regulations and administrative orders can be applied retroactively. This makes the environment very unpredictable for foreign companies and constitutes a disincentive for trade and investments. What measures are planned to improve transparency and predictability of the Georgian regulatory system?

Answer:

Non-publication of certain provisions of normative acts is allowed only if the matter is connected with State interests of Georgia of particular importance. This is regulated by the Law "On State Secrets". These provisions are not mainly connected with trade policy issues.

Laws and regulations can be applied retroactively only in exceptional cases and if it is envisaged by these laws and regulations. Article 42, section 5 of the Constitution provides that no law can be retroactive unless it reduces or abrogates responsibility.

The above-mentioned provision does not make Georgian regulatory system not-transparent and unpredictable concerning trade policy issues.

The Law "On Normative Acts" requires publication and filing of laws, regulations and normative acts with the Ministry of Justice.

Question 26.

This section of WT/ACC/GEO/3 appears to indicate that Article 38 of the Law "On Normative Acts" (29 October 1996) requires that a "normative act" must be published in the "Sakartvelos Kanonmdblobis Matsne" (Georgian Legislation News) or the "Sakartvelos Parlamentis Utskhebani" (Georgian Parliament News) in order to take effect. It then states that "State secrets" may not be published, and that Article 61 of the Law "On Normative Acts" would allow publication of normative acts in the newspaper "Sakartvelos Respublica" (Republic of Georgia) or in official publishing organ of authority who adopts normative acts as a substitute for publication in the Georgian Legislation News.

Please clarify where normative acts must be published for enactment.

Please clarify the relationship of these requirements with Article X of the GATT 1994, i.e., do the requirements of the Law "On Normative Acts" meet the requirements of Article X that "Laws, regulations, judicial decisions and administrative rulings of general application, made effective by any (member), pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges, or to requirements, restrictions or prohibitions on import or exports or on the transfer of payments therefore, or affecting their sale, distribution, transportation, insurance, warehousing, inspection, exhibition, processing, mixing or other use, shall be published promptly in such a manner as to enable governments and traders to become acquainted with them".

Does Georgia publish all such acts and measures prior to implementation?

Answer:

Normative acts for enactment have to be published in newspaper "Sakartvelos Respublica" or in official publishing organ of authority which adopts the normative acts.

Georgia publishes all such acts and measures prior to their implementation.

Publication of trade regulations in Georgia appears to fully correspond to the provisions of the Article X of the GATT.

Question 27.

Does Georgia publish draft standards and other measures for prior comment as required in the WTO Agreement on Technical Barriers to Trade?

Answer:

Georgia needs to bring its legislation in these issues into conformity with the requirements of the WTO Agreement on Technical Barriers to Trade.

6. Description of Judicial, Arbitral or Administrative Tribunals or Procedures

Question 28.

Please describe in detail the process of appeal to the judiciary available for traders who contest administrative rulings by executive agencies, e.g., in the area of customs valuation, classification and duty, taxation of imports, standards and sanitary certification and inspection, application for import or export licences, measures taken against dumping and subsidized imports and intellectual property protection.

Answer:

The process of appeal is given in Section XIII of the draft Customs Code:

Section XIII. Appeal Against and Hearing the Discussions, Actions or Inactions of Customs Bodies and Their Authorized Officials

Chapter 56. General Provisions of Appeal.

Article 373. The Sphere of Use of This Section.

The provisions of this section are used in each case of decisions, action and inaction of customs bodies and their authorized officials, with the exception of the appeal against the measures of administrative and criminal procedures.

Article 374. The Right to Appeal.

Any person is authorized to appeal against decisions, actions and inactions of customs bodies and their authorized officials, if he considers his (her) rights and legal interests infringed, and in case if the mentioned decision, action or inaction is directly or individually connected with the person.

Article 375. The Rule of Appeal.

The rule of Appeal against decisions, action and inaction of customs bodies and their authorized officials includes the primary appeal and the secondary appeal.

Chapter 57. The Primary Appeal.

Article 376. Filing of the Primary Appeal.

The primary appeal against decisions, action and inaction of customs bodies and their authorized officials is correspondingly filed to the higher customs body or to the higher authorized official.

The primary appeal against decisions, action and inaction of the Customs Department and its authorized official is filed to the Customs Department.

Article 377. Terms For Filing The Primary Appeal.

The primary appeal is filed within three months' period starting from the day when the person is notified about the decision or the action has been carried out.

If the person has not been notified about the taken decision, he (she) can file the appeal within a six month period starting from the day the decision has been taken.

Article 378. Terms For Hearing The First Appeal.

It is compulsory to discuss the first appeal within a month's period. The Customs Department can extend the terms for hearing of appeal, but for no more than two months.

Article 379. Restoration Of For Filing Of Appeal

In case of missing the terms mentioned in Article 378 of the Code, the terms on the basis of the statement submitted by the appellant can be correspondingly restored by a higher authorized official, by a higher customs body or the Customs Department.

Article 380. The Form Of Appeal.

The appeal is filed in a written form and is sent to the corresponding customs body or an authorized official.

Article 381. Results of Filing Appeal

Filing of appeal do not suspend the execution of the appealed decision and action, with the exception of the case considered in the second part of the Article.

In case, the customs body or an authorized official, who is in charge of the appeal, has sufficient basis for a suspicion that the appealed decision or action are not in conformity with the legislation of Georgia, he can partially or completely suspend execution of the appealed decision and action.

Article 382. The Signature Of a Person Filing a Primary Appeal

A person filing a primary appeal is obliged to cooperate with the customs bodies and its authorized official in the process of hearing the case.

Article 383. Withdrawal Or Cancellation Of A Primary Appeal.

A person filing a primary appeal can withdraw or cancel the appeal any time before the decision on it is taken. The withdrawal or cancellation of the appeal is possible on the basis of a written application of the stated person. Withdrawal or cancellation of the primary appeal deprives the person of the right of the repeated filing of appeal, with the exception of the case when some new circumstances of the case are revealed.

Repeated filing of the primary appeal should take place within the terms set up for filing appeal.

Article 384. Decision Of Customs Body or Its Authorized Official On The Primary Appeal.

The decision of customs body or its authorized official on the primary appeal is taken in a written form. For the person filing the appeal the decision may be less favourable than the appealed decision. The appellant is notified about the taken decision.

The general decision on appeal should be made public.

Chapter 58. The Secondary Appeal.

Article 385. Subordination Of The Secondary Appeal.

Secondary appeals against decision, action or inaction of customs body on customs supervision, customs clearance, taking legal proceedings on, and hearing the case on violation of customs regulations, and against other cases if these decisions are not related to the economic policy of Georgia, are filed in the court according to the location of the customs body, or according to the location of working place of an authorized official of the customs body, whose decision, action or inaction is appealed.

Secondary appeals against normative acts of the Customs Department of Georgia, which are addressed to certain circle of persons or appeals against the application of law in the activities of customs bodies which is related to the economic policy of Georgia, are filed in the Constitutional Court of Georgia.

The rest of secondary appeals against decisions, action or inaction of the Customs Department of Georgia or its authorized officials can be filed with the general public prosecutor of Georgia.

Article 386. The Rule For Appeal Against Filing of Secondary Appeals, Hearing, Decision And The Decisions Taken on Them.

The rule for appeal against filing of the secondary appeals, hearing decisions and the decisions taken on them is defined by the corresponding legislation of Georgia.

Chapter 59. Hearing of Decisions, Action or Inaction of Customs Bodies of Georgia or Their Authorized Officials In Connection With The Protest of The Public Prosecutor and By Means of Legal Control.

Article 387. Protest of The Public Prosecutor.

The customs body or its authorized official hears the protest of the public prosecutor within 10 days period from the day the protest is received by the customs body. The public prosecutor is notified about the results of the hearings in a written form.

Article 388. Hearing of Decisions, Action And Inaction of Customs Bodies And Their Authorized Officials By Higher Customs Bodies And By Higher Authorized Officials of Customs Bodies By Means Of Legal Control.

Higher customs bodies or higher authorized officials of customs bodies are authorized any time by means of control over observation of the law, to cancel or change the decision of the subordinated customs body or subordinated authorized official of customs body, as well as to carry out any measure considered in other legislative acts of Georgia, related to subordinated customs bodies and subordinated authorized officials of customs bodies.

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import Regulation

(b) Characteristics of national tariff

Question 29.

The current trade nomenclature used is that of the 1992 version of the Harmonized System coded up to the 9-digit level. When does Georgia envisage to bring into conformity its nomenclature with the HS 96?

When does Georgia intend to bring its tariff nomenclature into line with the HS 96 system?

According to the Memorandum, the current trade nomenclature is the 1992 version of the Harmonized Tariff System for customs classification. Is Georgia using the HS92 system for statistical purposes? Is it also being used for customs classification purposes?

Answer:

The 1992 version of the Harmonized Tariff System is used by Georgia for both statistical and customs classification purposes. Georgia intends to bring its tariff nomenclature into line with the HS96 system in the near future.

Question 30.

Georgia states that a new Customs Code will be considered by the Georgian Parliament "approximately" in March.

Is there a draft new Customs Code? May we have a copy in translation? What are its main provisions and what changes are contemplated from Georgia's current Customs system?

Has the new Customs Code been considered so far by the Georgian Parliament?

Please provide a translated copy of the new Customs Code to the WTO Secretariat for review by the Working Party. What is the legislative status of the new Customs Code, which was to have been considered by the Georgian Parliament in March?

Answer:

The Customs Code of Georgia was approved by the Parliament of Georgia by the first hearing. The next hearing will be continued during the autumn sessions of the Parliament.

The English version of the draft Customs Code of Georgia is available in the WTO Secretariat (Accessions Division, Room 1126) for consultation.

The main sections of the draft Customs Code of Georgia are:

- Section I: General provisions;
- Section II: Transfer of goods and vehicles across the customs territory of Georgia. Customs procedures;
- Section III: Customs duties;
- Section IV: Customs clearance;
- Section V: Customs supervision;
- Section VI: Foreign currency supervision;
- Section VII: The rule for displacement of international and foreign organizations and their representations across the customs border of Georgia;
- Section VIII: Customs statistics of foreign trade and commodity classification of foreign economic activity;
- Section IX: Smuggling in the field of customs activity. Detection, operative and investigatory activity;
- Section X: Violations of customs regulations and responsibilities for these violations. Taking proceedings on cases of violation of customs regulations and their hearing;
- Section XI: Ensuring of notification and consultation. Preliminary decisions;
- Section XII: Dispose of goods and vehicles and use of the proceeds;
- Section XIII: Appeal against and hearing the discussions, actions or inactions of customs bodies and their authorized officials;
- Section XIV: Authorized officials of customs bodies of Georgia.

Question 31.

Please provide the WTO Secretariat with an electronic copy of the Georgia's current HS tariff schedule as soon as possible.

Answer:

An electronic copy of the Georgia's current HS tariff schedule is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

Question 32.

What is the current trade-weighted average custom tariff for Georgia?

Answer:

For 1996 the trade-weighted average custom tariff of Georgia constituted 2.2 per cent and for the first quarter of 1997 – 3.9 per cent. (Source: Georgian Economic Trends, TACIS European Expertise Service).

Question 33.

Please provide a list of pharmaceutical products, including HS numbers, which are subject to a 5 per cent tariff.

Answer:

The pharmaceutical products that are subject to 5 per cent tariff are given below in Chapter 30 of the HS92 (Question 92), excluding 16 types of pharmaceutical products the list of which is given in Question 39 that are exempted from customs duties.

Question 34.

Does Georgia apply a "zero" rate on any imports on an MFN basis? If so, please list these products.

Answer:

Georgia applies zero rate customs duty on an MFN basis for goods which are given in the Memorandum (WT/ACC/GEO/3) page 25, paragraph (c), tariff quotas and tariff exemptions.

(c) Tariff quotas and tariff exemptions

Question 35.

Does Georgian legislation provide for the introduction of tariff rate quotas? If so, what is the relevant legislation? Does Georgia envisage introducing tariff rate quotas in the future?

Answer:

In accordance with the Article 20 (tariff preferences) of the Decree of the Council of State of the Republic of Georgia of 21 October 1992 on "Customs Tariff":

"Introduction of tariff rate quotas on customs tariffs of the Republic of Georgia is allowed in the manner of tariff exemptions, reduction of tariff rates or introducing tariff rate quotas on preferential import of goods and articles originated in:

- countries that together with the Republic of Georgia create customs union, free trade zone;
- developing countries enjoying the Generalized System of Preferences;
- or goods and articles circulating in cross border trade."

The draft Law on Customs Tariff is elaborated in the Ministry of Finance of Georgia. According to Article 36 (granting the tariff preferences) of the draft Law:

"Granting the tariff preferences is allowed during trade-economic relations between Georgia and foreign countries, in the manner of tariff exemptions, reduction of tariff rates or introduction of tariff rate quotas on preferential export-import of goods originated in countries that together with Georgia create a free trade zone or customs union, or have signed an agreement establishing such zone and union."

These tariff quotas are envisaged by the above-mentioned legislation, but Georgia has never used that in practice.

Question 36.

According to the Memorandum, the 1996 Law "On Customs Duty" exempts imported goods from duty if they are financed at the expense of grants or at the expense of preferential credits provided by a foreign State body or international organization, which contain a minimum 25 per cent of

grant element. However, GATT Article I requires most-favoured-nation treatment for imported goods originating in Member country territories.

We would appreciate elaboration of the third indent, which indicates that “goods, import of which is envisaged by agreements on grants, according to the rules determined by a Decree of the President” are exempt from customs duty. What kinds of grants are being referred to here? To which Presidential Decree or Decrees is reference made here?

Answer:

These kinds of grants, general principles of providing and receiving of grants are determined by the Law of Georgia "On Grants" of 28 June 1996.

The term "rules determined by a decree of the President" is defined by Decree No. 322 of the President of Georgia, dated 23 June 1997 "on the rule of passing the goods received by grant through the Georgian customs, registration and control over the use of grants".

Question 37.

Can Georgia confirm that there is no provision for the duty drawback on exports of finished products (seventh indent) to be in excess of the original duty paid on the import of raw materials and semi-finished goods?

Answer:

Georgia confirms that there is no provision in Georgia for the duty drawback on exports of finished products to be in excess of the original duty paid on the import of raw materials and semi-finished goods.

Question 38.

Could Georgia please identify by HS number the products exempt from customs duty under indent 9 and 12?

Please identify, including HS numbers, the children's food and diabetic food products not subject to customs duties.

Answer:

Work is going on to identify all these products that are not subject to customs duties. After completing this process Georgia will immediately notify the WTO Secretariat about these products with their HS numbers.

Question 39.

Could Georgia please list the 16 pharmaceutical products (with HS number) which are exempt customs duties?

Please identify, including HS tariff numbers, the 16 pharmaceutical products that are exempt from customs duties. How does the Ministry of Finance, Ministry of Health Protection and Ministry of Agriculture and Food, determine which pharmaceutical products are entitled to duty exemption?

Answer:

According to sub-paragraph (o) of Article 4 of Law No. 555 of 27 December 1996 "On Customs Duty" and the list adopted by the Ministry of Finance, Ministry of Health Protection and Ministry of Agriculture and Food, import of the following 16 pharmaceutical products is exempt from customs duties:

- 3002 20 000 - vaccines;
- 3004 31 100 - insulin;
- 3004 40 900 - morphine;
- 3004 20 100 - rifampicin;
- 3004 20 100 - cetofaccim;
- 3004 10 900 - pirazinamid;
- 3004 39 900 - petidin;
- 3004 50 100 - polyvitamin;
- 3004 10 100 - ampiciline;
- 3001 90 910 - heparin;
- 3005 90 110 - cotton and its products;
- 3005 90 310 - gauze and its products;
- 3002 31 000 - vaccines against foot-and-mouth disease;
- 3002 39 000 - other veterinary vaccines;
- 3002 90 500 - cultures of microorganisms;
- 3002 90 900 - cultures of microorganisms.

The exemption of veterinary vaccines from the customs duty is caused by the fact that purchase of vaccines necessary for measures against epizooties and vaccination are carried out free of charge for customer at the expense of State.

The exemption of the rest items in the list is a result of implementation of the first stage of health protection programme by the Government of Georgia.

Question 40.

Could Georgia please confirm that tariff exemptions (except those applied in the context of a customs union or free trade agreement) are applied on an MFN basis?

Answer:

Georgia confirms that tariff exemptions (except those applied in the context of a customs union or free trade agreement) are applied on an MFN basis.

Question 41.

Please provide a translated copy of the 1996 Law "On Customs Duty" to the WTO Secretariat for review by the Working Party.

Answer:

The English version of the 1996 Law "On Customs Duty" is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

Question 42.

How does the Government of Georgia ensure that goods, which receive duty exemption because they are arriving temporarily, do not enter the stream of commerce within Georgia?

Answer:

It is regulated by Article 24 (passing with purpose of temporary exportation or importation) of the Customs Code of Georgia adopted by the Council of State on 21 October 1992. According to which: "goods and other articles that are temporarily exported from or imported in the territory of Georgia, are passed through the customs for the period which does not exceed one year after the date of crossing the customs border of the Republic of Georgia".

Before expiry of the above-mentioned time goods and other articles being passed through the customs territory of Georgia because they are arriving temporarily:

- must be exported from this territory;
- must be declared to customs in case of their free circulation.

In case of infringement by an importer of the provisions connected with temporary entry of goods in the territory of Georgia, the provisions of Chapter 7 – smuggling and violation of customs regulations - of the Customs Code of 21 October 1992 are used.

Question 43.

Georgia states that "aviation fuel, lubricants and other supporting technical equipment during international carriages by air according to the international rules of civil aviation" are tariff exempted.

Does this include all civil aircraft and their parts? Will Georgia, upon accession join the WTO Agreement on Trade in Civil Aircraft, which provides for duty-free treatment for aircraft and parts?

Answer:

Georgia confirms that aviation fuel, lubricants and other supporting technical equipment during international carriages by air according to the international rules of civil aviation" are tariff exempted. This includes all civil aircraft and their parts.

Georgia will consider the issue of joining the Agreement on Trade in Civil Aircraft upon accession to the WTO.

(d) Other duties and charges

Question 44.

As an *ad valorem* fee, the "fee for customs declarations" at 0.3 per cent of customs value does not appear to be consistent with Article VIII of GATT 1994, which requires that fees and charges related to importation are limited to the cost of services rendered. What steps does Georgia intend to take to bring its system into line with GATT practice?

Georgia imposes 0.3 per cent *ad valorem* fee for customs declarations. However, GATT Article VIII requires that customs fees shall be limited in amount to the approximate cost of services rendered and shall not represent a general revenue charge or indirect protection to domestic products or a taxation on imports for fiscal purposes. While the *ad valorem* rate of the customs declaration fee is modest, it does not conform to the requirements of GATT Article VIII. How does Georgia intend to modify this fee to bring it into conformity with the requirements of GATT Article VIII?

Answer:

Georgia intends to revise this issue and bring it into conformity with Article VIII of the GATT in the nearest future. Georgia intends to change this provision in its relevant legislation.

Question 45.

“Customs duties, excises and VAT on imported cigarettes (class I-II) will be levied on a specific rather than *ad valorem* basis, beginning 1 May (or June) for a three months trial period”. Please provide the Working Party with an up-date. Will VAT and excise duties on domestically produced cigarettes also be levied on a specific basis during this period?

According to the Memorandum, customs duties, excise taxes and VAT on imported cigarettes will be levied on a specific rather than an *ad valorem* basis, beginning in May 1997, for a three month trial period. Are domestically-produced cigarettes subject to excise taxes and VAT at the same specific rates? Why is Georgia changing from an *ad valorem* rate to a specific rate plus excise tax and VAT for a three month trial period?

Answer:

In accordance with the Taxation Code of Georgia, after 1 September 1997 imported cigarettes (class I-II) will be levied by customs duty, VAT and excise tax on an *ad valorem* basis. So, the taxation regime on these products mentioned in the question (three month trial period) is eliminated.

In accordance with the Taxation Code of Georgia, imported and domestically produced cigarettes will be levied at the same rate of VAT and excise tax on an *ad valorem* basis.

Question 46.

Does Georgia impose any seasonal taxes? If so, please list the tariff headings subject to such duties.

Answer:

It is regulated by Article 8 of the Decree of the Council of State of the Republic of Georgia of 21 October 1992 “On Customs Tariff”, according to which: "seasonal export and import duties can be imposed on certain types of products in Georgia for not more than 4 months from the date of their imposition".

Actually, Georgia has never used seasonal tariffs in practice.

Question 47.

Please clarify in detail how the veterinary services fees are assessed. Why are the veterinary rates provided as ranges? Is there a specific amount charged per animal? Why do the veterinary rates

differ for imported animals, exported animals and transit transportation animals? Are different services being rendered?

Answer:

The veterinary services are paid and implemented on the basis of the price-list (tariffs) adopted according to the rules envisaged by law. The veterinary service fees are differentiated taking into consideration types of animals, products of animal origin, forage of raw materials and other cargoes subject to quarantine, quantity/volume/weight, methods of transportation to laboratories and examination of research samples, also examination of veterinary sanitary condition of transport means and volume of arrangements and works (conducting of disinfection if necessary) providing protection of norms adopted in this connection.

There is a fixed fee charged per animal during import, export and transportation by transit, including thoroughbred and nursery animals. The veterinary rates differ for imported animals, exported animals and transit transportation animals for the reason of protective veterinary (preventive, sanitary and diagnostic) and other quarantine necessary measures taking into consideration types (including domestic, wild, zoo, circus, exotic and other), destination (thoroughbred-nursery, intended for slaughter) of each exported and imported animal proceeding from veterinary requirements of Georgia and receiving country.

Question 48.

How does the Government of Georgia assess the supplemental fees for veterinary services "cargo suspected in diseases of transported animals, in fitness and trustworthiness of animal produce and raw materials or other cargoes subject to veterinary control, when rules of its transportation are violated, also in the form of expenditure for carrying out quarantine arrangements and laboratory examination (by relevant tariff of research method)"? Are these supplementary fees assessed on a per hour basis? If yes, what is the standard rate for such veterinary services?

Answer:

In all the above-mentioned cases the supplemental fees are paid by the recipient of the cargo according to tariffs of the price-list in force to the different veterinary organizations performing supplementary services. These supplementary fees are not assessed on a per hour basis.

Veterinary sanitary and preventive protective measures are carried out in accordance with the recommendations of the Office International des Epizooties, requirements of the rules of the International Veterinary Sanitary Code and taking into consideration the specificity caused by roaming from place to place of animals because of complex relief of the country, uniqueness of conditions of care and keeping.

(e) Quantitative import restrictions

Question 49.

When will Georgia become definitely a contracting party to the Basel Convention?

Answer:

Georgia plans to become a contracting party of the Basel Convention in the first half of 1998.

Question 50.

What is the procedure for assessing the "dependability as regards dangerous infectious diseases" of countries exporting animals or animal products to Georgia?

Answer:

The Veterinary Department of Georgia receives information from the Office International des Epizooties concerning diseases existing in various countries of the world and on the basis of this information the Veterinary Department assesses the dependability as regards dangerous infectious diseases of countries exporting animals or animal products to Georgia.

(f) Import licensing procedures

Question 51.

What health or consumer protection purpose is served by subjecting products under CN codes 0301-0303 to import licences?

Answer:

The draft decree of the President of Georgia is being elaborated according to which the import of goods under CN codes 0302-0303 will not be subject to import licences. Import of goods under CN code 0301 will be subject to import licences for the purpose of protection of the ecological balance.

Question 52.

Are there any medicinal products, other than those referred to in Annex 3 of the Memorandum, which require import licences? If yes, please identify the other medicine products, including HS numbers.

Answer:

There are no medicinal products other than those referred to in Annex 3 of the Memorandum, which require import licences.

Question 53.

Please provide the HS numbers for the chemicals, arms, explosives and nuclear materials which are discussed in this section.

Answer:

All the HS numbers for the chemicals, arms, explosives and nuclear materials which are discussed in this section are given in the Annex 3 of the Memorandum (WT/ACC/GEO/3, pages 103-104).

(h) Customs valuation

Question 54.

Please provide a translated copy of the Decree of 21 October 1992 "On Customs Tariff" to the Secretariat for review by the Working Party. What is the relationship of this Decree to the Customs Law referred to in WT/ACC/GEO/3/Add. 1?

Answer:

The English version of the Decree of 21 October 1992 "On Customs Tariff" is available for consultation in the WTO Secretariat (Accessions Division, Room 1126). This Decree and the Customs Law referred to in WT/ACC/GEO/3/Add.1 are two different legal acts both having juridical force in Georgia.

Question 55.

Please provide a translated copy, to the WTO Secretariat for review by the Working Party, of Resolution No. 843 of the Cabinet of Ministers, dated 12 May 1994, providing instructions for determining the customs value of imported goods.

Answer:

The English version of Resolution No. 843 of the Cabinet of Ministers of Georgia, dated 12 May 1994 is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

Question 56.

Please identify and describe those aspects of Georgia's customs valuation regime which are not in conformity with the WTO Customs Valuation Agreement.

Answer:

Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia" adopted by the Resolution No. 843 of the Cabinet of Ministers of Georgia is elaborated on the basis of the WTO Customs Valuation Agreement. Therefore there are no disparities and contradictions between these two documents.

Question 57.

According to the information provided in Annex 4 of WT/ACC/GEO/3 (the response to the Questionnaire on Customs Valuation), in a sale between related persons, the importer has to prove that their relationship did not influence the transaction value. However, paragraph 2(a) of the Agreement on Customs Valuation provides that transaction value shall be accepted, unless the customs administration has grounds for considering that the relationship influenced the price. Only after the customs administration has provided notification of the grounds for considering that the relationship influenced the price, does the importer need to demonstrate that the transaction value was not influenced.

Do importers of all products sold between related parties need to prove that the transaction value was not influenced by the relationship? Do the Georgian procedures conform with the procedures provided by the Customs Valuation Agreement, that importers only have to show that transaction

value was not influenced only when so notified by the customs authorities? Please describe, in detail, the procedures followed by the Georgian customs authority to notify importers that there are grounds to believe that the transaction value was influenced by the relationship between buyer and seller. Please describe the procedure to be followed by the importer to respond to this notification.

Answer:

In order to find out in the customs value declaration the relationship between buyer and seller, two questions arise:

- (a) Does the relationship between buyer and seller exist?
- (b) Did the existing relationship between buyer and seller influence on the imported product's price?

Answers to these two questions are obligatory at the time of importing of any types of goods. Nothing additional needs to be proved by the importers if the customs authority does not demand it. When the Georgian customs authority notifies importers that there are grounds to believe that the transaction value was influenced by the relationship between buyer and seller, customs authority must present the reasons of such notification. After this, customs authority could independently determine the customs value of the goods under question. For this aim, it can use in sequential order the methods of determining the customs value on the basis of available information, *inter alia*, information on identical or similar imported goods.

In case of disagreement with the decision of the customs authority on determination of customs value, this decision can be appealed by the importer.

Question 58.

According to the information provided in Annex 4 of the Memorandum, Georgia appears to be defining "related persons" as "any relative or close relationship exists among persons engaged in a sale". However, Article 15.4 provides a specific definition of related persons.

Do the Georgian customs valuation rules incorporate the definition of "related persons" provided by the WTO Agreement on Customs Valuation? Please explain how the WTO definition is incorporated into the Georgian law.

Answer:

The definition of "related persons" given in the Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia" adopted by the Resolution No. 843 of the Cabinet of Ministers of Georgia, is in full conformity with the definition of "related persons" provided by the WTO Agreement on Customs Valuation. In accordance with the above-mentioned Resolution No. 843 persons shall be deemed to be related if they for example answer one of the following conditions:

- any party of the transaction (physical person) or any official from the side of the party is at the same time the official from the side of the other party of the transaction;
- parties of the transaction are joint owners of the enterprise;
- parties of the transaction are connected with each other by labour relationship;

- any party of the transaction holds a share or has a stock with vote in a fixed capital of the other party and this share totals not less than 5 per cent of this capital;
- both parties of transaction are connected by the third person;
- both parties of transaction control over the third person;
- any party of the transaction is controlled by the other party of the transaction;
- parties of transaction are kindred.

Question 59.

The English language translation of the response to 1(a)(ii) in Annex 4 appears to be garbled.

What is meant by "In case of absence of evidence of opposite the existence of intercompany prices is not considered as grounds for regarding the respective prices as being influenced?"

Answer:

It should be read as follows: "In case of the absence of evidence that relationship between related persons did not influence the transaction value, the intercompany stated prices are not considered as grounds for influence on the respective standard prices".

Question 60.

According to the response to 1(a)(iii), the Georgian customs authority has three months to provide a written explanation of grounds that the relationship influenced the price.

Do the customs authorities release the products during this three-month period? Please describe any conditions imposed on the release of the products during the three month period, such as payment of duties on the value determined by the customs authorities, posting of a bond, etc.

Answer:

When there are grounds for verification of customs value of goods presented by importer, the latter has the right to address to the Georgian customs authority with the request to hand over to him (her) goods under question. Release of the products can be realized on the security of property or representative bank's guarantees, or in case of payment of customs duties in accordance with customs value determined by the Georgian customs authority.

Question 61.

According to the response to paragraph 2 of Annex 4, the fourth and fifth methods can be used in any sequence. However, it is not clear whether the importer only has the option to reverse the sequence.

Please confirm that only the importer has the option to reverse this sequence.

Answer:

At the present stage not only the importer has the option to reverse this sequence, but in order to bring all Georgian custom's provisions into full line with the WTO Customs Valuation Agreement, this problem is under consideration by the appropriate Georgian authorities. Once the decision will be taken, we will immediately inform the WTO Secretariat.

Question 62.

According to the response to paragraph 3 of Annex 4, if identical or similar items are not sold in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price of processed goods changed by the added value.

Does this provision apply if imported goods are sold in the country of importation in the condition as imported?

Is the customs value for these items equal to the unit price of the processed goods, sold in the greatest aggregate quantity to non-related persons in the country of importation, reduced by the added value of processing and also reduced by the value of the deductible items provided in Article I of the Safeguards Agreement?

Answer:

In case when identical or similar goods being valued are sold on the territory of Georgia in the condition as imported, then, determination of customs value of goods is carried out by the method of deductive value, that is determined on the basis of the unit sales price, at which identical or similar goods being valued are sold in the greatest aggregate quantity to the non-related persons in the time of not more than 90 days after the date of their importation into Georgia.

The following components are deducted from the unit sales price:

- (a) expenses of commission reimbursement, normal extra-profit and general expenditures arisen during the sale of goods of the same class and types, imported into Georgia;
- (b) amount of customs duties, charges and other taxes levied during importation and selling of goods, which are subject to such taxation on the territory of Georgia;
- (c) normal expenses made on the territory of Georgia in connection of transportation, insurance, loading and unloading of goods.

Question 63.

According to the response to paragraph 5(a) of Annex 4, when the customs value of the imported goods cannot be determined by the first five methods of determination, then the customs value shall be determined on "the basis of data available in the country, taking into account the world experience".

Please describe in detail how the customs authority obtains the data used for customs valuation.

Answer:

In case the customs value of the imported goods cannot be determined by the first five methods of determination, then, in order to determine the customs value, the Georgian customs authority acts in accordance with the existing world market prices and incidentally based on the prices of the world

commodity stock exchange. On the whole the Georgian customs authority receives this information through the foreign magazines and newspapers, namely, for example, "Financial Times" (United Kingdom), the "Economist" (United Kingdom) and the Russian press: "Finansovie Izvestia" ("Financial News"), "Delovoi Mir" ("Business World"), "Delovie Liudi" ("Business People"), "Komersant" ("Business Man").

Before the end of this year the Georgian customs authority is due to be connected to the INTERNET system with the main objective of receiving fresh information on the subject of world market prices.

Question 64.

Does the customs authority use minimum customs values for this purpose?

Answer:

The customs authority does not use minimum customs values for this purpose.

Question 65.

According to the response to question 5(b) of Annex 4, "when the reserve method is applied, the Georgian customs authority provides the importer with available information on prices".

If the importer requests, is the Georgian authority obliged to inform the importer in writing of the value and the method used to determine such value, even if the method used is not the reserve method?

Answer:

If the method used is not the reserve method, the importer on his demand has the right to receive from the Georgian customs authority a written explanation of the value and the method used to determine such value.

Question 66.

Article 7.2 of the Customs Valuation Agreement prohibits seven valuation methods. However, according to the response to Annex 4, only two of these methods are expressly prohibited by Georgian law: the selling price in the country of importation of goods produced in such country and the price of goods for export to a country other than the country of importation.

Does Georgian law prohibit any of the other five methods of customs valuation listed in Article 7.2 of the Customs Valuation Agreement?

Answer:

According to the Georgian law the following four methods of customs valuation listed in Article 7.2 of the WTO Customs Valuation Agreement, are prohibited:

- the selling price in the country of importation of goods produced in such country;
- the price of the goods for export to a country other than the country of importation;
- minimum customs values;
- arbitrary or fictitious values.

Question 67.

For purposes of determining the transaction value, what is meant by the term "multi-circulated tare" in paragraph 6(b) of Annex 4?

Answer:

"Multi-circulated tare" is the tare, which according to its physical and chemical characteristics can be used repeatedly for its proper purpose. Such tare can be the following: metal - casks, flasks; wooden - veneer, plank; glass - bottles of Borjomi, lemonade, wine.

Question 68.

Please explain how paragraphs 6(c) and 6(d) of Annex 4 differ in determining transaction value. Does paragraph 6(c) apply if the buyer offers to provide goods and services at below market costs, but, in fact does not supply the goods and services pursuant to the terms offered? What is the rationale for paragraph 6(c)?

Paragraph 6(e) of Annex 4 provides for the inclusion in transaction value of an amount of direct or indirect income of buyer, gained on the territory of Georgia from any subsequent sale, transfer or using of the goods to be evaluated. How does this provision differ from that described in paragraph 6(d)? Is the direct or indirect income from any subsequent sale, transfer or use of the goods included in the customs value, pursuant to paragraph 6(e) of Annex 4, even if the income does not ultimately accrue back to the exporter?

Answer:

Paragraphs 6(a), 6(b), 6(c), 6(d) and 6(e) of Annex 4 of the Memorandum were taken from the Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia" adopted by the Resolution No. 843 of the Cabinet of Ministers of Georgia. These paragraphs indicate components, which are included into the transaction value if they have not been included into it earlier.

But it is necessary to stress that at the present stage the Georgian authorities are in the process of revising these items in order to simplify its understanding and to bring it into line with Article 8 of the WTO Customs Valuation Agreement. In this connection, the appropriate Georgian authorities are considering to eliminate fully paragraph 6(d) except the part of this paragraph, where it is stated: "licensing and others fees for use of intellectual property objects, which will be directly or indirectly undertaken by buyer as a condition of sale (alienation) of goods to be evaluated".

We also intend to replace paragraph 6(e) by the following paragraph: "part of income that importer gained from every subsequent sale (alienation) or using of goods to be evaluated, which is subject to return to exporter".

As soon as the decision on this subject is adopted, we will immediately inform the WTO Secretariat.

Question 69.

Article 9 of the Customs Valuation Agreement requires the "competent authorities" of the importing country to publish the rate of exchange where the conversion of currency is necessary.

Do the customs authorities in Georgia publish the rate of exchange as required by the Customs Valuation Agreement?

Answer:

The rate of exchange is systematically published in the press.

Question 70.

Does Georgia apply the rate of exchange in effect at the time of exportation or at the time of importation?

Answer:

Georgia can apply the rate of exchange in effect both at the time of exportation and at the time of importation.

Question 71.

Article 10 of the Customs Valuation Agreement provides that confidential information shall not be disclosed without the permission of the person or government providing such information, "except to the extent that it may be required to be disclosed in the context of judicial proceedings". According to paragraph 8 of Annex 4, the information may be disclosed "if specified by legislative acts of Georgia".

Please identify all legislative acts and describe all provisions that require disclosure of the confidential information. Is confidential information allowed to be disclosed for reasons other than "in the context of judicial proceedings"?

Answer:

Chapter IV "Disclosure of the confidential information" of the Georgian Law "On State Secrets" describes reasons (Article 1.7) and rules (Article 1.8) of such disclosure as well as the rights to apply to Georgian authorities, physical and juridical persons on the subject of disclosure of the confidential information (Article 1.9).

According to Article 1.7 the basis for disclosure is the following:

- international obligations undertaken by the Georgian side to exchange openly that information which before was closed;
- change of the objective reasons that entails disclosure of the formerly confidential information;
- time of secrecy is up.

In order to estimate the necessity of secrecy in each concrete situation, the Georgian authorities which make information secret are bound to review confidential data every year.

According to Article 1.9 Georgian Government authorities, legal and natural persons are authorized to approach the government authorities, also enterprises, institutions, organizations with the request about the disclosure of the State confidential information.

The government authorities, also enterprises, institutions, organizations which were asked by such question are obliged to discuss and answer the question within a one month period. If they are

not authorized to disclose the above-mentioned information, within one week the request will be transmitted to those government authorities which are authorized to answer or to the State inspection for protection of State secret. The request have to be answered by grounded answer within one month.

The avoidance of detailed discussion of the request by official, will cause the official reprimand and the summary punishment according to the existing legislation.

The reason of recognition of the State confidential information may be appealed at the court. In case of proof of the unfounded conclusion about the recognition of information as a State secret by the court, the information has to be disclosed immediately.

In case of proof of the unfounded conclusion about the recognition of information as a State secret by the court, the whole damage, of legal and natural persons has to be compensated by State, including that profit which they could not received. The quantity of the compensation is determined by the court.

Question 72.

Please describe in detail the appeal procedure provided by the Customs Code. Does the appellant have the right of appeal without penalty to a judicial authority? Please identify and describe any discrepancies between the appeal procedures provided by the Customs Code and the requirements of Article 11 of the Customs Valuation Agreement.

Does the Georgian Customs Code provide for the provision of a written notice of the decision on appeal and the reasons for such decision? Does the Georgian Customs Code require that the appellant shall be informed of any rights of further appeal?

Answer:

According to paragraph 4 "Protection of Confidence of Information" of the Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia" adopted by Resolution No. 843 of the Cabinet of Ministers of Georgia: "If information about the customs value of goods declared by the applicant is confidential, the customs body can use it only for purpose of the customs and cannot pass it to any third person including State bodies without special permit of the applicant, except cases specified by the legislative acts of the Republic of Georgia. Should the customs body of the Republic of Georgia or its officials divulge commercial secret or confidential information they are answerable in accordance with the legislation of the Republic of Georgia".

According to Article 10 of the "Customs Code of Georgia" adopted by the Georgian State Council on 21 October 1992, "if not otherwise considered by the Code, enterprises and organizations submit their complaints on the subject of illegitimate actions, made by the Georgian customs authorities and its officials, to the higher Georgian customs body. Appeal is examined and the decision is taken during 10 days".

It is necessary to stress that Section XIII of the draft of a new Customs Code of Georgia, that passed its first hearing in Parliament, is devoted to this problem.

Section XIII. Appeal Against and Hearing the Discussions Actions or Inactions of Customs Bodies and Their Authorized Officials

Chapter 56. General Provisions of Appeal.

Article 373. The Sphere of Use of This Section.

The provisions of this section are used in each case of decisions, action and inaction of customs bodies and their authorized officials, with the exception of the appeal against the measures of administrative and criminal procedures.

Article 374. The Right to Appeal.

Any person is authorized to appeal against decisions, actions and inactions of customs bodies and their authorized officials, if he considers his (her) rights and legal interests infringed and in case if the mentioned decision, action or inaction is directly or individually connected with the person.

Article 375. The Rule of Appeal.

The rule of Appeal against decisions, action and inaction of customs bodies and their authorized officials includes the primary appeal and the secondary appeal.

Chapter 57. The Primary Appeal.

Article 376. Filing of the Primary Appeal.

The primary appeal against decisions, action and inaction of customs bodies and their authorized officials is correspondingly filed to the higher customs body or to the higher authorized official.

The primary appeal against decisions, action and inaction of the Customs Department and its authorized official is filed to the Customs Department.

Article 377. Terms For Filing The Primary Appeal.

The primary appeal is filed within three months' period starting from the day when the person is notified about the decision or the action has been carried out.

If the person has not been notified about the taken decision, he (she) can file the appeal within a six month period starting from the day the decision has been taken.

Article 378. Terms For Hearing The First Appeal.

It is compulsory to discuss the first appeal within a month's period. The Customs Department can extend the terms for hearing of appeal, but no more than for to two months.

Article 379. Restoration Of For Filing Of Appeal

In case of missing the terms mentioned in Article 378 of the Code, the terms on the basis of the statement submitted by the appellant can be correspondingly restored by a higher authorized official, by a higher customs body or the Customs Department.

Article 380. The Form Of Appeal.

The appeal is filed in a written form and is sent to the corresponding customs body or an authorized official.

Article 381. Results of Filing Appeal

Filing of appeal do not suspend the execution of the appealed decision and action, with the exception of the case considered in the second part of the Article.

In case, the customs body or an authorized official, who is in charge of the appeal, has sufficient basis for a suspicion that the appealed decision or action are not in conformity with the legislation of Georgia, he can partially or completely suspend execution of the appealed decision and action.

Article 382. The Signature Of a Person Filing a Primary Appeal

A person filing a primary appeal is obliged to cooperate with the customs bodies and its authorized official in the process of hearing the case.

Article 383. Withdrawal Or Cancellation Of A Primary Appeal.

A person, filing a primary appeal, can withdraw or cancel the appeal any time, before the decision on it is taken. The withdrawal or cancellation of the appeal is possible on the basis of a written application of the stated person. Withdrawal or cancellation of the primary appeal deprives the person of the right of the repeated filing of appeal, with the exception of the case when some new circumstances of the case are revealed.

Repeated filing of the primary appeal should take place within the terms set up for filing appeal.

Article 384. Decision Of Customs Body Or Its Authorized Official On The Primary Appeal.

The decision of customs body or its authorized official on the primary appeal is taken as a written form. For the person filing the appeal the decision may be less favourable than the appealed decision. The appellant is notified about the taken decision.

The general decision on appeal should be made public.

Chapter 58. The Secondary Appeal.

Article 385. Subordination Of The Secondary Appeal.

Secondary appeals against decision, action or inaction of customs body on customs supervision, customs clearance, taking legal proceedings on, and hearing the case on violation of customs regulations, and against other cases if these decisions are not related to the economic policy of Georgia, are filed in the court according to the location of the customs body or according to the location of working place of an authorized official of the customs body whose decision, action or inaction is appealed.

Secondary appeals against normative acts of the Customs Department of Georgia, which are addressed to certain circle of persons or appeals against the application of law in the activities of customs bodies which is related to the economic policy of Georgia, are filed in the Constitutional Court of Georgia.

The rest of secondary appeals against decisions, action or inaction of the Customs Department of Georgia or its authorized officials can be filed with the general public prosecutor of Georgia.

Article 386. The Rule For Appeal Against Filing Of Secondary Appeals, Hearing, Decision And The Decisions Taken On Them.

The rule for appeal against filing of the secondary appeals, hearing decisions and the decisions taken on them is defined by the corresponding legislation of Georgia.

Chapter 59. Hearing Of Decisions, Action Or Inaction Of Customs Bodies Of Georgia Or Their Authorized Officials In Connection With The Protest Of The Public Prosecutor and By Means Of Legal Control.

Article 387. Protest Of The Public Prosecutor.

The customs body or its authorized official hears the protest of the public prosecutor within 10 days period from the day the protest is received by the customs body. The public prosecutor is notified about the results of the hearing in a written form.

Article 388. Hearing Of Decisions, Action And Inaction Of Customs Bodies And Their Authorized Officials By Higher Customs Bodies And By Higher Authorized Officials Of Customs Bodies By Means Of Legal Control.

Higher customs bodies or higher authorized officials of customs bodies are authorized, any time, by means of control over observation of the law, to cancel or change the decision of the subordinated customs body or subordinated authorized official of customs body, as well as to carry out any measure considered in other legislative acts of Georgia, related to subordinated customs bodies and subordinated authorized officials of customs bodies.

Question 73.

Where does the Government of Georgia intend to publish regulations concerning the application of the Customs Valuation Agreement and the judicial decisions and administrative rulings of general application relating to the Customs Valuation Agreement?

Does the Government of Georgia intend to publish further rules regarding customs valuation? Which topics would these rules cover?

Answer:

Georgian Customs Department publish its internal department regulations in the newspaper "Sabajo" (Custom). Information and consultation service is also functioning within the Customs Department. This service is authorized to answer all burning questions concerning customs activities.

Georgia intends to publish further rules regarding customs valuation, that will cover, for example, the following major topics:

- (a) determination of the customs value of imported goods on the basis of transaction value;
- (b) appeal procedure.

Question 74.

Please identify the provisions of the Georgian customs legislation that provide for the withdraw from customs described in paragraph 11(a) of Annex 4.

Answer:

Paragraph 5(3) of the Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia", adopted by the Resolution No. 843 of the Cabinet of Ministers of Georgia, states: "When there are grounds for verification of customs value of goods presented by importer, the latter has the right to address to the Georgian customs authority with the request to hand over to him (her) goods under question. Release of the products can be realized on the security of property or representative bank's guarantees, or in case of payment of customs duties in accordance with customs value determined by the Georgian customs authority".

Question 75.

Please identify the provisions of the Georgian customs legislation that "envisages" the provision of an explanation in writing concerning the customs value.

Answer:

- Article 14. "Customs Value" of the Decree of the Republic of Georgia "Concerning Customs Tariffs";
- paragraph 8. "Order of Definition of Customs Value";
- paragraph 9. "Method of Definition of Customs Value According to the Transaction Price of Imported Goods (Version 1);
- paragraph 10. "Method of Definition of Customs Value of Goods According to the Transaction Price of Identical Goods" (Version 2);
- paragraph 11. "Method of Estimation According to the Transaction Price of Similar Goods" (Version 3);
- paragraph 12. "Method of Estimation by Deduction in Value" (Version 4);
- paragraph 13. "Method of Estimation by Addition in Value" (Version 5);
- paragraph 14. Emergency Method (Version 5) of the Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia", adopted by the Resolution No. 843 of the Cabinet of Ministers of Georgia.

Question 76.

How does the Government of Georgia intend to implement the provisions of the Decision of 26 April 1984 on the Treatment of Interest Charges in the Customs Value of Imported Goods (Val/6/Rev.I)?

Answer:

The issue of implementation of the provisions of the Decision of 26 April 1984 on the Treatment of Interest Charges in the Customs Value of Imported Goods (Val/6/Rev.I) has not yet been considered by Georgia.

Question 77.

We believe that Georgia's legal provisions on customs valuation are not, as yet, in conformity with the WTO Customs Valuation Agreement. Georgia should identify specific deficiencies and indicate to the Working Party prior to the next meeting what measures it is taking and is prepared to take to implement the WTO Agreement on Customs Valuation prior to the next Working Party meeting.

Answer:

Georgia's legal provisions on customs valuation, that are accumulated in the Instruction "On rules of determining customs valuation of goods imported to the territory of Georgia" adopted by Resolution No. 843 of the Cabinet of Ministers of Georgia, were elaborated on the basis of the WTO Customs Valuation Agreement. Therefore there are no disparities and contradictions between these two documents.

However, the work of bringing Georgia's legal provisions on customs valuation into full line with the WTO Customs Valuation Agreement requirements is in the progress. As soon as the results on this subject occur, we will immediately inform the Secretariat of the WTO.

(k) Application of internal taxes on imports

Question 78.

The Memorandum mentions Georgia's policy on national treatment on internal taxation but not on laws and regulations affecting the sale, offering for sale, purchase, transportation, distribution or use of products. What is the content of Georgia's policy in this area? Please explain how it complies with Article III.4 of GATT?

Answer:

Georgia's policy in the above-mentioned fields is in full conformity with the Article III.4 of the GATT, which observes the national treatment clause for the sale, offering for sale, purchase, transportation, distribution or use of domestic and imported products.

Question 79.

Please indicate when it is envisaged that Georgia will bring its system of VAT application into line with Articles I and III of the GATT 1994, so that it is applied equally to imports from all third countries and to domestic production.

Answer:

In accordance with the Taxation Code of Georgia, the rule of VAT taxation on import into Georgia from CIS countries, namely taxation to the principle of place of origin of goods is abolished. In accordance with the Taxation Code, imported goods from any foreign country will be subject to VAT taxation to the destination principle. Import of goods and domestic production will be equally levied by VAT rate of which is 20 per cent.

Question 80.

Are VAT exemptions applied with full respect for the national treatment and MFN principles?

Answer:

VAT exemptions are applied to all goods with respect for national treatment and MFN principles except those mentioned below.

In accordance with Article 101 of the Taxation Code of Georgia, import of scientific and artistic literature is exempted from VAT if the authors are Georgian citizens; import of Georgian classic literature is also exempted from VAT. Journals and newspapers registered and published only in Georgia are exempted from VAT.

Currently the Government intends to abolish this provision which does not correspond to the Article III of the GATT.

Question 81.

Are excise taxes paid on imports into Georgia from CIS countries?

Answer:

In accordance with the Article 124 of the Taxation Code import of goods into Georgia from CIS countries is subject to excise tax.

Question 82.

Please describe how the excise taxes listed in section II.2(b) of the Memorandum are applied, e.g., at what point of sale, on what taxable base, over what period of time, for both domestic and imported goods.

Answer:

In accordance with Article 130 of the Taxation Code of Georgia, excise rates are the same for imported and domestically produced goods. The point of sale at which the excise tax is applied to imported goods is the customs border of Georgia and the point of sale at which the excise tax is applied to domestic goods is the place of production of the goods. The taxable base is an amount to be levied by excise tax is defined by Article 125 of the Law; the period of time for taxation is defined by Article 126 of the Law. According to this Article, the moment of implementation of taxation during production of goods in Georgia subject to excise tax, is considered 90 days after supplying the goods or the moment of reimbursement, if reimbursement happens before 90 days have elapsed after supplying the goods; in case of import of goods, the moment of importation is considered as the moment of implementation of taxation.

Question 83.

Please provide a translated copy of the draft Law "On Value Added Tax" to the Secretariat for review by the Working Party.

Answer:

The Law of Georgia "On Value Added Tax" has been adopted by the Parliament of Georgia and entered into force on 1 September 1997 (See Chapter III of the Taxation Code).

Question 84.

Please describe for the Working Party how indirect taxes are applied to imports and to domestic goods. What is the point of sale at which they are applied? Does Georgia apply VAT and excise taxes to imports from other CIS countries? If not, will the new draft law "On Value Added Tax" change that? What other aspects of the new draft law will change the current regime?

Answer:

As it is mentioned in the answers above, indirect taxes that are applied to imports and domestic goods are the same.

In accordance with the new Taxation Code, Georgia will apply VAT and excise taxes to imports from CIS countries from 1 September 1997.

The Law of Georgia "On Value Added Tax" was adopted by the Parliament of Georgia and entered into force on 1 September 1997 (See Chapter III of the Taxation Code). The Taxation Code will move VAT taxation to the destination principle from 1 September 1997.

The point of sale at which the VAT is applied to imported and domestic goods is the place of supply of goods. If supply of goods requires transportation, then the location of goods before transportation is considered as the place of supply. In other cases the place of transfer of goods is considered as the place of supply. The place of receiving of goods is considered as the place of supply of electric or thermal energy, natural gas or water.

The point of sale at which the excise tax is applied to imported goods is the customs border and the point of sale at which the excise tax is applied to domestic goods is the place of production of the goods.

Question 85.

In paragraph II.2(b) of the Memorandum (Fiscal policies), Georgia describes its value-added and excise tax systems on certain products, including beverage and tobacco products.

Please confirm that the taxes levied on imported products are the same as those levied on equivalent products produced domestically.

Answer:

VAT and excise taxes levied on imported goods are the same as those levied on equivalent products produced domestically.

Question 86.

According to the Memorandum, imported books and journals on science, art and fiction are exempted from VAT if the authors are Georgian citizens. GATT Article III.2 provides that imported products shall not be subject, directly or indirectly, to internal taxes in excess of those applied, directly or indirectly, to like domestic products.

Does Georgia exempt domestically-produced books and journals on science, art and fiction with national authors from its value-added tax?

Answer:

Georgia does not exempt domestically-produced books and journals on science, art and fiction with national (Georgian) authors from its value-added tax

Question 87.

Does the Government of Georgia agree that books and journals written by Georgian citizens are "like" otherwise similar books and journals written by citizens of other countries? If not, please explain why these items are not "like" within the meaning of GATT Article III.

Answer:

The Government of Georgia agrees that books and journals written by Georgian citizens are "like" books and journals written by citizens of other countries.

Question 88.

The Government of Georgia exempts from VAT goods, contemplated by contracts on grants, approved according to the procedure specified by a Decree of the President of Georgia. Georgia also exempts from VAT goods financed by grants or concessional loans, containing a 25 per cent grant element, provided by bilateral or multilateral international organizations.

Please identify, including HS number, all goods currently exempted from VAT pursuant to these provisions. Do these VAT exemptions apply to imports on a most-favoured-nation basis?

Please describe more fully the sorts of goods exempted under this programme and why, and indicate the relative volume of such goods in Georgia's imports.

Answer:

Though it is stipulated by the Georgian legislation, there are no statistical data concerning this issue.

Question 89.

Georgia exempts goods from VAT which are imported by a person who exported the raw materials for the purpose of their processing.

How is this benefit administered? Is the VAT rebated at the time the finished good is exported? If so, is the level of the VAT rebate limited to the amount associate with the physically incorporated input, or is some other calculation used?

WTO Agreement on Subsidies and Countervailing Measures prohibits subsidies, including foregone revenue, contingent upon export performance. Please explain the GATT rationale for this VAT exemption.

Answer:

In accordance with the new Law On Value Added Tax which is included in the Taxation Code, Georgia does not exempt goods from VAT which are imported by a person who exported the raw

materials for the purposes of their processing. So, this issue appears not to be in contradiction with the WTO Agreement on Subsidies and Countervailing Measures.

Question 90.

According to paragraph II.2(b) of the Memorandum (Fiscal policies), the Government of Georgia intends to conclude bilateral agreements to enable it to move VAT taxation on trade with CIS countries to the destination principle.

What is the current status of each of these efforts?

Answer:

The new Taxation Code of Georgia will move the VAT taxation to the destination principle which entered into force from 1 September 1997. VAT rate is the same for imported and domestically produced goods in accordance with Article 102 of the Taxation Code of Georgia.

Question 91.

Please confirm that the VAT rate for imported wheat is 10 per cent of the customs value and that the VAT for locally-produced wheat is also 10 per cent.

Answer:

Georgia confirms that in accordance with the new Taxation Code of Georgia which entered into force on 1 September 1997, the VAT rate for imported and domestically produced wheat is zero per cent of customs value.

Question 92.

Please provide the HS numbers for the goods which are exempt from VAT: medicines, as specified in Chapter 30 of the HS; medical technology specified in codes 9018 through 9022; and fixed assets and spare parts described in chapters 84, 85, and 90 of the harmonized system.

Answer:

Chapter 30 of the HS:

30	PHARMACEUTICAL PRODUCTS
3001	Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or ...
3001.10	Glands and other organs, dried, whether or not powdered
3001.20	Extracts of glands or other organs or of their secretions
3001.90	Other
3002	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions; vaccines, toxins, cultures of micro-organisms (excluding yeast) and similar products.
3002.10	Antisera and other blood fractions

3002.20	Vaccines for human medicine
3002.3	Vaccines for veterinary medicine:
3002.31	Vaccines against foot-and-mouth disease
3002.39	Other
3002.90	Other
3003	Medicaments (excluding goods of heading No. 3002, 3005 or 3006) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packing for retail sale.
3003.10	Containing penicillin or derivatives thereof, with a penicillanic acid structure, or streptomycins or their derivatives
3003.20	Containing other antibiotics
3003.3	Containing hormones or other products of heading No. 29.37 but not containing antibiotics:
3003.31	Containing insulin
3003.39	Other
3003.40	Containing alkaloids or derivatives thereof but not containing hormones or other products of heading No. 29.37 or antibiotics
3003.90	Other
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 packing for retail sale.
3004.10	Containing penicillin or derivatives thereof, with a penicillanic acid structure, or streptomycins or their derivatives
3004.20	Containing other antibiotics
3004.3	Containing hormones or other products of heading No. 29.37 but not containing antibiotics:
3004.31	Containing insulin
3004.32	Containing adrenal cortical hormones
3004.39	Other
3004.40	Containing alkaloids or derivatives thereof but not containing hormones, other products of heading No. 29.37 or antibiotics
3004.50	Other medicaments containing vitamins or other products of heading No. 29.36
3004.90	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 packing for retail sale for medical, surgical, dental or veterinary purposes.
3005.10	Adhesive dressings and other articles having an adhesive layer
3005.90	Other
3006	Pharmaceutical goods specified in Note 3 to this Chapter.

3006.10	Sterile surgical catgut, similar sterile suture materials and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics
3006.20	Blood-grouping reagents
3006.30	Opacifying preparations for X-ray examinations; diagnostic reagents designed to be administered to the patient
3006.40	Dental cements and other dental fillings; bone reconstruction cements
3006.50	First-aid boxes and kits
3006.60	Chemical contraceptive preparations based on hormones or spermicides

See below the list of medical technology specified in codes 9018 through 9022 of HS 92.

Chapter 84:

84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF
8401	Nuclear reactors; fuel elements (cartridges), non-irradiated, for nuclear reactors; machinery and apparatus for isotopic separation.
8401.10	Nuclear reactors
8401.20	Machinery and apparatus for isotopic separation, and parts thereof
8401.30	Fuel elements (cartridges), non-irradiated
8401.40	Parts of nuclear reactors
8402	Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super-heated water boilers.
8402.1	Steam or other vapour generating boilers:
8402.11	Watertube boilers with a steam production exceeding 45 t per hour
8402.12	Watertube boilers with a steam production not exceeding 45 t per hour
8402.19	Other vapour generating boilers, including hybrid boilers:
8402.20	Super-heated water boilers
8402.90	Parts
8403	Central heating boilers other than those of heading No. 8402.
8403.10	Boilers
8403.90	Parts
8404	Auxiliary plant for use with boilers of heading No. 8402 or 8403 (for example, economizers, super-heaters, soot removers, gas recoverers); condensers for steam or other vapour power units.
8404.10	Auxiliary plant for use with boilers of heading No. 8402 or 8403
8404.20	Condensers for steam or other vapour power units
8404.90	Parts
8405	Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers.

8405.10	Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers
8405.90	Parts
8406	Steam turbines and other vapour turbines.
8406.1	Turbines:
8406.11	For marine propulsion
8406.19	Other
8406.90	Parts
8407	Spark-ignition reciprocating or rotary internal combustion piston engines.
8407.10	Aircraft engines
8407.2	Marine propulsion engines:
8407.21	Outboard motors
8407.29	Other
8407.3	Reciprocating piston engines of a kind used for the propulsion of vehicles of Chapter 87:
8407.31	Of a cylinder capacity not exceeding 50 cc
8407.32	Of a cylinder capacity exceeding 50 cc but not exceeding 250 cc
8407.33	Of a cylinder capacity exceeding 250 cc but not exceeding 1,000 cc
8407.34	Of a cylinder capacity exceeding 1,000 cc
8407.90	Other engines
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines).
8408.10	Marine propulsion engines
8408.20	Engines of a kind used for the propulsion of vehicles of Chapter 87
8408.90	Other engines
8409	Parts suitable for use solely or principally with the engines of heading No. 8407 or 8408.
8409.10	For aircraft engines
8409.9	Other:
8409.91	Suitable for use solely or principally with spark-ignition internal combustion piston engines
8409.99	Other
8410	Hydraulic turbines, water wheels, and regulators therefor.
8410.1	Hydraulic turbines and water wheels:
8410.11	Of a power not exceeding 1,000 kw
8410.12	Of a power exceeding 1,000 kw but not exceeding 10,000 kw
8410.13	Of a power exceeding 10,000 kw
8410.90	Parts, including regulators
8411	Turbo-jets, turbo-propellers and other gas turbines.
8411.1	Turbo-jets:
8411.11	Of a thrust not exceeding 25 kn

8411.12	Of a thrust exceeding 25 kn
8411.2	Turbo-propellers:
8411.21	Of a power not exceeding 1,100 kw
8411.22	Of a power exceeding 1,100 kw
8411.8	Other gas turbines:
8411.81	Of a power not exceeding 5,000 kw
8411.82	Of a power exceeding 5,000 kw
8411.9	Parts:
8411.91	Of turbo-jets or turbo-propellers
8411.99	Other
8412	Other engines and motors.
8412.10	Reaction engines other than turbo-jets
8412.2	Hydraulic power engines and motors:
8412.21	Linear acting (cylinders)
8412.29	Other
8412.3	Pneumatic power engines and motors:
8412.31	Linear acting (cylinders)
8412.39	Other
8412.80	Other
8412.90	Parts
8413	Pumps for liquids, whether or not fitted with a measuring device; liquid elevators.
8413.1	Pumps fitted or designed to be fitted with a measuring device:
8413.11	Pumps for dispensing fuel or lubricants, of the type used in filling-stations or in garages
8413.19	Other
8413.20	Hand pumps, other than those of subheading No. 8413.11 or 8413.19
8413.30	Fuel, lubricating or cooling medium pumps for internal combustion piston engines
8413.40	Concrete pumps
8413.50	Other reciprocating positive displacement pumps
8413.60	Other rotary positive displacement pumps
8413.70	Other centrifugal pumps
8413.8	Other pumps; liquid elevators:
8413.81	Pumps
8413.82	Liquid elevators
8413.9	Parts:
8413.91	Of pumps
8413.92	Of 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.
8414.10	Vacuum pumps

8414.20	Hand- or foot-operated air pumps
8414.30	Compressors of a kind used in refrigerating equipment
8414.40	Air compressors mounted on a wheeled chassis for towing
8414.5	Fans:
8414.51	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an output not exceeding 125 w
8414.59	Other
8414.60	Hoods having a maximum horizontal side not exceeding 120 cm
8414.80	Other
8414.90	Parts
8415	Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated.
8415.10	Window or wall types, self-contained
8415.8	Other:
8415.81	Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle
8415.82	Other, incorporating a refrigerating unit
8415.83	Not incorporating a refrigerating unit
8415.90	Parts
8416	Furnace burners for liquid fuel, for pulverized solid fuel or for gas; mechanical stokers, mechanical grates, mechanical ash dischargers and similar appliances.
8416.10	Furnace burners for liquid fuel
8416.20	Other furnace burners, including combination burners
8416.30	Mechanical stokers, mechanical grates, mechanical ash dischargers and similar appliances
8416.90	Parts
8417	Industrial or laboratory furnaces and ovens, including incinerators, non-electric.
8417.10	Furnaces and ovens for the roasting, melting or other heat-treatment of ores, pyrites or of metals
8417.20	Bakery ovens, including biscuit ovens
8417.80	Other
8417.90	Parts
8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading No. 8415.
8418.10	Combined refrigerator-freezers, fitted with separate external doors
8418.2	Refrigerators, household type:
8418.21	Compression-type
8418.22	Absorption-type, electrical
8418.29	Other
8418.30	Freezers of the chest type, not exceeding 800 litres capacity
8418.40	Freezers of the upright type, not exceeding 900 litres capacity

8418.50	Refrigerating or freezing display counters, cabinets, show-cases and the like
8418.6	Other refrigerating or freezing equipment; heat pumps:
8418.61	Compression type units whose condensers are heat exchangers
8418.69	Other
8418.9	Parts:
8418.91	Furniture designed to receive refrigerating or freezing equipment
8418.99	Other
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, sterilizing, pasteurizing, steaming ...
8419.1	Instantaneous or storage water heaters, non-electric:
8419.11	Instantaneous gas water heaters
8419.19	Other
8419.20	Medical, surgical or laboratory sterilizers
8419.3	Dryers:
8419.31	For agricultural products
8419.32	For wood, paper pulp, paper or paperboard
8419.39	Other
8419.40	Distilling or rectifying plant
8419.50	Heat exchange units
8419.60	Machinery for liquefying air or other gases
8419.8	Other machinery, plant and equipment:
8419.81	For making hot drinks or for cooking or heating food
8419.89	Other
8419.90	Parts
8420	Calendering or other rolling machines, other than for metals or glass, and cylinders therefor.
8420.10	Calendering or other rolling machines
8420.9	Parts:
8420.91	Cylinders
8420.99	Other
8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases.
8421.1	Centrifuges, including centrifugal dryers:
8421.11	Cream separators
8421.12	Clothes-dryers
8421.19	Other
8421.2	Filtering or purifying machinery and apparatus for liquids:
8421.21	For filtering or purifying water
8421.22	For filtering or purifying beverages other than water

8421.23	Oil or petrol-filters for internal combustion engines
8421.29	Other
8421.3	Filtering or purifying machinery and apparatus for gases:
8421.31	Intake air filters for internal combustion engines
8421.39	Other
8421.9	Parts:
8421.91	Of centrifuges, including centrifugal dryers
8421.99	Other
8422	Dish washing machines; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery; machinery for aerating ...
8422.1	Dish washing machines:
8422.11	Of the household type
8422.19	Other
8422.20	Machinery for cleaning or drying bottles or other containers
8422.30	Machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; machinery for aerating beverages
8422.40	Other packing or wrapping machinery
8422.90	Parts
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.
8423.10	Personal weighing machines, including baby scales; household scales
8423.20	Scales for continuous weighing of goods on conveyors
8423.30	Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales
8423.8	Other weighing machinery:
8423.81	Having a maximum weighing capacity not exceeding 30 kg
8423.82	Having a maximum weighing capacity exceeding 30 kg but not exceeding 5,000 kg
8423.89	Other
8423.90	Weighing machine weights of all kinds; parts of weighing machinery
8424	Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines
8424.10	Fire extinguishers, whether or not charged
8424.20	Spray guns and similar appliances
8424.30	Steam or sand blasting machines and similar jet projecting machines
8424.8	Other appliances:
8424.81	Agricultural or horticultural
8424.89	Other

8424.90	Parts
8425	Pulley tackle and hoists other than skip hoists; winches and capstans; jacks.
8425.1	Pulley tackle and hoists other than skip hoists or hoists of a kind used for raising vehicles:
8425.11	Powered by electric motor
8425.19	Other
8425.20	Pit-head winding gear; winches specially designed for use underground
8425.3	Other winches; capstans:
8425.31	Powered by electric motor
8425.39	Other
8425.4	Jacks; hoists of a kind used for raising vehicles:
8425.41	Built-in jacking systems of a type used in garages
8425.42	Other jacks and hoists, hydraulic
8425.49	Other
8426	Ships' derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane.
8426.1	Overhead travelling cranes, transporter cranes, gantry cranes, bridge cranes, mobile lifting frames and straddle carriers:
8426.11	Overhead travelling cranes on fixed support
8426.12	Mobile lifting frames on tyres and straddle carriers
8426.19	Other
8426.20	Tower cranes
8426.30	Portal or pedestal jib cranes
8426.4	Other machinery, self-propelled:
8426.41	On tyres
8426.49	Other
8426.9	Other machinery:
8426.91	Designed for mounting on road vehicles
8426.99	Other
8427	Fork-lift trucks; other works trucks fitted with lifting or handling equipment.
8427.10	Self-propelled trucks powered by an electric motor
8427.20	Other self-propelled trucks
8427.90	Other trucks
8428	Other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, telepheriques).
8428.10	Lifts and skip hoists
8428.20	Pneumatic elevators and conveyors
8428.3	Other continuous-action elevators and conveyors, for goods or materials:
8428.31	Specially designed for underground use
8428.32	Other, bucket type
8428.33	Other, belt type

8428.39	Other
8428.40	Escalators and moving walkways
8428.50	Mine wagon pushers, locomotive or wagon traversers, wagon tippers and similar railway wagon handling equipment
8428.60	Telepheriques, chair-lifts, ski-draglines; traction mechanisms for funiculars
8428.90	Other machinery
8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers.
8429.1	Bulldozers and angledozers:
8429.11	Track laying
8429.19	Other
8429.20	Graders and levellers
8429.30	Scrapers
8429.40	Tamping machines and road rollers
8429.5	Mechanical shovels, excavators and shovel loaders:
8429.51	Front-end shovel loaders
8429.52	Machinery with a 360 degrees revolving superstructure
8429.59	Other
8430	Other moving, grading, levelling, scraping, excavating, tapping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snow-ploughs and snow-blowers.
8430.10	Pile-drivers and pile-extractors
8430.20	Snow-ploughs and snow-blowers
8430.3	Coal or rock cutters and tunnelling machinery:
8430.31	Self-propelled
8430.39	Other
8430.4	Other boring or sinking machinery:
8430.41	Self-propelled
8430.49	Other
8430.50	Other machinery, self-propelled
8430.6	Other machinery, not self-propelled:
8430.61	Tamping or compacting machinery
8430.62	Scrapers
8430.69	Other
8431	Parts suitable for use solely or principally with the machinery of headings Nos. 8425 to 8430.
8431.10	Of machinery of heading No. 8425
8431.20	Of machinery of heading No. 8427
8431.3	Of machinery of heading No. 8428:
8431.31	Of lifts, skip hoists or escalators
8431.39	Other

8431.4	Of machinery of heading No. 8426, 8429 or 8430:
8431.41	Buckets, shovels, grabs and grips
8431.42	Bulldozer or angledozer blades
8431.43	Parts for boring or sinking machinery of subheading No. 8430.41 or 8430.49
8431.49	Other
8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers.
8432.10	Ploughs
8432.2	Harrows, scarifier, cultivators, weeders and hoes:
8432.21	Disc harrows
8432.29	Other
8432.30	Seeders, planters and transplanters
8432.40	Manure spreaders and fertilizer distributors
8432.80	Other machinery
8432.90	Parts
8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading No. 8437.
8433.1	Mowers for lawns, parks or sports-grounds:
8433.11	Powered, with the cutting device rotating in a horizontal plane
8433.19	Other
8433.20	Other mowers, including cutter bars for tractor mounting
8433.30	Other haymaking machinery
8433.40	Straw or fodder balers, including pick-up balers
8433.5	Other harvesting machinery; threshing machinery:
8433.51	Combine harvester-threshers
8433.52	Other threshing machinery
8433.53	Root or tuber harvesting machines
8433.59	Other
8433.60	Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce
8433.90	Parts
8434	Milking machines and dairy machinery.
8434.10	Milking machines
8434.20	Dairy machinery
8434.90	Parts
8435	Presses, crushers and similar machinery used in the manufacture of wine, cider, fruit juices or similar beverages.
8435.10	Machinery
8435.90	Parts

8436	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders.
8436.10	Machinery for preparing animal feeding stuffs
8436.2	Poultry-keeping machinery; poultry incubators and brooders:
8436.21	Poultry incubators and brooders
8436.29	Other
8436.80	Other machinery
8436.9	Parts:
8436.91	Of poultry-keeping machinery or poultry incubators and brooders
8436.99	Other
8437	Machines for cleaning, sorting or grading seed, grain or dried leguminous vegetables; machinery used in the milling industry or for the working of cereals or dried leguminous vegetables, other than farm-type machinery.
8437.10	Machines for cleaning, sorting or grading seed, grain or dried leguminous vegetables
8437.80	Other machinery
8437.90	Parts
8438	Machinery, not specified or included elsewhere in this chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils.
8438.10	Bakery machinery and machinery for the manufacture of macaroni, spaghetti or similar products
8438.20	Machinery for the manufacture of confectionery, cocoa or chocolate
8438.30	Machinery for sugar manufacture
8438.40	Brewery machinery
8438.50	Machinery for the preparation of meat or poultry
8438.60	Machinery for the preparation of fruits, nuts or vegetables
8438.80	Other machinery
8438.90	Parts
8439	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard.
8439.10	Machinery for making pulp of fibrous cellulosic material
8439.20	Machinery for making paper or paperboard
8439.30	Machinery for finishing paper or paperboard
8439.9	Parts:
8439.91	Of machinery for making pulp of fibrous cellulosic material
8439.99	Other
8440	Book-binding machinery, including book-sewing machines.
8440.10	Machinery
8440.90	Parts

8441	Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds.
8441.10	Cutting machines
8441.20	Machines for making bags, sacks or envelopes
8441.30	Machines for making cartons, boxes, cases, tubes, drums or similar containers, other than by moulding
8441.40	Machines for moulding articles in paper pulp, paper or paperboard
8441.80	Other machinery
8441.90	Parts
8442	Machinery, apparatus and equipment (other than the machine-tools of heading Nos. 8456 to 8465), for type-founding or type-setting, for preparing or making printing blocks, plates, cylinders or other printing components; printing type, blocks, plates,
8442.10	Phototype-setting and composing machines
8442.20	Machinery, apparatus and equipment for type-setting or composing by other processes, with or without founding device
8442.30	Other machinery, apparatus and equipment
8442.40	Parts of the foregoing machinery, apparatus or equipment
8442.50	Printing type, blocks, plates, cylinders and other printing components; blocks, plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished)
8443	Printing machinery; machines for uses ancillary to printing.
8443.1	Offset printing machinery:
8443.11	Reel fed
8443.12	Sheet fed, office type (sheet size not exceeding 22 x 36 cm)
8443.19	Other
8443.2	Letterpress printing machinery, excluding flexographic printing:
8443.21	Reel fed
8443.29	Other
8443.30	Flexographic printing machinery
8443.40	Gravure printing machinery
8443.50	Other printing machinery
8443.60	Machines for uses ancillary to printing
8443.90	Parts
8444	Machines for extruding, drawing, texturing or cutting man-made textile materials.
8444.00	Machines for extruding, drawing, texturing or cutting man-made textile materials
8445	Machines for preparing textile fibres; spinning, doubling or twisting machines and other machinery for producing textile yarns; textile reeling or winding (including weft-winding) machines and machines for preparing textile yarns for use on the machines
8445.1	Machines for preparing textile fibres:
8445.11	Carding machines

8445.12	Combing machines
8445.13	Drawing or roving machines
8445.19	Other
8445.20	Textile spinning machines
8445.30	Textile doubling or twisting machines
8445.40	Textile winding (including weft-winding) or reeling machines
8445.90	Other
8446	Weaving machines (looms).
8446.10	For weaving fabrics of a width not exceeding 30 cm
8446.2	For weaving fabrics of a width exceeding 30 cm, shuttle type:
8446.21	Power looms
8446.29	Other
8446.30	For weaving fabrics of a width exceeding 30 cm, shuttleless type
8447	Knitting machines, stitch-bonding machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting.
8447.1	Circular knitting machines:
8447.11	With cylinder diameter not exceeding 165 mm
8447.12	With cylinder diameter exceeding 165 mm
8447.20	Flat knitting machines; stitch-bonding machines
8447.90	Other
8448	Auxiliary machinery for use with machines of heading No. 8444, 8445, 8446 or 8447 (for example, dobbies, Jacquards, automatic stop motions, shuttle changing mechanisms); parts and accessories suitable for use solely or principally with the machines of ...
8448.1	Auxiliary machinery for machines of heading No. 8444, 8445, 8446 or 8447:
8448.11	Dobbies and Jacquards; card reducing, copying, punching or assembling machines for use therewith
8448.19	Other
8448.20	Parts and accessories of machines of heading No. 8444 or of their auxiliary machinery
8448.3	Parts and accessories of machines of heading No. 8445 or of their auxiliary machinery:
8448.31	Card clothing
8448.32	Of machines for preparing textile fibres, other than card clothing
8448.33	Spindles, spindle flyers, spinning rings and ring travellers
8448.39	Other
8448.4	Parts and accessories of weaving machines (looms) or of their auxiliary machinery:
8448.41	Shuttles
8448.42	Reeds for looms, healds and heald-frames
8448.49	Other
8448.5	Parts and accessories of machines of heading No. 8447 or of their auxiliary machinery:

8448.51	Sinkers, needles and other articles used in forming stitches
8448.59	Other
8449	Machinery for the manufacture or finishing of felt or non-wovens in the piece or in shapes, including machinery for making felt hats; blocks for making hats.
8449.00	Machinery for the manufacture or finishing of felt or non-wovens in the piece or in shapes, including machinery for making felt hats; blocks for making hats
8450	Household or laundry-type washing machines, including machines which both wash and dry.
8450.1	Machines, each of a dry linen capacity not exceeding 10 kg:
8450.11	Fully-automatic machines
8450.12	Other machines, with built-in centrifugal drier
8450.19	Other
8450.20	Machines, each of a dry linen capacity exceeding 10 kg
8450.90	Parts
8451	Machinery (other than machines of heading No. 8450) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics or made up textile articles ...
8451.10	Dry-cleaning machines
8451.2	Drying machines:
8451.21	Each of a dry linen capacity not exceeding 10 kg
8451.29	Other
8451.30	Ironing machines and presses (including fusing presses)
8451.40	Washing, bleaching or dyeing machines
8451.50	Machines for reeling, unreeling, folding, cutting or pinking textile fabrics
8451.80	Other machinery
8451.90	Parts
8452	Sewing machines, other than book-sewing machines of heading No. 8440; furniture, bases and covers specially designed for sewing machines; sewing machine needles.
8452.10	Sewing machines of the household type
8452.2	Other sewing machines:
8452.21	Automatic units
8452.29	Other
8452.30	Sewing machine needles
8452.40	Furniture, bases and covers for sewing machines and parts thereof
8452.90	Other parts of sewing machines
8453	Machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines.
8453.10	Machinery for preparing, tanning or working hides, skins or leather
8453.20	Machinery for making or repairing footwear
8453.80	Other machinery

8453.90	Parts
8454	Converters, ladles, ingot moulds and casting machines, of a kind used in metallurgy or in metal foundries.
8454.10	Converters
8454.20	Ingot moulds and ladles
8454.30	Casting machines
8454.90	Parts
8455	Metal-rolling mills and rolls therefor.
8455.10	Tube mills
8455.2	Other rolling mills:
8455.21	Hot or combination hot and cold
8455.22	Cold
8455.30	Rolls for rolling mills
8455.90	Other parts
8456	Machine-tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam or plasma arc processes.
8456.10	Operated by laser or other light or photon beam processes
8456.20	Operated by ultrasonic processes
8456.30	Operated by electro-discharge processes
8456.90	Other
8457	Machining centres, unit construction machines (single station) and multi-station transfer machines, for working metal.
8457.10	Machining centres
8457.20	Unit construction machines (single station)
8457.30	Multi-station transfer machines
8458	Lathes for removing metal
8458.1	Horizontal lathes:
8458.11	Numerically controlled
8458.19	Other
8458.9	Other lathes:
8458.91	Numerically controlled
8458.99	Other
8459	Machine-tools (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes of heading No. 8458.
8459.10	Way-type unit head machines
8459.2	Other drilling machines:
8459.21	Numerically controlled
8459.29	Other
8459.3	Other boring-milling machines:
8459.31	Numerically controlled

8459.39	Other
8459.40	Other boring machines
8459.5	Milling machines, knee-type:
8459.51	Numerically controlled
8459.59	Other
8459.6	Other milling machines:
8459.61	Numerically controlled
8459.69	Other
8459.70	Other threading or tapping machines
8460	Machine-tools for debarring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal, sintered metal carbides or cermets by means of grinding stones, abrasives or polishing products, other than gear cutting, gear grinding or gear ...
8460.1	Flat-surface grinding machines, in which the positioning in any one axis can be set up to an accuracy of at least 0.01 mm:
8460.11	Numerically controlled
8460.19	Other
8460.2	Other grinding machines, in which the positioning in any one axis can be set up to an accuracy of at least 0.01 mm:
8460.21	Numerically controlled
8460.29	Other
8460.3	Sharpening (tool or cutter grinding) machines:
8460.31	Numerically controlled
8460.39	Other
8460.40	Honing or lapping machines
8460.90	Other
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, sintered metal carbides or cermets, not elsewhere specified or included.
8461.10	Planing machines
8461.20	Shaping or slotting machines
8461.30	Broaching machines
8461.40	Gear cutting, gear grinding or gear finishing machines
8461.50	Sawing or cutting-off machines
8461.90	Other
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
8462.10	Forging or die-stamping machines (including presses) and hammers
8462.2	Bending, folding, straightening or flattening machines (including presses):
8462.21	Numerically controlled

8462.29	Other
8462.3	Shearing machines (including presses), other than combined punching and shearing machines:
8462.31	Numerically controlled
8462.39	Other
8462.4	Punching or notching machines (including presses), including combined punching and shearing machines:
8462.41	Numerically controlled
8462.49	Other
8462.9	Other:
8462.91	Hydraulic presses
8462.99	Other
8463	Other machine-tools for working metal, sintered metal carbides or cermets, without removing material.
8463.10	Draw-benches for bars, tubes, profiles, wire or the like
8463.20	Thread rolling machines
8463.30	Machines for working wire
8463.90	Other
8464	Machine-tools for working stone, ceramics, concrete, asbestos, cement or like mineral materials or for cold working glass.
8464.10	Sawing machines
8464.20	Grinding or polishing machines
8464.90	Other
8465	Machine-tools (including machines for nailing, stapling, gluing or otherwise assembling) for working wood, cork, bone, hard rubber, hard plastics or similar hard materials.
8465.10	Machines which can carry out different types of machining operations without tool change between such operations
8465.9	Other:
8465.91	Sawing machines
8465.92	Planing, milling or moulding (by cutting) machines
8465.93	Grinding, sanding or polishing machines
8465.94	Bending or assembling machines
8465.95	Drilling or morticing machines
8465.96	Splitting, slicing or paring machines
8465.99	Other
8466	Parts and accessories suitable for use solely or principally with the machines of heading Nos. 8456 to 8465, including work or tool holders, self-opening dieheads, dividing heads and other special attachments for machine-tools; tool holders for any type ...
8466.10	Tool holders and self-opening dieheads
8466.20	Work holders

8466.30	Dividing heads and other special attachments for machine-tools
8466.9	Other:
8466.91	For machines of heading No. 8464
8466.92	For machines of heading No. 8465
8466.93	For machines of headings Nos. 8456 to 8461
8466.94	For machines of heading No. 8462 or 8463
8467	Tools for working in the hand, pneumatic or with self-contained non-electric motor.
8467.1	Pneumatic:
8467.11	Rotary type (including combined rotary-percussion)
8467.19	Other
8467.8	Other tools:
8467.81	Chain saws
8467.89	Other
8467.9	Parts:
8467.91	Of chain saws
8467.92	Of pneumatic tools
8467.99	Other
8468	Machinery and apparatus for soldering, brazing or welding, whether or not capable of cutting, other than those of heading No. 8515; gas-operated surface tempering machines and appliances
8468.10	Hand-held blow pipes
8468.20	Other gas-operated machinery and apparatus
8468.80	Other machinery and apparatus
8468.90	Parts
8469	Typewriters and word-processing machines
8469.10	Automatic typewriters and word-processing machines
8469.2	Other typewriters, electric:
8469.21	Weighing not more than 12 kg, excluding case
8469.29	Other
8469.3	Other typewriters, non-electric:
8469.31	Weighing not more than 12 kg, excluding case
8469.39	Other
8470	Calculating machines; accounting machines, cash registers, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device
8470.10	Electronic calculators capable of operation without an external source of power
8470.2	Other electronic calculating machines:
8470.21	Incorporating a printing device
8470.29	Other
8470.30	Other calculating machines
8470.40	Accounting machines

8470.50	Cash registers
8470.90	Other
8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included
8471.10	Analogue or hybrid automatic data processing machines
8471.20	Digital automatic data processing machines, containing in the same housing at least a central processing unit and an input and output unit, whether or not combined
8471.9	Other:
8471.91	Digital processing units, whether or not presented with the rest of a system, which may contain in the same housing one or two of the following types of unit : storage units, input units, output units
8471.92	Input or output units, whether or not presented with the rest of a system and whether or not containing storage units in the same housing
8471.93	Storage units, whether or not presented with the rest of a system
8471.99	Other
8472	Other office machines (for example, hectograph or stencil duplicating machines, addressing machines, automatic banknote dispensers, coin-sorting machines, coin-counting or wrapping machines, pencil-sharpening machines, perforating or stapling machines).
8472.10	Duplicating machines
8472.20	Addressing machines and address plate embossing machines
8472.30	Machines for sorting or folding mail or for inserting mail in envelopes or bands, machines for opening, closing or sealing mail and machines for affixing or cancelling postage stamps
8472.90	Other
8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of headings Nos. 8469 to 8472.
8473.10	Parts and accessories of the machines of heading No. 8469
8473.2	Parts and accessories of the machines of heading No. 8470:
8473.21	Of the electronic calculating machines of subheading No. 8470.10, 8470.21 or 8470.29
8473.29	Other
8473.30	Parts and accessories of the machines of heading No. 8471
8473.40	Parts and accessories of the machines of heading No. 8472
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,
8474.10	Sorting, screening, separating or washing machines
8474.20	Crushing or grinding machines
8474.3	Mixing or kneading machines:
8474.31	Concrete or mortar mixers

8474.32	Machines for mixing mineral substances with bitumen
8474.39	Other
8474.80	Other machinery
8474.90	Parts
8475	Machines for assembling electric or electronic lamps, tubes or valves or flashbulbs, in glass envelopes; machines for manufacturing or hot working glass or glassware.
8475.10	Machines for assembling electric or electronic lamps, tubes or valves or flashbulbs, in glass envelopes
8475.20	Machines for manufacturing or hot working glass or glassware
8475.90	Parts
8476	Automatic goods-vending machines (for example, postage stamp, cigarette, food or beverage machines), including money-changing machines.
8476.1	Machines:
8476.11	Incorporating heating or refrigerating devices
8476.19	Other
8476.90	Parts
8477	Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this Chapter.
8477.10	Injection-moulding machines
8477.20	Extruders
8477.30	Blow moulding machines
8477.40	Vacuum moulding machines and other thermoforming machines
8477.5	Other machinery for moulding or otherwise forming:
8477.51	For moulding or retreading pneumatic tyres or for moulding or otherwise forming inner tubes
8477.59	Other
8477.80	Other machinery
8477.90	Parts
8478	Machinery for preparing or making up tobacco, not specified or included elsewhere in this Chapter.
8478.10	Machinery
8478.90	Parts
8479	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter.
8479.10	Machinery for public works, building or the like
8479.20	Machinery for the extraction or preparation of animal or fixed vegetable fats or oils
8479.30	Presses for the manufacture of particle board or fibre building board of wood or other ligneous materials and other machinery for treating wood or cork
8479.40	Rope or cable-making machines
8479.8	Other machines and mechanical appliances:
8479.81	For treating metal, including electric wire coil-winders

8479.82	Mixing, kneading, crushing, grinding, screening, sifting, homogenising, emulsifying or stirring machines
8479.89	Other
8479.90	Parts
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.
8480.10	Moulding boxes for metal foundry
8480.20	Mould bases
8480.30	Moulding patterns
8480.4	Moulds for metal or metal carbides:
8480.41	Injection or compression types
8480.49	Other
8480.50	Moulds for glass
8480.60	Moulds for mineral materials
8480.7	Moulds for rubber or plastics:
8480.71	Injection or compression types
8480.79	Other
8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves.
8481.10	Pressure-reducing valves
8481.20	Valves for oleohydraulic or pneumatic transmissions
8481.30	Check valves
8481.40	Safety or relief valves
8481.80	Other appliances
8481.90	Parts
8482	Ball or roller bearings.
8482.10	Ball bearings
8482.20	Tapered roller bearings, including cone and tapered roller assemblies
8482.30	Spherical roller bearings
8482.40	Needle roller bearings
8482.50	Other cylindrical roller bearings
8482.80	Other, including combined ball/roller bearings
8482.9	Parts:
8482.91	Balls, needles and rollers
8482.99	Other
8483	Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley ...
8483.10	Transmission shafts (including cam shafts and crank shafts) and cranks

8483.20	Bearing housings, incorporating ball or roller bearings
8483.30	Bearing housings, not incorporating ball or roller bearings; plain shaft bearings
8483.40	Gears and gearing, other than toothed wheels, chain sprockets and other transmission elements presented separately; ball screws; gear boxes and other speed changers, including torque converters
8483.50	Flywheels and pulleys, including pulley blocks
8483.60	Clutches and shaft couplings (including universal joints)
8483.90	Parts
8484	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings.
8484.10	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal
8484.90	Other
8485	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features, not specified or included elsewhere in this Chapter.
8485.10	Ships' propellers and blades therefor
8485.90	Other

Chapter 85:

85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES
8501	Electric motors and generators (excluding generating sets).
8501.10	Motors of an output not exceeding 37.5 w
8501.20	Universal AC/DC motors of an output exceeding 37.5 w
8501.3	Other DC motors; DC generators:
8501.31	Of an output not exceeding 750 w
8501.32	Of an output exceeding 750 w but not exceeding 75 kw
8501.33	Of an output exceeding 75 kw but not exceeding 375 kw
8501.34	Of an output exceeding 375 kw
8501.40	Other AC motors, single-phase
8501.5	Other AC motors, multi-phase:
8501.51	Of an output not exceeding 750 w
8501.52	Of an output exceeding 750 w but not exceeding 75 kw
8501.53	Of an output exceeding 75 kw
8501.6	AC generators (alternators):
8501.61	Of an output not exceeding 75 kva
8501.62	Of an output exceeding 75 kva but not exceeding 375 kva

8501.63	Of an output exceeding 375 kva but not exceeding 750 kva
8501.64	Of an output exceeding 750 kva
8502	Electric generating sets and rotary converters.
8502.1	Generating sets with compression-ignition internal combustion piston engines (diesel or semi-diesel engines):
8502.11	Of an output not exceeding 75 kva
8502.12	Of an output exceeding 75 kva but not exceeding 375 kva
8502.13	Of an output exceeding 375 kva
8502.20	Generating sets with spark-ignition internal combustion piston engines
8502.30	Other generating sets
8502.40	Electric rotary converters
8503	Parts suitable for use solely or principally with the machines of heading No. 8501 or 8502.
8503.00	Parts suitable for use solely or principally with the machines of heading No. 8501 or 8502
8504	Electrical transformers, static converters (for example, rectifiers) and inductors.
8504.10	Ballasts for discharge lamps or tubes
8504.2	Liquid dielectric transformers:
8504.21	Having a power handling capacity not exceeding 650 kva
8504.22	Having a power handling capacity exceeding 650 kva but not exceeding 10,000 kva
8504.23	Having a power handling capacity exceeding 10,000 kva
8504.3	Other transformers:
8504.31	Having a power handling capacity not exceeding 1 kva
8504.32	Having a power handling capacity exceeding 1 kva but not exceeding 16 kva
8504.33	Having a power handling capacity exceeding 16 kva but not exceeding 500 kva
8504.34	Having a power handling capacity exceeding 500 kva
8504.40	Static converters
8504.50	Other inductors
8504.90	Parts
8505	Electro-magnets; permanent magnets and articles intended to become permanent magnets after magnetisation; electro-magnetic or permanent magnet chucks, clamps and similar holding devices; electro-magnetic couplings, clutches and brakes; electro-magnetic ...
8505.1	Permanent magnets and articles intended to become permanent magnets after magnetisation:
8505.11	Of metal
8505.19	Other
8505.20	Electro-magnetic couplings, clutches and brakes
8505.30	Electro-magnetic lifting heads
8505.90	Other, including parts
8506	Primary cells and primary batteries.

8506.1	Of an external volume not exceeding 300 cm ³ :
8506.11	Manganese dioxide
8506.12	Mercuric oxide
8506.13	Silver oxide
8506.19	Other
8506.20	Of an external volume exceeding 300 cm ³
8506.90	Parts
8507	Electric accumulators, including separators therefor, whether or not rectangular (including square).
8507.10	Lead-acid, of a kind used for starting piston engines
8507.20	Other lead-acid accumulators
8507.30	Nickel-cadmium
8507.40	Nickel-iron
8507.80	Other accumulators
8507.90	Parts
8508	Electro-mechanical tools for working in the hand, with self-contained electric motor.
8508.10	Drills of all kinds
8508.20	Saws
8508.80	Other tools
8508.90	Parts
8509	Electro-mechanical domestic appliances, with self-contained electric motor.
8509.10	Vacuum cleaners
8509.20	Floor polishers
8509.30	Kitchen waste disposers
8509.40	Food grinders and mixers; fruit or vegetable juice extractors
8509.80	Other appliances
8509.90	Parts
8510	Shavers and hair clippers, with self-contained electric motor.
8510.10	Shavers
8510.20	Hair clippers
8510.90	Parts
8511	Electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines (for example, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators ...
8511.10	Sparking plugs
8511.20	Ignition magnetos; magneto-dynamos; magnetic flywheels
8511.30	Distributors; ignition coils
8511.40	Starter motors and dual purpose starter-generators
8511.50	Other generators

8511.80	Other equipment
8511.90	Parts
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.
8512.10	Lighting or visual signalling equipment of a kind used on bicycles
8512.20	Other lighting or visual signalling equipment
8512.30	Sound signalling equipment
8512.40	Windscreen wipers, defrosters and demisters
8512.90	Parts
8513	Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos), other than lighting equipment of heading No. 8512.
8513.10	Lamps
8513.90	Parts
8514	Industrial or laboratory electric (including induction or dielectric) furnaces and ovens; other industrial or laboratory induction or dielectric heating equipment.
8514.10	Resistance heated furnaces and ovens
8514.20	Induction or dielectric furnaces and ovens
8514.30	Other furnaces and ovens
8514.40	Other induction or dielectric heating equipment
8514.90	Parts
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
8515.1	Brazing or soldering machines and apparatus:
8515.11	Soldering irons and guns
8515.19	Other
8515.2	Machines and apparatus for resistance welding of metal:
8515.21	Fully or partly automatic
8515.29	Other
8515.3	Machines and apparatus for arc (including plasma arc) welding of metals:
8515.31	Fully or partly automatic
8515.39	Other
8515.80	Other machines and apparatus
8515.90	Parts
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;
8516.10	Electric instantaneous or storage water heaters and immersion heaters
8516.2	Electric space heating apparatus and electric soil heating apparatus:

8516.21	Storage heating radiators
8516.29	Other
8516.3	Electro-thermic hair-dressing or hand-drying apparatus:
8516.31	Hair dryers
8516.32	Other hair-dressing apparatus
8516.33	Hand-drying apparatus
8516.40	Electric smoothing irons
8516.50	Microwave ovens
8516.60	Other ovens; cookers, cooking plates, boiling rings; grillers and roasters
8516.7	Other electro-thermic appliances:
8516.71	Coffee or tea makers
8516.72	Toasters
8516.79	Other
8516.80	Electric heating resistors
8516.90	Parts
8517	Electrical apparatus for line telephony or line telegraphy, including such apparatus for carrier-current line systems.
8517.10	Telephone sets
8517.20	Teleprinters
8517.30	Telephonic or telegraphic switching apparatus
8517.40	Other apparatus, for carrier-current line systems
8517.8	Other apparatus:
8517.81	Telephonic
8517.82	Telegraphic
8517.90	Parts
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.
8518.10	Microphones and stands therefor
8518.2	Loudspeakers, whether or not mounted in their enclosures:
8518.21	Single loudspeakers, mounted in their enclosures
8518.22	Multiple loudspeakers, mounted in the same enclosure
8518.29	Other
8518.30	Headphones, earphones and combined microphone/speaker sets
8518.40	Audio-frequency electric amplifiers
8518.50	Electric sound amplifier sets
8518.90	Parts
8519	Turntables (record-decks), record-players, cassette-players and other sound reproducing apparatus, not incorporating a sound recording device.
8519.10	Coin- or disc-operated record-players
8519.2	Other record-players:

8519.21	Without loudspeaker
8519.29	Other
8519.3	Turntables (record-decks):
8519.31	With automatic record changing mechanism
8519.39	Other
8519.40	Transcribing machines
8519.9	Other sound reproducing apparatus:
8519.91	Cassette-type
8519.99	Other
8520	Magnetic tape recorders and other sound recording apparatus, whether or not incorporating a sound reproducing device.
8520.10	Dictating machines not capable of operating without an external source of power
8520.20	Telephone answering machines
8520.3	Other magnetic tape recorders incorporating sound reproducing apparatus:
8520.31	Cassette-type
8520.39	Other
8520.90	Other
8521	Video recording or reproducing apparatus.
8521.10	Magnetic tape-type
8521.90	Other
8522	Parts and accessories of apparatus of headings Nos. 8519 to 8521.
8522.10	Pick-up cartridges
8522.90	Other
8523	Prepared unrecorded media for sound recording or similar recording of other phenomena, other than products of Chapter 37.
8523.1	Magnetic tapes:
8523.11	Of a width not exceeding 4 mm
8523.12	Of a width exceeding 4 mm but not exceeding 6.5 mm
8523.13	Of a width exceeding 6.5 mm
8523.20	Magnetic discs
8523.90	Other
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.
8524.10	Gramophone records
8524.2	Magnetic tapes:
8524.21	Of a width not exceeding 4 mm
8524.22	Of a width exceeding 4 mm but not exceeding 6.5 mm
8524.23	Of a width exceeding 6.5 mm
8524.90	Other

8525	Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras.
8525.10	Transmission apparatus
8525.20	Transmission apparatus incorporating reception apparatus
8525.30	Television cameras
8526	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus.
8526.10	Radar apparatus
8526.9	Other:
8526.91	Radio navigational aid apparatus
8526.92	Radio remote control apparatus
8527	Reception apparatus for radio-telephony, radio-telegraphy or radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock.
8527.1	Radio-broadcast receivers capable of operating without an external source of power, including apparatus capable of receiving also radio-telephony or radio-telegraphy:
8527.11	Combined with sound recording or reproducing apparatus
8527.19	Other
8527.2	Radio-broadcast receivers not capable of operating without an external source of power, of a kind used in motor vehicles, including apparatus capable of receiving also radio-telephony or radio-telegraphy:
8527.21	Combined with sound recording or reproducing apparatus
8527.29	Other
8527.3	Other radio-broadcast receivers, including apparatus capable of receiving also radio-telephony or radio-telegraphy:
8527.31	Combined with sound recording or reproducing apparatus
8527.32	Not combined with sound recording or reproducing apparatus but combined with a clock
8527.39	Other
8527.90	Other apparatus
8528	Television receivers (including video monitors and video projectors), whether or not combined, in the same housing, with radio-broadcast receivers or sound or video recording or reproducing apparatus.
8528.10	Colour
8528.20	Black and white or other monochrome
8529	Parts suitable for use solely or principally with the apparatus of headings Nos. 8525 to 8528.
8529.10	Aerials and aerial reflectors of all kinds; parts suitable for use therewith
8529.90	Other
8530	Electrical signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways parking facilities, port installations or airfields (other than those of heading No. 8608).

8530.10	Equipment for railways or tramways
8530.80	Other equipment
8530.90	Parts
8531	Electric sound or visual signalling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading No. 8512 or 8530.
8531.10	Burglar or fire alarms and similar apparatus
8531.20	Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)
8531.80	Other apparatus
8531.90	Parts
8532	Electrical capacitors, fixed, variable or adjustable (pre-set).
8532.10	Fixed capacitors designed for use in 50/60 hz circuits and having a reactive power handling capacity of not less than 0.5 kvar (power capacitors)
8532.2	Other fixed capacitors:
8532.21	Tantalum
8532.22	Aluminium electrolytic
8532.23	Ceramic dielectric, single layer
8532.24	Ceramic dielectric, multilayer
8532.25	Dielectric of paper or plastics
8532.29	Other
8532.30	Variable or adjustable (pre-set) capacitors
8532.90	Parts
8533	Electrical resistors (including rheostats and potentiometers), other than heating resistors.
8533.10	Fixed carbon resistors, composition or film types
8533.2	Other fixed resistors:
8533.21	For a power handling capacity not exceeding 20 w
8533.29	Other
8533.3	Wirewound variable resistors, including rheostats and potentiometers:
8533.31	For a power handling capacity not exceeding 20 w
8533.39	Other
8533.40	Other variable resistors, including rheostats and potentiometers
8533.90	Parts
8534	Printed circuits.
8534.00	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
8535.10	Fuses
8535.2	Automatic circuit breakers:

8535.21	for a voltage of less than 72.5 kv
8535.29	Other
8535.30	Isolating switches and make-and-break switches
8535.40	Lightning arresters, voltage limiters and surge suppressors
8535.90	Other
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 ...
8536.10	Fuses
8536.20	Automatic circuit breakers
8536.30	Other apparatus for protecting electrical circuits
8536.4	Relays:
8536.41	For a voltage not exceeding 60 volts
8536.49	Other
8536.50	Other switches
8536.6	Lamp-holders, plugs and sockets:
8536.61	Lamp-holders
8536.69	Other
8536.90	Other apparatus
8537	Boards, panels (including numerical control 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
8537.10	For a voltage not exceeding 1,000 volts
8537.20	For a voltage exceeding 1,000 volts
8538	Parts suitable for use solely or principally with the apparatus of heading Nos. 8535, 8536 or 8537.
8538.10	Boards, panels, consoles, desks, cabinets and other bases for the goods of heading No. 8537, not equipped with their apparatus
8538.90	Other
8539	Electric filament or discharge lamps, including sealed beam lamp units and ultra-violet or infra-red lamps; arc-lamps.
8539.10	Sealed beam lamp units
8539.2	Other filament lamps, excluding ultra-violet or infra-red lamps:
8539.21	Tungsten halogen
8539.22	Other, of a power not exceeding 200 w and for a voltage exceeding 100 volts
8539.29	Other
8539.3	Discharge lamps, other than ultra-violet lamps:
8539.31	Fluorescent, hot cathode
8539.39	Other
8539.40	Ultra-violet or infra-red lamps; arc lamps
8539.90	Parts

8540	Thermionic, cold cathode or photocathode valves and tubes (for example, vacuum or vapour or gas filled valves and tubes, mercury arc rectifying valves and tubes, cathode-ray tubes, television camera tubes).
8540.1	Cathode-ray television picture tubes, including video monitor cathode-ray tubes:
8540.11	Colour
8540.12	Black and white or other monochrome
8540.20	Television camera tubes; image converters and intensifiers; other photo-cathode tubes
8540.30	Other cathode-ray tubes
8540.4	Microwave tubes (for example, magnetrons, klystrons, travelling wavetubes, carcinotrons), excluding grid-controlled tubes:
8540.41	Magnetrons
8540.42	Klystrons
8540.49	Other
8540.8	Other valves and tubes:
8540.81	Receiver or amplifier valves and tubes
8540.89	Other
8540.9	Parts:
8540.91	Of cathode-ray tubes
8540.99	Other
8541	Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals.
8541.10	Diodes, other than photosensitive or light emitting diodes
8541.2	Transistors, other than photosensitive transistors:
8541.21	With a dissipation rate of less than 1w
8541.29	Other
8541.30	Thyristors, diacs and triacs, other than photosensitive devices
8541.40	Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes
8541.50	Other semiconductor devices
8541.60	Mounted piezo-electric crystals
8541.90	Parts
8542	Electronic integrated circuits and microassemblies.
8542.1	Monolithic integrated circuits:
8542.11	Digital
8542.19	Other
8542.20	Hybrid integrated circuits
8542.80	Other
8542.90	Parts
8543	Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter.

8543.10	Particle accelerators
8543.20	Signal generators
8543.30	Machines and apparatus for electroplating, electrolysis or electrophoresis
8543.80	Other machines and apparatus
8543.90	Parts
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial 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
8544.1	Winding wire:
8544.11	Of copper
8544.19	Other
8544.20	Co-axial cable and other co-axial electric conductors
8544.30	Ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships
8544.4	Other electric conductors, for a voltage not exceeding 80 v:
8544.41	Fitted with connectors
8544.49	Other
8544.5	Other electric conductors, for a voltage exceeding 80 v but not exceeding 1,000 v:
8544.51	Fitted with connectors
8544.59	Other
8544.60	Other electric conductors, for a voltage exceeding 1,000 volts
8544.70	Optical fibre cables
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes.
8545.1	Electrodes:
8545.11	Of a kind used for furnaces
8545.19	Other
8545.20	Brushes
8545.90	Other
8546	Electrical insulators of any material.
8546.10	Of glass
8546.20	Of ceramics
8546.90	Other
8547	Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly, other
8547.10	Insulating fittings of ceramics
8547.20	Insulating fittings of plastics
8547.90	Other

8548	Electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter.
8548.00	Electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter

Chapter 90:

90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF
9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading No. 8544; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other
9001.10	Optical fibres, optical fibre bundles and cables
9001.20	Sheets and plates of polarising material
9001.30	Contact lenses
9001.40	Spectacle lenses of glass
9001.50	Spectacle lenses of other materials
9001.90	Other
9002	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked.
9002.1	Objective lenses:
9002.11	For cameras, projectors or photographic enlargers or reducers
9002.19	Other
9002.20	Filters
9002.90	Other
9003	Frames and muntings for spectacles, goggles or the like, and parts thereof.
9003.1	Frames and mountings:
9003.11	Of plastics
9003.19	Of other materials
9003.90	Parts
9004	Spectacles, goggles and the like, corrective, protective or other.
9004.10	Sunglasses
9004.90	Other
9005	Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radio-astronomy.
9005.10	Binoculars
9005.80	Other instruments
9005.90	Parts and accessories (including mountings)

9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading No. 8539.
9006.10	Cameras of a kind used for preparing printing plates or cylinders
9006.20	Cameras of a kind used for recording documents on microfilm, microfiche or other microforms
9006.30	Cameras specially designed for underwater use, for aerial survey or for medical or surgical examination of internal organs; comparison cameras for forensic or criminological purposes
9006.40	Instant print cameras
9006.5	Other cameras:
9006.51	With a through-the-lens viewfinder (single lens reflex (SLR)), for roll film of a width not exceeding 35 mm
9006.52	Other, for roll film of a width less than 35 mm
9006.53	Other, for roll film of a width of 35 mm
9006.59	Other
9006.6	Photographic flashlight apparatus and flashbulbs:
9006.61	Discharge lamp ('electronic') flashlight apparatus
9006.62	Flashbulbs, flashcubes and the like
9006.69	Other
9006.9	Parts and accessories:
9006.91	For cameras
9006.99	Other
9007	Cinematographic cameras and projectors, whether or not incorporating sound recording or reproducing apparatus.
9007.1	Cameras:
9007.11	For film of less than 16 mm width or for double-8 mm film
9007.19	Other
9007.2	Projectors:
9007.21	For film of less than 16 mm width
9007.29	Other
9007.9	Parts and accessories:
9007.91	For cameras
9007.92	For projectors
9008	Image projectors, other than cinematographic; photographic (other than cinematographic) enlargers and reducers.
9008.10	Slide projectors
9008.20	Microfilm, microfiche or other microform readers, whether or not capable of producing copies
9008.30	Other image projectors
9008.40	Photographic (other than cinematographic) enlargers and reducers
9008.90	Parts and accessories

9009	Photocopying apparatus incorporating an optical system or of the contact type and thermo-copying apparatus.
9009.1	Electrostatic photo-copying apparatus:
9009.11	Operating by reproducing the original image directly onto the copy (direct process)
9009.12	Operating by reproducing the original image via an intermediate onto the copy (indirect process)
9009.2	Other photo-copying apparatus:
9009.21	Incorporating an optical system
9009.22	Of the contact type
9009.30	Thermo-copying apparatus
9009.90	Parts and accessories
9010	Apparatus and equipment for photographic (including cinematographic) laboratories (including apparatus for the projection of circuit patterns on sensitised semiconductor materials), not specified or included elsewhere in this Chapter; negatoscopes; proje
9010.10	Apparatus and equipment for automatically developing photographic (including cinematographic) film or paper in rolls or for automatically exposing developed film to rolls of photographic paper
9010.20	Other apparatus and equipment for photographic (including cinematographic) laboratories; negatoscopes
9010.30	Projection screens
9010.90	Parts and accessories
9011	Compound optical microscopes, including those for photomicrography, cinephotomicrography or microprojection.
9011.10	Stereoscopic microscopes
9011.20	Other microscopes, for photomicrography, cinephotomicrography or microprojection
9011.80	Other microscopes
9011.90	Parts and accessories
9012	Microscopes other than optical microscopes; diffraction apparatus.
9012.10	Microscopes other than optical microscopes and diffraction apparatus
9012.90	Parts and accessories
9013	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter.
9013.10	Telescopic sights for fitting to arms; periscopes; telescopes designed to form parts of machines, appliances, instruments or apparatus of this Chapter or Section XVI
9013.20	Lasers, other than laser diodes
9013.80	Other devices, appliances and instruments
9013.90	Parts and accessories
9014	Direction finding compasses; other navigational instruments and appliances.
9014.10	Direction finding compasses

9014.20	Instruments and appliances for aeronautical or space navigation (other than compasses)
9014.80	Other instruments and appliances
9014.90	Parts and accessories
9015	Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders.
9015.10	Rangefinders
9015.20	Theodolites and tacheometers
9015.30	Levels
9015.40	Photogrammetrical, surveying instruments and appliances
9015.80	Other instruments and appliances
9015.90	Parts and accessories
9016	Balances of a sensitivity of 5 cg or better, with or without weights.
9016.00	Balances of a sensitivity of 5 cg or better, with or without weights
9017	Drawing, marking-out or mathematical calculating instruments (for example, drafting machines, pantographs, protractors, drawing sets, slide rules, disc calculators); instruments for measuring length, for use in the hand (for example, measuring rods and
9017.10	Drafting tables and machines, whether or not automatic
9017.20	Other drawing, marking-out or mathematical calculating instruments
9017.30	Micrometers, callipers and gauges
9017.80	Other instruments
9017.90	Parts and accessories
9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments.
9018.1	Electro-diagnostic apparatus (including apparatus for functional exploratory examination or for checking physiological parameters):
9018.11	Electro-cardiographs
9018.19	Other
9018.20	Ultra-violet or infra-red ray apparatus
9018.3	Syringes, needles, catheters, cannulae and the like:
9018.31	Syringes, with or without needles
9018.32	Tubular metal needles and needles for sutures
9018.39	Other
9018.4	Other instruments and appliances, used in dental sciences:
9018.41	Dental drill engines, whether or not combined on a single base with other dental equipment
9018.49	Other
9018.50	Other ophthalmic instruments and appliances
9018.90	Other instruments and appliances

9019	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus.
9019.10	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus
9019.20	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus
9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters.
9020.00	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters
9021	Orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect
9021.1	Artificial joints and other orthopaedic or fracture appliances:
9021.11	Artificial joints
9021.19	Other
9021.2	Artificial teeth and dental fittings:
9021.21	Artificial teeth
9021.29	Other
9021.30	Other artificial parts of the body
9021.40	Hearing aids, excluding parts and accessories
9021.50	Pacemakers for stimulating heart muscles, excluding parts and accessories
9021.90	Other
9022	Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators,
9022.1	Apparatus based on the use of X-rays, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus:
9022.11	For medical, surgical, dental or veterinary uses
9022.19	For other uses
9022.2	Apparatus based on the use of alpha, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus:
9022.21	For medical, surgical, dental or veterinary uses
9022.29	For other uses
9022.30	X-ray tubes
9022.90	Other, including parts and accessories
9023	Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses.
9023.00	Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses

9024	Machines and appliances for testing the hardness, strength, compressibility, elasticity or other mechanical properties of materials (for example, metals, wood, textiles, paper, plastics).
9024.10	Machines and appliances for testing metals
9024.80	Other machines and appliances
9024.90	Parts and accessories
9025	Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments.
9025.1	Thermometers, not combined with other instruments:
9025.11	Liquid-filled, for direct reading
9025.19	Other
9025.20	Barometers, not combined with other instruments
9025.80	Other instruments
9025.90	Parts and accessories
9026	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading No. 9014, 9015, 9028 or
9026.10	For measuring or checking the flow or level of liquids
9026.20	For measuring or checking pressure
9026.80	Other instruments or apparatus
9026.90	Parts and accessories
9027	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or ...
9027.10	Gas or smoke analysis apparatus
9027.20	Chromatographs and electrophoresis instruments
9027.30	Spectrometers, spectrophotometers and spectrographs using optical radiations (UV, visible, IR)
9027.40	Exposure meters
9027.50	Other instruments and apparatus using optical radiations (UV, visible, IR)
9027.80	Other instruments and apparatus
9027.90	Microtomes; parts and accessories
9028	Gas, liquid or electricity supply or production meters, including calibrating meters therefor.
9028.10	Gas meters
9028.20	Liquid meters
9028.30	Electricity meters
9028.90	Parts and accessories

9029	Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of heading No. 9014 or 9015; stroboscopes.
9029.10	Revolution counters, production counters, taximeters, mileometers, pedometers and the like
9029.20	Speed indicators and tachometers; stroboscopes
9029.90	Parts and accessories
9030	Oscilloscopes, spectrum analysers and other instruments and measuring or checking electrical quantities, excluding meters of heading No. 9028; instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionizing
9030.10	Instruments and apparatus for measuring or detecting ionising radiations
9030.20	Cathode-ray oscilloscopes and cathode-ray oscillographs
9030.3	Other instruments and apparatus, for measuring or checking voltage, current, resistance or power, without a recording device:
9030.31	Multimeters
9030.39	Other
9030.40	Other instruments and apparatus, specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments, distortion factor meters, psophometers)
9030.8	Other instruments and apparatus:
9030.81	With a recording device
9030.89	Other
9030.90	Parts and accessories
9031	Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this chapter; profile projectors.
9031.10	Machines for balancing mechanical parts
9031.20	Test benches
9031.30	Profile projectors
9031.40	Other optical instruments and appliances
9031.80	Other instruments, appliances and machines
9031.90	Parts and accessories
9032	Automatic regulating or controlling instruments and apparatus.
9032.10	Thermostats
9032.20	Manostats
9032.8	Other instruments and apparatus:
9032.81	Hydraulic or pneumatic
9032.89	Other
9032.90	Parts and accessories
9033	Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90.

9033.00	Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90
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(l) Rules of origin

Question 93.

According to the Decree “On Customs Tariff”, a country of origin is a country where goods were completely produced or sufficiently processed. Could Georgia provide us with more clarifications on the meaning of “sufficiently processed”?

Answer:

According to Article 16. "Definition of Country-Origin of Goods" of the Decree of the Republic of Georgia "Concerning Customs Tariffs" the goods are considered fairly worked out or processed in the given country, if:

- the declared goods are classified by quite another tariff position than those of materials and items produced in the third countries and used for manufacturing of the declared goods;
- the value of declared goods by the fixed volume exceeds the value of materials and items produced in the third countries and used for manufacturing of these goods;
- technological operations to the fixed list have been done towards the materials and items produced in the third countries and used for manufacturing of the declared goods.

Question 94.

Please clarify whether proof of origin is required for products originating from all countries or only from those countries exporting to Georgia under a preferential scheme?

Answer:

Nowadays proof of origin is required for products originating only from those countries exporting to Georgia under a preferential scheme.

Question 95.

Where proof of origin is required, what constitutes that proof?

Answer:

Product's origin certificate form CT-1 constitutes proof of origin. This certificate is issued by the Georgian Chamber of Commerce and Industry or the Ministry of Trade and Foreign Economic Relations.

Question 96.

Under what circumstances might a “group of countries be considered as one country for origin purposes”? For example, do the European Communities count as one country for origin purposes?

Answer:

A "group of countries be considered as one country for origin purposes" only in case when all countries of this group exporting to Georgia under a preferential scheme.

Question 97.

According to the Memorandum, a certificate of country of origin is only required for goods imported from countries included in the preferential programme. The Government of Georgia will need to implement rules of origin for non-preferential purposes prior to WTO accession, in order to apply most-favoured-nation treatment, anti-dumping and countervailing duties and origin marking requirements. How does Georgia intend to implement the WTO Agreement on Rules of Origin for non-preferential trade purposes prior to WTO accession?

With respect to Georgia's rules of origin for preferential trade, please identify and describe any items that are not consistent with the requirements of Annex II of the WTO Agreement on Rules of Origin.

Please describe in detail the process relating to requests for assessments of preferential origin, as required by paragraph 3(d) of Annex II of the WTO Agreement on Rules of Origin.

Answer:

The issue of implementation of the WTO Agreement on Rules of Origin for non-preferential trade purposes is being considered by the Government. All necessary changes will be made to the Georgian legislation prior to WTO accession.

Georgia's rules of origin for preferential trade appear to be consistent with the requirements of Annex II of the WTO Agreement on Rules of Origin.

Assessment of preferential origin is implemented on the basis of a certificate of origin (unified form C-1).

Question 98.

For purposes of determining origin of processed goods, the Memorandum states that goods are considered processed in Georgia if "... declared goods are classified by different tariff position than materials and articles produced in third countries which are used for their production; cost of declared goods exceeds cost of materials and articles produced in third countries by fixed amount; or defined technological operations were performed with materials and articles produced in third countries which were used for production of declared goods".

Please identify, including HS number, those items whose origin is determined by a change in tariff classification.

Please identify, including HS number, those items whose origin is determined by the cost of the declared goods exceeding cost of materials and articles produced in third countries by fixed amount. What is the fixed amount?

Please identify, including HS number, those items whose origin is determined by the defined technological operations performed with materials and articles produced in third countries which were used for production of declared goods. What are the defined technological operations?

Answer:

Georgia does not have a special list of items a country of origin of which is determined according to either criteria as it is required in the relevant provisions of the WTO Agreement on Rules of Origin.

(m-n) Anti-dumping and countervailing regimes

Question 99.

It is stated that anti-dumping customs duties are imposed if the price of goods imported into the territory of Georgia is essentially lower than their competitive price in the exporting country. What are the criteria to judge whether they are “essentially lower”?

If the competitive price is not available, what price will be used? How does Georgia decide whether an export damages or threatens to damage interests of Georgia?

How does Georgia determine whether exports affected by subsidies damage or threaten to damage interests of Georgia?

Answer:

The above-mentioned statement has to be interpreted as follows: a product is to be considered as being dumped, if its export price is less than the price at which a like product is sold for consumption in the exporting country. In other words, if on the basis of a comparison of the export price and the home consumption price in the exporting country it is found that the latter price is higher, the product could be treated as being dumped.

If the competitive price is not available, then dumping can be determined by comparing the export price with:

- a comparable price charged for the like product when exported to a third country; or
- a constructed value, calculated on the basis of the production costs of the imported products, plus general, selling and administrative costs, and profits.

Investigation and economic analyses whether an export damages or threatens to damage interests of Georgia, are carried out by the Ministry of Economy in collaboration with the Customs Department, the Ministry of Industry and the State Department of Socio-Economic Information.

Actually, Georgia has never used anti-dumping measures in practice.

Question 100.

As Georgia itself states, its anti-dumping and countervailing regimes appear to be inconsistent with WTO rules in several respects (e.g. definition of dumping, injury standard). Accordingly, could Georgia please confirm that its anti-dumping and countervailing rules will be in conformity with WTO rules from the date of its accession to the WTO?

When does the Government of Georgia intend to adopt WTO-consistent legislation for anti-dumping and countervailing duties? Please provide translated copies of the draft legislation to the Secretariat for review by the Working Party.

Answer:

At present, no law exists in Georgia on anti-dumping and countervailing measures. Georgia will establish WTO-consistent legislation for anti-dumping and countervailing measures prior to its accession to the WTO, replacing current rules on these measures. Georgia will refrain from imposing any anti-dumping and countervailing duties until WTO consistent legislation has been enacted and properly notified to the appropriate WTO Committees. Georgia intends to start drafting this legislation in close cooperation with relevant WTO Committees, taking into consideration their recommendations.

Question 101.

For each of the past three years, please identify the products, including HS numbers, and destination countries, which have been subject to export "anti-dumping duties".

Answer:

Georgia has never imposed anti-dumping duties in practice.

(o) Safeguard regime

Question 102.

Have the provisions on safeguard regime been adopted in the Law On Foreign Trade? If yes, what are the main provisions?

Could Georgia please provide the WTO Secretariat with a copy of its forthcoming Law "On Foreign Trade" in an official WTO language as soon as possible?

The Government of Georgia intends to include provisions for a WTO-consistent safeguards regime in the forthcoming Law on Foreign Trade.

What is the current legislative status of the forthcoming Law on Foreign Trade? Please provide copies of the draft law to the Working Party for review.

If Georgia is unable to complete the implementation of WTO-consistent legislation by the date of accession, does the Government of Georgia commit to refrain from imposing any safeguard measures, until WTO-consistent legislation has been enacted and properly notified to the appropriate WTO Committees?

Answer:

Georgia has not started elaborating the Law on Foreign Trade yet. It is envisaged to commence elaborating this law in the near future.

If Georgia does not complete the implementation of WTO consistent legislation by the date of accession, it will refrain from imposing any safeguard measures, until WTO consistent legislation has been enacted and properly notified to the appropriate WTO Committees.

(p) Reference prices

Question 103.

What is the purpose of the minimum import pricing system?

Answer:

The purpose of the minimum import pricing system is the following: customs valuation of imported goods are determined by transaction values, but transaction values must not be lower than minimal reference prices.

Question 104.

Could Georgia please list the products subject to compulsory minimum import prices by tariff heading?

Please identify the twenty product groups, including HS numbers, currently subject to minimum import pricing.

Answer:

No.	Name of products	Unit of measurement	Min. transaction value/US\$
1	champagne and sparkling wines	litre	3.0
2	grape and fruit wines, included strong wines	litre	2.5
3	cognac	litre	5.0
3-1	rum, gin, whisky	litre	3.0
3-2	brandy	litre	4.0
4	vodka	litre	2.0
5	liqueur	litre	2.0
6	beer	litre	1.0
7	ethyl spirits	litre	1.0
8	wheat flour	ton	300
9	oil	litre	0.7
10	margarine	kilogram	1.0
11	package butter	kilogram	1.6
11	butter get weighed	kilogram	1.5
12	feathered meat	kilogram	0.8
13	fish (frozen)	kilogram	0.6
14	products of macaroni	kilogram	0.4
15	sugar	ton	300
16	natural fruit juice	litre	1.0
16-1	other juices	litre	0.75
17	tomato-paste	kilogram	0.7

No.	Name of products	Unit of measurement	Min. transaction value/US\$
18	tobacco, cigar	1000 pieces	16
19	jewellery products	kilogram	1500

Question 105.

What happens where the invoice price submitted at customs is lower than the minimum import price? Does this trigger an additional charge to be paid by the exporter or importer? On what basis is customs duty on products subject to minimum import pricing calculated?

Answer:

When the invoice price is lower than minimum import price, customs valuation is determined at custom's authority discretion. In such case an additional charge to be paid by the exporter or importer, does not occur.

Question 106.

It is stated that the system of minimum import prices is due to be phased out by the end of 1997, despite the statement elsewhere that there are pressures to increase its coverage. Please confirm the date by which this system will be phased out.

According to the Memorandum, a system of minimum reference prices has been introduced for twenty product groups. We commend the Government of Georgia for agreeing to eliminate its system of minimum import pricing by the end of 1997.

Answer:

The system of minimum import prices which covered 19 product groups, will be eliminated gradually. At the end of August of 1997 the list of products, currently subject to minimum import pricing, will be revised in order to reduce the number of these goods. For the rest of products the existing prices will be reviewed on the average world price basis. Coverage of minimum import price system will not increase and it is supposed to be phased out by the end of 1997.

Question 107.

Does Georgia have a process of appeal for importers if the Customs Office contradicts the invoiced purchase price?

Answer:

See the answer to the question 72.

Question 108.

What is the status of the Government of Georgia's consideration of the adoption of a pre-shipment inspection regime? Please identify all products, including HS numbers, that would be subject to pre-shipment inspection. Will the number of items subject to pre-shipment inspection be greater than the number of products currently subject to minimum reference pricing?

Please describe fully the pre-shipment regime and explain how a pre-shipment regime will replace the reference price system. Will Georgia contract the services of a pre-shipment inspection firm to assist in the implementation of its customs procedures?

Answer:

The issue of introducing the pre-shipment inspection regime in Georgia is under consideration in appropriate Georgian authorities.

As regards the minimum reference prices, they will be, in any case, eliminated at the end of 1997 and products that are currently subject to minimum reference pricing will subject to common rules of determination of customs value which are in force in Georgia.

In case Georgia contracts with a pre-shipment inspection firm to assist in the implementation of customs procedures, then the Government of Georgia will ensure that the operations of such firms are consistent with the relevant WTO Agreements, in particular, GATT Article VIII, the Agreement on Pre-shipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994.

2. Export Regulation

(a) Registration requirements for engaging in exporting

Question 109.

All exporting legal and natural persons must be registered with the State Department of Socio-Economic Information. Is anyone allowed to register or are specific requirements applied?

Answer:

All legal and natural persons performing financial operations must be registered in the State Department of Socio-Economic Information. There are no restrictions for registration in the general State register. It happens on the basis of registration in the court by its established rules.

Question 110.

One of the basic purposes of the cargo customs declaration is to control extra charge of customs duties to the State Budget. Please provide more information concerning this extra charge (when is it levied, its size, etc.).

Answer:

The “extra charge” means the revenue gained from the collection of customs duties and transferred to the State Budget. No tax was meant here.

(b) Customs tariff nomenclature, types of duties, duty rates, etc.

Question 111.

VAT is charged on exports to other CIS countries but not on exports to non-CIS countries. Does Georgia intend to harmonize this procedure?

Answer:

The new Taxation Code of Georgia envisages taxation to the destination principle which entered into force from 1 September 1997. It means that export from Georgia in any foreign country including CIS countries is subject to taxation by 0 per cent rate from 1 September 1997.

(c) Quantitative export restrictions, including prohibitions, quotas and licensing systems

Question 112.

For each product subject to export prohibition, please provide the WTO justification. When will the prohibitions be removed?

Answer:

In accordance with the Memorandum the export of following three types of goods is prohibited:

- artwork and antiques;
- weapons and gunpowder;
- ferrous and non-ferrous scrap metals.

In order to bring these measures into conformity with Article XI of the GATT, the Government of Georgia is preparing draft laws aiming at removing measures of export prohibition. At present it is possible to change measures of export prohibition by export licensing procedures. For example, the export prohibition will be removed on ferrous and non-ferrous scrap metals and export of these products will subject to export licensing procedures, which will be gradually eliminated. Export prohibition on weapons and gunpowder will be eliminated and export of these goods will be performed in accordance with international commitments taken by the Georgian Government.

The purpose for export prohibition on artwork and antiques is to avoid the flow of national and cultural values out of the territory of Georgia; it is regulated by Resolution No. 744 of 23 November 1995 of the Cabinet of Ministers of Georgia and Resolution No. 637-II of 21 February 1995 of the Parliament of Georgia.

Question 113.

Concerning quantitative restrictions, we expect that the need to require a licence to export timber (logs) will be removed as soon as the supply increases. Can this be confirmed?

Answer:

Existence of licensing procedures on export of timber (logs) is mainly caused by three factors:

- protection of forestry resources of Georgia and avoiding uncontrolled cutting of forest;
- relieving critical shortages of timber in Georgia (including for heating purposes);
- strengthening the sawing capacities.

It is also aimed at strengthening the control over ecological conditions of forests and ensuring the precise registration system in this sector.

The requirement for licences to export timber will be removed once the demand of the domestic market for timber is satisfied and sawing capacities operated. The major part of Georgia's timber export are logs. If a tendency to increase the share of sawed timber of total timber export is observed, then the need for licences to export logs will be decreased. In this case the expediency of removal of export licensing procedures for timber will be discussed.

Question 114.

What is the reason for not allowing exports of ferrous and non-ferrous scrap metals?

Please provide a translated copy of Resolution No. 637-II of 21 February 1995 to the WTO Secretariat for review by the Working Party. Please describe the export restrictions applicable to ferrous and non-ferrous scrap metals.

Answer:

The export of ferrous and non-ferrous scrap metals is prohibited by the Resolution No. 637-II of 21 February 1995 of the Parliament of Georgia. Currently, the draft Resolution of the Parliament of Georgia on removal of this prohibition is under process of elaboration.

The reason for the export prohibition of ferrous and non-ferrous scrap metals was the low provision to the metallurgical sector of the country of these raw materials, which might cause full disruption of metallurgical industry of the country.

Question 115.

Resolution No. 744 of the Cabinet of Ministers of Georgia requires a licence for the export of timber in order to preserve scarce resources for national industry. Caucasian fir seed is also subject to export licensing.

Please provide a translated copy of Resolution No. 744 of the Cabinet of Ministers of Georgia of 30 November 1995 to the WTO Secretariat for review by the Working Party.

Answer:

It is possible that the issue of expediency of removal of export licensing procedures for Caucasian fir seeds be considered in the near future.

The English version of Resolution No. 744 of the Cabinet of Ministers of Georgia of 30 November 1995 is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

Question 116.

Please identify all products, including HS numbers, that are subject to export restrictions pursuant to Resolution No. 744 of the Cabinet of Ministers of Georgia and describe the nature of the restriction for each item.

Answer:

- (a) Biological, mineralogical, archaeological, palaeontological, ethnographical and numismatic collection materials - 970500000.

Export licensing of these items is aimed at preserving scientific and cultural values of Georgia.

- (b) Timber – 4403.

Purpose of export licensing is:

- protection of forestry resources of Georgia and avoiding uncontrolled cutting of forest;
- relieving critical shortages of timber in Georgia (including for heating purposes);
- strengthening the sawing capacities.

It is also aimed at strengthening the control over ecological conditions of forests and ensuring the precise registration system in this sector.

- (c) Raw materials of medicines of animal and plant origin, substances received from human organism - 020610100; 020622100; 020629100; 020630100; 020641100; 020649100; 020680100; 020690100; 051000000; 1211; 13021; 150420; 1505; 3001; 3002.

The motivation for export licensing of these items is the export prohibition of plants possessing narcotic and poisonous substances; prohibition of criminal obtaining and export of human organs and substances of their origin; non-satisfaction of domestic demand on these kind of items (blood plasma, insulin, etc.); ecological requirements.

Question 117.

Please describe how these licences work in practice. Is a quota set? How is it determined that an export is permitted or not? Who makes this decision?

Answer:

Export licensing procedures for timber

The special commission is established under the Ministry of Protection of Environment and Natural Resources with participation of interested institutions. The commission studies the quantity of timber that can be cut in concrete year by regions and demand for each region for satisfying the needs of its population. Tenders are announced and quotas are allocated on export of quantity of timber which is left after satisfying the above-mentioned needs. Quotas allocated are registered in the Protocol of the Commission. Export licences are issued in the scopes of these quotas in agreement with the Ministry of Protection of Environment and Natural Resources. Export of sawed timber does not require licensing.

According to Decree No. 432/m of the Minister of Health Protection the following documents are necessary for export registration of raw materials of medicines of animal and plant origin, substances received from human organism:

- licence on production and realization of these products in the territory of Georgia or licence on wholesale of these products in the territory of Georgia (except raw materials of medicines of plant origin);
- contract on export of these products;
- approval by the “Inspection of the Ministry of Health Protection on Control of Legal Circulation of Narcotic and Psychotropic Substances” on export of these products;
- certificate of quality and origin of these products;
- approval by the Ministry of Protection of Environment and Natural Resources in case of export of raw materials of medicines of plant origin;
- address of the head of the organization-exporter to the Republican Service of Licensing of Pharmaceutical Activities of the Ministry of Health Protection (signed and sealed).

The Republican Service of Licensing of Pharmaceutical Activities existing under the Ministry of Health Protection considers the above-mentioned documentation and address. Organization-applicant is responsible for the correctness of submitted documentation and data.

The Republican Service of Licensing of Pharmaceutical Activities existing under the Ministry of Health Protection considers the application within 7 days. Certificate of registration is given in triplicate to a representative of the applicant after signing in a relevant warrant, permission registration journal. At the same time submitted contract and enclosed specifications are registered. Every change to a registration certificate is adopted by an authorized body giving a certificate. If documents submitted by an organization-applicant do not meet the requirements for giving a registration certificate, a motivated refusal is given to an applicant within 7 days.

Question 118.

If Georgia believes that these restrictions are compatible with Article XI of the GATT 1994, we seek a detailed explanation to justify this position. If not, how does Georgia intend to eliminate these export licensing requirements, in accordance with the requirements of GATT Article XI.1.?

Answer:

See answer to question 115.

(h) Import duty drawback schemes

Question 119.

According to information provided in paragraph IV.1(c) of the Memorandum, Georgia provides a tariff exemption for raw materials and semi-finished goods, destined for production of goods for export within the limits of a volume of practically exported ready goods.

Please identify all raw materials and semi-finished goods eligible for this import duty drawback scheme.

Please describe in detail the procedure used to exempt raw material and semi-finished good imports from customs duties and to ensure that products are ultimately incorporated into items for export.

What is meant by "within the limits of a volume of practically exported ready goods"? Please give an example of this concept.

Answer:

A list of these raw materials and semi-finished goods does not exist. Georgia provides a tariff exemption for all raw materials and semi-finished goods destined for production of goods for export.

According to Law No. 555-rs "On Customs Duties" of 27 December 1996, import of raw materials and semi-finished goods destined for production of goods for export is exempted from customs duties.

During importation of these goods customs duties are to be paid or bank guarantee should be provided. Customs duties paid are returned to importer or bank guarantee is cancelled once he exports final goods from the territory of Georgia. As determined by Georgian legislation, Georgia provides a VAT exemption for all raw materials and semi-finished goods destined for production of goods for export. In this case it is necessary to provide by an importer the contract between the importer and producer, where volume of imported raw materials and semi-finished goods will be indicated, which is necessary to be delivered to producer for production of certain quantity of goods to be exported and which is the volume to be exempted from customs duties and VAT.

The words - "within the limits of a volume of practically exported ready goods" - can be interpreted as the volume of raw materials and semi-finished goods that has been actually utilized for production of final goods to be exported and which is subject to a tariff and VAT exemption.

3. Internal Policies Affecting Foreign Trade in Goods

(a) Industrial policy

Question 120.

Could Georgia please specify whether the financing of State enterprises through arrears of taxes and wages and the payment of energy is still possible? If so, does it apply to specific sectors/regions or is it generally available?

Answer:

No such measures exist in Georgia currently.

Question 121.

Please identify those State enterprises whose operations are being subsidized through arrears on taxes and wages and payment for energy. What does the Government of Georgia intend to do with the largest loss-making enterprises?

Answer:

No such enterprises exist in Georgia.

The Government of Georgia intends to privatize all these enterprises through their restructuring and reorganization.

Question 122.

Please provide a list of the 20 largest loss-making State enterprises. Are these the same companies that have been hard to sell?

Answer:

1. Rustavi's "AZOTI".
2. Electromechanical factory of Kutaisi.
3. Rustavi's "KIMBOCHKO".
4. Joint-stock company "MAUDI".
5. Automobile plant of Kutaisi.
6. Shipbuilding factory of Poti.
7. "METSI".
8. "ORIONI".
9. Agricultural machinery (Saksopmankana) "LILO".
10. Joint-stock company "METEI".
11. Turbine plant of Mtskheta "TOLIA".
12. Paper mill of Tbilisi.

Yes, they are the same companies that have been hard to sell.

(b) Technical regulations and standards

Question 123.

Georgia has the intention to replace the old State standards by new international ones. Could Georgia provide us with a first specific timetable of this change?

Answer:

"Sakstandarti" has the intention to replace existing standards by the international ones. At the present time, interstate standards of 21,270 types with abbreviation GOST are in force in the CIS countries and in Georgia as well. It will take many years to bring these standards nearer to the level of international standards only by the efforts of Georgia, because "Sakstandarti" follows the standardization system harmonized with the CIS countries for lack of international standards and technical regulations of world's leading countries. "Sakstandarti" is not a member of the International Organization for Standardization (ISO), does not have experience of application of international standards and does not possess funds for conducting work on replacement of existing standards by the international ones. That is why for the purpose of conducting the above-mentioned works "Sakstandarti" contacts the Interstate Council for Standardization, Metrology and Certification of the CIS countries and with TACIS programme of the European Communities. And only after positive solution of this problem, i.e. timely receipt of technical and financial assistance, will it become possible to provide the Working Party with a timetable.

Question 124.

Will Georgia be in a position to accede to the TBT Agreement from the first day of accession to the WTO? What practical steps is Georgia taking/planning to take to prepare for the accession to the TBT Agreement?

Answer:

Time of accession to the TBT Agreement will depend on terms of bringing the relevant Georgian normative basis into conformity with international requirements and the efficiency of assistance which is necessary for this purpose. In this connection, "Sakstandarti" has submitted a programme which envisages issues connected with the WTO accession process to the TACIS Coordinating Unit of Georgia. But the answer has not been received yet.

Question 125.

Do Georgian laws and regulations *explicitly* provide for equal treatment of domestic and imported products, as regards technical regulations, standards and certification procedures? If not, when is Georgia planning to introduce such guarantees?

Answer:

The Georgian laws and regulations provide for equal treatment of domestic and imported products, as regards standards and certification procedures.

Question 126.

Will Sakstandarti and any other standardizing bodies in Georgia be able to sign the TBT Code of Good Practice upon accession, or will a transitional period be requested?

Answer:

A transitional period will be requested.

Question 127.

Georgia states that standards currently used are mandatory. What steps are being taken by Georgia to make standards voluntary and what timetable is foreseen for this changeover?

Answer:

Georgia has already applied for correspondent membership in the International Organization for Standardization (ISO), but there are still some procedures remaining to be implemented. After becoming a correspondent member of the ISO Georgia will be able to bring its standards into conformity with the international ones, thus making them voluntary. No timetable has been elaborated for this changeover yet.

Question 128.

The list over products subject to mandatory certification covers a number of products normally not covered by mandatory certification, such as foodstuffs, alcoholic beverages, clothes and textiles, and electronic equipment. What steps are being taken/planned for an alignment by Georgia to international practice in these areas?

Answer:

Nowadays a great quantity of the above-mentioned goods (foodstuffs, alcoholic beverages, clothes and textiles, electronic equipment) are imported into the territory of Georgia. These goods are domestically produced as well. For the purpose of protection of consumers from non-qualitative products, Georgia still adheres to the mandatory certification for these goods.

Question 129.

Does the Georgian system for certification allow for the use of manufacturers' declaration in any sectors? If not, when will this possibility be introduced in Georgia and for what sectors?

Answer:

The Georgian system for certification contemplates the use of manufacturers' declaration in any sector.

Question 130.

Could Georgia please provide a description of its post-market surveillance system if such system exists?

Answer:

Certification bodies control and survey products certified by them. The system of quality control for products (services) is introduced on the example of Tbilisi, which is conducted by a specialized agency of the city's municipality.

Question 131.

Where third party certification is justifiable, does the Georgian system allow for choice between different procedures such as type approval procedures and quality system certification?

Answer:

The Georgian certification system allows for choice between different procedures of product or quality systems.

Question 132.

Is the inquiry point, currently located in Sakstandarti, fully operational yet? If not, when will it be fully operational? Does Georgia foresee any need to request a transitional period as regards the operation of the inquiry point?

Answer:

The inquiry point, currently located in “Sakstandarti”, is not fully operational yet. Time for bringing the inquiry point into conformity with the requirements of the TBT Agreement and making it fully operational depends on the efficiency of external assistance which is necessary for this purpose. Georgia foresees a need to request a transitional period as regards the operation of the inquiry point.

Question 133.

Does the Georgian legislative framework comprise a mechanism that allows for consultation on planned standards and technical regulations and allows for comments to be taken into account, as well as gives adequate lead time for producers to adjust to legislative changes?

Answer:

The Georgian legislation does not envisage particularly a mechanism that allows for consultation on planned standards and technical regulations and allows for comments to be taken into account, as well as gives adequate lead time for producers to adjust to legislative changes. However, the legislation foresees, that “if the rules established by the Georgian legislation do not correspond to the rules established by an international treaty the rules of the international treaty are given advantage”.

Question 134.

How does Sakstandarti publish or otherwise distribute widely information on adopted and pending legislation and standards, fees and normal processing times for certification, etc?

Answer:

Georgian laws and legal acts are published in the “Parlamentis Utskebani”. “Sakstandarti” has its periodicals: bulletins, standards catalogues and informational indexes, with the help of which legislation connected with standardization, metrology and certification is published.

Question 135.

Please provide translated copies of the Laws "On Standardization" and "On Certification of Products and Services," adopted by the Parliament of Georgia on 6 September 1996, to the Secretariat for review by the Working Party.

Answer:

Translated copies of the Laws “On Standardization” and “On Certification of Products and Services”, adopted by the Parliament of Georgia on 6 September 1996 have been already submitted to and are available in the WTO Secretariat (See document WT/ACC/GEO/3/Add.1).

Question 136.

Do the procedures followed by the State Department of Georgia for Standardization, Metrology and Certification ("Sakstandarti") comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards, provided in Annex 3 of the WTO Agreement on Technical

Barriers to Trade? Please identify any practices that are not currently in conformity with the Code.

Answer:

The procedures followed by the State Department of Georgia for Standardization, Metrology and Certification ("Sakstandarti") do not comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards, provided in Annex 3 of the WTO Agreement on Technical Barriers to Trade. Work is going on to identify all the practices that are not currently in conformity with the Code.

Question 137.

A very large number of products are listed in Annex 5 of the Memorandum as being subject to mandatory standards. What steps is the Government of Georgia taking to reduce the number of products subject to mandatory standards?

Answer:

For the purpose of protection of consumers from non-qualitative products, Georgia still adheres to the mandatory certification for these goods.

Question 138.

The Government of Georgia intends to move to the use of new international standards "step by step" with the timing of the changes dependent on "financing of works in the sphere of standardization". Which international standards does Georgia plan to adopt? Are they norms outlined by the Codex Alimentarius (CODEX), the Organization of International Epizootics and the European Plant Protection Organization?

Answer:

Georgia plans to adopt international standards outlined by the European Plant Protection Organization and the Organization of International Epizootics. Georgia will consider the possibility of implementation of the harmonized sanitary and phytosanitary measures developed by the Codex Alimentarius Commission after scrutinizing these measures.

Question 139.

Georgia will need to be more specific in proposing a timetable for revising its technical standards to international norms. Please provide a more specific indication of when its technical standards for agricultural and food products will be standardized with international technical standards?

Answer:

Timetable for revising Georgia's technical standards for agricultural and food products to international norms depends on terms of bringing the relevant Georgian legislative basis into conformity with international requirements and efficiency of assistance which is necessary for this purpose.

(c) **Sanitary and phytosanitary measures**

Question 140.

Does Georgia anticipate any difficulties in applying the SPS Agreement in full on accession?

Answer:

Georgia anticipates difficulties in applying the SPS Agreement in full on accession connected with lack of international standards, indications and recommendations for application of phytosanitary measures, not developed infrastructure, absence of material-technical base.

Question 141.

According to the Memorandum, new laws have been submitted to Parliament to incorporate standards established by the European Plant Protection Organization and the Office International des Epizootics. What are the Government of Georgia's plans for implementing the harmonized sanitary and phytosanitary measures developed by the Codex Alimentarius Commission?

Answer:

Georgia will consider implementation of the harmonized sanitary and phytosanitary measures developed by the Codex Alimentarius Commission after scrutinizing these measures.

Question 142.

Has the Government of Georgia published all sanitary and phytosanitary regulations which have been adopted? If so, where can they be found?

Answer:

The Government of Georgia has published all sanitary and phytosanitary regulations which have been adopted.

The Law on "Agricultural Quarantine" was published in the newspaper "Sakartvelos Respublika" (Republic of Georgia) of 5 June 1997.

The rates of fees for service of phytosanitary quarantine were published in the newspaper "Sakartvelos Respublika" of 22 June 1997.

Question 143.

Do the procedures followed in implementing Georgia's sanitary and phytosanitary regime conform fully with the requirements provided in Annex C of the WTO Agreement on Sanitary and Phytosanitary Measures? Please identify and describe any deficiencies.

Answer:

Sanitary regime

- (a) Vet-sanitary procedures for the imported and local products and cargoes, subject to control should be carried out with the smallest possible delay;
- (b) Procedural standards to be used for each type of product are published and are known to the public and the interested legal entities. The competent body in the veterinary-sanitary field - the Veterinary Department of the country - secures the rightfulness of the document, efficient study of the data and accuracy of the results of the procedures to be carried out;
- (c) There have been worked out and elaborated the information requirements for the vet-sanitary control;
- (d) The confidential information on the imported products, received from the relevant sources and control makes the priority and is filled with consideration of the information on the local products;
- (e) In the corresponding services there are permitted the relevant requirement for control;
- (f) Tariffs for the imported product does not exceed the tariffs for the local products;
- (g) The criteria for selection of samples for the imported and local products are common. In general the procedures correspond each other. The difference occurs in certain methods and means, that can be inculcated in the shortest term with the help of the WTO Member countries, as the leading method. This will bring us into consistence with all the procedure of the member countries, connected with the issue.

Phytosanitary regime

While carrying out the phytosanitary measures within and on the borders of Georgia the State Inspection of Georgia for the Phytosanitary Quarantine is guided by the Legislation and Normative Acts of Georgia in the field of plant protection and quarantine, also by the International Convention for Plant Protection.

- (a) Examination and expertise of the products, subject to quarantine on the border check-points should not cause a halt to traffic, or unlawful suspension of the cargo. Yet while carrying out certain quarantine measures, in order to find out the quarantine condition of the cargo, the phytosanitary quarantine inspector may extend the examination period and halt the traffic in case it is a necessity in phytosanitary respects;
- (b) Before examination of the product, subject to quarantine, the State phytosanitary quarantine inspector gets familiar with the documents, accompanying the cargo delivered through marine, air and land transport. From the documents he will find out the type and quantity of the cargo, which country it was imported from, the type of package; presence of the import quarantine permission and phytosanitary certificate, the quarantine conditioned ordered to the supplier, whether the product underwent the special medical treatment before being sent and which medicament and regime was used for that. After that starts the examination procedure starts,

carried out according to the phytosanitary quarantine regulations of the country. In this connection we have no international standards, instructions and recommendations.

The norms of the term for the procedures to be implemented are not being systematically published. Because of lack of the facilities, neither is it possible to supply the applicant with the necessary information on time.

- (c) In order to receive import quarantine permission on the imported and transit products subject to quarantine, the interested organisations are obliged to submit to the State Inspection for Phytosanitary Quarantine an application with the following data, no later than 30 days before the contract is reached:
- the titles and quantity of the materials subject to quarantine/one for each type/and meant to be imported to or transported through Georgia;
 - the place of destination/address, in the case of transit cargo - the route and the name of the country of destination/and the way of application of the cargo;
 - the name of the country where the import or the transit cargo is supposed to come to Georgia from, also the name of the country of production;
 - the tentative terms for entrance of the import or transportation of the transit cargo, subject to quarantine;
 - names of the border checkpoints/railway, station, port, airport, auto-station, post office, etc. through which the cargo will be delivered into Georgia or names of the border check points, that the transit cargo will pass during the entrance and exit.

In order to receive phytosanitary certificate for export or re-export the sender is obliged to prepare the cargo, in accordance with the requirements of the importer country, no later than 30 days before the sending date. Before the cargo is sent the sender should submit to the State Inspection for the Phytosanitary Quarantine an application from the Interdistrict Service for Phytosanitary Quarantine, with the following information:

- titles and quantity of the materials, subject to quarantine/separate for each cargo and each type;
 - name of the country where the materials subject to quarantine are sent and the address of the recipient;
 - time and place of sending of the cargo;
 - border checkpoints of the importer and re-importer countries, where the cargo will be sent from, border checkpoints in Georgia, through which the materials, subject to quarantine will exit the country;
 - quarantine requirements/in accordance with contracts, agreements/ordered by the importer countries for the materials, subject to quarantine.
- (d) Import-quarantine permission, phytosanitary certificate, documents worked out for the procedures connected with implementation of phytosanitary measures represent the documents of strict reporting and should be kept in the fire-resistant safe;
- (e) In accordance with the Law of Georgia "On Agricultural Quarantine" the service of the State Inspection for Phytosanitary Quarantine is not free of charge and payment for the rendered

quarantine service should be carried out in accordance with the approved tariff for the phytosanitary quarantine service, that is same for the local and imported cargo, subject to quarantine;

In order to work out the rate for the service of the State Inspection for the Phytosanitary Quarantine there was used the method of analogy. There was studied the tariffs for the analogical services in the Western countries. In particular, there was taken into consideration the VAT of the Russian Federation, Ukraine and Uzbekistan. While fixing the rate, important issues were taken into consideration, like competitiveness of the prices and real cost of the quarantine service.

- (f) The samples of the imported cargo, subject to phytosanitary control, for the laboratory expertise are selected in accordance with the standards, valid in the West. There are similar requirements towards the cargo subject to quarantine meant for export;
- (g) The procedures for hearing the claims for quarantine examination and implemented laboratory expertise still need to be worked out.

In the case of import of a big amount of products, subject to quarantine to Georgia, the import quarantine permission will be issued only if the selective control is carried out by the experts of the Phytosanitary Service of Georgia, at the place the cargo was prepared and loaded in the exporter country.

Agricultural and forest lands; agricultural, forest, decorative, healing, etc. crops; also the territories and ware-houses of the enterprises, connected with processing, storage and selling of the product, subject to quarantine undergo systematic research with the purpose to reveal the primary seats of quarantine organisms and define their spreading limits.

In the case of revelation of the primary or insulated seats there will be declared quarantine on the corresponding territories and enterprises. There will be defined the measures, necessary for their localisation and liquidation; a list of the products, subject to quarantine, for the given species; time limits for their export and consumption.

In the zone of wide spreading of the materials, subjects to quarantine, there are implemented measures for reduction of their negative effect and for prevention of their further spreading.

All the procedures connected to phytosanitary measures are carried out in accordance with the current Legislation and Normative Acts of Georgia on Phytosanitary Quarantine.

Question 144.

Please provide specific details on sanitary and phytosanitary requirements for all categories of imported animal and plant products.

Answer:

Regulations for shipment of imported under-quarantine products to Georgia

1. It is forbidden to import to Georgia:
 - (a) under-quarantine materials which are infected with quarantine organisms;

- (b) soil, live rooted plants and their underground parts with soil;
- (c) things causing plant diseases - with the exception of samples of live mushrooms, bacteria, virus cultures, as well as harmful insects of plants, imported for scientific purposes;
- (d) fresh fruit and vegetables in parcels, baggage and hand-luggage of passengers, which exceed 5 kg.

2. It is permitted to import from abroad to Georgia:

- (a) seed and plant material for scientific and selection purposes, with their obligatory examination in introductory-quarantine nursery gardens and hothouses, regardless the quarantine status of the territory of the country of origin;
- (b) quarantine and other dangerous vermin, in seed farms of agricultural cultures free from plant diseases and weeds, for examination of breeds and crops, in coordination with the State inspection of phytosanitary quarantine of plants of Georgia. Import of seed and plant materials from countries, where bacterial, virus, micro-plasmic and certain fungoid and quarantine diseases of plants are widely spread, is permitted only for scientific and research purposes, in coordination with introductory-quarantine plant and phytosanitary quarantine inspection, in plots specially allocated for examination of varieties;
- (c) import of commodity lots of grain-products for food and other purposes from the countries, where quarantine weeds are widely spread, including the existence of their single samples, is permitted only in coordination with the phytosanitary quarantine State inspection of Georgia, under the condition of their special technological processing in manufacturing enterprises. Import of commodity lots of grain and grain-products for food and cattle feeding purposes from countries where quarantine vermin of barn is widely spread, is permitted only by means of wrapping holds of ships with gas-penetrating materials.

3. Import of under-quarantine cargoes and materials from foreign countries to Georgia is permitted, if the following documents are presented at border posts:

- (a) import-quarantine permission granted by the State phytosanitary inspection of Georgia, where the border post of import and conditions for import and use of these under-quarantine materials are determined;
- (b) a phytosanitary certificate issued by the State organization of plant protection and quarantine of an exporter country, from those countries which do not have the similar service, the cargo shall meet the conditions indicated in the import-quarantine permission. The certificate shall be enclosed to transport documents accompanying the cargo.

- 4.(a) The import-quarantine permission shall be granted on the basis of a written warrant received from the receiver of the cargo addressed to the State inspection of phytosanitary quarantine. Import-quarantine permission on import of commodity lots of under-quarantine materials is given only to organizations having the status of a juridical person, to entrepreneurs and those businessmen who do not represent a juridical person but have registered their activity in Georgia, in a proper way, and have all necessary conditions for the implementation of quarantine phytosanitary measures;

- (b) While import of under-quarantine products/grain, fresh fruit, vegetables, potatoes, seed and plant materials, in large quantities, to Georgia, the import-quarantine permission shall be granted under the condition of implementation of selective phytosanitary control by the specialists of phytosanitary service of Georgia, in the exporter country where the goods were produced and loaded.
5. The following under-quarantine materials may be imported to Georgia without the import-quarantine permission, on the basis of a phytosanitary certificate issued by plant protection and quarantine service of the exporter country:
- (a) seed and plant material samples - addressed to botanical gardens and other scientific and research institutions, under the rule of exchange;
 - (b) food products of vegetable origin - for diplomatic, consular and trade representations, for International and intergovernmental organizations, as well as for persons who enjoy privileges and immunity;
 - (c) samples of agricultural products and raw materials up to 5 kg - for foreign trade organizations of Georgia.
6. From different parts of Georgia, without import-quarantine permission and a phytosanitary certificate of the sending country, but the following production shall be admitted for import under obligatory phytosanitary control at the State border post of Georgia:
- (a) for food purposes - starch, hop, ground coffee, tea, packed lump sugar;
 - (b) seasoning;
 - (c) processed rice for industrial articles, henna, basma;
 - (d) products of vegetable origin, loaded on transport facilities, which are free from quarantine organisms, and which are intended for food purposes of personnel and crew, without the permission of taking those products out of the transport facility;
 - (e) deep minerals and ground (soil), river and sea sand, bottom ground of seas, rivers and lakes;
 - (f) under-quarantine materials free from quarantine organisms - flour, cereals, dried and fresh fruit, vegetables, raisins, seasoning, wall nut, nut, etc - in baggage and hand-luggage of passengers, personnel and crew of transport facilities, parcels - up to 5 kg of weight.
7. Under-quarantine materials, imported for the purposes of international exhibitions, are subject to phytosanitary control and expert examination on the places of holding the exhibitions. After the end of such exhibitions, these exhibited materials shall be returned to the country where they were imported from, or shall be transferred to introductory quarantine nursery garden and green-house, or be destroyed. In the case of revealing, in exhibition materials, the vegetable products the import of which to Georgia is forbidden, or which are infected with quarantine objects, those materials shall be subject to confiscation and destruction.
8. Organizations, conducting import, while concluding agreements and contracts on import of under-quarantine materials from foreign countries to Georgia, are obligated to reflect in them the

phytosanitary conditions indicated in import-quarantine permission and ensure meeting of those conditions by the exporters. Import of quarantine materials is permitted only through those border posts, which are indicated in the import-quarantine permissions.

9. Under-quarantine materials, to be imported to Georgia through the State border posts of Georgia, or materials in transit, packing and transport facilities, are subject to phytosanitary control conducted by a State inspector of phytosanitary quarantine. Under-quarantine materials, packing and transport facilities, by means of which under-quarantine products have been imported, are subject to secondary phytosanitary control conducted by the State inspectors of phytosanitary quarantine at the places of destination and are used only in accordance with their directives.

10. Import and transit under-quarantine materials shall be shipped on the territory of Georgia only in closed, insulated, fixed and sealed carriages, motor-vans, motor-refrigerators or containers.

11. Import of under-quarantine materials, transit and use of imported under-quarantine materials takes place under the conditions established by the import-quarantine permission. It is forbidden to transfer imported under-quarantine materials to other organizations, or their sending to other regions, without permission of the State inspection of phytosanitary quarantine.

12. Organizations, entrepreneurs and persons, who permanently roughly violate the rules of phytosanitary quarantine, or do not observe the directives of the State inspection of phytosanitary quarantine in terms of implementation of phytosanitary measures, shall not be granted permission to import under-quarantine cargoes and materials.

Regulations for transit of under-quarantine materials

1. Under-quarantine materials (including in baggage and hand-luggage of passengers), which are shipped through transit via Georgia, are subject to phytosanitary control at border posts of shipment.

2. Transit of under-quarantine materials, via the territory of Georgia, is carried out:

(a) on commodity lots of seeds, plant materials, fruit, vegetables, wood and timber, other under-quarantine products, under the conditions which are established by transit permissions granted by the State inspection of phytosanitary quarantine of Georgia. Transit cargoes shall be accompanied by a phytosanitary certificate of the exporter country;

(b) seeds, fresh fruit, vegetables and other under-quarantine products of vegetable origin, which are imported through post, baggage or hand-luggage, after conducting phytosanitary control by a State inspector of the border post of phytosanitary quarantine.

3. Transit via Georgia is forbidden:

(a) if under-quarantine materials are infected with quarantine vermin;

(b) fungoid live cultures of mushrooms, collections, bacteria, virus, insects, nematodes and soil.

4. Under-quarantine cargoes which are infected with quarantine and other potentially dangerous plant vermin and diseases, and regarding which taking of efficient measures of treatment is impossible, are subject to returning back to the exporter country.

The rule for implementation of phytosanitary control over the materials and transport means, subject to quarantine, meant to be imported into Georgia

1. Phytosanitary control of the cargo and transport means, subject to quarantine, at the checkpoint of the State border of Georgia is carried out simultaneously with the customs examination, before the loading operation starts and also during the loading-unloading process. Phytosanitary quarantine State inspectors of the border checkpoints are members of the reception committee for the cargo delivered through ships, trains, airplanes, auto-transport, containers and mail.

As a result of phytosanitary control there is determined presence or absence of dangerous pests, diseases and weeds in the cargo and transport, subject to quarantine. The staff members of the State customs control are obliged to assist the State inspectors in the process of examination of different cargo, passenger luggage and handbaggage.

2. In case of revelation of living quarantine organisms in transport, containers, package materials, the infected transport will undergo special medical treatment, either separately or with the cargo. In this case the samples for expertise will be selected after the treatment. In case quarantine organisms are not revealed on the surface of transport and cargo the State inspector of phytosanitary quarantine border checkpoint takes samples from the cargo, subject to quarantine and carries out their expertise in order to determine phytosanitary condition of plant materials. The samples are selected in accordance with current standards. In the case of necessity there can be selected additional samples from the different parts of the cargo. Expertise of the samples is carried out in accordance with the current methodology. In the case of revelation of quarantine organisms the cargo and transport means, subject to quarantine are liable to special medical treatment or return. The quarantine organisms, revealed as a result of the expertise are sent to the quarantine laboratory for approval.

3. The containers with the cargo subject to quarantine that enter Georgia, are liable to phytosanitary control on the border check-points and the places of destination in the case of necessity. The containers with industrial cargo, also containers with the materials, subject to quarantine, that are transported through Georgia without opening or unloading, are liable to external phytosanitary control at the border checkpoints.

4. The passengers, the ship crew members, plane crew members, members of the train and auto-transport teams, that enter Georgian border checkpoints are obliged to indicate the presence of plant products and other plant materials in their luggage in the declaration and to submit them for phytosanitary control.

5. Carriages, holds, auto-cars, containers, also separate cargo, luggage is open by the representative of transport organization, drivers or the person, accompanying the transport, the owner of the luggage, and in accordance with demand of State inspector of the phytosanitary quarantine border checkpoint.

6. The loading operation of the plant cargo at the entrance points is carried out after the phytosanitary control is carried out and in accordance with the permission of the State inspector of the phytosanitary quarantine border checkpoint.

7. Georgian transport means that enter from other countries after unloading of cargo and luggage are subject to thorough cleaning on the part of transport organizations at the border checkpoint, and by the recipient - at the place of destination. In the case of necessity the State inspector of the phytosanitary quarantine border checkpoint gives instructions for sending ships for medical treatment, and carriages and auto-transport means to cleaning-disinfection stations.

8. The foodstuff that enters Georgia on Georgian and foreign transport means, and are infected by quarantine or other dangerous pests, is subject to special medical treatment, destruction or lockage of warehouses under instruction of State inspector during the period of staying on the Georgian territory.
9. After carrying out the secondary phytosanitary control and laboratory expertise, if necessary, the State inspector makes a conclusion on the conditions of consumption of the product and defines the necessary phytosanitary measures on the place the materials subject to quarantine were received.
10. Seeds, seedling and other plant cargo received from foreign countries, that underwent phytosanitary control at the State border checkout point are subject to secondary phytosanitary control and expertise at the place of destination.
11. The materials subject to quarantine infected by quarantine and other dangerous pests, plant diseases and weeds, against which no efficient treatment or cleaning measures can be taken, are liable to return to the exporter country or destruction in accordance with the determined rule.
12. The packages with seeds and seedlings sent to Georgia through mail are sent to the recipient only after it undergoes phytosanitary control and expertise, in case it is free of quarantine organisms. The State inspector puts a special stamp on the examined packages.
13. Trade samples of the materials subject to quarantine that enter the country with the address of the international trade organizations, are subject to phytosanitary control and expertise on the general bases.
14. The goods of industrial and public consumption that will be imported from the countries where Capri bugs, American white butterflies are spread, are subject to phytosanitary control both at the border checkpoint and the place of destinations.

Question 145.

Please provide a list of all quarantine pests.

Answer:

List of quarantine pests, plant diseases and injurious weeds

1. Which are not registered in Georgia
 - (a) Plant pests:
 - *Liriomyza trifalii* Burgess;
 - *Callosobruchus andis* L;
 - *Spodoptera litura* Fabs;
 - *Pseudococcus citriculus* green;
 - *Zabrotes subfasciatus* Boh;
 - *Diabrotica virgifera* Conte;
 - *Spodoptera littoralis* Boisd;
 - *Trogoderma granarium* Ev;
 - *Ceroplastes rusci* L;
 - *Aonidiella aurantii* Mask;
 - *Callosobruchus maculatus* F;

- *Parabemisia murica* (Kuusana);
- *Trogoderma simplex* jayne;
- *Trogoderma ornatum* Say;
- *Trogoderma angustum* Sol;
- *Trogoderma ballfinchus* Beal;
- *Trogoderma grassmane* Beal;
- *Unaspis citri* Comst;
- *Caulophilus latinasus* Say;
- *Jps* sp. sp.;
- *Ceratitis capitata* U;
- *Dinoderus* sp.; *Sinoxilon* sp. sp.;
- *Phyllocnistis citrella* Stair;
- *Callosobruchus chinensis* L.

(b) Plant diseases:

Fungous diseases of plants

- *Thecaphora saloni* (Thirumulacher et O'Brier);
- *Synchytrium endobioticum* Percival (Schilb);
- *Diaporthe helianthi* (Promopsis) *helianthi* (munt cost et al);
- *Ceratocystis fagocearum* (Bretz) Hunt;
- *Cochliobdus heterostrophus* Drechsler;
- *Phimatotrichopsis omnivora* (Duggar) Hennebert;
- *Didymela ligulicola* (K.T. Baker, Dimak and L.H. Davis) von Arx;
- *Tilleta* (*Neovossia*) *indica* (mitra).

(c) Bacteriological diseases of plants:

- *Pseudomonas caryophylley* Star Q Burk;
- *Bacterium steusartii* (Smith) Bergey;
- *Erusinia amulovora* (Burill) Com S.A.B.;
- *Clavicebarter tritici* (CarlsonQ vidaver) Davis;
- *Xanthonomas campestris pvcitri*.

(d) Virus diseases of plants:

- Grapevine *flavescence doree* M.L.O.;
- Plum pox potyvirus;
- Citrus *tristera* virus.

(e) Nematodes:

- *Globodera pallida* (stone) Brens

(f) Weed plants:

- *Ambrozia psilostachia* D.C.;
- *Jva axillaris* Pursh;
- *Acanthospermum hispidium* D.C.;

- Helianthus sp. sp.;
- Emex spinoza L.;
- Cassia occidentalis L.;
- Cassia tora;
- Striga sp. sp.;
- Cenchrus pauciflorus Benth.;
- Solanum rostratum Dum.;
- Solanum triflorum L.;
- Solanum eleagnifolium Cav.

2. Spread in limited quantity on the territory of Georgia:

(a) Plant pests:

- Hyphantria cunea Druru;
- Ceroplastes japonicus green;
- Lopholeucaspis jaronica Ckll;
- Quadraspidiotus perniciosus Comst.;
- Phtorimaea operculella Zell.;
- Pseudococcus comstoki Kuus.;
- Dialeurades cirti Ashm.;
- Preudococus gahani Green.;
- Pseudaulacaspis pentagona Targ.;
- Viteus vitifolii Fitch.

(b) Plant diseases:

Fungous diseases of plants

- Diaporthe phascolorum var caulivora (art. et Cald).

(c) Nematodes:

- Globodera rostochinensis (Woll) M. et st.

(d) Weed plants:

- Ambrosia artemisiifolia L.;
- Ambrosia trifida L.;
- Acroptilon repens D.C.;
- Solanum csrolinense L.

3. Potentially dangerous organisms :

(a) Plant pests:

- Diaphorina citri Cuus.;
- Dacus dorsalis Hend.;
- Chrysomphalus risii Mask.;
- Lecanium deltae (Lizeri).;
- Bruchidius incarnatus Boh.;
- Rhagoletis pomonella Walsh.;

- *Paralipsa gularis* Zell;
- *Pantomorus leucoloma* Boh;
- *Popillia japonica* Newn;
- *Dysmicoccus wistarial* (green);
- *Scrobipolpopsis salonivora* Pav;
- *Pseudoparlatoria parlato rioides* (Comst);
- *Nipaecoccus nipae* (Mask);
- *Trogoderma sternale* joyne;
- *Trogoderma longisetosum* Chac;
- *Phthorimaea licopersicella* Busck;
- *Pinnaspis strachani* (Cooley);
- *Rhizoecus kondonis* Kuw;
- *Chinoaspis furfura* (Fitsh);
- *Aceria sholdoni* Ewing;
- *Aleurocanthus roglum* Ashby;
- *Aleurothrixus elecosus* Mask.

(b) Plant diseases:

Fungous diseases

- *Proma andina*;
- *Phomopsis viticola* Sacc Eaty;
- *Phialophora cinerescens* (wr. van Bryma);
- *Diplodia macrospora* Earle;
- *Cercospora kikuchii* Mats et Tam gard.

(c) Bacteriological diseases:

- *Xanthomonas ampelinas*.

(d) Virus diseases:

- Peach mosaic virus (American);
- Rosa wilt disease;
- "Andean" potato virus;
- Potato yellow dwarf virus;
- Potato vein yellowing virus;
- Barley stripe mosaic virus;
- Plum line pattern virus (America);
- *Chrysanthemum stunt viroid*.

(e) Nematodes:

- *Nacobbus aberrans* golden et al;
- *Radopholus similis* Cobb.

(f) Weed plants:

	<u>Family</u>
- Aeshynome indica L.B.S.P.	Leguminosae;
- Aeshynome virginica (L).B.S.P.	Leguminosae;
- Bidens bipinata	Compositae;
- Croton capitatus Michx	Euphorbiaceae;
- Diodia terres Walt	Rubiaceae;
- Emex australis Stein	Polygonaceae;
- Euphorbia marginata Michx	Euphorbiaceae;
- Euphorbia dentata Michx	Euphorbiaceae;
- Jpomoea hederacca (L) jag	Convolvulaceae;
- Jacquemontia tamnifolia L	Convolvulaceae;
- Polygonum pensylvanicum L	Polygonaceae;
- Raimania laciniata (Hill) Rose	Onagraceae;
- Sesbania exaltata (Raf) Cory	Leguminosae;
- Sesbania macrocarpe Muhl ex Rafin	Leguminosae;
- Sicyos angulata L	Cucurbitacea;
- Sida spinosa L	Malvacea.

In the case of infectious diseases quarantine is announced during the following diseases: Turkish and Siberian ulcer, cattle pneumonia, emphysematic carbuncle, epizootic lymphagogue, infectious anaemia, encephalitis, infectious catarrh and contagious pleuropneumonia of the upper windpipe ways, pig plague and bacillus chicken-pox, sheep small-pox, goat infectious pleuropneumonia, fowl plague, pseudo-plague, pasteurellas, small-pox differite, microplasmus, virose hepatitis, cobra measles, bronchiomicrose, trout furunculoses.

The Veterinary Department of the Ministry of Agriculture and Food is in charge of changes or amendments in the above-mentioned list of diseases.

Question 146.

Please provide a response to the Questionnaire on Sanitary and Phytosanitary Measures.

Answer:

Additional information on sanitary and phytosanitary measures will be provided in the nearest future.

(e) **State-trading practices****Question 147.**

According to WT/ACC/GEO/3, State enterprises do not have any exclusive rights or special privileges in their purchases and sales. However, we are interested in obtaining some information about the residual presence and role of the State in Georgia's economy.

Please provide additional information about the structure of ownership and operation of State enterprises in Georgia.

Answer:

The key role of the State in Georgia's economy is determination and coordination of strategic directions of Georgia's economic policy in accordance with free market principles. At the present stage, the appropriate Georgian State structures are actively involved in the process of elaboration and implementation of quantitatively new legislation in order to meet WTO requirements. It is necessary to stress also, that the share of the private sector in Georgia's economy is steadily increasing in its GDP with decreasing of State sector share at the same time.

Practically, currently all State enterprises are loss making and therefore the Government of Georgia intends to privatize them after their restructuring and reorganization.

Question 148.

Please describe the role of "Sakagrotechservice", "Sopltechservice", "Soplmomarageba", "Agrotrans" and "Agromontage" in Georgia's agricultural regime. Please list any additional State firms that produce, distribute, or otherwise support agricultural output in Georgia and describe the conditions of competition for their services or goods in Georgia's market and in trade.

Answer:

The republican amalgamations "Sopltechservice", "Soplmomarageba", "Agrotrans" and "Agromontage" were abolished and 47 local enterprises and organizations of engineering services were privatized as a result of reorganization and restructuring carried out by the State Corporation "Sakagrotechservice". All enterprises of this system are included in the privatization list.

According to Decree No. 2-204 of 10 July 1997 of the Ministry of Agriculture and Food, a decision was taken to abolish the State Corporation "Sakagrotechservice" and create a joint-stock company on the basis of its enterprises. The decision on creation of such joint-stock company was made by 35 enterprises which constitute one third of the total number of enterprises in this system. The rest of the enterprises solve issues of institutional-legal form of their functioning according to the Law "On Entrepreneurship". At present the Ministry of Agriculture and Food and the Ministry of State Property Management are working together to establish this joint-stock company.

Question 149.

Please describe the competitive conditions that exist for the State Energy company "Sakenergo", the State Holding Company "Saknavtobproducti", JSC "Satransgaz" and "Sakenergogeneration", "Georgian Telecom", "Sakartvelos Posta" and "Sakartvelos Elektrokavshiri". To what extent are these firms State-sanctioned or de facto trading monopolies in the products they make or distribute?

Answer:

According to the Law "On Monopolistic Activities and Competition" adopted by the Parliament of Georgia, an economic agent is deemed to be "a juridical or natural person conducting business activities notwithstanding the form of organizational-legal ownership of an enterprise and the nature of business". In accordance with the provisions of this Law all State or private entrepreneurs are under the same conditions.

In accordance with paragraph 3 of Decree No. 334 of the President of Georgia, dated 20 May 1996, the State Anti-monopoly Service under the Ministry of Economy of Georgia controls the activities of natural monopolies.

Question 150.

Do any State-owned enterprises receive State funding, either for budgetary purpose or for investment or for restructuring?

Answer:

No one enterprise receives State funding in Georgia currently.

Question 151.

Please provide a list of wholly or partially government-owned firms, as well as any State-owned or State-sanctioned monopolies, such as telecommunications and public utilities.

Answer:

The natural monopoly operating in the telecommunications sector is frequency spectrum, under the Ministry of Communication and Post of Georgia.

The following companies are wholly or partially government-owned firms:

- Georgian TELECOM Ltd.;
- Georgian Post Ltd.;
- Georgian telecommunications Ltd.

No such organization exists in public utilities.

(g) Free economic zones

Question 152.

Could we obtain more clarifications on the draft law on free economic zones? Has it been adopted so far?

Please provide a translated copy of the draft law on free economic zones to the WTO Secretariat for review by the Working Party.

Answer:

Several alternative draft laws on free economic zones were submitted to the Parliament of Georgia, but the final version of the draft law is not ready yet. The WTO Secretariat will receive the draft law immediately after its final elaboration.

(k) Trade agreements leading to country-specific quotas allocation

Question 153.

Please outline the customs conditions under which barter trade would be conducted under the Agreement on Trade and Economic Cooperation with the Russian Federation if it occurred, e.g., what taxes, tariffs, fees, or other border measures would be exempted or applied? Does such an agreement with Russia or any other country exist for 1997-1998?

Answer:

According to the Agreement on Trade and Economic Cooperation with the Russian Federation, import of goods covered by this agreement were exempted from customs duty.

No such agreement exists with any country for 1997-1998.

(l) Government procurement practices

Question 154.

Does Georgia already have a timetable of joining the Government Procurement Agreement?

When does Georgia intend to join the GPA?

Will the Government of Georgia commit to joining the WTO Government Procurement Agreement at the time of accession?

Answer:

The Agreement on Government Procurement does not exist in Georgia currently. In accordance with the agreement reached with the World Bank technical assistance will be provided to the Government of Georgia for elaborating the law on government procurement and related normative acts.

The Government of Georgia expects to adopt the above-mentioned agreement in the second half of 1998. Accordingly, Georgia will join the WTO Government Procurement Agreement after bringing its relevant legislation into conformity with WTO requirements.

Question 155.

When does Georgia intend to introduce the general requirement of publication of tender and contract? Could Georgia provide us with a list of the main entities in the field of government procurement?

Answer:

The Government of Georgia intends to introduce the general requirement of publication of tender and contract in the second half of 1998.

The main entities in the field of government procurement are:

- Ministry of Defence;
- Ministry of State Security;
- Ministry of Internal Affairs;
- State Department of State Border Protection.

Question 156.

Is our understanding right that government procurement in Georgia is carried out in a non-discriminatory manner between domestic and foreign providers? Are the procurement agencies obliged to offer opportunities and follow procedures in a non-discriminatory manner for both domestic and foreign providers?

This delegation hopes that Georgia will prepare legislation consistent with the Government Procurement Agreement, which will ensure principles of national treatment and non-discrimination as well as transparency of procedures and regulations.

Georgia is preparing a new law in the field of government procurement. We would welcome an up-date on the draft. Does it follow international standards, such as the GPA or the UNCITRAL Model Law?

Answer:

Government procurement in Georgia is carried out in a non-discriminatory manner between domestic and foreign suppliers, except cases when procurement of certain types of goods for armed forces is carried out. In such cases participation of foreign companies is restricted.

If participation in government procurement is not restricted, the procurement agencies are obliged to offer opportunities and follow procedures in a non-discriminatory manner for both domestic and foreign providers.

The Government of Georgia is taking efforts to prepare the law on government procurement which will be in full consistency with the WTO Government Procurement Agreement.

Question 157.

Does the Georgian Government collect statistics on procurement? What is the overall value of public sector purchasing in Georgia?

Answer:

No statistical data are available in Georgia on government procurement.

Question 158.

Please provide a translated copy of Decree No. 162 of 11 February 1996 to the WTO Secretariat for review by the Working Party.

Answer:

A copy of this document will be provided shortly.

Question 159.

Please provide a translated copy of Resolution No. 264 of the Cabinet of Ministers of the Republic of Georgia of 30 March 1993 "On Delivery of Products and Goods for State Needs of the Republic of Georgia" to the WTO Secretariat for review by the Working Party.

Answer:

Available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

4. Policies Affecting Foreign Trade in Agricultural Products
(c) Export prohibitions and restrictions

Question 160.

Please provide the information requested in WT/ACC/4 on domestic support and export subsidies.

Answer:

The information requested in WT/ACC/4 on domestic support and export subsidies will be circulated as document WT/ACC/SPEC/GEO/1.

Question 161.

Georgia mentions that one of the strategic priorities for economic development is promotion of exports, *inter alia*, agriculture and the agro-industry. On the other hand, the Georgian Government does not provide any export subsidies. Does it intend to introduce export subsidies for agricultural products?

Answer:

According to the estimates of foreign experts, including specialists of the World Bank, Georgian agriculture has such a big potential that the strategy and tactics of its transition to a market should be built on production of export products.

Not long ago, among nine different branches of economy only the agricultural-complex production had a positive balance of goods turnover among the former Soviet Union republics. Export of products of processing and food industries exceeded import by 17 times.

The past period confirmed the necessity of extension of production of traditional export products in the field of agriculture and creation of facilitating conditions for this purpose. This will be implemented using both direct and indirect means.

At the present stage, the Georgian Government does not provide any export subsidies and it is expected that export subsidies will not be introduced for next the 2-3 years because of systematic non-fulfilment of revenues part of the budget and defrayal of a large part of expenses by grants.

In 1996, capital expenses within the system of the Ministry of Agriculture and Food totalled 8,293,000 lari, including 5.6 million lari for irrigation arrangements; veterinary measures: 1.7 million lari; land recultivation works: 182,000 lari; plant protection measures: 174,000 lari.

The Government will continue to pursue the policy of promotion of the development of not only export production, but also agricultural production on the whole. This policy will be expanded as the country's economy grows.

(e) Internal policies

Question 162.

When will Georgia submit a first list of domestic supports in the agricultural sector? Could Georgia confirm that it will not introduce any export subsidies in the middle term?

The Memorandum refers to specific tables that were to have been submitted following the guidelines in WT/ACC/4, Information to be Provided on Domestic Support and Export Subsidies in Agriculture. However, these tables do not appear to have been submitted. Please describe domestic support and export subsidy measures in the form of a response to WT/ACC/4. Please submit the fully completed tables, including calculations of its Aggregate Measure of Support (AMS), as soon as possible.

Answer:

The information requested in WT/ACC/4 on domestic support and export subsidies will be circulated as document WT/ACC/SPEC/GEO/1.

Proceeding from the current economic situation in Georgia it will become necessary to introduce export subsidies in the middle term. First of all, this will be connected with support of export oriented branches from budget.

Production of export products is carried out in large regions where this production has neither biological nor economic alternatives. The social situation in the above mentioned regions is conditioned by the existence of these branches (tea-growing and others).

5. Policies Affecting Foreign Trade in Other Sectors

(a) Textiles regime

Question 163.

Does the Government of Georgia commit to notifying its quantitative restrictions, in place as of the day preceding accession to the WTO on textile exports pursuant to its agreement with the European Communities, to the Textiles Monitoring Board?

Answer:

The Agreement signed between Georgia and the European Communities of 17 November 1993 provides for the introduction of quantitative restrictions on Georgian textiles (Chapter 50 to 63 of the Combined Nomenclature) exports to the European Communities if the volume of Georgian exports

exceeds percentages ranging from 0.35 per cent to 4 per cent of the European Communities' total imports of the previous year depending on the product in question. Georgia from its side does not maintain any quantitative restrictions on textile and clothing products.

(b) Policies affecting foreign trade in other major sectors

Question 164.

Please describe any quantitative restrictions currently in place between the European Communities and Georgia pursuant to Article 17 of the Partnership and Cooperation Agreement between the European Communities and Georgia.

Answer:

No quantitative restrictions are currently in place between the European Communities and Georgia pursuant to Article 17 of the Partnership and Cooperation Agreement between the European Communities and Georgia.

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

1. General

(b) Responsible agencies for policy formulation and implementation

Question 165.

Which office is responsible for the protection of trade secrets?

Answer:

The State Anti-monopoly Service under the Ministry of Economy of Georgia is responsible for the protection of trade secrets.

(e) Fees and taxes

Question 166.

Could Georgia provide a time frame for the establishment of fees for the areas other than those on page 42 of the Memorandum?

Answer:

The time frame for the establishment of fees for the areas other than those on page 42 of the Memorandum is not defined.

- 2. Substantive Standards of Protection, Including Procedures For the Acquisition and Maintenance of Intellectual Property Rights**
- (a) Copyright and related rights**

Question 167.

Is the English version of the draft copyright law already available? If not, when will it be actually available?

Please provide a translated copy of the draft copyright law to the WTO Secretariat for review by the Working Party. What is the current legislative status of the draft copyright law?

Answer:

The English version of the draft copyright law is not available yet. The Government of Georgia expects to finalize the work on it in autumn 1997.

- (b) Trademarks, including service marks**

Question 168.

Could Georgia indicate when the Chamber of Appeal and Patent Court will be established? Has the new draft law on trademark been presented to Parliament? Is the English version of the draft trademarks law available?

Please provide a translated copy of the draft law on trademarks to the WTO Secretariat for review by the Working Party. What is the current legislative status of the draft trademark law?

Answer:

At present, the Chamber of Appeal exists under the Department of Science and Technology of the Ministry of Economy. The draft law on industrial property envisages the establishment of the Chamber of Appeal under the Patent Office of Georgia "Sakpatenti". The Law of 13 June 1997 "On General Courts" does not envisage a special patent court. Intellectual property disputes are considered in accordance with the general court procedures. The expediency of establishment of a special patent court is currently under consideration.

The draft law on trademarks has been considered by the ministries and submitted to the State Chancellery of Georgia for consideration. It is supposed that the Parliament of Georgia will consider the draft law until the end of 1997.

The English version of the draft trademarks law is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

- (c) Geographical indications, including appellations of origin**

Question 169.

Has the draft law on the protection of appellations of origin and geographical indications been presented to Parliament? Is the English version available?

Please provide a translated copy of the draft law on the protection of appellations of origin to the WTO Secretariat for review by the Working Party. What is the current legislative status of the draft law on the protection of appellations of origin?

Answer:

The draft law on protection of appellations of origin and geographical indications has been submitted to the State Chancellory of Georgia and distributed to Ministries for consideration. Preliminary discussions are going on. The draft law will be presented to the Parliament of Georgia until the end of 1997.

The English version of the draft law on protection of appellations of origin and geographical indications is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

(e) Patents

Question 170.

Has the draft patent law been presented to the Parliament? Is the English version available? Please provide a translated copy of the draft patent law to the WTO Secretariat for review by the Working Party. What is the current legislative status of the draft patent law?

Answer:

The draft patent law has been submitted to the Parliament of Georgia. Discussions are going on in relevant parliamentary committees.

(f) Plant variety protection

Question 171.

It is stated that law was prepared according to UPOV standards. Are the standards those of 1978 convention or those of 1991 convention?

Please submit a translated copy of the Law on Protection of Selective Achievements to the WTO Secretariat for review by the Working Party.

Answer:

The Law on Protection of Selective Achievements was prepared according to UPOV standards of 1991 convention.

The English version of the Law is available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

(g) Layout designs of integrated circuits

Question 172.

Please provide a translated copy of the draft law on protection of layout designs to the WTO Secretariat for review by the Working Party. What is the current legislative status of the draft law on protection of layout designs?

Answer:

The work on draft law on protection of layout designs is not completed yet. The English version of the draft law on protection of layout designs will be immediately submitted to the WTO Secretariat after its completion and translation.

(h) Requirements on undisclosed information, including trade secrets and test data

Question 173.

How are “trade-related information” and “commercial secrets” defined in the Law On Monopolistic Activity and Competition?

What items are considered trade-related information or commercial secrets pursuant to Article 9.7 of the Law On Monopolistic Activity and Competition?

Answer:

The Law “On Monopolistic Activity and Competition” (Article 9) does not define the items that are considered trade-related information or commercial secrets. It just says that “the obtaining, acquisition, use, or distribution of scientific-technical, production, or trade information and commercial secrets without the permission of the owner are regarded as manifestations of unfair competition”.

Currently there is no legislation defining “trade-related information” or “commercial secrets” in Georgia.

Question 174.

Does Georgia grant protection of undisclosed information which is used by others in a manner contrary to honest commercial practices if the disclosure is not caused by a breach of contract but by a breach of confidence as such protection is requested under Article 39(2) Fn. 10 of the TRIPS Agreement?

Answer:

Georgian legislation does not stipulate precisely provisions regulating the protection of undisclosed information if the disclosure is not caused by a breach contract but by a breach of confidence. However, it is regarded as unfair competition which is forbidden by the Law “On Monopolistic Activity and Competition”.

Question 175.

How does Georgian law grant protection of undisclosed test or other data regarding pharmaceutical or agricultural chemical products in accordance with Article 39(3) of the TRIPS Agreement?

Please describe the procedures applied by the Government of Georgia to protect undisclosed test or other data submitted in order to obtain approval to market pharmaceutical or agricultural chemical products.

Answer:

Georgian legislation does not stipulate precisely provisions regulating the protection of undisclosed test or other data regarding pharmaceuticals and agricultural chemical products.

According to Article 202 of the draft Criminal Code of Georgia, illegal disclosure or use of commercial secrets without the permission of the owner which caused serious damage shall be subject to a penalty of 300 to 500 times minimum salary or two years corrective labour activities or restraints of freedom up to two years.

Question 176.

Please describe in detail the civil procedures and remedies applicable to the protection of undisclosed information, including trade secrets.

Answer:

In accordance with Article 9 of the Law “On Monopolistic Activity and Competition” and Articles 165 and 165(3) of the Law “On Amendments and Changes to the Criminal and Criminal Procedural Codes” of 29 October 1996 unfair competition is prohibited. The obtaining, acquisition, use, or distribution of scientific-technical, production, or trade information and commercial secrets without the permission of the owner are regarded as manifestations of unfair competition. Persons infringing this provision are punished according to the administrative rules, or this case is brought before the court according to the Criminal Code.

3. Measures to Control Abuse of Intellectual Property Rights

Question 177.

Could you please give details concerning the measures the anti-monopoly organ of Georgia is entitled to take against acts of unfair competition?

Answer:

According to Article 21 of the Law “On Monopolistic Activity and Competition” adopted by the Parliament of Georgia, State Anti-monopoly Service is authorized to:

- request before the appropriate bodies the cessation or prohibiting of activities that violate anti-monopoly legislation;

- demand that the organs which violate this law cease their illegal activities, and if they fail to do so, to bring the matter to the appropriate superior bodies or individuals;
- demand that economic agents which violate this law recognize their illegal decisions or contracts as invalid, and if they fail to do so, to bring the matter to court and participate in the court proceedings;
- demand that economic agents produce data concerning their legal, organizational and economic activities;
- become fully acquainted with the documentation and activities of an economic agent;
- examine and remove, on the basis of a court decision, the documentation concerning a given economic agent; the documents removed in this manner may not be published and may be used only during the investigation of the given case. If, in connection with the investigation of facts and the documentation associated with a given case, the Anti-monopoly Service's suspicions are not confirmed, the Service is obliged to fully compensate the economic agent for the resulting damages on the order and in the amount specified by legislation of Georgia;
- raise the question of administrative and criminal responsibility of the individual violating the anti-monopoly legislation;
- demand any and all necessary information from ministries, other State agencies, and the executive bodies of the territorial units. If such demands are not met, The Service may raise the matter of disciplinary or administrative responsibility before the appropriate bodies or individuals;
- demand that, in order to issue a ruling, the appropriate individuals in a government organ or economic agent supply information concerning the matter in question, following the issuance of written notification to the individual concerning the presumed violations and the dates of their occurrence. In the event of an official hearing, the economic agent has the right to become fully acquainted with the relevant documentation in the Anti-monopoly Service's possessions. If, within a period of 30 days after the receipt of such a demand from the Anti-monopoly Service, the governmental organ or economic agent does not provide the information needed by the Service, the Service may decide the matter on the basis of the information and facts in its possessions;
- determine on the basis of economic analysis the maximum level of an economic agent's share of a product-financial markets for a given economic sphere.

4. Enforcement

(a) Civil judicial procedures and remedies

Question 178.

Is the timeframe that new Civil Code will be enacted by the end of 1997 remaining unchanged?

Please provide a translated copy of the new Civil Code provisions applicable to protection of intellectual property to the WTO Secretariat for review by the Working Party.

Answer:

The Civil Code of Georgia has been adopted by the Parliament of Georgia and will enter into force on 25 November 1997.

The translated copy of the new Civil Code provisions applicable to protection of copyright and related rights is not available. It will be immediately submitted to the WTO Secretariat after translation.

(b) Provisional measures

Question 179.

Please outline the main characteristics of the provisional measures as contained in the draft Code of Criminal Procedure and in the draft Code of Civil Procedure.

Answer:

Information on the provisional measures as contained in the draft Code of Criminal Procedure and in the draft Code of Civil Procedure will be sent after their translation.

(c) Any administrative procedures and remedies

Question 180.

When will Code of Administrative Infringements contain wording on intellectual property matters?

Answer:

The draft Code of Administrative Infringements contains the following provisions concerning intellectual property matters:

Article 218. Violation of State Accounting Orders

- Violation of State Accounting Order, falsifying original statistical data or not providing them at all by official bodies personal enrichment or the purpose of safeguarding personal interests is a subject to a penalty of 30 to 50 times the minimum wage;
- Late notification of birth or death of a person to the relevant authorities is a subject to a penalty of 30 to 50 times the minimum wage;
- Intentional violation of the rights of a copyright owner and patent holder, which does not constitute a criminal offense, is a subject to a penalty of 10 to 50 times the minimum wage.

Article 253. Misappropriation of Trade Marks; Dispersing of False Information about Goods and Services

- Misappropriation of another's trade (service) mark, registered company name or means of marking with the purpose of unfair competition is a subject to a penalty of 20 to 50 times the minimum wage;

- Disseminating false information about the trademarks and certificates of distributed goods and services, and the certification of products without justification is a subject to a penalty of 50 to 70 times the minimum wage;

(d) Any special border measures

Question 181.

Does Georgia foresee special border measures in case of copyright infringement? Please outline the procedure under Georgian law.

Answer:

No special border measures are envisaged by the current Georgian legislation in case of copyright infringement. However, a new Copyright Law which is being elaborated in cooperation with the WIPO experts will include provisions foreseeing special border measures in case of copyright infringement.

Question 182.

Could Georgia explain more about the special border measures for the seizure of unlawful import (page 49)?

Answer:

Georgia has never applied special border measures for the seizure of unlawful imports. No special provisions concerning special border measures are determined by the Georgian legislation.

Question 183.

Please describe the procedures that are available to a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place.

Answer:

No provisions currently exist specifying the procedures that are available to a right holder who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place. However, Article 41 of the draft trademark law provides that “a trademark holder, whose rights are infringed has the right under the civil legal procedures, to bring an action against an infringing party and demand the following:

- to prevent the acts of infringement;
- to compensate the damages;
- destruction of all those labels, tags, imprints, packaging, packaging materials and advertisements which contain the registered trademark, or its copy, resemblance and imitation.

A trademark holder can also demand to destroy plates, matrices and clichés used for making this trademark, and if separation of a trademark from a product is impossible he can demand even the destruction of the product itself.

(e) Criminal procedures

Question 184.

Could Georgia explain the situation of drafting a new Criminal Code?

Please provide translated copies of Articles 147 and 166 of the Criminal Code to the WTO Secretariat for review by the Working Party.

Please provide a translated copy of the IPR provisions of the draft Criminal Code to the WTO Secretariat for review by the Working Party. What is the current legislative status of these draft Code provisions?

Please describe the criminal penalties for copyright piracy and trademark counterfeiting.

Answer:

The draft Criminal Code of Georgia has already been submitted to the Parliament of Georgia for consideration.

Criminal Code of Georgia (Currently in Force)

Article 147. Violation of Copyrights and Rights of Inventors

Publication of another's scientific, literary, musical or fictional works under one's own name or other kinds of appropriation of its authorship, unlawful duplication or distribution and forceful exercises of shared authorship shall be subject to up to two years of corrective labour or to a penalty of up to 3,000 rubles.

Appropriation of authorship of another's invention or innovation or forceful exercise of shared authorship and publication of the invention prior to filing an application for it shall be subject to up to two years of corrective labour or to a penalty of up to 3,000 rubles.

Article 166. Illegal use of trademark

Illegal use of another's trademark (service mark), registered firm name or means of marking, which is done after the use of administrative remedies is subject to a penalty of 1,000 to 2,000 times the minimum wage.

The same action, done several times or if it caused serious damage is subject to imprisonment up to 5 years.

(Georgian SSR, Supreme Council Order of 29 December 1982)

Draft Criminal Code

Article 172. Violation of Intellectual Property Rights

Appropriation of the authorship of a scientific, literary, musical and fictional work, invention, utility model or industrial design, or authorship rights of other results of intellectual-creative activity, or appropriation of related rights shall be subject to a penalty of 300 to 500 times of minimum wage or two years of corrective labour activities.

Misappropriation of the results of intellectual-creative activities of others that is an object of copyright or related rights, or the otherwise unlawful use of these rights and publicizing of data on a utility model or industrial design without the authorization of the author or of another owner of the right of authorship shall be subject to a penalty of 500 to 1,000 times of minimum wage or two years of restraints of freedom.

Acts, envisaged in parts 1 and 2 of this article, if conducted repeatedly, or if they result in significant harm to the interests of the author or another owner of the rights of authorship, as well as false attribution of shared authorship shall be subject to restraints of freedom for up to 3 years or imprisonment for up to one year.

Article 199. Restriction of Monopolistic Activities and Competition

Restriction of Competition and Monopolistic Activities with the purpose of dividing or influencing a market by retaining high or market unified prices is a subject to a penalty of 200 to 500 times the minimum wage or 4 to 6 month jailing or up to 2 years of imprisonment.

Similar activities undertaken either repeatedly or by an organized group are a subject to a penalty of 500 to 700 times the minimum wage or 2 to 5 years of imprisonment.

Violation of paragraphs 1 or 2 of this article with the use of force or threat of force, where there is no sign of extortion, is a subject to 3 to 7 years of imprisonment.

Article 200. Misappropriation of Trade Marks

Misappropriation of another's trade (service) mark, registered company name or illegal trade marking activities or wrongful reference to the place of production when done repeatedly or if it caused significant damage is a subject to a penalty of 200 to 400 times the minimum wage or up to two years of corrective labour work.

Article 201. False Advertisement

False Advertising resulting in significant loss is a subject to a penalty of 200 to 500 times the minimum wage or 3 to 6 months of jailing or up to two years of imprisonment.

Article 202. Illegal provision or distribution of Information consisting of Commercial or Banking Secret

Collection of commercial or banking secret by means of obtaining document through bribing or threatening a person who possesses such secret, or by means of other illegal activities with a purpose

of publicizing or making illegal use of such data is a subject to a penalty of 100 to 200 times the minimum wage or up to one year of imprisonment.

Illegal publicizing of a commercial or banking secret without permission from the owner with a purpose of enrichment or personal interest resulting in a significant loss is a subject to a penalty of 300 to 500 times the minimum wage or up to one year of corrective labour work or two years of imprisonment.

VI. TRADE-RELATED SERVICES REGIME

1. General

Question 185.

Georgia is requested to provide the Working Party as soon as possible with a substantial initial offer on services in the GATS framework, binding liberal market access conditions and national treatment guarantees on an MFN basis for foreign service suppliers.

Please describe your trade in services regime in the form of a response to WT/ACC/5.

Answer:

Georgia's regime of trade in services in form WT/ACC/5 will be submitted to the WTO Secretariat at the end of September 1997.

2. Policies Affecting Trade in Services

Question 186.

It is stated that according to Article 6 of the Law On Investment Promotion Activities, an investor is obliged to register the investment in the Agency of Foreign Investments, the cost of which is United States' \$ 100 thousand or more. Is this obligation imposed also on the domestic investors? What are the reasons for imposing such a high fee?

Answer:

The above-mentioned registration requirement applies only to a foreign investor but not to a domestic investor. United States' \$ 100 thousand is not the registration fee, it is the minimum investment which must be registered.

The registration fee to be paid by an investor in the Investment Agency under the Ministry of Trade and Foreign Economic Relations equals to 200 GEL (Georgian Lari; US\$ 1= 1.28 GEL).

Question 187.

According to the Memorandum, foreign investments with a cost of at least United States' \$ 100,000 must be registered, otherwise, investment activities are prohibited.

Please describe the investment registration requirements in detail. Are domestic investments valued over United States' \$ 100,000 similarly required to be registered? What is the rationale for

registering these investments? Can registration applications be denied? Under what circumstances can they be refused?

Answer:

In accordance with Article 6 (State Registration of Investments) of the Law “On Promotion and Guarantees of Investment Activity”:

"A foreign investor is obliged to register at the Investment Agency under the Ministry of Trade and Foreign Economic Relations any investment worth 100 thousand dollars or more (or its equivalent), within 60 days from the moment of making such an investment. Otherwise he would be prohibited from investing.

In order to be registered an investor has to present:

- the full name of the investment object and information on the activity of the enterprise;
- a copy of the document confirming the registration certificate of the enterprise;
- a document confirming the value of investment;
- a special permission (licence) in the cases provided by the Article 9 (Restrictions and Limitations of Investment Activity) of the Law.

The Agency has no right to request documents other than as indicated above.

The Investment Agency under the Ministry of Trade and Foreign Economic Relations registers investments in 5 days after being provided with the application for registration. If the Agency fails to consider the registration within this period, the investment is considered to be registered according to the Law.

A refusal for State registration can be made only when an investor does not meet the provisions of Article 9 of this Law.

A refusal to grant a registration may be appealed in court, but if the investor is a foreigner the affair will be resolved according to the rule of Article 17 (Dispute Settlement) of this law”.

Domestic investments valued over United States' \$ 100,000 are not required to be registered at the Investment Agency under the Ministry of Trade and Foreign Economic Relations.

The rationale for this registration is the creation of common statistical basis of data concerning foreign investment activities carried out on the territory of Georgia.

Question 188.

Please confirm that foreign investments costing less than United States' \$ 100,000 are not prohibited. What are the registration requirements for these smaller investments?

Answer:

In accordance with the Law “On Promotion and Guarantees of Investment Activity” investments costing less than United States \$ 100,000 are not prohibited and are not subject to any registration requirements.

Question 189.

Please provide a translated copy of the Law "On Promotion and Guarantees of Investment Activity" and the Law "On Entrepreneurship".

Answer:

A translated copy of the Law "On Promotion and Guarantees of Investment Activity" and the Law "On Entrepreneurship" (in some cases it is translated as the Law "On Entrepreneurs") has already been submitted to and are available in the WTO Secretariat (See document WT/ACC/GEO/3/Add.1).

Financial services

Question 190.

Could Georgia provide more information on the permission or licence necessary to investors for insurance activities? Are those requirements identical for foreign and domestic investors?

Has the new insurance law been adopted so far?

Please submit a translated copy of the draft Insurance Law to the WTO Secretariat for review by the Working Party. What is the current legislative status of this legislation?

Answer:

Foreign or domestic investors are required to get licences to perform insurance activities in Georgia. The licensing system is regulated by the Insurance Law of Georgia. For every type of insurance it is necessary to obtain licences in accordance with requirements envisaged by the Law. The licence requirements are the same for domestic and foreign investors.

Licences are issued by the State Supervision Service of Insurance of Georgia.

In accordance with the Insurance Law adopted by the Parliament of Georgia and in force from 2 May 1997, a Society of Limited Responsibilities and Joint-stock Companies are the only legal and organizational forms allowed to perform insurance activities.

In accordance with paragraph 2, Article 9, State budgetary organizations are not allowed to be shareholders of insurance organizations.

In accordance with Article 21 of the Insurance Law of Georgia, a licence for insurance activities can be granted only to a juridical person who intends to perform insurance and related activities, as stipulated by the State Supervision Service of Insurance of Georgia.

A licence can be granted for personal, property and liability insurance activities, performed not only on voluntary but also on compulsory basis. A licence can also be granted for re-insurance if the subject of activities of the insurance service provider is only to provide re-insurance service. The licence should indicate the concrete type of insurance it has the right to provide.

A licence is granted for an indefinite period of time and is in force throughout the territory of Georgia.

The status of insurance or re-insurance service supplier, insurance broker and the right to perform insurance activities are granted to juridical person only after receiving a licence.

A licence is not required for activities performed by insurance agents, nor for activities connected with assessing the insurance risk, the volume of loss and the genuineness of a case or consultation and research work in the field of insurance.

A licence for insurance activities is granted on the basis of an application. The following documents should be attached to the application:

- copies of incorporation documents;
- a copy of State registration document in accordance with which the insurance service supplier is a juridical person;
- filled forms on authorized capital;
- data on corporate officials;
- a business-plan in accordance with norms elaborated by the State Supervision Service of Insurance of Georgia, conditions in accordance with the types of insurance with insurance contracts (insurance certificate, insurance policy and tariffs) enclosed.

An application for a licence is considered by the State Supervision Service of Insurance of Georgia within one month.

In accordance with Article 24 of the Insurance Law of Georgia, a licence will not be granted if:

- the documents submitted for receiving a licence do not meet the requirements envisaged by Article 21 of this Law;
- a juridical person has applied for a licence who does not have the right to perform insurance activities in accordance with this Law;
- there is a decision by a court prohibiting the head (chief) of an insurance company from performing insurance activities.

An applicant receives a written explained answer if he is refused a licence indicating the reason for the refusal. In the case of a refusal, the applicant has the right to appeal the decision.

Banking services

Question 191.

Could Georgia provide more information on the permission or licence necessary to investors for banking activities? Are those requirements identical for foreign and domestic investors?

Answer:

These requirements are identical for foreign and domestic investors.

In accordance with Article 2 of the Law "On National Bank of Georgia":

“According to the main direction of financial and monetary policy formulated by the Parliament of Georgia and aimed at maintenance of price stability, tasks of the National Bank shall be: ...

- to licence and supervise the activities of banks and currency exchange offices; ”.

In accordance with paragraph 2, Article 2 of the Law “On Commercial Bank Activities”:

“no one shall engage in the business of receiving money deposits or other repayable funds and extending credits for its own account without a licence issued by the National Bank of Georgia”.

In accordance with Article 3 of the Law:

“Banking licences shall be applied for in writing to the National Bank of Georgia in such form as shall be prescribed by regulation of the National Bank of Georgia and shall be accompanied by the following information:

- the charter, registered in the court and notarially confirmed constitutive documents;
- the qualifications and experience of the managers and supervisors of the proposed bank;
- a statement of the amounts of the authorized and subscribed capital stock of the proposed bank and the amount that has been paid in of the capital stock subscriptions;
- a business plan for the proposed bank setting out, *inter alia*, the types of activities envisaged for and the structural organization of the proposed bank;
- the name, residence, and occupation or profession of each person (location of juridical person), who owns five per cent or more of the stock of the proposed bank, and the amount of the shares held;
- additional information, as shall be prescribed by the regulations of the National Bank of Georgia, should at least include amounts of the bank’s capital funds and other financial resources, the location of the bank’s headquarters and branch offices.”

In accordance with Article 4 of the Law:

- “Within one month from the date of its receipt of an completed application for a banking licence, the National Bank of Georgia shall take a grounded decision on the application and notify the applicant of its decision in writing;
- The National Bank of Georgia shall grant a banking licence to juridical or physical persons which are registered according to the established rules, the amounts of the bank’s capital stock subscribed and paid in, location space and the qualification and experience of managers and supervisors of the bank, also submitted business-plan will comply with assessment criteria, previously defined by the National Bank of Georgia, and the banking activities that the bank was licensed to engage in;
- The banking licences will be granted only to banks whose paid in capital is no less than 50 per cent of subscribed capital and provided that all requirements to the minimal authorized capital stock are satisfied. In any event, the compliance with the prescribed prudential economic requirements to be maintained by banks shall be assessed with respect to the bank’s paid in capital;
- Banking licence concerning a subsidiary or a branch office of a foreign bank shall be granted only if the foreign bank is authorized to engage in the business of receiving money deposits

or other repayable funds in the foreign country where its head office is located. Banking licences pursuant to this Article shall be granted only following consultations on the granting of a banking licence between the National Bank of Georgia and the competent authorities of a foreign country which supervise the banking activities of the foreign bank concerned.”

Article 5 of the Law envisages the following provisions for licensing:

- Banking licences shall be granted for an indefinite period of time and shall not be transferable;
- By its decision to grant a banking licence the National Bank of Georgia may attach conditions or restrictions to the banking licence if the provisions of paragraph 2 of Article 4 are not fully satisfied. Thereafter, conditions or restrictions may be attached to a particular banking licence only if the bank concerned repeatedly has failed to comply with the provisions of this Law or any applicable regulation, guideline or instruction issued by the National Bank of Georgia and only to the extent required to remedy such failure.

Question 192.

It is stated that in accordance with Article 4 of the Commercial Bank Law, the licences on banking activities of branch or daughter companies are issued only after negotiating between the National Bank and the competent authorities of the foreign country providing supervisory activities of the corresponding bank (page 52). Is this negotiation obligatory? Why is such a negotiation necessary?

Answer:

In accordance with Article 4 of the Law “On Commercial Bank Activities” – “banking licences pursuant to this Article shall be granted only following consultations on the granting of a banking licence between the National Bank of Georgia and the competent authorities of the foreign country which supervise the banking activities of the foreign bank concerned”.

These consultations are obligatory.

According to Article 4 of the Law “On Commercial Bank Activities”, concerning consultations between the National Bank of Georgia and the competent authorities of foreign country providing supervisory activities of the corresponding bank, the purpose for these consultations is to obtain information on a non-resident, in order to determine the credibility of the latter in its own country and to avoid the unlawful flow of capital in Georgia. Regarding the process of consultations itself, it does not take a long period, moreover, it has a form of just a written question sent to the Central Bank or other relevant authority of the country, to which a non-resident belongs. The process will be completed once the written answer to this question is received by the National Bank of Georgia.

Questions 193.

Could Georgia explain “the ratio of compulsory/obligatory (resources) reservations” (top of page 53, WT/ACC/GEO/3)?

Answer:

Please read instead of “the ratio of compulsory/obligatory (resources) reservations” (top of the page 53) “the ratio of compulsory reserves”.

In June 1997, the ratio of compulsory reserves on assets attracted by the banking system was fixed at 15 per cent rate. The current size of the ratio of compulsory reserves is caused by the fact that among the instruments of monetary-credit regulation, only the ratio of compulsory reserves and intervention in the currency market are used at present by the National Bank of Georgia in order to achieve goals such as stability of the national currency and reduction of inflation.

Taking into account the existing economic situation and monetary-credit policy conducted by the National Bank, the ratio of minimum compulsory reserves which constituted 20 per cent was reduced by 2 per cent in 1995 and after subsequent reduction, in August 1996 it reached 15 per cent. After it is able to employ such financial instruments as securities, the National Bank of Georgia will be able to reduce the ratio of compulsory reserves. The Government of Georgia intends to issue securities in the second half of 1997.

Question 194.

Could Georgia explain current situations on the activities of foreign banks?

Answer:

No branch of a foreign bank is registered in Georgia currently, except representation of Deutsche Bank which has existed since 1993. Thus, the only activities carried out by foreign banks in Georgia are correspondent relations. However, several banks have been established with the participation of foreign capital.

Question 195.

Please submit a translated copy of the Law "On Commercial Bank Activities" to the WTO Secretariat for review by the Working Party. What is the current legislative status of this legislation?

Answer:

A translated copy of the Law "On Activities of Commercial Bank" of 23 February 1996 has been already submitted to and is available in the WTO Secretariat (See document WT/ACC/GEO/3/Add.1).

The Law "On Activities of Commercial Bank" of Georgia was adopted on 23 February 1996 and is currently in force.

Professional and business services

Question 196.

It is stated that governmental and independent companies determine the general policy in the professional and business services (page 54, WT/ACC/GEO/3). What is the meaning and purpose of this?

Answer:

A technical mistake was made during translation. Instead of “governmental and independent companies determine the general policy in the professional and business services” it should read “governmental and independent companies provide services in professional and business services”.

Question 197.

In the area of professional and business services, can Georgia ensure the requirement of transparency (GATS Article 3) and the obligations that measures should be administered in a reasonable, objective and impartial manner (GATS Article 6.1)?

Answer:

There is no information institution established in Georgia yet, which would provide WTO Members with information services, as it is indicated in Article 3 of GATS.

In connection with Article 6.1 of GATS, there are courts, State arbitrage organs and procedures in Georgia, which can ensure the protection of the interests of service suppliers against incorrect administrative decisions. Furthermore, the Civil Code of Georgia adopted on 26 June 1997 regulates many issues connected with the policy affecting trade in services.

Legal services

Question 198.

What is the meaning of “the legal service produced by foreign lawyers is not regulated by Georgian legislation in force”? Does it mean that Georgia do not allow a foreign lawyer to provide legal services on the laws of the country where the foreign lawyer has the nationality? Are there institutional frameworks in which foreign lawyers are allowed to provide legal services?

If so, what is the requirement in order for a foreign lawyer to provide legal services? What is the scope of activities and limitation regarding foreign lawyers’ activities?

If there is not a sufficient framework which allow foreign lawyers’ activities, what is the time frame for the completion of the framework?

Answer:

There is no legislative act in Georgia regulating issues connected with performing legal services in the country by foreign service suppliers.

With the permission of the Ministry of Justice a foreign service supplier has the right to take part in a preliminary investigation.

The framework for performing legal services in Georgia by foreign service supplier will be completed in the middle of 1998.

Audit services

Question 199.

Are foreign providers allowed to provide audit services?

Answer:

In accordance with the Audit Law of 7 February 1995, auditors and audit firms are allowed to provide audit services in the territory of Georgia only after receiving a licence issued by the Auditing Council. In its sphere of competence, the Council includes the domestication of documents within the territory of Georgia that are issued by foreign countries for conducting the audit services, and licensing auditors or audit firms of foreign countries. The licensing procedures of foreign audit firms are approved by the Resolution of the Board of Auditing Council (available for consultation in the WTO Secretariat (Accessions Division, Room 1126)). Licensing is carried out during 3 days after presenting all appropriate documents to the Council.

Necessary documents to be presented for licensing:

- confirming documents of the auditor (audit firm): diploma, certificate, licence, etc.;
- application for granting licence, with the title of the object to be examined;
- letter of consent of the object to be examined for conducting auditing;
- receipt confirming the payment of licensing fee.

Communication services

Question 200.

What is the requirement to obtain a licence to provide telecommunication services?

Answer:

In accordance with the Law of Georgia "On Communication" of 12 October 1994, licences for performing communication activities in Georgia are issued by the Ministry of Communication and Post of Georgia.

Licence is issued by the decision of Licence Committee on the basis of an application made by a juridical or natural person or on the basis of tender.

The following documents must be presented by juridical or natural person for receiving a licence:

- application in accordance with established form;
- copies of certificate confirming the State registration, and of incorporation documents;
- conclusion from Coordination Division of the Ministry of Communication and Post;
- certificate of technical means necessary for performing communication activities;
- business-plan of activities subject to licensing;
- leasing contract in case of use of networks and means belonging to other juridical or natural person.

A decision on granting a licence is taken within 30 days of making the application. In case of presenting additional documents this period can be extended by 15 days.

Distribution services

Question 201.

Could Georgia explain domestic regulations regarding resale, wholesale and franchise services?

Answer:

The Law of Georgia “On Contract Law” is part of the Civil Code of Georgia of 26 June 1997 (Articles 319-1016), where wholesale services are not considered separately.

Requirements for retail services are given in the Law of Georgia “On Protection of Consumer Rights” (March 1996), which regulates relationships between consumer and seller (producer, retail service supplier) not only during the buying the goods but also during supplying retail services. The rights of both sides are regulated by this Law.

Requirements for franchise services are given in the Civil Code of Georgia (Articles 607-614), according to which a person (legal or natural) granting a franchise is obliged to present to the receiver of the franchise the non-material property rights in accordance with the form used by him, trademarks, samples, packaging, concept of production, buying and selling of goods, and of organization of activities, also other information necessary for realization of goods. From his side, franchise receiver is obliged to pay a fee for franchise, amount of which is defined by the provisions of the Civil Code (Articles 607-614).

(d) Monopolies and exclusive service suppliers

Question 202.

A de facto government monopoly exists in different sectors as in the telecommunication services, in the department of railways or in the pipeline transport field.

Does Georgia intend to liberalize those sectors?

Could Georgia confirm that those government monopolies do not have any special or exclusive privilege in the production of any services?

How does Georgia explain the information given on page 67 related to monopolies with the declaration submitted in annex 6: “all public sector monopolies on the supply of goods and services have been eliminated”?

Answer:

According to Decree No. 334 of 20 May 1996 of the President of Georgia, subjects of monopoly in the mentioned sectors are the following:

- Under the Ministry of Communications and Post:
 - State Post Communication Service (“Georgian Post”);

- frequency spectrum (telecommunication service).
- Under the Railway Department of Georgia:
 - railway lines.
- Under the State Company “Saktransgazmretsvi”:
 - main pipelines.

At this time the Government of Georgia does not intend to liberalize these sectors.

The above listed natural monopolies do not have any special or exclusive privilege in the production of services using the above mentioned means and any service supplier can obtain the right to use them on the basis of an appropriate licence.

According to the Law “On Monopolistic Activities and Competition” adopted by the Parliament of Georgia, an economic agent is deemed to be “a juridical or natural person conducting business activities notwithstanding the form of organizational-legal ownership of an enterprise and the nature of business”. In accordance with the provisions of this Law, all State or private entrepreneurs are in the same conditions.

Market Access and National Treatment

- (g) **Measures providing for less than the treatment accorded to national services or service suppliers**

Question 203.

Georgia states that no measures or laws are maintained by Georgia that provide for foreign services or service suppliers to be accorded treatment less favourable than that provided to national services or service suppliers.

Is the Agreement creating an Economic Union between Georgia and the other CIS countries signed on 24 September 1993, providing for the free circulation not only of goods but also of services, capital and manpower, in effect between Georgia and any CIS country?

Answer:

This Agreement is in effect from 14 January 1994.

Question 204.

Does Georgia contemplate any MFN exceptions in its offer of commitments in trade in services? Are there any agreements in place that provide for exclusive treatment that would require such an exception at the time of Georgia's WTO accession?

Answer:

Currently Georgia does not contemplate any MFN exceptions in its offer of commitments in trade in services.

There are no agreements in place that provide for exclusive treatment that would require any MFN exceptions at the time of Georgia's WTO accession?

VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES

1. Bilateral Agreements Relating to Foreign Trade in Goods and Trade in Services

Question 205.

Will the Government of Georgia commit to adhering to the WTO Agreement on Trade in Civil Aircraft from the date of accession?

Answer:

Georgia will join WTO Agreement on Trade in Civil Aircraft from the date of its accession to the WTO.

Question 206.

According to the Memorandum, the Government of Georgia has concluded free trade agreements with Armenia, Azerbaijan, Russia, Turkmenistan, Ukraine and Uzbekistan.

Which, if any, of these agreements are currently in force? Are the terms of these agreements essentially the same? Please describe any differences in the terms and obligations of these agreements.

For each of the bilateral free trade agreements' please identify all items, including HS number, that are excluded from coverage from these free trade agreements. Please identify all items, including HS numbers, that receive preferential, but less than tariff-free access to Georgian markets.

Answer:

The Agreements currently in force are:

- the Free Trade Agreement between the Government of Georgia and the Government of the Republic of Azerbaijan. Date of entry into force is 10 July 1996;
- the Free Trade Agreement between the Government of Georgia and the Government of the Russian Federation. Date of entry into force is 10 May 1994.

There are no differences in the terms and obligations of these agreements.

Items that are excluded from coverage from these free trade agreements are:

- samples of art of museum value and antiques - 9701-970300000; 970658800;
- weapon and gunpowder – 930110000; 930200; 9305; 9306;
- ferrous and non-ferrous scrap metal and wastes – 7204; 7404400; 750300; 760200; 790200000; 800200000; 810191900; 810310900; 810442000; 810510900; 810600100; 810710000;

- 810810900; 810910900; 811000900; 811211000; 811220390; 811223010; 811240190; 811291390; 811300110.
- collection materials of biology, mineralogy, palaeontology, ethnography and numismatics – 970500000;
 - timber - 4403;
 - raw materials for medicine of flora and fauna origin, substances received from human organism – 020610100; 020622100; 020629100; 020630100; 020641100; 020649100; 020680100; 020690100; 051000000; 1211; 13021; 150420; 1505; 3001; 3002;
 - Caucasian fir seeds – 120999101.

There are no items that receive preferential, but less than tariff-free access to Georgian markets.

Question 207.

Does the Government of Georgia provide preferential access to its markets for any products or services from the European Communities pursuant to the Partnership and Cooperation Agreement? If so, please identify the products and services and describe the nature of the preferential access. Please identify any services sectors where national treatment has been agreed.

Answer:

In accordance with the Article 9 of the Partnership and Cooperation Agreement signed on 22 April 1996, between Georgia and the European Communities:

“1. The parties shall accord to one another most-favoured-nation treatment in all areas in respect of:

- customs duties and charges applied to imports and exports, including the method of collecting such duties and charges,
- provisions relating to customs clearance, transit, warehouses and transshipment,
- taxes and other internal charges of any kind applied directly or indirectly to imported goods,
- methods of payment and the transfer of such payments,
- the rules relating to the sale, purchase, transport, distribution and use of goods on the domestic market.

The provisions of paragraph 1 shall not apply to:

- advantages granted with the aim of creating a customs union or free-trade area or pursuant to the creation of such a union or area;
- advantages granted to the particular countries in accordance with WTO rules and with other international arrangements in favour of developing countries;
- advantages accorded to adjacent countries in order to facilitate frontier traffic.

The provisions of paragraph 1 shall not apply, during a transitional period expiring on the date of Georgia acceding the WTO or on 31 December 1998, whichever is earlier, to advantages defined in Annex 1 granted by Georgia to other State which have emerged from the dissolution of the USSR”.

In accordance with Article 20 of the Agreement:

“ Subject to the laws, conditions and procedures applicable in Georgia, Georgia shall ensure that the treatment accorded to nationals of a Member State, legally employed in the territory of Georgia, shall be free from any discrimination based on nationality, as regards working conditions, remuneration or dismissal, as compared to its own nationals.”

2. Economic Integration, Customs Union and Free Trade Area Agreements

Question 208.

It is noted in the foreign trade Memorandum that, pending agreement on goods to be excluded from the CIS Free Trade Area Agreement, “the parties are free to specify these goods on a bilateral basis”. It is further noted that Georgia has concluded FTAs with six CIS countries.

What is the status of each of these agreements? (signed, ratified, in force or not?)

Which trade agreements does Georgia consider will need to be notified under Article XXIV of the GATT 1994 or Article V of the GATS?

Please provide the Working Party with the texts of all FTAs to which Georgia is a Party.

For each FTA, please provide details of the percentage of trade overall and in each major sector which is excluded from the free trade regime by Georgia and by its partners.

Answer:

The Free Trade Agreement between the Government of Georgia and the Government of the Republic of Azerbaijan. Signed in Tbilisi on 8 March 1996, ratified by the Parliament of Georgia on 24 June 1996, date of entry into force is 10 July 1996; Volume of overall trade in 1996 is United States' \$ 95.4 million and percentage of trade overall is 11.1 per cent.

The Free Trade Agreement between the Government of Georgia and the Government of the Russian Federation. Signed in Tbilisi on 3 February 1994, ratified by the Parliament of Georgia on 10 March 1994, date of entry into force is 10 May 1994; Volume of overall trade in 1996 is United States' \$ 179.7 million and percentage of trade overall is 21.1 per cent.

The Free Trade Agreement between the Government of Georgia and the Government of Turkmenistan. Signed in Tbilisi on 20 March 1996. Not in force; Volume of overall trade in 1996 is United States' \$ 17.6 million and percentage of trade overall is 2.05 per cent.

The Free Trade Agreement between the Government of Georgia and the Government of Ukraine. Signed in Tbilisi on 9 January 1995, ratified by the Parliament of Georgia on 2 April 1996. Not in force; Volume of overall trade in 1996 is United States' \$ 40.3 million and percentage of trade overall is 4.7 per cent.

The Free Trade Agreement between the Government of Georgia and the Government of the Republic of Armenia. Signed in Stepanavan on 14 August 1995, ratified by the Parliament of Georgia on 28 June 1997. Not in force; Volume of overall trade in 1996 is United States' \$ 37.1 million and percentage of trade overall is 4.3 per cent.

The Free Trade Agreement between the Government of Georgia and the Government of the Republic of Uzbekistan. Signed in Tashkent on 4 September 1995. Not in force; Volume of overall trade in 1996 is United States' \$ 3.7 million and percentage of trade overall is 0.43 per cent.

Georgia considers that the Agreement "On Creation of Zone of Free Trade of the Commonwealth of Independent States" needs to be notified under Article XXIV of the GATT 1994 or Article V of the GATS. It should be mentioned that this agreement is not in force yet.

The data about the percentage in each major sector which is excluded from the free trade regime by Georgia and by its partners is not available.

Texts of all FTAs are available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

Question 209.

Will Georgia's trade-weighted customs tariff rate increase if the CIS customs union is implemented?

Answer:

The strong position of the Government of Georgia is not to join the CIS customs union, which does not correspond to the WTO requirements. Accordingly, the implementation of the CIS customs union will not influence Georgia's trade-weighted customs tariff rate.

Question 210.

Please provide a translated copy of the Coal and Metal Association Agreement. Please identify the products, including HS numbers, that are covered by this agreement. Please describe any provisions relating to preferential market access by parties to the agreement. Does this agreement provide for restrictions on production, sale or export of any products? If yes, please describe fully the nature of the restrictions.

Answer:

The Coal and Metal Association Agreement does not contain any provisions relating to preferential market access granted to any contracting party of the Agreement.

This Agreement does not provide for restrictions on production, sale or export of any products.

The Coal and Metal Association will:

- develop the recommendations on cooperation supply of raw materials, fuel, semi-finished goods and final products for the most effective use of productivity potentials of enterprises;
- coordinate the conditions of transportation, organize an efficient control and regulation of turnover, etc.

A list of products which are covered by this Agreement is not determined.