

WORLD TRADE ORGANIZATION

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**Working Party on the
Accession of Georgia**

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DRAFT REPORT OF THE WORKING PARTY ON THE ACCESSION OF GEORGIA TO THE WORLD TRADE ORGANIZATION

INTRODUCTION

1. The Government of Georgia applied for accession to the World Trade Organization in June 1996. At its meeting on 18 July 1996, the General Council established a Working Party to examine the application of the Government of Georgia to accede to the World Trade Organization under Article XII of the Marrakesh Agreement Establishing the WTO. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/GEO/2/Rev.1.

2. The Working Party met on 3 March 1998 under the Chairmanship of H.E. Ms E.L. Herfkens (Netherlands); and on 13 October 1998; and under the Chairmanship of H.E. Ms A. Anderson (Ireland).

DOCUMENTATION PROVIDED

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of Georgia (WT/ACC/GEO/3), the questions submitted by Members on the foreign trade regime of Georgia, together with the replies thereto, and other information provided by the authorities of Georgia (WT/ACC/GEO/4, WT/ACC/GEO/7 and Addendum 2, WT/ACC/GEO/10, WT/ACC/GEO/12, WT/ACC/GEO/16, WT/ACC/GEO/18 ...), including the legislative texts and other documentation listed in Annex I.

INTRODUCTORY STATEMENTS

4. In his introductory statement, the representative of Georgia said that Georgia, although relatively small in size and population, was located in a strategically important transit corridor between the Black and Caspian Seas. Membership in the WTO was the most important step in Georgia's full integration into the world trading system. His Government had declared rapid entry into the WTO the most important priority of its foreign economic policy, and a Commission on Accession had been established with representatives from virtually all ministries and departments.

5. Georgia was undergoing economic transition from a centrally-planned to a market based economy, with major reforms of its trade regime, banking sector and privatization of State property. Georgia had adopted a new Constitution in 1995, and had since then undertaken a major overhaul of its legal system to harmonize to international norms. In addition to basic legislation such as the Civil Code and the Tax and Customs Codes, Georgia was introducing new legislation in key trade-related areas such as maritime and air transport, intellectual property, standardization and certification, government procurement, privatization, and business legislation. Parliament had made a commitment that all new legislation, starting from 1 September 1998, should be in full compliance with the legal norms of the European Communities. Georgia was receiving technical assistance from individual WTO Members and international organizations in its process of reform and accession to the WTO. He assured the Working Party that the Government of Georgia would do everything required to fulfill the commitments Georgia would be undertaking in acceding to the WTO.

6. In their opening remarks, members of the Working Party welcomed the request from Georgia to accede to the WTO. Many Members were impressed by Georgia's strong efforts from the outset to provide information on its foreign trade regime, and noted that the bilateral market negotiations had made a good start. Although Georgia maintained some measures which were inconsistent with WTO rules, such anomalies were not unusual at the beginning of an accession process. Georgia was encouraged to continue its economic and trade reforms, which would assist in accelerating the process of its accession to the WTO.

7. The Working Party reviewed the economic policies and foreign trade regime of Georgia and the possible terms of a draft Protocol of Accession to the WTO. The views expressed by members of the Working Party on the various aspects of Georgia's foreign trade regime, and on the terms and conditions of Georgia's accession to the WTO, are summarized below in paragraphs 8 to

ECONOMIC POLICIES

Monetary and Fiscal Policy

8. The representative of Georgia said that the National Bank of Georgia was responsible for the design and implementation of monetary policy. The National Bank had been established in 1991, and the final version of the Law "On National Bank" had been approved in June 1995. In practice, the National Bank worked closely with the Ministry of Finance as monetary and fiscal policies were closely linked.

9. Georgia's fiscal policy aimed at boosting revenue to a level to finance most current government expenditure, while relying in the main on external sources for capital outlays. Georgia

had strengthened its tax and customs administration to improve revenue performance, and maintained a restrained expenditure programme with emphasis on health and education. The principal taxes levied in Georgia were value added tax; profit tax; income tax; a fixed tax on small enterprises; excises; customs duty; social security levy, medical tax and employment fund tax levied on enterprises and employees; property tax; and agricultural and urban land tax. In response to a specific question, he said that local administrations could levy taxes within the framework of national legislation (Article 6.3 of the Georgian Tax Code) on entrepreneurial activities, gambling business, health resorts, hotels, advertising, car parking, and on the use of local symbols. He confirmed that local administrative bodies had no right to impose any other kind of taxes.

Foreign Exchange and Payments

10. The representative of Georgia said that the national currency – the Lari – was traded on the Tbilisi Interbank Currency Exchange (TICEX) as well as in the Foreign Exchange Bureau Market (FXB). TICEX functioned as a wholesale market for foreign exchange between banks, while large volumes of small retail transactions were carried out in the FXB. The Government's exchange rate policy was based on "managed float". No fixed target was set for the exchange rate of the Lari, but the National Bank of Georgia could intervene in the TICEX auction market as a buyer or seller to smooth out temporary imbalances between supply and demand for foreign exchange.

11. Georgia had become a member of the International Monetary Fund in May 1992 with a quota of SDR 111 million. Georgia had accepted Article VIII of the Articles of Agreement of the IMF in early 1997. He confirmed that the national currency was convertible on current account without any restrictions. No requirements existed on the right of legal and natural persons to obtain, bank or dispose of foreign exchange, and there were no requirements to surrender foreign exchange earned from export operations. He also confirmed that foreign currency needed for imports was equally available for goods subject to import licensing. In response to a specific question, he confirmed that a court order was required to freeze the bank accounts of domestic and foreign-owned firms.

Investment Regime

12. The representative of Georgia said that foreign and domestic investment on the territory of Georgia was regulated under the Law "On Promotion and Guarantees of Investment Activity" of 12 November 1996. Foreign investors enjoyed the same rights and protection as physical and legal persons of Georgia according to paragraph 1, Article 3 of the Law. Under this law, disputes between foreign investors and enterprises registered in Georgia may be settled in the courts of Georgia or in other forums by agreement. A registration requirement for foreign investors had been abolished by the Law "On Amendments and Changes to the Law on Promotion and Guarantees of Investment

Activities" of 26 June 1998. He added that Georgia had concluded bilateral investment agreements with 22 countries and was currently negotiating such agreements with 7 more countries. These countries included the United States, Canada, China, and many States in Europe, the CIS, and the Middle East.

13. The representative of Georgia said that, subject to the payment of taxes and other compulsory levies, every foreign investor had the right to transfer abroad freely and without delay all contributions to capital, profit and other monetary proceeds generated by investment activity (paragraph 5, Article 3 of the Law). These rights could be restricted by decision of court in case of bankruptcy proceedings, criminal offence or failure to meet civil obligations. A foreign investor had the right to transfer abroad property owned by him.

14. Investment in certain sectors was prohibited or subject to licensing (Article 9). Permission was required in order to engage in the production of weapons and explosives; narcotic, poisonous and pharmaceutical substances; exploration and exploitation of any renewable or non-renewable substances; exploration of deposits of natural resources; establishment of casinos and gambling houses and the organization of games and lotteries; banking; insurance; issuance of securities; wireless communication services and the establishment of radio and television channels; and any other activities stipulated by the legislation of Georgia.

15. According to the Law "On Amendments and Changes to the Law on Promotion and Guarantees of Investment Activities", investment was prohibited with regard to the creation, production and proliferation of nuclear, bacteriological and chemical weapons; construction of polygons for testing nuclear, bacteriological and chemical weapons; importation of radioactive and toxic waste; scientific research activities connected with human cloning; production of narcotic substances; cultivation of poppy, coca and hemp; and activities prohibited by international legislative acts, agreements, conventions and protocols to which Georgia was a contracting party.

16. Concerning land ownership, the representative of Georgia said that land was being privatised under two laws. The Law on Declaration of Private Ownership of Land in Use by Physical and Private Legal Persons, adopted on 28 October 1998, provided that non-agricultural land could be privatised by any Georgian natural or legal person, including 100 per cent foreign-owned legal persons. Privatisation of urban land had proceeded rapidly under this law. As of 1 May 1999, approximately 3,000 parcels had been privatised. Agricultural land could be privatised by Georgian natural persons under the Law of Agricultural Land Ownership of 22 March 1996. Approximately 800,000 hectares of agricultural land had been privatised by about 1 million farmers under this law as of May 1999.

State Ownership and Privatization

17. The representative of Georgia said that privatization had begun following the adoption of the Law "On Privatization of State Enterprises" and the State Programme of Privatization in 1992. Medium sized and large State enterprises had been transformed into joint stock companies in accordance with Resolution No. 288 of the Cabinet of Ministers of 14 April 1993 as part of the privatization process. In total, Georgia had 1,149 medium sized and large enterprises organized as joint-stock companies in mid-1997. The privatization of small entities, the first step of the privatization process, had been almost completed by 1997. The status of Georgia's progress in privatization is presented in Table 1.

18. Georgian and foreign natural and legal persons could take part in the process of privatization with one restriction; Georgian enterprises in which the Government owned more than 25 per cent of the authorized capital could not purchase privatized property. Privatization was carried out by the State Property Management Ministry through auctions of blocks of shares, direct sales and tenders. The Government retained controlling blocks of shares (51 per cent) only in exceptional cases when an enterprise was of strategic interest, and the number of such enterprises was strictly limited. Employees had preference in the allocation of a certain number of shares. The greater part of State property had been privatized by vouchers, and thousands of citizens had become new owners of these assets.

19. A specific list of objects to be privatized was approved annually by the Ministry of State Property Management in consultation with the Ministry of Economy, Justice and other appropriate ministries. The following enterprises were scheduled for privatization in the period 1997-2000: (i) telecommunication enterprises, except cable and radio broadcasting networks of strategic importance, including the First State television channel; (ii) fuel and energy sector enterprises, including electric energy, the coal industry, gas, oil extraction, and the supply of oil products; (iii) manufacturing enterprises; (iv) agriculture and food industry except training and research institutes of the Academy of Agricultural Sciences of Georgia; (v) construction related enterprises except: main municipal pipelines, water supply, sewage and a technical evaluation bureau; (vi) transport sector units except "Sakaeronavigatsia"; (vii) health services excluding State medical organisations of vital importance; and (viii) education services. Preparations to privatize Georgia's railway infrastructure had begun. Georgian Railway would be transformed into an LLC (limited liability company), and only the railway tracks would remain State property. The representative of Georgia provided a list of joint-stock companies with the controlling block of shares kept temporarily in State hands in document WT/ACC/GEO/10, pages 3-5. Detailed lists of firms owned wholly or in part by the State as per October 1998, and objects planned for privatization in 1999, were also provided to the Working

Party. He also noted that information on the privatization process in Georgia was available on the Internet at www.casebycase.org.ge and www.georgia.net.ge/mospm.

20. Article 4 of the Law "On Privatization of State Property" of 30 July 1997 defined State property not subject to privatization. Excluded from privatization were land of strategic importance, minerals, water resources, territorial waters and marine economic border zones; units of historical, cultural and artistic values, State archives of historical and cultural importance, film and photo documents, State funds, State museums, archives and funds of ministries, and scientific research institutes; Georgia's treasury and monetary reserves, reserves of precious metals, funds of national value, social security, medical insurance and other national funds; mobilization reserves and State reserves; institutions of the Academy of Sciences of Georgia; roads for general use; national cemeteries and pantheons; administrative buildings of organs of State administration; and enterprises producing radioactive materials and materials for military purpose, and testing, designing and scientific institutions.

21. Asked specifically about plans to privatize the energy sector, the representative of Georgia said that restructuring the energy sector would be completed. The State monopoly would be eliminated gradually, and Georgia would invite foreign investment to help relieve the energy crisis. Privatization of the electric energy sector was expected to be completed in 18 months, and would proceed in several stages, as follows:

(i) In electric distribution, approximately 75 per cent of the shares of the Tbilisi electric distribution company "Telasi" had already been privatized. Beyond that, Presidential Decree 58 of 14 February 1999 on Rehabilitation and Development of Georgian Electric Distribution Companies and Generation Assets placed priority on the privatization, in two lots, of the electricity distribution companies of eastern and western Georgia. The Ministry of State Property Management and the investment bank Merrill Lynch had prepared a proposal for presentation to interested parties. Georgia proposed to lease the management rights of each group of companies for a period of not less than 25 years, with no right of purchase. The participants could be either Georgian or foreign legal persons;

(ii) In electricity generation, the Ministry of State Property Management was preparing a proposal, expected to be ready in May 1999, to transfer the management rights of the joint stock companies in the hydroelectric plants to private investors for a period of at least 25 years;

(iii) Enterprises in the coal industry would be transformed into joint stock companies, but the State would retain 51 per cent ownership until investors could be found who would undertake the necessary rehabilitation and modernization; and

(iv) The controlling block of shares in the joint stock companies in the oil and gas industry would be sold by tender to investors willing to keep the companies in business and rehabilitate them within two years. The State companies "Saktransgasmretsvi" (gas pipeline from Russia to Armenia) and "Saktkhevadgasi" (refined oil products import and export) would remain temporarily in State hands. The decision to privatise "Saktkhevadgasi" would be taken in agreement with the Ministry of Energy and Fuel. The State company "Saknavtobi" (oil exploration and extraction) would be transformed into a joint stock company; the shares, except for those granted to employees, would temporarily remain State property. Controlling blocks of shares in other State-owned joint stock companies in this sector would be sold in tenders, and remaining shares would be auctioned.

22. The representative of Georgia estimated that privatized and private enterprises accounted for approximately 80 per cent of Georgia's GDP. Information on the portion of Georgia's foreign trade accounted for by government-owned firms was not available at present. Georgia expected to conclude its privatization process by 2000. Parliament had approved a new Law on the Administration and Disposal of State-owned Non-Agricultural Land, and a large number of individuals and enterprises were in the process of purchasing land they had previously rented.

23. The representative of Georgia confirmed that his Government would provide annual reports to WTO Members on developments in its privatisation programme of along the lines of the information provided to the Working Party during the accession process, as well as on other issues related to its economic reforms as relevant to its obligations under the WTO. The Working Party took note of this commitment.

Pricing Policies

24. The representative of Georgia said that the Cabinet of Ministers had adopted a series of Resolutions in the first four months of 1992, leading to a broadbased liberalization of prices. Additional Cabinet Resolutions in 1993 and 1994 had removed virtually all State administrative controls on prices for energy, transport and other social services. Price controls had been replaced by tariff regulation of local governments or, in the case of electricity and natural gas, by independent departments set up for this purpose. Milk prices had been liberalized in 1995 and the price of bread had been deregulated in June 1996. As a result, only natural gas, electricity and urban transport

remained subject to price control. Prices for all other goods and services were determined freely by the market.

25. [The representative of Georgia stated that in the application of price controls or State guidance now or in the future, Georgia would apply such measures in a WTO-consistent fashion, and take account of the interests of exporting WTO members as provided for in Article III:9 of the GATT 1994. Georgia would publish the list of goods and services subject to State controls any that are introduced or re-introduced in the future in its Official Journal, including any changes in the list provided of current requirements in place. The Working Party took note of this commitment.]

Competition Policy

26. The representative of Georgia said that the first steps to implement an anti-monopoly policy in Georgia had been taken in September 1992, when the State Council had adopted a Decree "On the Restriction of Monopoly Activities and the Development of Competition in Georgia" and an Anti-monopoly Policy Department had been established within the Ministry of Economy. Parliament had adopted a more comprehensive Law on Monopolistic Activity and Competition in June 1996. An independent regulatory commission has been established to regulate prices in energy distribution, and a similar commission was under consideration in the telecommunications sector.

27. Georgia had established the legislative basis for competitive markets, in particular by deregulating prices and rescinding exclusive rights previously granted to certain economic agents, and through the abolition of restrictions on competition in certain activities. The new Anti-monopoly Law required the establishment of a State register of natural monopolies. According to this register, natural monopolies existed in the provision of postal services, distribution of frequency spectrum, railway transport, pipe line services (the State Company "Sakgazi"), high-voltage power transmission (the State Company "Sakenergo"), air traffic control and dispatcher services (the State Company "Sakaeronavigatsia"), and in port services (the sea ports of Poti, Batumi and Sukhumi).

FRAMEWORK FOR MAKING AND ENFORCING POLICIES

Powers of Executive, Legislative and Judicial Branches of Government

28. The representative of Georgia said that the activities of executive, legislative and judicial authorities were regulated by the Constitution of Georgia, the Law on the Constitutional Court of Georgia of 31 January 1996, the Law on Constitutional Jurisprudence of 21 March 1996, the Law on the Structure of Executive Power and Rule of its Activities of 15 April 1997, and the organic Law on General Courts.

29. The President of Georgia, the State Chancellery, ministries and other governmental institutions exercised executive powers. As head of State, the President of Georgia conducted and carried out the internal and external policies of the State, and ensured the functioning of governmental authorities in accordance with the Constitution. The President exercised executive power himself as well as through ministries and other governmental authorities and institutions. The State Chancellery was headed by the State Minister. The Government was a consultative body of the President of Georgia, and consisted of the State Minister and 21 Ministers. Each Minister was accountable before the President for his area of responsibility. The main ministries involved in the formulation and implementation of trade policy were the Ministries of Economy, Foreign Affairs, Trade and Foreign Economic Relations, and Finance. The President had created coordination bodies and advisory and consultative institutions to regulate relations among the entities of executive power.

30. Parliament was the highest representative body of the State according to Article 48 of the Constitution. It exercised legislative power and general control over the Government in the areas defined by the Constitution, and determined the main directions of domestic and foreign policy. The President submitted the structure of executive power and rules of its activities to Parliament for approval. Parliament meetings were public.

31. Georgia's court system exercised judicial power independent of the other branches of Government in accordance with the Constitution of Georgia of 24 August 1995, the Law on the Constitutional Court of 31 January 1996, and the Law on Constitutional Jurisprudence of 21 March 1996. The Constitutional Court ensured the primacy of the Georgian Constitution, constitutional legacy, and the protection of human constitutional rights and freedom. The Supreme Court of Georgia supervised the implementation of justice in courts and considered cases determined by law by first instance. The Supreme Courts of the Abkhazian and Ajarian Autonomous Republics were the highest judicial bodies in these autonomous regions. The City Court of Tbilisi considered cases by first instance within the limits of its powers and supervised the activities of regional courts of Tbilisi. Regional (town) courts considered all cases of civil or criminal law or administrative infringements except cases under the jurisdiction of another court. The Procurator's Office implemented criminal legal prosecution and supervised enquiries and sentences. Georgia's arbitration court system had been abolished with the entry into force of the current Constitution of Georgia. Decisions or actions of customs bodies and their officials could be appealed in the courts of Georgia. The right of appeal in customs valuation matters would be regulated by the new legislative act on customs valuation.

32. Noting that the right of appeal of administrative decisions to an independent body was a critical component of the rule of law embodied in WTO provisions, a member requested Georgia to

describe in detail the process of appeal to the judiciary for traders contesting administrative rulings by executive agencies such as 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.

33. The representative of Georgia replied that persons engaged in commercial activities could contest decisions by applying to the Court of First Instance in accordance with Article XI of the Civil Procedure Code. The Decisions of the Court of First Instance could be appealed to appellate courts. In addition to rights of appeal mentioned in specific laws and regulations, the [draft] Code of Administrative Court Procedures provided a general right of appeal of administrative decisions. The legality of any normative act, individual administrative action or inaction, contract of an administrative agency or obligation of compensation could be appealed to specialized administrative chambers of the regional or city courts. Parliamentary approval of the new Code [is expected by June 1999.]

34. Parliament was responsible for ratification of international treaties, while the President of Georgia and the other executive authorities were responsible for implementation. Parliament adopted a resolution on accession to an international treaty by simple majority of its entire composition. Ratification by Parliament was required to complete the national procedures relating to WTO accession. The Ministry of Trade and Foreign Economic Relations had prepared a Presidential Decree on Managing the WTO Relationship which addressed the responsibilities of various government institutions in fulfilling Georgia's obligations vis-à-vis the WTO.

35. The hierarchy of normative acts in force in Georgia comprised: (i) the Constitution of Georgia and the Constitutional Law of Georgia; (ii) international treaties and agreements ratified by Georgia; (iii) the Organic Law of Georgia; (iv) Laws and Presidential Decrees; (v) Orders of the President of Georgia; (vi) Resolutions of the Parliament of Georgia; and (vii) Orders of a Minister or head of another central governmental authority of executive power. International agreements had direct applicability in the national legal system in accordance with Article 6 of the Constitution and Article 20 of the Law "On Normative Acts". Laws, regulations and administrative orders could be applied retroactively, but normative acts establishing or approving responsibilities could not be applied retroactively.

Authority of Sub-Central Governments

36. The representative of Georgia said that the principles of coordination between the executive, legislative and judicial authorities were determined by the organic Law of Georgia on Local Governance and Self-Governance of 16 October 1997 and the Law on the Structure of Executive

Power and Rule of its Activities of 15 April 1997. The Service of local administration and regional policy, responsible for implementing State policy in the area of local administration, had been established by Presidential Decree No. 105 of 14 February 1997.

37. Local representative organs could levy local taxes and fees according to the Law of Georgia on Local Governance and Self-Governance of 16 October 1997. He added that in accordance with Article 3 of the Constitution, Georgia's supreme national bodies had exclusive power to administer important trade-related areas, including customs and tariff regimes; foreign trade; standards and measurements, and sanitary measures at the border; State finances and loans, minting of money and legislation on banking, credit, insurance and taxes; legislation on intellectual property; and legislation on trade, criminal law, civil law, and administrative and labour law. The autonomous region of Abkhazia was included in the customs territory of Georgia, but due to the existing political situation there this region was not *de facto* under the jurisdiction of the Central Government at present, and the local authorities did not apply the national customs tariff and other taxes. Negotiations aimed at enforcement of national legislation in the former South Ossetian Autonomous Region were ongoing.

38. The representative of Georgia confirmed that Georgia would apply the WTO provisions, including Georgia's Protocol of Accession, uniformly throughout the entire customs territory controlled by the Georgian Central Government. He further confirmed that, upon accession to the WTO, Georgian Central Authorities would ensure that the laws, regulations and other measures of government entities at the sub-national level would conform to the obligations undertaken in its Protocol of Accession and the WTO Agreement, and would enforce them at the sub-national level controlled by the Central Government.

POLICIES AFFECTING TRADE IN GOODS

Trading Rights

39. The representative of Georgia said that all natural and legal persons, foreign or domestic, could engage in importation and exportation activities provided they were registered with the Taxation Department of the Ministry of Finance and with the State Department for Statistics. Parliament was considering [February 1999] a new draft law on business licensing. The [draft] law restricted the authority of Ministries to control business activity through licensing to circumstances involving safety, consumer protection, environmental protection, or national security issues. The law would apply equally to domestic and foreign-owned enterprises in Georgia, and [will be adopted in May 1999].

40. The representative of Georgia confirmed that the former State monopoly in foreign trade had been abolished and that no restrictions existed on the right of individuals and enterprises to import and export goods into Georgia's customs territory, except as provided in WTO Agreements. He confirmed that individuals and firms were not restricted in their ability to import or export based on their registered scope of business and the criteria for registration were generally applicable and published in the official journal.

41. The representative of Georgia confirmed that from the date of accession Georgia would ensure that all its laws and regulations relating to the right to trade in goods, and all fees, charges or taxes levied on such rights would be in full conformity with its WTO obligations, including Articles VIII:1(a), XI:1 and III:2 and 4 of the GATT 1994 and that it would also implement such laws and regulations in full conformity with these obligations. [The Working Party took note of this commitment.]

[Market Access Negotiations

42. Georgia presented its initial offer on goods in February 1998 (document WT/ACC/SPEC/GEO/4). Revised offers on goods have been circulated in April 1998, September 1998 and December 1998 (document WT/ACC/SPEC/GEO/4/Rev.3). An electronic copy of Georgia's current HS tariff is available for consultation in the WTO Secretariat. According to Georgian estimates, the average weighted tariff in the initial offer equals 6.74 per cent (9.22 per cent for agricultural products and 5.38 per cent for manufactures).]

A. IMPORT REGULATION

Ordinary customs duties

43. The representative of Georgia said that customs duties were established according to the Law "On Customs Tariff and Duty" of 20 March 1998. Section III of the new Customs Code of 14 November 1997 also contained provisions regarding customs duties. Article 6 of Law No. 1316-II "On Customs Tariff and Duty" of 20 March 1998 authorized the use of special tariffs and seasonal tariffs – for a period not exceeding six months in a year – to regulate trade in goods with particular variations in production or consumption. [The products subject to seasonal rates and the corresponding seasons had not yet been stipulated in Georgia's legislation.]

44. Georgia was using the 1996 version of the Harmonized System nomenclature as of 1 January 1998 in accordance with Decree No. 249 of 24 December 1997 of the Chairman of the Customs Department of Georgia. Tariff revenue amounted to 58.7 million Lari, collected on imports worth some 1.2 billion Lari (US\$ 930 million) in 1997, and 58.1 million Lari on imports worth US\$ 1,048.6 million in 1998.

45. Customs tariffs were levied at the rate of zero, 5 per cent or 12 per cent. All customs duties were *ad valorem* rates. Most imports were subject to the 12 per cent rate, while the 5 per cent rate was applied to imported pharmaceuticals; capital goods, including spare parts and supplementary equipment; and specific goods used in production (listed in document WT/ACC/GEO/3, page 24). The average trade-weighted tariff amounted to 5.1 per cent in 1997.

Other duties and charges levied on imports but not on domestic production

46. The representative of Georgia confirmed that, other than ordinary customs duties, Georgia levied no duties and charges on imports in the sense of Article II:1(b) of the GATT 1994. The Law "On Customs Tariff and Duty" of 20 March 1998 envisaged the imposition of seasonal or special duties, however, Georgia had never used these types of customs duties in practice.

47. [The representative of Georgia confirmed that Georgia levied no duties and charges on imports other than ordinary customs duties. Any such charges applied to imports after accession would be in accordance with WTO provisions. He further confirmed that Georgia would not list any other charges in its Goods Market Accession Schedule under Article II:1(b) of the GATT 1994, binding such charges at "zero".]

Tariff rate quotas, tariff exemptions

48. The representative of Georgia said that tariff exemptions were authorized in accordance with the Law "On Customs Tariff and Duty" of 20 March 1998 (Article 19) for: (i) goods for export; (ii) re-exports (against payment of customs duty, subsequently refunded, or deposition of a bank guarantee or imported goods of equal value with the Georgian Customs Department); (iii) goods in transit; (iv) imported goods placed in customs warehouses (dutable upon withdrawal from the warehouse or under the terms of other customs regimes); (v) goods imported in relief due to natural disasters, accidents and catastrophes, or as humanitarian aid; (vi) goods financed by grants or concessional credits of a foreign governmental body or international organization, including a grant element of at least 25 per cent (defined by the Ministry of Finance); (vii) goods designated for official and personal use by foreign diplomatic and similar missions and their staff, and property imported from Georgia's diplomatic missions; (viii) goods imported temporarily into the territory of Georgia; (ix) imported raw materials and semi-finished products designated for the production of exported products, including packaging materials; (x) goods brought by natural persons to the value of up to 300 Lari, per entry, in accordance with a list defined by Resolution of the Parliament of Georgia No. 273-II of 13 June 1996; (xi) imports of baby food and baby hygiene products as well as diabetic products; (xii) imports of Georgian classical literature and literary, artistic or scientific works of Georgian citizens published abroad; (xiii) imported pharmaceutical products (16 products in accordance with a list approved by the Ministry of Finance, the Ministry of Health and the Ministry of Food and Agriculture, enumerated in document WT/ACC/GEO/4, page 20); and (xiv) aviation fuel, lubricants and other combustibles in accordance with international aviation regulations.

49. The representative of Georgia confirmed that tariff exemptions, except those applied in the context of a customs union or free trade agreement, were applied on an MFN basis. Parliament could accord preferences under the Generalized System of Preferences, but this scheme had not yet been implemented.

Fees and charges for services rendered

50. The representative of Georgia said that fees for services rendered were established by Resolution No. 333 of 27 April 1993 of the Cabinet of Ministers and Decree No. 409 of the President of Georgia of 24 June 1996. These regulations would be superseded by a new Law on Customs Fees. Charges for veterinary border services were established in accordance with Article 37 of the Veterinary Law. Fees ranged from 70-120 Lari per consignment for imported goods, 60-110 Lari for goods in transit and 75-125 Lari for exported goods. The veterinary service could charge additional fees according to established price lists, for example on animal cargoes on suspicion of disease or for

violation of transportation rules. A charge for quarantine services was imposed on cargo held in quarantine, including fumigation and storage.

51. A customs declaration fee equal to 0.3 per cent of the customs value was applied to all kinds of goods. Some members pointed out that this *ad valorem* fee, although modest, did not conform to the requirements of GATT Article VIII. In reply, the representative of Georgia said that Georgia [had revised] its legislation in this area so as to comply with GATT Article VIII. Under amendments to the Law of Georgia on Customs Fees, the customs clearance fee had been reduced from 0.3 per cent *ad valorem* to 0.2 per cent *ad valorem* effective 1 May 1999, and would be further reduced to 0.15 per cent *ad valorem*, with a minimum charge of GEL 50 and a maximum charge of GEL 2,000 effective 1 January 2000. With these changes, Georgia believed this fee to be consistent with GATT Article VIII. The charge was roughly proportional to the cost of the service rendered because larger transactions involved more effort than smaller transactions. At the same time, the cap on the fee ensured that large transactions would not pay significantly more than the cost of the service rendered. The level of the fee had been set so as to recover only about half of the estimated direct and related indirect costs of providing customs inspection and clearance services. Approximately fifty percent of the time of Customs employees was spent processing imports and exports, thus half of the total direct and indirect costs of operating the Customs Department should be recoverable through the fee. According to the most reliable estimate, the fee stipulated in the new amendments would produce revenues of about US\$746,000 annually, or less than 23 per cent of the total cost of operating the Customs Department, estimated at US\$3.3 million in 1998.

52. [The representative of Georgia confirmed that, from the date of accession, Georgia would impose any fees or charges for services rendered related to importation or exportation only in conformity with Article VIII of the GATT 1994. Information regarding the application and level of any such fees, revenues collected and their use, would be provided to WTO Members upon request. The Working Party took note of these commitments.]

Application of internal taxes to imports

53. The representative of Georgia said that caviar, alcoholic beverages, tobacco and tobacco products, petrol, tyres, jewellery and motor vehicles were subject to excise tax in Georgia. Article 130 of the Tax Code stipulated the same tax rate for imported and domestic products. Excise taxes were applied at the border to imported goods at the moment of importation, and at the place of production (within 90 days of delivery or reimbursement) for domestic goods. Concerning the taxation of motor vehicles, he added that Georgia also charged owners of motor vehicles an annual tax

to the benefit of the road fund, and motor vehicles were subject to a tax upon entry (including transit) into the territory of Georgia. Imported motor vehicles resold in Georgia were not subject to additional excise tax. The difference in taxation of petrol was maintained for ecological reasons.

54. Some members noted that excise taxes on alcoholic beverages differed widely, and asked Georgia to explain the rationale for this tax structure, and identify the kind of wines and spirits produced domestically. Georgia was requested to implement an excise tax regime that would meet the criteria of Article III of the GATT, conforming to the principles outlined in recent dispute settlement panels clarifying the scope of national treatment obligations in the application of excise taxes. The representative of Georgia replied that dry, semi dry and semi sweet grape wines accounted for 80 per cent of Georgia's production of alcoholic beverages, with sparkling wines (9 per cent), brandy (3 per cent), liqueur-vodka (6 per cent) and ethyl spirits (2 per cent) constituting the remainder. His Government recognized that certain aspects of its treatment of alcoholic beverages were not fully consistent with WTO rules. The system of customs duties, excise tax and VAT applicable to imported alcoholic beverages had accordingly been reviewed during 1998, and more recently, new amendments to the excise rates had been enacted [to take effect on 1 May 1999.] Effective 1 January 1999, the special rules applied to imported alcoholic beverages had been revoked, thus the same excise rates applied to imported and domestic products. In addition, the recent amendments had established uniform excise rates within the classifications of sparkling wines, fortified wines, natural wines, most spirits, and beer, reflecting the requirements of recent WTO decisions concerning excise taxation of alcoholic beverages. The currently applicable excise tax rates are provided in Table 2.

55. Some members also noted the differentiation in taxation pertaining to tobacco and tobacco products. The representative of Georgia replied that his Government understood that the present system was not fully consistent with WTO rules. The taxation of imported tobacco products had recently been reviewed in order to bring the taxes into full compliance with WTO requirements. [The excise tax differentiation for imported cigarettes would expire on 1 April 1999. The tax differentiation between high-quality and low-quality cigarettes was under review.]

56. Georgia had introduced excise stamps for wine and spirits effective 20 March 1999, and for cigarettes effective 1 April 1999. Detailed regulations governing the administration of the excise stamps had been elaborated. He confirmed that Georgia would continue to apply the excise stamps regulations consistently with GATT Article III, discrimination against imported products. The Working Party took note of this commitment.

57. The representative of Georgia said that the Law on Value Added Tax, one of the constituent parts of Georgia's Tax Code, had been adopted by Parliament and entered into force on 1 September 1997. Value added tax was levied at a general rate of 20 per cent. VAT was applied to the wholesale price plus excises for domestic products, and the customs value, including import duty and excises, for imports. Exempt from VAT (Article 101 of the Tax Code [as recently amended]) were postage stamps (except for collection); Georgian and foreign currency (except for numismatic purposes) and securities; valuables confiscated or with no known owner, and valuables inherited by the State; gold to be transferred to the National Bank of Georgia; imported books and journals on science, art and fiction written by Georgian citizens; school books approved by the Ministry of Education in agreement with the Ministry of Finance; goods given to State bodies of Georgia as humanitarian assistance or charity, or in relief of natural disasters, accidents, and catastrophes; goods provided as grants, approved according to a procedure specified by Presidential Decree; goods provided in the form of grants or concessional loans (minimum 25 per cent grant element) by bilateral or multilateral international organizations; medicines falling within HS Chapter 30 (an exact enumeration of exempted products is contained in document WT/ACC/GEO/4 pages 41-81); medical technology (HS codes 90.18-90.22); baby food; fixed assets and spare parts (HS Chapters 84, 85 and 90); goods in transit and temporary imports; re-imported goods; imports for official or personal use of staff of diplomatic and similar representative offices to the extent required by relevant international agreements; private imports of goods valued at less than the threshold amount for imposition of customs duty; goods processed abroad by the exporter of the raw materials; raw materials guaranteed by collateral for the purpose of processing and exportation; and goods intended for re-export, guaranteed by collateral.

58. Some members considered the VAT exemption for works of Georgian authors and Georgian classical literature published abroad to be inconsistent with Article III of the GATT. The representative of Georgia replied that, in the view of his Government, the exemption for imports of works produced abroad by Georgian authors did not violate Article III because, as an exemption for imported products, it could not disadvantage imports in relation to domestic products. It was not in violation of Article I because it applied equally to imports from all nations. The representative of Georgia stated further that the Tax Code had been amended recently, effective 1 May 1999, to extend the VAT exemption for certain domestic publications equally to similar imported publications, and to extend the exemption for certain religious articles and activities of the Georgian Patriarchate equally to all religions. Georgia believed that these amendments would bring this part of the Tax Code fully into compliance with GATT requirements.

59. Concerning the taxation base for the imposition of excises and VAT, a member noted a provision in the tax code that the taxable transaction be the customs value of the goods, but not less

than the "wholesale market price, excluding the excise and VAT" (Article 125(2)). In reply, the representative of Georgia noted that excise taxes on tobacco and alcoholic products were specific rather than *ad valorem* rates. He confirmed that the phrase "but not less than the wholesale market price" in the tax code would be deleted prior to accession, thus the basis for *ad valorem* excise taxes on imported goods would be the customs value, determined in accordance with the Customs Valuation Agreement, plus the applicable tariff and other duties.

60. The representative of Georgia said that Georgia applied the destination principle in VAT taxation as from 1 September 1997. The VAT rate was accordingly identical for locally produced and imported products, including imported goods originating in other CIS countries (Article 124).

61. [The representative of Georgia stated that, from the date of accession, Georgia will apply its domestic taxes, including those on products listed in [paragraphs ... to ...] and Table 2, in strict compliance with Article III of the GATT 1994. The Working Party took note of this commitment.]

Quantitative import restrictions, including prohibitions, quotas and licensing systems

62. The representative of Georgia said that licences were required for importation of certain agricultural chemicals, wild animals and plants, medicines, arms, explosives, nuclear materials and tobacco products (Table 3). The licensing system was maintained to protect public health, safety and the environment, and was not intended to restrict the quantity or value of imports. Import permits were not required for food imports nor for imports from other CIS countries. [He confirmed that imports from CIS and non-CIS countries were subject to equal treatment.]

63. Import licences were obtained from the Ministry of Trade and Foreign Economic Relations or the Ministry of Health Protection, with the consent of the relevant ministry or department. Any person, firm or organization could apply for an import licence. The decision to grant a licence should be taken within 5 working days from the date of registration of the application. A licence was valid for the period fixed in the import contract, but not for more than one calendar year. The validity could be extended upon request. A licence could not be transferred to another importer. Asked to describe briefly the licence requirements for importation, production and sale of tobacco products, he referred to Presidential Decree N 391 "On Activities Addressing Regulation of Production, Import, Wholesale and Retail Trade in Tobacco Products in Georgia".

64. [The representative of Georgia confirmed that, from the date of accession, Georgia would not introduce, re-introduce or apply quantitative restrictions on imports, or other non-tariff measures such as licensing, quotas, bans and other restrictions having equivalent effect that could not be justified under the provisions of the WTO Agreement. If balance-of-payment measures were ever necessary in

the future, Georgia would impose them in a manner consistent with the relevant WTO provisions, including Article XII of the GATT 1994 and the Understanding on Balance-of-Payments Provisions of the GATT 1994. The Working Party took note of these commitments.]

Customs valuation

65. The representative of Georgia said that instructions on the determination of customs value had been adopted by Resolution No. 843 of the Cabinet of Ministers of 5 December 1994. These instructions provided for six methods of valuation, of which the primary method was based on the transaction value. The Ministry of Economy had been responsible for preparing a list of goods subject to minimum import prices affecting 20 product groups, including alcoholic beverages, wheat flour, oil margarine, butter, frozen fish, sugar, juices, tomato paste, cigar tobacco and jewellery products. However, the minimum import price system had been abolished in March 1998. Asked specifically about the use of world average prices in customs valuation, he confirmed that Article 5(6) of the 1996 Law on Customs Tariff had authorized such measures. However, the new Law "On Customs Tariff and Duty", adopted on 20 March 1998, contained no reference to world market prices in the valuation rules established in its Article 10.

66. Having reviewed Georgia's customs valuation legislation, a member noted that Georgia had not implemented in full the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (the Customs Valuation Agreement). According to this member, Georgia's laws and regulations failed to address the following critical areas: (i) the provisions for assists/"goods and services" found in Article 8 and the Interpretative Notes in Annex I to the Customs Valuation Agreement did not appear to be fully implemented; (ii) the royalty provision and proceeds of subsequent resale, disposal or use provision of Article 8 of the Customs Valuation Agreement were merged with the provision for assists/"goods and services"; (iii) the related party provisions in Article 1 and the Interpretative Notes in Annex I to the Customs Valuation Agreement did not appear to be fully implemented; (iv) Georgia did not provide for Article 4 of the Customs Valuation Agreement, allowing only the importer to reverse the order of use of deducted or computed valuation methods; (v) Georgia did not include the provision concerning objective and quantifiable data and no additions other than those provided for to be included in the price actually paid or payable (Article 8(3) and (4)); (vi) Georgia did not include several prohibited methods of appraisalment required by Article 7 of the Customs Valuation Agreement, as well as the obligation to inform the importer in writing of the method of appraisalment used by Customs; (vii) the obligation to publish laws, regulations, etc. pursuant to Article 12 did not appear to be implemented; (viii) the Interpretative Notes in Annex I of the Customs Valuation Agreement did not appear to be fully implemented in Georgian law; (ix) Article 15(5) of the Customs Valuation Agreement concerning

sole agent, sole distributor or sole concessionaire had not been implemented; (x) the Committee on Customs Valuation Decision 4.1 concerning the "Valuation of Carrier Media Bearing Software for Data Processing Equipment" had not been implemented; and (xi) the Committee on Customs Valuation "Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods" had not been implemented.

67. In reply, the representative of Georgia said that the Law "On Customs Tariff and Duty" (1998) provided for customs valuation of goods based on internationally recognized practices. In accordance with this Law, new regulations had been prepared that were fully consistent with the Customs Valuation Agreement, including the Interpretative Notes to the WTO Valuation Agreement and the Decisions on "Valuation of Carrier Media Bearing Software for Data Processing Equipment" and "Treatment of Interest Charges in the Customs Value of Imported Goods." The draft regulations were submitted to the Secretariat in July 1998. [Formal issuance is pending].

68. [The representative of Georgia confirmed that Georgia would fully apply the WTO provisions concerning customs valuation from the date of accession without recourse to a transition period, including the Agreement on the Implementation of Article VII of the GATT 1994. In this regard, minimum import valuation provisions had been eliminated and the new Law and its implementing regulations incorporated Annex I (Interpretative Notes) and provisions for the Valuation of Carrier Media Bearing Software for Data Processing Equipment (Decision 4.1). The Working Party took note of these commitments.]

Other customs formalities

69. The representative of Georgia said that the Customs Code contained rules of origin. Georgian legislation required indication of the country of origin of goods for both imported and domestic products. A certificate issued by the competent authority in the country of origin was necessary only for goods imported under preferential trade. CIS countries applied a uniform C-1 certificate, and had concluded an agreement on the general rules of determining the country of origin.

70. Detailed rules of origin had been laid down in the Decree "On Customs Tariff" of 21 October 1992. Origin criteria were based on the principles of wholly obtained or sufficient processing in another country. The wholly obtained criterion would typically be applied to minerals; plant products; livestock and livestock products; products of hunting, fishery and sea fishery; and secondary raw materials and wastes obtained from manufacturing and other operations. Sufficient processing was defined in terms of change of tariff position, the technology employed in the processing, or defined in accordance with established cost ratios. Mere storage and packaging,

preparation, sorting, repackaging, simple assembly operations or mixing of goods (components) would not be considered sufficient processing.

71. The representative of Georgia said that the new Law "On Customs Tariff and Duty", adopted by Parliament on 20 March 1998, stipulated that Georgia's rules of origin should be based on international experience. Accordingly, new regulations on rules of origin had been prepared that were fully consistent with the Agreement on Rules of Origin. The draft regulations were submitted to the WTO Secretariat in July 1998. Formal issuance of the regulations [is expected in May 1999.]

Preshipment inspection

72. The representative of Georgia said that Georgia had thus far not used preshipment inspection services and had no legal regulation on preshipment inspection. However, having examined proposals to improve customs collection in Georgia, his Government had decided to impose a preshipment inspection requirement on exporters. A tender to select a contractor had been issued in early 1999, and a contract was being negotiated as of May 1999.

73. The representative of Georgia confirmed that his Government would ensure that the operations of preshipment inspection entities would be consistent with the relevant WTO Agreements, in particular GATT Article VIII, the Agreement on Preshipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994. [The Working Party took note of this commitment.]

Anti-dumping, countervailing duties, safeguard regimes

74. The representative of Georgia said that Articles 10-13 of the Decree of the Council of State "On Customs Tariff" of 21 October, 1992, contained provisions on the imposition of anti-dumping and countervailing duties. He added that the 1992 decree had been replaced with the Law on Customs Duties and Tariffs of 19 March 1998, which provided the legal basis, in principle, for the imposition of anti-dumping, countervailing or safeguard measures. However, this legislation had never been used.

75. The representative of Georgia said that Georgia would not apply any anti-dumping, countervailing or safeguard measure until it had implemented appropriate laws in conformity with the provisions of the WTO Agreements on the Implementation of Article VI, on Subsidies and Countervailing Measures, and on Safeguards. After such legislation was implemented, Georgia would only apply any anti-dumping duties, countervailing duties and safeguard measures in full conformity with the relevant WTO provisions. [The Working Party took note of these commitments.]

B. EXPORT REGULATIONS

Customs tariffs, fees and charges for services rendered, application of internal taxes to exports

76. The representative of Georgia said that all exporting legal and natural persons were required to register with the State Department for Statistics. The general State register was decentralized, i.e. the entrepreneur was included in the register of any regional statistical office after registration at the local court. The State register maintained no restrictions on registration.

77. Georgia did not apply customs duties on exports; exported or re-exported goods were exempt from customs duties. As of 1 September 1997, when the new Tax Code entered into force, Georgia imposed VAT according to the destination principle and all exports, including to CIS countries, were zero rated. The regional customs offices performed customs clearance on all export cargoes.

78. Effective 1 July 1998, exports of scrap metal became subject to special duty in accordance with the Law on Regulation of Export and Re-export of Scrap and Waste of Black and Coloured Metals. The special duty had been set at 475 Lari per ton for copper, 320 Lari per ton of aluminium, and 28 Lari per ton of other metal scrap. [This special duty will expire on 1 July 1999.]

Export restrictions

79. The representative of Georgia said that Georgia maintained some export prohibitions or restrictions to protect public health, consumer welfare, the environment, the national patrimony and national security. The prohibitions or restrictions were applied equally to exports to all countries. Exportation of arms and gunpowder, artwork and antiques of museum value was prohibited. The items subject to export prohibition or licensing are enumerated in Table 4. Exports of timber were licensed to ensure the ecological balance in Georgia's forests and optimal use of forestry resources in accordance with Law No. 1469-II "On Regulating the Consumption of Forests on the Territory of Georgia" of 25 June 1998. Exports of Caucasian Fir seeds were also subject to licensing.

80. Export licences were issued by the Ministry of Trade and Foreign Economic Relations, except for medicines and medical supplies (Ministry of Health Protection). Licences were granted within 5 working days from the date of registration of the application. A licence was valid for the period stipulated in the export contract; maximum one year. The validity of a licence could be extended upon request. A licence could not be transferred to another exporter.

81. Some members noted restrictions on exports of ferrous and non-ferrous scrap metal and unprocessed timber, and stated that these appeared to violate Article XI of the GATT 1994. Georgia was requested to revise the restrictions and bring them into conformity with WTO provisions prior to

accession, or according to a time-table agreed with WTO Members. In reply, the representative of Georgia said that a prohibition on export of scrap metal had been lifted in June 1998, and replaced by licensing and payment of special duty. A special licensing fee of 60 Lari per cubic metre of timber, which had been introduced in March 1998, had also been terminated in June 1998. Export licences would be granted for all types of logs cut in conformity with the requirements of the State Forest Department.

Export subsidies

82. The representative of Georgia said that Georgia maintained no export subsidies. Other than ordinary bank loans at market interest rates, no official or other export financing facilities were available for exporters.

83. Imported raw materials and semi-manufactured goods used in the production of goods for export were exempt from customs duties under Article 18 of the Law "On Customs Tariff and Duty" of 20 March 1998. Drawback of duty on imported raw materials and semi-finished goods and physically incorporated in exported goods was allowed. Alternatively, the manufacturer could provide a bank guarantee for the amount of duty due. Imported inputs used in exported goods were also exempt from VAT. He confirmed that the amount of duty drawback on exports of finished goods did not exceed the original duty paid on the imported raw materials and semi-manufactured inputs.

C. INTERNAL POLICIES AFFECTING FOREIGN TRADE IN GOODS

Industrial policy, including subsidies

84. The representative of Georgia said that the general objective of Georgia's economic policies was to create a market economy through privatization of publicly-owned commercial enterprises, deregulation of prices and foreign investment. State-owned enterprises no longer received subsidized credits from the banking system or the Government, but some enterprises had covered their losses by running arrears on payments of taxes, wages and energy supplies. He identified the 12 largest loss-making State enterprises to be the Rustavi's "Azoti", the electromechanical factory at Kutaisi, Rustavi's "Kimbochko", the joint-stock company "Maudi", the automobile plant at Kutaisi, the Poti shipyard, "Metsi", "Orioni", the manufacturer of agricultural machinery "Lilo", the joint-stock company "Metei", the turbine plant of Mtskheta "Tolia", and the paper mill in Tbilisi. The Government intended to privatize these enterprises, but their privatization had proved difficult.

85. The representative of Georgia confirmed that Georgia did not maintain any prohibited subsidies, including export subsidies, within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures and that it would not introduce such prohibited subsidies in the future.

86. [The representative of Georgia confirmed that upon accession any subsidy programmes would be administered in conformity with the Agreement on Subsidies and Countervailing Measures. All necessary information on such programmes would be notified to the Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the Agreement. The Working Party took note of this commitment.]

Technical barriers to trade, sanitary and phytosanitary measures

Standards and certification

87. The representative of Georgia said that the Laws "On Standardization" and "On Certification of Products and Services" constituted the basic legal framework for activities in this area. The Ministries of Construction and Urbanisation, Protection of Environment and Natural Resources, Health Protection and other departments ensured product safety requirements, construction norms and regulations, and sanitary norms and regulations. The State Department of Georgia for Standardization, Metrology and Certification ("Sakstandarti") was the national body of standardization, metrology and certification in Georgia. "Sakstandarti" operated centres working on standardization, metrology and certification in Tbilisi and seven provincial cities, and State supervision of standard requirements and metrology norms was carried out by "Sakstandarti" through its local organizations. "Sakstandarti" was a member of the Interstate Council of Western Countries for Standardization, Metrology and Certification, and had become a correspondent member of the International Organization for Standardization (ISO) on 1 January 1998.

88. Although conformity with mandatory intergovernmental (GOST) standards of the CIS countries was still technically required in Georgia, virtually all imports were allowed entry without being required to meet these standards. Georgia was moving rapidly towards reliance on voluntary standards, based on international standards, in many areas. The application of mandatory standards to approximately 112 categories of products had been formally terminated on [date in May 1999]. In the remaining areas, existing GOST standards would be replaced by voluntary standards or technical regulations based on international standards as rapidly as funding allowed.

89. Georgia required a certificate of conformity issued by "Sakstandarti" and, depending on the product, a hygiene certificate from the Ministry of Health Protection. The list of imported products still technically subject to mandatory certification is provided in Table 5. He added that Georgian

standards and certification requirements were not intended to distort trade or establish technical barriers to trade. Domestically-produced and imported goods, regardless of country of origin, complied with the same requirements on standards and certification. "Sakstandarti" had introduced a system of certification and documentation to eliminate technical obstacles in trade. Georgia recognized product certificates from the CIS countries, and was negotiating agreements to recognize certificates from Poland, Bulgaria, and Romania. Georgia would agree to recognize certificates of other countries in the near future. The Ministries of Health Protection and Agriculture and Food were actively involved in the certification procedure, in particular in testing health, hygiene and veterinary products, and the certification of bread. Food safety standards and requirements and labelling requirements were laid down in the Law "On Protection of Consumers' Rights" (Chapter 1, Article 6). The Ministry of Protection of Environment and Natural Resources and the State Inspection for Technical Supervision were involved in certification related to environmental protection and safety of technical processes. Documentation had been harmonized with analogous European documents, and Western countries had recognized 55 certification bodies and 78 testing laboratories established in educational, research and other departments with the assistance of "Sakstandarti".

90. Some members noted that Georgia's legislation and practices in the area of standards did not meet the requirements of the Agreement on Technical Barriers to Trade (the TBT Agreement). Georgia was requested to complete a "Statement of Implementation" on technical barriers to trade and to provide specific information on the move from domestic to international standards; the provision of an operational enquiry point; acceptance of the TBT Code of Good Practice by Georgia; information on the procedure and terms for issuing certificates of conformity, including fees, required documentation, sampling, etc.; the use of manufacturers' certification; the adoption of a national post-market surveillance system; and the replacement of mandatory standards with voluntary standards. Georgia should outline the specific deficiencies vis-à-vis WTO provisions in this area, and indicate a schedule for achieving compliance. A member sought a commitment from Georgia to abide by the requirements outlined in the Agreement on Technical Barriers to Trade as of the date of WTO accession, and confirmation that Georgia's certificate of conformity requirements were not related to the establishment of additional barriers to trade.

91. The representative of Georgia replied that "Sakstandarti" was working closely with the Georgian-European Policy and Legal Advice Centre (GEPLAC) to bring Georgia's standards legislation in compliance with the TBT Agreement. A Presidential Decree "On Measures Implementing the Requirements of the WTO Agreement on Technical Barriers to Trade" had been adopted on 5 December 1998. This Decree contained a detailed action plan and time-frame for implementation by the relevant authorities. The TBT enquiry point had been established under "Sakstandarti", and work was going on to bring this enquiry point into full compliance with the TBT

Agreement. "Sakstandarti" had also established a publishing house ("Standarti") which issued information bulletins, standard catalogues and other materials related to standardization, metrology and certification. "Sakstandarti" thus provided publication of draft standards and other measures for prior comment.

Sanitary and phytosanitary measures

92. The representative of Georgia said that Georgia had revised its quarantine requirements and adopted new legislation, including the Law "On Protection of Plants from Harmful Organisms" of 14 October 1994, the Law "On Agricultural Quarantine" of 15 May 1997, and a new Veterinary Law reflecting the standards established by the Office International des Epizooties (OIE).

93. Concerning relations with relevant international organizations, he said that Georgia had applied for membership in the joint FAO/WHO Food Standards Programme-Codex Alimentarius Commission on 17 October 1997. Georgia also intended to join the International Convention on Plant Protection and the European and Mediterranean International Plant Protection Organization. Georgia's Veterinary Department received information from the Office International des Epizooties (OIE) concerning diseases existing in various countries in the world and assessed the risks regarding dangerous infectious diseases on the basis of this information.

94. The representative of Georgia stated that Georgia's sanitary and phytosanitary standards were intended solely for the purpose of protecting the health of human, animal and plant life, and not to create technical barriers to trade or to protect domestic producers. Compliance with Georgia's regulations was determined by the State Sanitary Service and Department of Hygiene under the Ministry of Health Protection; the Sanitary, Quarantine and Supervision Department of the State Inspection on Plant Quarantine; and the Department of Veterinary under the Ministry of Agriculture and Food, in cooperation with the Border Veterinary, Sanitary and Phytosanitary Service.

95. The State Border Veterinary Supervision Inspection checked all imports of live animals, meat and fish, animal and fish products, animal fodder and feed supplements and veterinary preparations. A licence from the State Inspection of Plant Quarantine was required for importation, re-export or transit of goods covered by plant quarantine regulations. Traded goods covered by quarantine regulations included agricultural products, timber, seeds and seedlings, plants and plant parts, and plant products that could carry infectious diseases; hides and unprocessed wool; mushrooms, bacteria, viruses, nematodes and insects on living cultures; collections of insects, which could bring plant diseases; herbaria and seed collections; agricultural machinery, aggregates for land development, vehicles, vessels, packaging materials and industrial plants; and soil samples which could carry plant diseases. Preshipment inspection, leading to an international veterinary certificate, should be carried

out where appropriate. Importation of commodities of plant origin and other items subject to quarantine required a phytosanitary certificate issued by the quarantine service of the exporting country as well as a certificate on the condition of the commodity delivered by the relevant division of Georgia's Ministry of Food and Agriculture (Article 8 of the Law on Agricultural Quarantine). Infested or infected shipments which could not be disinfected would be returned to the country of origin or destroyed with the owner's consent. The representative of Georgia provided detailed information on procedures followed in implementing Georgia's sanitary and phytosanitary regime, requirements for imported animal and plant products, and a list of all quarantine pests in document WT/ACC/GEO/4, pages 99-110.

96. Some members noted that Georgia's legislation and practices covering SPS measures appeared not to meet the requirements of the SPS Agreement. Georgia was asked to provide further information on ongoing efforts to bring its SPS legislation into conformity with the SPS Agreement, including additional steps to be taken, a time-frame for implementation, and details on any problems Georgia might have with implementation of the SPS Agreement upon accession. A member sought a commitment from Georgia to abide by the requirements outlined in the SPS Agreement as of the date of accession to the WTO, adding that the establishment of a certification system for imports that did not present unnecessary barriers to trade prior to accession would be a fundamental factor in completing Georgia's accession process.

97. The representative of Georgia replied that Georgia was working closely with GEPLAC (the Georgian-European Policy and Legal Advice Centre) and the Institutional Reform and Informal Sector (IRIS) to identify the specific aspects of the SPS Agreement not covered by Georgia's existing regime. A detailed plan had been prepared on steps to bring Georgia's SPS procedures into conformity with WTO requirements. An Interministerial Coordinating Body for SPS Implementation (ICB) had been formed and Georgia had also established the SPS enquiry point, as required by the WTO. The Interministerial Coordinating Body was chaired by the Deputy Minister of Agriculture responsible for international issues, and included a working-level body with representation from each agency concerned. The enquiry point had been fully operational as of July 1998.

98. [The representative of Georgia confirmed that Georgia would apply all obligations under the WTO Agreements on Sanitary and Phytosanitary Measures and Technical Barriers to Trade from the date of accession without recourse to any transition period. The Working Party took note of these commitments.]

Trade-related investment measures

99. The representative of Georgia stated that Georgia maintained no measures inconsistent with the Agreement on Trade-Related Investment Measures (TRIMs) at present, and Georgia was ready to undertake the obligations of the TRIMs Agreement upon accession to the WTO.

100. The representative of Georgia said that Georgia would not maintain any measures inconsistent with the TRIMs Agreement and would apply the TRIMs Agreement from the date of accession without recourse to any transitional period. [The Working Party took note of this commitment.]

State-trading entities

101. The representative of Georgia said that all public sector monopolies for the supply of goods and services had been eliminated, and there were no parastatal or government-mandated private sector monopolies in Georgia. Remaining State-owned enterprises had no access to preferential State funding, and acted purely on the basis of commercial considerations in a non-discriminatory manner consistent with Article XVII of the GATT 1994. No Georgian enterprise carried special or exclusive privileges in the production of any good or service. At present, Georgia did not operate any State enterprise or agency, or authorize any other firm, to purchase domestic and/or imported agricultural products for export or domestic distribution. Accordingly, Georgia maintained no State-trading enterprises as defined by GATT Article XVII and the Understanding on the Interpretation of Article XVII of the GATT 1994.

102. The representative of Georgia confirmed that his Government would apply its laws and regulations governing the trading activities of State-owned enterprises and other enterprises with special or exclusive privileges in full conformity with the provisions of the WTO Agreement, in particular Article XVII of the GATT 1994 and the Understanding on that Article and Article VIII of the GATS. He further confirmed that Georgia would notify any enterprise falling within the scope of Article XVII. [The Working Party took note of these commitments.]

Free zones, special economic areas

103. The representative of Georgia said that his Government planned to establish free economic zones in Poti and Batumi following the adoption of the appropriate legal basis for the creation of such zones. However, Parliament had rejected the draft law on free economic zones.

Government procurement

104. The representative of Georgia said that government procurement, whether by a ministry, agency or other governmental body, was carried out by competitive tender under Presidential Decree

No. 162 of 11 February 1996 and the Cabinet of Ministers' Resolution No. 264 "On Delivery of Products and Goods for State Needs of the Republic of Georgia" of 30 March 1993. The main entities involved in government procurement were the Ministry of Defence, the Ministry of State Security, the Ministry of Internal Affairs, and the State Department of State Border Protection. Government procurement was carried out in a non-discriminatory manner between domestic and foreign suppliers, except for procurement of certain types of goods for the armed forces, in which case the participation of foreign companies was restricted. No statistical data was collected on government procurement in Georgia.

105. Parliament had adopted a new law on government procurement based on the UNCITRAL model law, prepared in close cooperation with GEPLAC (Georgian-European Policy and Legal Advice Centre), in December 1998. The Law would be amended to ensure full compatibility with the Agreement on Government Procurement.

106. The representative of Georgia said that Georgia intended to join the Agreement on Government Procurement. He confirmed that Georgia had requested observer status in the Committee on Government Procurement

107. [The representative of Georgia confirmed that, upon accession to the WTO, Georgia would initiate negotiations for membership in the Agreement on Government Procurement by tabling an entity offer. He also confirmed that, if the results of the negotiations were satisfactory to the interests of Georgia and the other members of the Agreement, Georgia would complete negotiations for membership in the Agreement by 31 December 2000. The Working Party took note of this commitment.]

Transit

108. The representative of Georgia said that goods transported through the territory of Georgia were exempt from customs duty, VAT and excise taxes. On 16 April 1999, Georgia had acceded to the Convention and Statute on Freedom of Transit of 20 April 1921; the Convention on Transit Trade of Land-Locked States (New York, 8 July 1965); and the International Convention on the Harmonization of Frontier Controls of Goods (Geneva, 21 October 1982).

109. [The representative of Georgia confirmed that his Government would apply its laws and regulations governing transit operations and would act in full conformity with the provisions of the WTO Agreement, in particular Article V of the GATT 1994. The Working Party took note of this commitment.]

Agricultural policies

110. [Information on domestic support and export subsidies in agriculture was circulated in document WT/ACC/SPEC/GEO/2 on 28 November 1997. Georgia has provided additional information on domestic support and export subsidies in document WT/ACC/SPEC/GEO/2/Add.1 of 10 June 1998, and document WT/ACC/SPEC/GEO/2/Add.2 of 6 October 1998.]

111. The representative of Georgia said that imports of agricultural products were subject to tariffs (zero, 5 or 12 per cent) and sanitary and phytosanitary measures. No other border measures were applied to agricultural goods. There was no special export regime applicable to agricultural goods, no export credits other than those available from commercial banks, and no system of export credit guarantees or insurance cover arranged by the Government.

112. Concerning internal policies, he said that his Government was cooperating with multilateral and bilateral organizations to transform the collective agricultural system to a market-based system. Programmes included land reform, privatization of farms and agro-industry, the establishment of competitive markets in distribution services, and the development of research, education and extension services. With the assistance of European Communities counterpart funds (CPF), the Government provided - through the commercial banking system - short term working capital to traditional suppliers of inputs of fertilizers, seeds, and energy products, as well as to grain producers and traders. The Government did not engage in agricultural subsidies through price support, direct payments to farmers or in subsidized credit arrangements, other than to grape and tea producers. No budgetary resources were available to assist the residual State farms sector. The Government did not provide any export subsidies.

113. The representative of Georgia confirmed that Georgia would bind its agricultural export subsidies at zero.

114. [Georgia's commitments on agricultural tariffs, on domestic support and export subsidies for agricultural products are in the Schedule of Concessions and Commitments on Goods annexed to Georgia's Protocol of Accession to the WTO.] [to be completed]

Trade in civil aircraft

115. The representative of Georgia said that Georgia maintained a duty-free regime for the importation of aircraft parts and other supporting equipment used in international transportation. Georgia intended to join the Agreement on Trade in Civil Aircraft upon accession to the WTO.

116. The representative of Georgia said that Georgia would, from the date of accession, implement the Agreement on Trade in Civil Aircraft without exceptions [or transitional period.] The representative of Georgia confirmed that Georgia would become a signatory to the Agreement on Trade in Civil Aircraft upon accession to the WTO. [The Working Party took note of this commitment.]

Textiles regime

117. A member asked whether Georgia would notify any quantitative restrictions on its exports of textiles to the Textiles Monitoring Board.

118. The representative of Georgia said that Georgia did not maintain any quantitative import restrictions on textile and clothing products. According to an Agreement with the European Communities (1993), Georgia's exports of textile and clothing (HS Chapters 50 to 63) could become subject to quantitative restrictions in the European Communities' market if the exported volume exceeded 0.35 to 4 per cent, depending on the product, of total Community imports in the previous year. The Agreement also contained provisions against Georgian exports of textile products at prices "...abnormally lower than the normal competitive level". However, these provisions had never been invoked, and the quantitative limits had not been applied.

TRADE-RELATED INTELLECTUAL PROPERTY REGIME

General

Industrial property protection

119. The representative of Georgia said that the protection of intellectual property rights was an essential element of Georgia's economic policy. Intellectual property rights were inviolable according to Article 23 of the Constitution. The system of intellectual property protection in Georgia was designed to comply with the requirements of leading multilateral treaties in this field, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement), the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works. The specific provisions of Georgian law meeting the requirements of each article of the TRIPs agreement are summarized in Table 6.

Responsible agencies for policy formulation and implementation

120. The representative of Georgia said that the Georgian National Intellectual Property Center (Sakpatenti) was responsible for matters involving industrial property (inventions, utility models, industrial designs, trade marks, service marks), and for matters involving appellations of origin and layout designs of integrated circuits. The Copyright Agency dealt with matters involving copyrights and neighbouring rights, and the Ministry of Agriculture was responsible for matters involving plant variety protection.

Participation in international intellectual property agreements

121. The representative of Georgia said that Georgia was a member of WIPO and a party to the Paris Convention for the Protection of Industrial Property (18 January 1994); the Patent Cooperation Treaty (18 January 1994); the Berne Convention for the Protection of Literary and Artistic Works (15 May 1995); and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (20 August 1998). Georgia intended to join the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961); the Budapest Treaty on the International Recognition on the Deposit of Microorganisms for the Purposes of Patent Procedure; and UPOV (Geneva Act, 1991). Georgia had concluded a bilateral agreement with Uzbekistan on cooperation in the field of industrial property protection in 1996, and an agreement on cooperation between the patent offices of Georgia and Austria. Georgia had also concluded bilateral agreements with Kazakstan, the Russian Federation, Moldova, Belarus, and Italy on mutual protection of copyright and neighbouring rights.

Application of national and MFN treatment to foreign nationals

122. The representative of Georgia said that Georgia granted national treatment in accordance with the Paris and Berne Conventions. According to Article 1018 of the Civil Code copyright was extended to works protected by those international agreements to which Georgia was a party. Georgia would grant national and MFN treatment to Members of the WTO upon accession to the WTO.

Fees and taxes

123. The representative of Georgia provided information on State fees for patenting inventions, utility models, industrial designs, and for registration of trade marks (document WT/ACC/GEO/3, page 42). There were no fees for the protection of copyrights. Fees for other areas of intellectual property rights had not been established so far.

Substantive Standards of Protection, Including Procedures for the Acquisition and Maintenance of Intellectual Property Rights

Copyright and related rights

124. The representative of Georgia said that Georgia provided copyright protection under Book 4, section 1 of the Civil Code. The provisions of the Civil Code on copyright would be supplemented by a new law on copyright and neighbouring rights, [expected to be adopted by Parliament in June 1999.] The Copyright Law of Georgia had been prepared on the basis of the WIPO model law.

125. The Civil Code (Article 1017) protected the moral and economic rights of authors, and neighbouring rights connected with performers, producers of phonograms and broadcasting organizations. The rights of performers, producers of phonograms and broadcasting organizations were defined in Articles 1082 to 1091. Computer program issues were regulated in Articles 1060-61. Protection did not depend on any kind of formal procedure nor on the level of protection in the country of origin. The term of protection began from the moment of creation of the work and lasted 50 years beyond the death of the author according to the Civil Code, Articles 1062 (duration), 1063 (validity) and 1508 (application of copyright law norms on pre-existing works). Article 1045, which should be read together with Articles 1039, 1040 and 1041, provided for the authors' rights concerning cinematographic adaptation or reproduction envisaged in Article 14 of the Berne Convention. The limitations and exceptions on the rights of authors stipulated in Articles 1050 through 1061 were confined to cases which did not conflict with normal exploitation of the work and did not unreasonably prejudice the right holder's legitimate interests.

126. Article 6 of the [draft] Copyright law and Article 1024 of the Civil Code defined copyrightable material as (i) literary works (books, brochures, articles, computer programs, etc); (ii) drama or musical-dramatic works, choreographic, mime, and other theatrical works; (iii) musical works, with or without text; (iv) audio-visual works; (v) sculptures, paintings, and architectural, graphic, lithographic and other work of visual art; (vi) pieces of decorative-applied and monumental art; (vii) pieces of theatrical-decorative art; (viii) photographic works, and works created by means analogous to photography; (ix) maps, plans, sketches, illustrations and other three-dimensional works belonging to geography, photography or other sciences; (x) derivative works; and (xi) collection of works or data which represent results of intellectual creative activity.

127. The [draft] law on copyright and neighbouring rights included specific provisions on economic rights (Article 16), the rights of producers of phonograms (Article 39), the rights of producers of videograms (Article 40), the distribution of phonogram and videograms (Article 41), and the rights of broadcasting organizations (Article 42), as well as certain provisions which were not reflected in the Civil Code, for example on rental rights in respect of computer programs, cinematographic works and phonograms (drafted on the basis of the EC Directive of 14 May 1991 on the Legal Protection of Computer Programs), and cable transmission rights (Article 16(g)).

128. A court could order confiscation of copies of counterfeit works and phonograms and the materials and equipment needed for their reproduction, which would be handed over to the right-holder or destroyed. Counterfeit copies of works and phonograms, obtained by third parties in good faith, are not subject to confiscation (Civil Code Article 1098).

Trademarks, including service marks

129. The representative of Georgia said that a new Law "On Trademarks" had been adopted by Parliament on 5 February 1999 and had entered into force on 22 May 1999. The new Law was based on the standards of the TRIPS Agreement and the European Communities Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community Trade Mark, as amended by Council Regulation (EC) No. 3288/94 of 22 December 1994 for the Implementation of the Agreement Concluded in the Framework of the Uruguay Round.

130. The Law defined a trademark as a sign or a combination of signs which could be expressed graphically and was capable of distinguishing the goods and/or services of one enterprise from those of another. A sign could be a word; combination of words (including personal name, letters and numerals); figure; design sound mark; or three-dimensional configuration, including the shape of goods or their packaging as well as colours and combination of colours. The exclusive rights of the

trademark owner, the scope of protection, and the scope of the exclusive rights were enumerated in Articles 6 and 7 of the Law.

131. Trademarks were protected through registration with the Georgian National Intellectual Property Center "Sakpatenti". The substantive examination of a trademark should be effected within 8 months from the date of filing with Sakpatenti. Decisions regarding trademark registration could be challenged in the Chamber of Appeal, and the decision of the Chamber of Appeal could be appealed before a court.

132. Registration of a trademark did not depend on use, but a trademark registration could be cancelled after 5 years of continuous non-use in Georgia. Service marks were protected in the same way as trademarks, and Georgian legislation protected well-known marks. Well-known marks were protected without registration by virtue of Article 6 *bis* of the Paris Convention according to Article 3.4 of the Trademark Law. Georgian legislation referred to the Paris Convention on the Protection of Industrial Property (Article 6 *bis*) for the definition of a "well known" mark. The requirement of Article 16.1 of the TRIPS Agreement that the law should presume confusion where an identical mark was used without authorization on identical goods and services was addressed in Article 5(1) and 6.2 of the Law. Article 6 of the Law extended the protection to similar signs for similar products. Articles 16.2 and 3 of the TRIPS Agreement were implemented through Article 6.4 of the Trademark Law.

133. A trademark certificate was valid for an initial term of 10 years from the date of registration, and could be renewed indefinitely for additional periods of 10 years. Agreements to transfer or licence a trademark needed to be registered with Sakpatenti to have juridical force.

Geographical indications, including appellations of origin

134. Some members asked about the status of protection of geographical indications, including appellations of origin in Georgia, noting that the Statute of Trademarks was deficient in a number of areas with respect to Articles 22 to 24 of the TRIPS Agreement. In particular, Article 22.3 of the TRIPS Agreement required a Member to refuse to register or invalidate registrations containing geographical indications except in instances in which such marks had been used continuously for at least 10 years or in good faith before 15 April 1994, and the TRIPS Agreement stipulated protection against use of geographical indications even when literally true but which falsely represented that the goods originated in another territory; protection, with certain exceptions, of appellations of origin for wines and spirits even against use accompanied by expressions such as "kind", "type", "style", etc; and refusal or invalidation, with certain exceptions, of trademark registrations containing geographical indications for wines and spirits if they did not originate in the place named.

135. The representative of Georgia replied a Law "On the Protection of Appellations of Origin and Geographical Indications" had been prepared based on Articles 22 to 24 of the TRIPS Agreement and European Communities Council Regulation (EC) No. 2081/92 of 14 July 1992. The draft law was submitted to Parliament on [date in May 1999] and was expected to be adopted in [June 1999].

Industrial designs

136. The representative of Georgia said a new patent law, adopted by Parliament on 5 February 1999 [expected to become effective in early June 1999], regulated the protection of industrial designs in Georgia. Applications for registration were filed with "Sakpatenti", which granted patents to industrial designs considered novel, original and industrially applicable. The term of validity of a patent was 15 years from the date of filing of the application. A licence agreement could be registered with "Sakpatenti". Any person engaged in non-authorized use of an industrial design could be ordered to suspend its use and the owner of the patent could claim damages. Neither the Statute on Industrial Designs nor the patent law contained any special requirements regarding the protection of textile designs.

Patents

137. The representative of Georgia said a new Patent Law had entered into force on 27 May 1999. Under this law, the Georgian National Intellectual Property Center "Sakpatenti" granted patents for inventions which were considered novel, involved an inventive step, and were industrially applicable. The term of a patent was 20 years from the date of filing of the application.

138. Patents would not be granted for surgical, therapeutic and diagnostic methods of treatment of people and animals; species of plants and animals, and particular biological methods for breeding plants and animals; or inventions which could provoke or encourage inhumane, immoral and/or anti-social actions. Discoveries, scientific theory, or mathematical methods; results of artistic work; computer algorithms and programs; intellectual implementation methods, including education and training methods; organizational and management methods; industrial design and diagrams for planning of buildings, constructions and territories; and presentation of information would not be regarded as inventions.

139. According to the Patent Law, the patent owner had the exclusive right to use or dispose of an invention at his discretion, to make a product protected by the patent, to place the object in commerce, and to derive income from its use. The patent owner could sell or otherwise alienate a patent, or grant a licence. Non-exclusive compulsory licences could be granted after 4 years of patent issuance upon the request of any interested persons (Article 61).

Plant variety protection

140. The representative of Georgia said that the Law on Protection of Selection Achievements protected plant variety and animal breeders by granting a certificate. The certificate confirmed the exclusive right of its holder on selection achievement. The Law had been prepared according to the standards of the UPOV Convention (1991).

Layout designs of integrated circuits

141. The representative of Georgia said that the Patent Office of Georgia had prepared a draft law on protection of layout designs of integrated circuits. [The draft Law was submitted to Parliament in May 1999, and is expected to be passed by 30 July 1999.] The draft law was provided to the Working Party.

Requirements on undisclosed information, including trade secrets and test data

142. The representative of Georgia said that the Law "On Monopolistic Activity and Competition" (Article 9.7) prohibited the collection, use and/or distribution of trade-related information or commercial secrets without consent of the proprietor. Commercial secrets were also defined and protected by Article 1105 of the Civil Code.

143. Georgia's law did not contain any express provision protecting test data for pharmaceuticals and agricultural chemicals, but relevant legislation was expected to be prepared and enacted in 1999. Agricultural products were tested and registered by the Plant Protection Department of the Ministry of Foods and Agriculture. Test data and other data were protected and not subject to disclosure until registration. Pharmaceutical products were tested by the Ministry of Healthcare. Applications were registered and marked "for internal use only", and could not be copied or disclosed to outside persons.

Measures to Control Abuse of Intellectual Property Rights

144. The representative of Georgia said that the State Anti-monopoly Service was authorized to take measures against acts of unfair competition according to Article 21 of the Law "On Monopolistic Activity and Competition". The Service could initiate court proceedings, requesting the cessation or prohibition of activities violating Georgia's anti-monopoly legislation, and raise the issue of administrative and criminal liability.

Enforcement

Civil judicial procedures and remedies

145. The representative of Georgia said that the Code of Civil Procedure, which had entered into force on 20 May 1999, stipulated that intellectual property cases were under the jurisdiction of circuit courts. The judicial authorities could order a party to desist from an infringement. Article 45.2 of the Law on Trademarks allowed a trademark owner whose rights had been violated to file a civil suit seeking cessation of the infringing activities, destruction of all materials carrying an infringing trademark, and damages. The infringer could also be fined or imprisoned. Article 69 of the Patent Law provided similar protection against infringement of patents.

Provisional measures

146. The draft Law on Intellectual Property Related Border Measures, submitted to Parliament [on ... May 1999], provided for provisional measures to prevent the import or export of goods infringing copyrights or trademarks protected under Georgian law. This law implemented Articles 50-60 of the TRIPS Agreement. Additional protection was provided under Article 53 of the Administrative Procedure Code, and Articles 103-5 and 134 of the Civil Procedure Code.

Administrative procedures and remedies

147. The representative of Georgia said that the [draft] Code of Administrative Infringements contained provisions regarding intentional violation of copyright and patent rights (Article 218), and misappropriation of trademarks (Article 253).

Special border measures

148. The representative of Georgia said that the [draft] Law on Intellectual Property Related Border Measures provided that goods infringing copyright or trademark under Georgian law could, upon order of the court based on an application of the copyright or trademark holder, be detained for up to ten days. Within that time the right holder would need to initiate proceedings on the merits against the alleged infringer. The Law had been prepared specifically to implement Articles 50-60 of the TRIPS Agreement.

Criminal procedures

149. The representative of Georgia said that a commission within the Ministry of Justice had prepared the [draft] Criminal Code of Georgia. The [draft] Criminal Code stipulated criminal penalties with respect to violation of intellectual property rights (Article 172), restriction of monopolistic activities and competition (Article 199), misappropriation of trademarks (Article 200), false advertising (Article 201) and illegal provision or distribution of information containing commercial or banking secrets (Article 202). Penalties ranged from a fine equal to 300-1,000 times the minimum wage and up to two years' imprisonment.

150. [The representative of Georgia stated that Georgia would fully apply all the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights from the date of its accession to the WTO, without recourse to any transitional period. The Working Party took note of this commitment.]

POLICIES AFFECTING TRADE IN SERVICES

151. [Information on policy measures affecting trade in services was circulated in document WT/ACC/SPEC/GEO/1 of 27 November 1997. Georgia's initial commitments on trade in services were presented in February 1998 (document WT/ACC/SPEC/GEO/3); a revised offer was circulated in document WT/ACC/SPEC/GEO/3/Rev.1 on 13 May 1998. Georgia has submitted a preliminary list of concessions and commitments in services (November 1998), as well as a revised preliminary list, circulated in document WT/ACC/SPEC/GEO/6/Rev.1 of 4 February 1999.]

152. The representative of Georgia said that services sectors accounted for approximately 32 per cent of Georgia's GDP in 1998. Georgia was in the process of drafting and adopting new laws, and amending existing legislation related to trade in services to make the legislative basis consistent with the Agreements of the World Trade Organization. General laws related to services included the Constitution of Georgia; the Law "On Promotion and Guarantees of Investment Activity"; the Law "On Entrepreneurship"; the Law "On the Legal Conditions of Foreigners"; the Law "On Temporary Entry, Residence and Exit of Foreigners from Georgia"; the Law "On Monopoly Activities and Competition"; and the "Bankruptcy Law" of 25 July 1996. A new Law on Bookkeeping and Accounting had been adopted by Parliament on 5 February 1999. The procedures for obtaining permission to engage in activities such as banking, insurance, issuance of securities and communications applied equally to domestic and foreign investors.

153. Concerning specific services sectors, he said that banks were required to be registered with the Courts, and to hold a banking licence issued by the National Bank of Georgia. The National Bank

based its administrative decisions on the Law on the National Bank of 28 June 1995 and the Law on Commercial Banks Activities of February 1996. Foreign banks operated in accordance with Georgia's common banking legislation and were not subject to any special or additional requirements. The Insurance State Supervision Service controlled insurance activities. According to the Insurance Law, in force since 2 May 1997, insurance could be provided only by legal persons organized as joint-stock companies or limited responsibility societies. Licences were granted for an indefinite period of time. The Insurance Law had been amended in October 1998 to abolish restrictions on foreign ownership of insurance companies, effective upon Georgia's accession to the WTO. The Ministry of Finance established and enforced the regulatory regime for the stock market and issuance of securities. Parliament had approved a law establishing a stock market and providing for registration and regulation of securities in Autumn 1998. Parliament had also approved amendments to the Law "On Entrepreneurship" providing for improved stockholder protection and other provisions to encourage the development of a securities market in Georgia.

154. The Ministry of Telecommunications and Postal Services regulated the telecommunication sector and postal services in accordance with the Law on Telecommunications No. 568 of 12 October 1994. The Ministry formulated legislation, regulated tariffs and charges and participated in the establishment of industry standards. Licences were issued by the Ministry of Telecommunications, on the basis of a decision of a Licensing Committee (approved by the Minister) within one month of submitting the application and documentation. Georgian and foreign firms registered in Georgia were licensed under equal conditions. Telecommunication services were provided by both State-owned and private firms. Postal services were a State monopoly in accordance with Presidential Decree No. 334 of 20 May 1996. However, foreign express companies such as DHL, ITS, and UPS also operated in Georgia.

155. The Ministry of Justice regulated legal services. Legal services by foreign lawyers were not regulated or restricted by Georgian legislation. Audit services were regulated by the Audit Board established under the Parliament of Georgia. Audit firms needed to have a licence from the Audit Council in order to provide audit services in Georgia.

156. The regulatory regime in the tourism sector comprised the Tourism Chart and Tourism Code (September 1995), the Law "On Tourism and Resorts" of 6 March 1997, and Amendments and Changes to the Law on Tourism and Resorts of 20 March 1998. The fee for licensing tourist activities was set at 245 Lari and applied equally to domestic and foreign firms.

157. [Georgia's Schedule of Specific Commitments on Services is annexed to its draft Protocol of Accession reproduced in the Appendix to this Report (see paragraph ... below). This Schedule of

Specific Commitments on Services contains the legally binding market access commitments of Georgia in respect of services.]

158. [to be completed]

Transparency

Publication of information on trade

159. The representative of Georgia said that a normative act could not take effect before its official publication (Article 38, paragraph 5 of the Law on Normative Acts of 29 October 1996). Normative acts for enactment were published either in "Sakartvelos Kanonmdeblobis Matsne" (Georgian Legislation News), "Sakartvelos Parliamentis Utskhebani" (Georgian Parliament News), "Sakartvelos Respublica" (official newspaper), or in the official publishing organ of the authority adopting the normative act. Publication of laws, regulations and administrative orders was a legal obligation, and laws, regulations and administrative orders could not take effect before their publication. Asked to clarify the relationship between these requirements and Article X of the GATT 1994, he confirmed that Georgia published all laws, regulations, judicial decisions and administrative rulings of general application prior to implementation.

160. A member noted that normative acts could be published in a variety of journals and asked Georgia to indicate specifically which organs were relevant to the obligations contained in Article X of the GATT and the WTO Agreements on SPS, TBT, TRIPS, GATS, Import Licensing Procedures, Customs Valuation. Reminding Georgia that Article X and several WTO Agreements required laws, regulations, judicial decisions, and administrative rulings of general application dealing with trade to be published in a manner which permitted governments and traders to become acquainted with them, and in some cases for comment prior to finalization, this member requested Georgia to review its current diffuse publication strategy and to consider focusing its publication requirements on WTO issues in a relatively small number of publications. The current system of publication of normative acts in various publishing journals could be a source of serious confusion and lack of proper information for foreign traders.

161. The representative of Georgia replied that official publication of a normative act implied publication of the entire text in "Sakartvelos Kanonmdeblobis Matsne" (Georgian Legislation News). He added that, from the date of accession, Georgia would publish all laws, regulations, judicial decisions, and administrative rulings of general application dealing with trade in full conformity with Article X of GATT 1994, [Article III of the GATS and the other transparency requirements in WTO Agreements requiring notification and publication.]

Notifications

162. [The representative of Georgia said that, at the latest upon entry into force of the Protocol of Accession, Georgia would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Any regulations subsequently enacted by Georgia which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement would also conform to the requirements of that Agreement. The Working Party took note of this commitment.]

Trade Agreements

163. The representative of Georgia said that Georgia was a member of several multilateral economic organizations, including the Customs Cooperation Council (CCC); the European Bank for Reconstruction and Development (EBRD); the United Nations Economic and Social Council (ECOSOC); the European Telecommunications Satellite Organization (EUTELSAT); the Food and Agriculture Organization (FAO); the International Atomic Energy Agency (IAEA); the International Civil Aviation Organization (ICAO); the International Fund for Agricultural Development (IFAD); the International Labour Office (ILO); the International Monetary Fund (IMF); International Maritime Organization (IMO); the International Maritime Satellite Organization (INMARSAT); the International Organization for Migration (IOM); the International Road Traffic Organization (IRTO); the International Trade Centre (ITC); the International Telecommunications Union (ITU); the Organization for Security and Cooperation in Europe (OSCE); the United Nations Conference on Trade and Development (UNCTAD); the United Nations Development Programme (UNDP); the United Nations Economic Commission for Europe (UNECE); the United Nations Environmental Programme (UNEP); the United Nations Industrial Development Organization (UNIDO); the Universal Postal Union (UPU); the World Food Programme (WFP); the World Health Organization (WHO); the World Intellectual Property Organization (WIPO); the World Meteorological Organization (WMO); the World Bank; the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA), the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the World Tourism Organization.

164. Georgia had signed 30 bilateral agreements containing substantive provisions directly affecting foreign trade in goods and/or services. Georgia had concluded Free Trade Agreements with Armenia, Azerbaijan, Kazakstan, Moldova, the Russian Federation, Turkmenistan, Ukraine and Uzbekistan, but only those with Azerbaijan, Russia, and Ukraine had been ratified and were effective. Georgia had also signed 22 agreements on trade and economic cooperation or economic relations, as well as a number of agreements and treaties on the promotion and reciprocal protection of investment

(the respective agreements are listed in document WT/ACC/GEO/3, Annex 7). Georgia had signed a Partnership and Cooperation Agreement with the European Communities on 22 April 1996. The agreement was based on reciprocal application of the MFN principle. Georgia was a participating State in the Black Sea Economic Cooperation (BSEC), established on 25 June 1992.

165. Concerning relations with the Commonwealth of Independent States (CIS), he said that Georgia had become a CIS member on 9 December 1993. Georgia had signed the Agreement on the Creation of an Economic Union of 24 September 1993 and the Agreement on Creation of Free Trade Area within the CIS, but these agreements had never been ratified, and the Government had no intention of seeking ratification. The Agreement on Creation of Free Trade Area within the CIS bound signatories not to impose import or export duties or quantitative restrictions on goods originating in signatory countries. The Agreement provided that the parties would agree on goods to be excluded from the free trade regime, but this had not been done. The Agreement required each party to authorize free transit over its territory of goods originating in another party and destined for a third party. The Agreement also required the signatories to accord national treatment with respect to (i) domestic taxes and levies of a fiscal character, (ii) other restrictions or requirements, and (iii) rules on transit, warehousing and payment. Parties were free to take quantitative or other protective measures: (i) in response to shortages; (ii) for balance of payments reasons; or (iii) to redress significant injury caused by imports, or threat thereof, to domestic producers. Each party remained free to adopt measures to protect public health, morals, order and security, plants and animals, national treasures and intellectual property. The Coal and Metal Association Agreement, signed by 11 CIS countries, provided for the establishment of a Eurasian Association for Coal and Metal to further rational development of the coal and metal-producing industries, coordination of scientific, technical and investment policies, and promotion of beneficial conditions of supply and terms of sale. The Coal and Metal Association Agreement did not contain any provisions relating to preferential market access.

166. The representative of Georgia stated that Georgia did not conduct any trade on the basis of government-mandated countertrade or barter. An agreement with the Russian Federation for 1996-97 had envisaged duty exempt barter of agricultural products in exchange for industrial goods between private sector entities, but no such trade had actually taken place, and the agreement had expired.

167. In response to specific questions on Georgia's economic relations with other CIS countries, the representative of Georgia added that only the Free Trade Agreements with Azerbaijan, the Russian Federation and Ukraine were actually in force. The Free Trade Agreement with Ukraine entered into force on 4 June 1996. The CIS Agreement on the Creation of an Economic Union was a framework agreement which required separate agreements in specific areas of economic activity to become

effective. No free circulation of goods, services, capital or manpower had yet been implemented on the basis of this Agreement. He stressed that Georgia had no intention of joining the CIS Customs Union. He agreed that the Agreement "On Creation of Zone of Free Trade of the Commonwealth of Independent States" would need to be notified under Article XXIV of the GATT 1994 and Article V of the GATS when and if that Agreement became effective, but added that the agreement was not yet in force.

168. A member requested Georgia to submit notifications and copies of its Free-trade Area and Customs Union Agreements to the Committee on Regional Trade Agreements (CRTA) upon accession. The representative of Georgia replied that Georgia would notify the current agreements with Russia, Azerbaijan, and Ukraine upon accession.

169. The representative of Georgia stated that his Government would observe the provisions of the WTO including Article XXIV of the GATT 1994 and Article V of the GATS in its participation in trade agreements, and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning free trade areas and customs unions of which Georgia was a member were met from the date of accession. [The Working Party took note of these commitments.]

CONCLUSIONS

170. The Working Party took note of the explanations and statements of Georgia concerning its foreign trade regime, as reflected in this Report. The Working Party took note of the commitments given by Georgia in relation to certain specific matters which are reproduced in paragraphs [.....] of this Report. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of Georgia to the WTO.

171. Having carried out the examination of the foreign trade regime of Georgia and in the light of the explanations, commitments and concessions made by the representative of Georgia, the Working Party reached the conclusion that Georgia be invited to accede to the Marrakesh Agreement Establishing the WTO under the provisions of Article XII. For this purpose, the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this Report, and takes note of Georgia's Schedule of Specific Commitments on Services (document WT/ACC/GEO/.....) and its Schedule of Concessions and Commitments on Goods (document WT/ACC/GEO/.....) that are annexed to the Protocol. It is proposed that these texts be adopted by the General Council when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Georgia which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work

concerning the negotiations for the accession of Georgia to the Marrakesh Agreement Establishing the WTO.

Table 1: Progress in privatization in Georgia

(a) Privatization by Sector as of 1 April 1999

Sector	Approved for Privatization	Privatized as of April 1, 1999	Privatized in 1999
Total number	12,523	13,148	136
Industry	353	269	3
Energy	43	33	0
Bread products corporation	140	99	0
Food and agriculture	621	493	5
Construction	240	284	3
Trade	4560	4867	59
Every day repairs and other services	5230	5695	62
Oil products	166	166	0
Health	764	552	0
Social services	287	569	0
Transport	119	121	0

(b) Establishment of Joint-Stock Companies by Sector (as of 1 April, 1999)

Sector	State enterprises to become joint-stock companies	Total number of joint-stock companies registered	Percentage (%)
Industry	193	176	91
Chemical engineering	31	25	81
Bread products	61	24	39
Agriculture	385	327	85
Architecture and construction	221	214	97
Trade and material resources	83	70	84
Oil products	49	26	53
"Sakgazi" (Georgian gas)	58	44	76
Transport	116	110	95
Social services	50	42	84
Energy	60	91	152*
Poti and Batumi seaports	2	0	0
TOTAL	1,307	1,149	88

Note: Figures may differ as some enterprises have been reorganized and restructured, and thus divided into several new independent entities.

Table 2: Rates of excise tax

HS code	Product description	Tax rate (% or Lari per litre)
	Caviar of sturgeon and trout, fish and seafood delicacy products	20%
	Beer	0.12 Lari
	Grape wines and wine materials, with the content of alcohol not exceeding 13%: -Unbottled -Bottled	Lari 0.20 Lari
	Champagne	4.00 Lari
	Sparkling wines made of: -grapes -fruits	0.50 Lari 2.00 Lari
	Fruit wines	1.70 Lari
	Strong wines and wine materials, with the content of alcohol exceeding 13%: - made of grapes, unbottled - made of grapes, bottled - made of fruits and other materials	0.50 Lari 1.00 Lari 2.00 Lari
	Cognac and cognac materials	6.70 Lari
	Whisky, gin, rum	4.00 Lari
	Brandy and brandy materials	2.70 Lari
	Vodka	1.00 Lari
	Liquor	2.70 Lari
	Other alcoholic drinks	1.00 Lari
	Ethyl spirits	0.70 Lari
2402 20	Tobacco products, except tobacco raw materials: - high, class 1, 2, per 1,000 pieces	7.50 Lari
2402 20	- class 3, 4, 5, 6, per 1,000 pieces	2.50 Lari
2402 10	-cigars, cheroots and cigarillos containing tobacco, per 1,000 pieces	150 Lari
2403	-other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences, per kg	20 Lari
2710 00	Petrol: - ethylated petrol - non-ethylated Petroleum oils and oils obtained from bituminous minerals, other than crude	100% 60% 60%
	Automobile tyres	15%
	Jewellery	35%
	Automobile tyres	15%
	Automobiles	15%

Table 3: Items subject to import licensing

(a)	Chemical agents for protection of plants: 3808.	Licence is granted with the consent of the Ministry of Protection of Environment and Natural Resources, the Ministry of Agriculture and Food.
(b)	Wild animals and birds, fish, bones and hoofs of extinct animals, wild plants, seeds of wood species of forest and similar materials: 010119; 010290900; 010391900; 010392900; 010410900; 010420900; 010599; 010600910; 010600990 (only wild animals); 0301-0303; 040700 (poultry except eggs); 0507; 050800000; 0604; 080221000; 080222000; 120999100; 1211; 121220000; 1401-1404; 9601.	Licence is granted with the consent of the Ministry of Protection of Environment and Natural Resources, the Department of Forestry, the Ministry of Agriculture and Food.
(c)	Remedies, medicines and their raw materials, narcotic and psychotropic remedies, poisons: 020610100; 020622100; 020629100; 020630100; 020641100; 020649100; 020680100; 020690100; 121220000; 150420; 29 (only pharmacological preparations and their raw materials); 3001-3004; 300660; 0507; 051000000; 1211; 1302.	Licence is granted by the Ministry of Health Protection.
(d)	Weapon and military equipment, special completing products, works for their production, services in the field of military technical cooperation: 871000000; 8802 (except: 880211100; 880212100; 880220100; 880230100; 880240100); 8803 (except: 880310100; 880320100; 880330100; 880390910); 8805 (except 880520100); 890600100; 930100000; 930200; 9305 (only for fighting arms); 9306 (except: 930610100; 930629100; 930629200; 930629400; 930630900); 901310000; 901320000; 901380000; 9014; 8506 - only for military purpose.	Licence is granted by the ministry of Justice.
(e)	Gunpowder, explosives, pyrotechnic substances: 360100000 (except gunpowder for hunting); 360200000-3604.	Licence is granted by the Ministry of Justice.
(f)	Nuclear materials, technologies, equipment and installations, special non-nuclear radioactive radiation sources: 3612; 2344; 2845; 8401.	Licence is granted by the Ministry of Justice.
(g)	Industrial wastes.	Licence is granted on the basis of the consent of the Ministry of Protection of Environment and Natural Resources.
(h)	Tobacco products: 2402 and 2303	Licence granted by the Ministry of Trade and Foreign Economic Relations

The import of non-toxic industrial wastes is allowed only for the purpose of industrial processing. Import of toxic and radioactive industrial wastes for the purpose of their utilisation, safe disposal, processing, interment and any other purposes is prohibited.

Table 4: Exports subject to prohibition or licensing

According to 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, export of the following is prohibited:		
CN 9701-970300000, 970600000	Artwork and antiques of museum value	
CN 930110000, 930200, 9305, 9306	Weapons and gunpowder	
Export of the following kinds of goods is subject to licensing in Georgia:		
970500000	Collection materials of biology, mineralogy, archaeology, paleontology, ethnography and numismatics:	Licence is granted in agreement with the Ministries of Finance, Protection of Environment and Natural Resources, Culture and the Department of Geology respectively.
4401, 4403, 4404, 4406, 4407	Timber	Licence is granted on the basis of issued permission on manufacturing of timber.
020610100; 020622100; 020629100; 020630100; 020641100; 020649100; 020680100; 020690100; 051000000; 1211; 13021; 150420; 1505; 3001; 3002	Raw materials of animal and plant origin for medicines, substances received from human organism	Licence is granted in agreement with the Ministry of Health Protection.
120999101 CN 7204, 7404, 7602	Caucasian Fir seed Ferrous and non-ferrous metal scrap	Licence is granted on the basis of licence for their laying-in issued by the Ministry of Protection of Environment and Natural Resources.

Table 5: Imported products subject to mandatory certification

	Description of Product	Position Code
1	Meat and meat products	Group 2
2	Fish, crustaceans, marine mammals and other aquatic invertebrates	Group 3
3	Milk and dairy products, birds' eggs, natural honey, edible products of animal origin	Group 4
4	Vegetables and bulbs, tuberous roots	Group 7 (except 0701 10 000 0703 10 110)
5	Edible fruit or nuts, citrus and its shells and peel	Group 8
6	Coffee, tea, spices	Group 9
7	Grain for bread	Group 10
8	Cereals, starch, inulin (except wheat gluten)	Group 11 (except 1109 00 000)
9	Foliage beet, edible roots, lucern, edible cabbage, hay whether or not granulated	1214
10	Fats, oils and their fractions, of fish or marine mammals whether or not refined, but not chemically modified.	1504
11	Other oils their fractions obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils of other type.	151000
12	Lard and poultry fat whether or not pressed or solvent extracted	1501 (except 1501 00 110)
13	Fats of bovine animals, sheep or goats raw or rendered	1502 (except 1502 00 100)
14	Soya-bean oil and its fractions, whether or not refined but not chemically modified	1507 (except 1507 10 100, 1507 90 100)
15	Peanut oil and its fractions, whether or not refined but not chemically modified	1508 (except 1508 10 100 1508 90 100)
16	Olive oil and its fractions, whether or not refined but not chemically modified	1509 (except 1509 10 100)
17	Palm tree oil and its fractions, whether or not refined but not chemically modified	1511 (except 1511 10 100 1511 90 910)
18	Sunflower-seed, safflower or cotton-seed oil and fractions thereof whether or not refined, but not chemically modified	1512 (except 1512 11 100, 1512 19 100, 1512 21 100)
19	Coconut oil, palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified	1513 (except 1513 11 100, 1513 19 300 1513 21 110, 1513 29 300, 1513 29 990, 1513 21 190)
20	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified	1514 (except 1514 10 100 1514 90 100)
21	Vegetable fats and oils and their fractions	1515 20 (except 1515 20 100)
22	Animal fat and their fractions	1516 10

	Description of Product	Position Code
23	Corn oil and its fractions (edible)	1515 21 900
24	Margarine	1517
25	Meat, fish or crustaceans or other aquatic invertebrates	Group 16
26	Cane or beat sugar and chemically pure sucrose, in solid form	1701 (except 1701 11 900 1701 99 900)
27	Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose	1702 40 (except 1702 40 100)
28	Other fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose	1702 06
29	Sugar confectionery (including white chocolate), not containing cocoa	1704
30	Cocoa and cocoa preparations	Group 20
31	Preparations of cereals, flour, starch or milk, pastrycook products	Group 19
32	Preparations of vegetables, fruit, nuts or other parts of plants	Group 20
33	Miscellaneous edible preparations	Group 21
34	Beverages, spirits and vinegar	Group 22
35	Residues and waste from the food industry used for animal feed, prepared animal food	Group 23
36	Tobacco and manufactured tobacco substitutes	Group 24
37	Edible salt	2501 00 910
38	Engine and aviation petroleum	2710 00 310
39	Engine petroleum containing lead no more than 0.013 g/l	2710 00 330
40	Engine petroleum containing lead more than 0.013 g/l	2710 00 350
41	Kerosene	2710 00 510
42	Diesel fuel	2710 00 690
43	Liquid fuel (mazout)	2710 00 790
44	Lubrication and other oils	2710 00 990
45	Medical oxygen	2804 40 000
46	Gauze and its preparations	3005 90 310
47	Ammonium sulfate	3102 21 000
48	Superphosphates	3103 10 000
49	Essential oils and resinoids, perfumery, cosmetic or toilet preparations	Group 33 (except 3303, 3307 10 000, 3307 30 000, 3307 41 000, 3307 49 000 3307 90 000)
50	Toilet soap	3401 11 000
51	Detergents, packed for retail sale	3402 20 900
52	Detergents and other cleansing materials	3402 90 900
53	Lubrication means for cars, equipment and transportation means	3403 19 910
54	Matches	3605 00 000
55	Photographic or cinematographic goods	Group 37
56	Copper sulfate, packed for retail prices	3808 20 100

	Description of Product	Position Code
57	Herbicides	3808 30 100
58	Disinfectants, for use in health protection and veterinary	3808 40 000
59	Flexible insulation tubes of ethylene, vinyl chloride or other plastic polymers	3917 31 900
60	Diaphragm of polymers of ethylene	3920 10
61	Insulation materials from tar and other plastic	3921 90 2003921 90 3003921 90 500
62	Plastic bags	3923 21 000
63	Plastic bags and containers of more than 2 litres in volume	3923 30 900
64	Rubber	4011 (except 4011 30)
65	Contraceptives	4014 90
66	Latex baby's dummy, rubber ice bubbles, rubber hothouses, medical rubber tubes	4014 990
67	Appliances for individual safety reasons, rubber masks	4015 90 000
68	Surgical gloves	4015 11 000
69	Timber boards	4410
70	Plywood veneer sheets of leaf-bearing sorts with outward layers, veneer sheets of coniferous sorts with outward layers	4412, 4412 12 0004, 412 19 000
71	Veneer preparations	4415 10 000
72	Filter for grocery products	4805 40 000
73	Wrapping paper for grocery products	4805 80 900
74	Wall paper	4814
75	Hard paper boxes	4819 10 000
76	Hard and soft paper boxes, including bending ones, paper bags and bags of combined materials, glass and paper bottles	4819 50 100
77	Insulation fabric	5903 90 100
78	Male, female and children knitted garments, including the clothing for babies and children before school age - knitted garments - male, female and children swimming and skiing suits - foot ware (socks, warm pants and sweat pants)	61076108, 61096111 / 61126115
79	Male, female and children sewing garments male, female and children sewing suits for swimming and skiing purposes	6207 / 6208, 6209 6211 11 000, 6211 12 000
80	Male, female and children jersey ware	61056106
81	Children shoes (leather, rubber polymer, rubber textile, woollen)	6401; 6402, 6403; 6404;6405
82	Uncut diamond instruments – sewing discs, cutting discs	6804 21 000
83	Abrasion instruments - sewing discs, cutting discs	6804 22
84	Abrasion powder instruments	6805
85	Friction materials and preparations	6813 (except 6813 10 100, 6813 901000)
86	China dinner, kitchen, other household and toilet articles	6911

	Description of Product	Position Code
87	Dinner, kitchen, other household ceramic dishes and toilet articles	6912
88	Multi-layer glass for ground transport	7007 11 000, 7007 21 910
89	Glass containers for storage, transportation and packaging (for medical, food and industrial use)	7010 90
90	Metal cans for preserves and chemical products, cisternas	7310 (except 7310 10 000)
91	Ferrous metal containers with more then 50 litre capacity	7310 10 010
92	Air balloons of 50 litre capacity at burst pressure of 1.6 Pa	7311 00 (except 7311 00 990)
93	Heaters, kitchen ovens, food heaters and other similar non electrical equipment made of ferrous metal, related supplies	7321 (except 7321 90 000)
94	Copper enamelled household articles	7323 92 000
95	Articles out of rust proof metal	7323 93
96	Iron enamelled household articles	7323 94
97	Steel dishes	7418 10 000
98	Aluminum containers not expanding the 50 litres capacity	7612 90 990
99	Aluminum kitchenware and dishes	7615 10
100	Manual garden tools (knives, etc.)	8201 10 000, 8201 20 0000, 8201 30 000, 8201 50 000
101	Wood-cutting instruments - plate saws	8202 32
102	Screwdrivers	8203 20
103	Hammers, planes	8205 20 000, 8205 30 000
104	Guts	8205 40 000
105	Milling cutters	8207 70 900
106	Caps for glass bottles, corks, etc.	8309 90 900
107	Internal burning engine	8407 21
108	Motorcycle and car engines	8407 31 000, 8407 32 000, 8407 33 (except 8407 33 100) 8407 34 (except 8407 34 100, 8407 34 300) 8407 90 (except 8407 90 500, 8407 90 700)
109	Car internal burning engines	8408 20 (except 8408 20 100, 8408 20 310, 8408 20 350, 8408 20 370)
110	Household liquid pumps, manual	8413 20 900
111	Manual household pumps	8414 20 990
112	Compressors used in refrigerating plants	841430
113	Electronic engine air conditioners for tables, wall, floor, ceiling with capacity of 125 kWh	8414 51 (except 8414 51 100)
114	Air conditioner supplies for measuring air temperature and humidity; conditioners without a separate regulator of humidity; - for wall or window - other	8415 10 000, 8415 82 900, 8415 83 900

	Description of Product	Position Code
115	Refrigerator closets and containers	8418 10 900
116	Family refrigerators – compressive - electric, absorbing – other	8418 21, 8418 22 000, 8418 29 000
117	Refrigerator shelves	8418 50 190
118	Water heaters or water accumulators	8419 19 000
119	Medical, surgical sterilisers	8419 20 000
120	Machines, equipment and other for preparing warm drinks or heating up dishes	8419 81 (except 8419 81 100)
121	Electric milk separators with capacity of 1 kWh and manual capacity of 50 litre/hour	8421 11 000
122	Household air cleaning machine	8421 39 300
123	Household dish washers	8422 11 000
124	Machines for weighting and acknowledging the wrapped goods	8423 81 300
125	Motor operated cultivators	8432 29 100
126	Machines for cutting the hay, grass, etc.	8433 118433 19
127	Machines used in milk industry	8434 (except 8434 90 000)
128	Electric incubators with capacity of 4Kwh	8436 21 000
129	Mixers and related machines in food industry	8438 (except 8438 30 000, 8438 40 000)
130	Binding machines for brochures	8440
131	Machines for textile fibre weaving: - carding machines;- looms	8445 11 000,8446
132	Household or laundry washing machines	8450 (except 8450 90 000)
133	Dryers for clothing	8451 21
134	Automatic or other sewing machines	8452 21 0008452 29 000
135	Electric household sewing machines	8452 10
136	Metal cutting machinery	84588459
137	Household wood work machinery	8465
138	Non-electric, manual tools	8467 (except 8467 91 000 8467 92 0008467 99 000)
139	Automatic and electrical typing machines, machinery for textile work	8469 (except 8469 31 0008469 39 000)
140	Calculators, counting machines, ticket apparatus, etc.	8470 (except 8470 10 000 8470 30 000 ,8470 40 000, 840 90 000)
141	Machines and blocks for automatic information processing; magnetic and optical counting machines, machines for transmitting coded messages	8471 (except 8471 10 100, 8471 20 100, 8471 91 100, 8471 92 100, 8471 93 100, 8471 90 100)
142	Electronic machines for counting, sorting, binding and wrapping banknotes	8472 90 100
143	Other office electrical equipment: document binding machines, paper disposal machines, electric pencil sharpeners and etc.	8472 90 900
144	Concrete mixer	8474 31 000
145	Equipment for making mixtures of building materials	8474 39 000
146	Rubber and rubber product making machinery	8477 (except 8477 90)

	Description of Product	Position Code
147	Taps and other products for tubes, pipes, reservoirs, cisterns and other containers including thermo-regulators	8481
148	General machinery reductors and transmissions	8483 40 930
149	General machinery moto-reductors	8483 40 990
150	Electric engines (except aviation ones)- engines with capacity not expanding 37.5w- AC/DC Universal engines with capacity not expanding 37.5w	8501 108501 20 (except 8501 20 100)
151	- engines with constant electricity supply with capacity not extending 750w - engines with constant electricity supply with capacity over 750w but below 75kWh - one line engines with changeable electricity supply and capacity not expanding 7.5kWh – multi-line engines with changeable electricity supply	8501 31 (except 8501 31 100) 8501 32 (except 8501 32 100) 8501 40 900 8501 51 (except 8501 51 100, 8501 51 910)
152	Complex electro generating equipment with internal engine of capacity not expanding 7.5Kwh	8502 20 910
153	Throttles for discharge lamps and tubes	8504 10 (except 8504 10 100)
154	Liquid dielectric operated transformers (3000v) - capacity not expanding 650 kWh - capacity more than 650kWh but below 1000 kWh	8504 21 0008504 22
155	Measuring transformers with capacity not expanding 1 kWh	8504 31 (except 8504 31 100)
156	Other transformers with capacity more than 500w (with electricity more than 3000v)	8594 24 000
157	Welding	8504 40 910
158	Charging machinery, accumulating equipment	8504 40 930
159	Basic elements and batteries	8506 (except 8506 20 0008506 90 000)
160	Electric accumulators including their apparatus of different shapes	8507 (except 8507 10 100, 8507 20 100, 8506 30 100, 8507 40 100, 8507 80 100, 8507 90)
161	Electrical engine operated manual electric-mechanical instruments with indulged	8508 (except 8508 10 100, 8508 80 100, 8508 80 300, 8508 90 000)
162	Electrical engine operated household electric mechanical machines	8509 (except 8509 90)
163	Electrical engine operated electric shavers and hair cutters;	8510 (except 8510 90 000)
164	Electrical equipment with internal burn engine for automobile transport (ignition coils, spark-plugs, starters);generators (of constant and changeable electricity supply)	8511 (except 8511 10 100 8511 20, 8511 30 100, 8511 40 100, 8511 50 100 8511 808511 90 000)
165	Alarm and lighting equipment	8512 (except 8512 10)
166	Industrial or laboratory used electric ovens and containers including special machinery for thermo-works	8514 (except 8514 10 9908514 90 000, 8514 90)
167	Soldering irons and soldering apparatuses	8515 11 000

	Description of Product	Position Code
168	Automatic and half automatic machines and apparatus for arc welding of metals	8515 31 000
169	Electric accumulating water heaters; sinking electric boilers; heating systems for houses; electric irons and other electric household items	8516 (except 8516 80 8516 90 000)
170	Electric phone system	8517 10 100
171	Electric door bell systems	8517 81 100
172	Electrical voice devices, microphones	8518 50 900
173	Tape players and similar devices not including recording supplies (more than 363 v)	8519 (except 8519 91 1008519 91 910)
174	Tape recorders and other recording devices with or without players	8520 (except 8520 31 110, 8520 31 300, 8520 90)
175	Video recording and playing devices with or without videotuner	8521 (except 8521 10 100)
176	Broadcasting devices and apparatus for radio/television, television cameras	8525 (except 8525 10 1008525 20 100)
177	Radio-phone devices, radio-telegraph devices and other apparatus for radio broadcasting	8527 (except 8527 11 8527 19 0008527 90)
178	Television receivers including video monitors and video projectors, with or without voice recording and playing devices	8528
179	Fire and safety electronic alarms	8531 10 900
180	Electronic bells and indicative panels	8531 80 900
181	Constant electric network condensators of 50/60Hz.	8532 10 000
182	Electric devices for turning on/off the electricity, contacts, with voltage over 1000 V (switches, switchboards, power reducers, fluctuation reducers, electric load, using equipment, etc.)	8535 (except 8535 90 000)
183	Electric devices for switching on/off, breaking and protecting the electricity supply or for connection to electric circuits (switches, sockets, cords, etc.)	8536 (except 8536 10 900 8536 20 900, 8536 30 900, 8536 418536 90)
184	Electric and air-discharge incandescent lamps, including hermetically sealed lamps of directed light, also ultra-violet and infra-red lamps	8539 (except 8539 10 100 8539 40 900 8539 90)
185	Electric-laser hoses for television receivers including video monitors with: - coloured vision - black and white vision - vacuum display hoses	8540 118540 128540 89 110
186	Isolated electric tubes with or without connective details, optic cables	8544 (except 8544 11 900 8544 20, 8544 30 100 8544 41, 8544 49 8544 60 110, 8544 60 910 8544 70 000)
187	Small trucks for agricultural works	8701 108701 20 100
188	New 10 people vehicles	8702
189	Cars (except used, sport, snow equipped, field games vehicles)	8703
190	Trucks (except used, ones for transporting radioactive products)	8704

	Description of Product	Position Code
191	Cement mixing vehicles	8705 40 000
192	Trucks specifically used for city communication purposes	8705 90 000
193	Car devices and details: bumpers, safety belts, breaks, amortizators, noise reductors, wheel related mechanisms	8708 10 9008708 21 9008708 80 9008708 92 9008708 93 900
194	Electrical transport devices for transporting goods to ware-houses	8709 11 900
195	Motorcycles, bikes with supporting engines with or without additional seats (except the used and sport cars)	8711 (except 8711 10 000)
196	Two wheel bikes without engine	8712 00
197	Children cabs	8715 00 100
198	Yachts and other swimming devices like boats and canoe (except sport ones)	8903
199	Photo cameras with flashes	9006 (except 9006 10 000 9006 20 000, 9006 30 000 9006 91, 9006 99 000)
200	Cine-projectors	9007 21 000
201	Slide projectors	9008 40 000
202	Electric devices and apparatus for medical, surgical, dental, veterinarian, etc. uses	9018
203	Individual safe breathing devices	9020 00 900
204	Cardostimulator	9021 50 000
205	Changeable electricity measurers - one line - multi line	9028 30 110, 9028 30 190
206	Electricity measurers and other	9018 30 900
207	Automobile speedometers	9029 20 310
208	Cathode-beam oscilloscopes and oscillographs	9030 20 900
209	Mixed electromeasuring devices	9030 31 900
210	Voltmeters, amperimeters and other electric devices	9030 (except 9030 39 100)
211	Electric clocks	9105 (except 9105 11 100 9105 29, 9105 91 000, 9105 99)
212	Electrical music instruments with electrical sound frequency generators or sound improving devices (like guitar, organ)	9207
213	Seating furniture	9401 (except 9401 10 , 9401 50 000, 940190)
214	Medical, surgical, dentist, veterinarian furniture	9402
215	Other furniture (except the ones for public aviation usage)	9403 (except 9403 20 100 9403 70 100, 9403 80 000 9403 90)
216	Lighting devices: - for stage, television and movie studios - for photo and movie filming - for industrial purposes - for tables and projectors	9405 (except 9405 10 000 9405 50 000, 9405 60 100, 9405 91, 9405 92, 9405 99)
217	Children's toys on wheels (like three wheel bike, little manual cars),toy cabs	9501 00
218	Human like toys	9502

	Description of Product	Position Code
219	Other toys of reduced shapes, fun movable or straight devices, puzzles	9503
220	Receiver operated video games	9504 10 000
221	Coin or toil operated toys	9504 (except 9504 30 900)
222	Rubber masks and related diving gear	9506 29 900
223	Chargeable electronic lighter for stove, for cigarettes	9613 80 000
224	Building material out of cement and metal	Group 686813 (except 2515; 2516; 2517; 2523; 6904; 6908)
225	Light industrial goods in contact with human body	6105; 6106; 6107; 6108; 6109; 6115
226	Liquid gas	2711 11 000, 2711 12 110
227	Coal	2701
228	Artificial leather	4111 00 000
229	Curing remedies	3003; 3004
230	Synthetic ammonia	2814
231	Calcium carbide	2819 10 000
232	Steel tubes	7304 10
233	Caprolactam	
234	Chemical fibre and thread	

Table 6: Status of Legislation on Intellectual Property in Georgia

Agreement on Trade-related Aspects of Intellectual Property rights (May 1999)

Part/Section	Article	Current Law OK Law	Legislation In Progress Law	Eff. Date	Comments
Part I: General	Article 1	Yes	LNR		
	Article 2	Yes	LNR		Member Paris Convention
	Article 3	Yes	PL/CL/TL/CC101 8(f)		Membr Paris & BerneConv
	Article 4	Yes	LNR		
	Article 5	Yes	LNR		
	Article 6	Yes	LNR		
	Article 7	Yes	LNR		
	Article 8	Yes	LNR		
Part II: Standards					
Section 1: Copyright	Article 9	Yes	LNR		Member Berne Convention
	Article 10	Yes	CC 1060-61	CL 10,25 June 1999	
	Article 11	Yes	CC 1088	CL 16(3), 39,40 June 1999	Cinema, video
	Article 12	Yes	CC 1062-63	CL 27,28 June 1999	
	Article 13	Yes	CC 1050-61	CL 18-26 June 1999	
	Article 14(1)	Yes	CC 1082(1)(a)		
	Article 14(2)	Yes	CC 1082(1)(b)		
	Article 14(3)	Yes	CC 1091		
	Article 14(4)	Yes	CC 1089	CL 16(3) June 1999	
	Article 14(5)	Yes	CC 1062-63	CL 27-28 June 1999	
	Article 14(6)	Yes	LNR		Permissive
Section 2: Trademarks	Article 15	Yes	TL 3,15		
	Article 16	Yes	TL 3(4), 6		
	Article 17	Yes	TL 7		
	Article 18	Yes	TL 20		
	Article 19	Yes	TL 27		
	Article 20	Yes	LNR		Negative requirement
	Article 21	Yes	TL 25(2), 26		
Section 3: Geog. Indications	Article 22		TL 5(e)	LGI 3-5, 11(1) June 1999	
	Article 23		TL 5(e)	LGI 6,11(1)(b),(c) June 1999	
	Article 24			LGI 14(7) June 1999	Art 24(5) only, others LNR
Section 4: Industrial Designs	Article 25	Yes	PL 14		Art 25(2) LNR
	Article 26	Yes	PL 5(4),48(1),52		
Section 5: Patents	Article 27	Yes	PL 12,17		
	Article 28	Yes	PL 48,49,59-62		
	Article 29	Yes	PL 24,26		
	Article 30	Yes	PL 52		
	Article 31		PL 52,61		
	Article 32	Yes	CPC/APA		
	Article 33	Yes	PL 5(1)		

Part/Section	Article	Current Law OK		Legislation In Progress		Comments
		Law	Law	Law	Eff. Date	
	Article 34	Yes	PL 49			
Section 6: Layout Designs	Article 35			LIC 1,2,3,8	June 1999	
	Article 36			LIC 5	June 1999	
	Article 37			LIC 6,7	June 1999	
	Article 38			LIC12	June 1999	
Section 7: Trade Secrets	Article 39(1)	Yes	LNR			Member Paris Convention
	Article 39(2)	Yes	CC 1105			
	Article 39(3)	Yes	LNR			Data not required
Section 8: Anti-Competition	Article 40	Yes	LNR			
Part III: Enforcement						
Section 1: General Obligations	Article 41	Yes	CPC 247, 364, TL45	APC 53	June 1999	
Section 2: Civil/Admin. Proced.	Article 42	Yes	CPC2,5,83,102,103,201			
	Article 43	Yes	CPC 134			
	Article 44			APC 53	June 1999	
	Article 45	Yes	CC 408-415, CPC 43-54			
	Article 46	Yes	CC 1098, TL 45	LBM 9(2)	June 1999	
	Article 47	Yes	LNR			Permissive
	Article 48	Yes	CC 408-415, CPC 43-54			
	Article 49			APC 5	June 1999	
Section 3: Provis'n'l Measures	Article 50(1)			LBM 3,4	June 1999	
	Article 50(2)			LBM 3-5, APC 53	June 1999	
	Article 50(3)	Yes	CPC 103-5, 134			
	Article 50(4)	Yes	LNR			Ex parte proc not allowed
	Article 50(5)			LBM 5	June 1999	
	Article 50(6)			LBM 6	June 1999	
	Article 50(7)			LBM 7	June 1999	
	Article 50(8)			APC 5	June 1999	
Section 4: Border Measures	Article 51			LBM 3-5	June 1999	
	Article 52			LBM 5	June 1999	
	Article 53			LBM 5,7	June 1999	
	Article 54			LBM 5	June 1999	
	Article 55			LBM 6	June 1999	
	Article 56			LBM 7	June 1999	
	Article 57			LBM 8	June 1999	
	Article 58	Yes	LNR			Permissive
	Article 59			LBM 9	June 1999	
	Article 60			LBM 10	June 1999	
Section 5: Criminal	Article 61	Yes	CrC 162,168			

Part/Section	Article	Current Law OK Law		Legislation In Progress Law	Eff. Date	Comments
Procedures						
Part IV: Acquisit'n Procedure	Article 62	Yes	PL23-47, TL12- 18, CC1024			
Part V: Dispute Settlement	Article 63	Yes	LNA 38, 61			
	Article 64	Yes	LNR			
Part VI: Trans. Arrangements	Article 65-67	Yes	LNR			
Part VII: Instit'l Arrangements	Article 68-73	Yes	LNR			WTO Institutional Arr.
LEGEND (KEY)						
APC	Administrative Procedure Code					
CC	Civil Code					
CL	Copyright Law					
CPC	Civil Procedure Code					
CrC	Criminal Code					
CrPC	Criminal Procedure Code					
LBM	Law on TRIPS Border Measures					
LIC	Law on Integrated Circuits					
LGI	Law on Appellations of Origin and Geographical Indications					
LNA	Law on Normative Acts					
LNR	Legislation Not Required					
PL	Patent Law					
TL	Trademarks Law					
BerneConv	Berne Convention					
ParisConv	Paris Convention					
RomeConv	Rome Convention					

ANNEXES

[to be completed]

ANNEX I

Laws, Regulations and Other Information Provided to the Working Party by Georgia

- Draft Ordinance of the President of Georgia on some measures for the implementation of requirements for the accession of Georgia to the WTO;
- Draft Decree of the President of Georgia "On Accession of Georgia to WTO";
- Draft Tax Code of 5 November 1996;
- Tax Code of Georgia of 9 July 1997;
- Law On Promotion and Guarantees of Investment Activity;
- Concession Law;
- Decree of the Head of State of the Republic of Georgia on the Establishment of Agricultural Land Use Tax;
- Resolution of the Tbilisi Municipality City Board No. 07.03.45 of 29 September 1994 On Making Minor Corrections to the Tbilisi Municipality City Board's Resolution No. 03.06 of 24 April 1993 and Approving the Instruction for Fixing Rental Change For the Use of Land Plots in Tbilisi;
- Presidential Decree No. 322 of 23 June 1997 On the Regulation for Admission of Goods Received Through Grants at the Customs of Georgia, Registration of Grants and Control Over Their Application;
- Law No. 743-IIS of 30 May 1997 On Privatization of State-owned Property;
- Law "On Administration and Allocation of Publicly-owned, Non-allocated, Non-Agricultural Land";
- Law "On Declaration of Private Ownership of Non-Agricultural Land in Possession of Physical Persons and Private Legal Persons;
- List of remaining un-privatized wholly or partially-owned government owned firms;
- Consumer Rights Protection Law of 20 March 1996;
- Law on Monopolistic Activities and Competition;
- The Code of Administrative Court Procedures of Georgia;
- Law on Entrepreneurs No. 577-16 of 28 October 1994;
- Customs Law;
- A Summary (Synopsis) of the Draft Customs Law of Georgia;
- Draft Customs Code of Georgia;
- Customs Code of Georgia of 14 November 1997;
- Law of 27 December 1996 On Customs Duty;
- Law on Customs Tariffs and Duties of 19 March 1998;
- Decree of the Republic of Georgia No. 30 of 21 October 1992 Concerning Customs Tariffs;
- Law on Customs Fees of 18 February 1998;
- Law on Value Added Tax;
- Resolution of the Cabinet of Ministers No. 843 of 5 December 1994 Concerning Approval of the Instructions On Order of Definition (Determination) of Customs Value of Goods Imported into the Territory of the Republic of Georgia;
- Regulations Concerning the Order of Determining the Customs Value of Goods Imported to Georgia (draft);
- Draft Regulations Concerning Order of Determining the Customs Value of Goods Imported to Georgia;
- Regulations for Determining the Country of Origin of Goods Imported to Georgia (draft);
- Decree N 391 of the President of Georgia "On Activities Addressing Regulation of Production, Import, Wholesale and Retail Trade in Tobacco Products in Georgia";

- Resolution of the Cabinet of Ministers No. 744 of 30 November 1995 On Further Liberalization of Export and Import Activities in the Republic of Georgia;
- Resolution of the Cabinet of Ministers No. 334 of 7 June 1995 About the Temporary Rule on Regulating Harvesting, Delivery, Transportation and Re-export of Scrap and Wastes of Black and Colour Metals in the Republic of Georgia;
- Programme of the implementation of the requirements of the WTO Agreement on Technical Barriers to Trade;
- Resolution No. 678 of 5 December 1998 "On Measures for the Implementation of Requirements of the Agreement on Technical Barriers to Trade of the WTO";
- Law on Establishing of the Unified Metering System No. 374-IS of 6 September 1996;
- Standardization Law No. 372-II of 6 September 1996;
- Law on Product and Service Certification of 6 September 1996;
- Plan of the measures on the consecutive planning of the requirements of international standards, sanitary, veterinary, phytosanitary and ecological norms;
- Decree of the Ministry of Agriculture and Food No. 2-166 of 19 June 1997 On Approval of the Regulation for Use of Paid Service Tariff of the State Inspection of Phytosanitary Quarantine;
- Law No. 716-IIS of 15 May 1997 On Agricultural Quarantine;
- Resolution of the Cabinet of Ministers No. 264 of 30 March 1995 On Supply of Goods and Products for State Needs;
- Georgian Law on State Procurement;
- Statute On Inventions (approved by Decision of the Cabinet of Ministers No. 302 of 16 March 1992);
- Book Four - Intellectual Property Statute (Draft Civil Code);
- Civil Code of Georgia of 26 June 1997;
- Draft Law on Copyright and Neighbouring Rights;
- Draft Law on Trademarks;
- Statute on Trademarks, approved by the Decision of the Council of Ministers No. 304 of 15 March 1992;
- Draft Law on Appellations of Origin and Geographical Indications;
- Statute on Inventions, approved by the Decision of the Council of Ministers No. 302 of 16 March 1992;
- Draft Patent Law;
- Statute on Industrial Designs, approved by the Decision of the Council of Ministers No. 303 of 15 March 1992;
- Law of Georgia "On Protection of Selected Achievements";
- Law on Protection of Consumer Rights of 20 March 1996;
- Law on Advertising of 18 February 1998;
- Law on Audit;
- Law on the National Bank of Georgia No. 764-IIs of 23 June 1995;
- Law No. 121-IIS of 23 February 1996 On Activities of Commercial Banks (with amendments of 21 March 1996);
- Law of 2 May 1997 On Insurance;
- Draft Law of Georgia "On Commodity Markets and Exchange Business";
- Free Trade Agreement between Georgia and Armenia;
- Free Trade Agreement between Georgia and Azerbaijan;
- Free Trade Agreement between Georgia and the Russian Federation;
- Free Trade Agreement between Georgia and Ukraine;
- Free Trade Agreement between Georgia and Uzbekistan;
- Agreement on Establishment of the Inter-State Euro-Asian Corporation of Coal and Metallurgy;
- Agreement between the European Communities and the Republic of Georgia on Trade in Textile Products;
- Law on Statistics of 12 November 1997;

- Statistical data on foreign trade of Georgia by commodity groups (1996);
- Statistical data on foreign trade of Georgia by commodity groups (January-November 1997
- Statistical data on foreign trade of Georgia by HS (1996-1997);

APPENDIX

ACCESSION OF GEORGIA

Draft Decision

The General Council,

Having regard to the results of the negotiations directed towards the establishment of the terms of accession of the Republic of Georgia to the Marrakesh Agreement Establishing the World Trade Organization and having prepared a Protocol for the Accession of Georgia,

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the Republic of Georgia may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.

PROTOCOL OF ACCESSION OF GEORGIA
TO THE MARRAKESH AGREEMENT ESTABLISHING THE
WORLD TRADE ORGANIZATION

Draft

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the Republic of Georgia (hereinafter referred to as "Georgia"),

Taking note of the Report of the Working Party on the Accession of Georgia to the WTO in document WT/ACC/GEO/.... (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of Georgia to the WTO,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, Georgia accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.
2. The WTO Agreement to which Georgia accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall include the commitments referred to in paragraph [...] of the Working Party Report, shall be an integral part of the WTO Agreement.
3. Except as otherwise provided for in the paragraphs referred to in paragraph [...] of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Georgia as if it had accepted that Agreement on the date of its entry into force.
4. Georgia may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the list of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

Part II - Schedules

5. The Schedules annexed to this Protocol shall become the schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Georgia. The staging of concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.
6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Georgia until
8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.
9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereto pursuant to paragraph 7 to each member of the WTO and Georgia.
10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this ... day of one thousand nine hundred and ninety, in a single copy in the English, French and Spanish languages each text being authentic, except that a Schedule annexed hereto may specify that it is authentic in only one or more of these languages.

ANNEX

SCHEDULE - GEORGIA

Part I - Goods

[to be completed]

Part II - Services

[to be completed]
