



Committee on Regional Trade Agreements

FACTUAL PRESENTATION

STRATEGIC PARTNERSHIP, TRADE AND COOPERATION AGREEMENT BETWEEN THE UNITED
KINGDOM AND THE REPUBLIC OF MOLDOVA
(GOODS AND SERVICES)

Report by the Secretariat

Revision

This report, prepared for the consideration of the Strategic Partnership, Trade and Cooperation Agreement between the United Kingdom and the Republic of Moldova, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

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Key Facts

Parties to the Agreement:	United Kingdom and Moldova
Date of Signature:	24 December 2020
Date of Entry into Force:	1 January 2021
Date of Notification:	31 December 2020
Full implementation:	2028

The Factual Presentation describes the Strategic Partnership, Trade and Cooperation Agreement between the United Kingdom (UK) and Republic of Moldova (hereinafter referred to as "the Agreement") which was concluded by the Parties and entered into force on 1 January 2021. Nevertheless, as the Agreement preserves most of the links between the Parties under the Association Agreement between European Union (EU) and Moldova, the factual presentation also refers, like the Agreement, to the EU-Moldova Agreement as required.

1 TRADE ENVIRONMENT

1.1. The Agreement between the United Kingdom and Moldova is one of 38 RTAs notified by the UK and currently in force, and one of 9 RTAs notified by Moldova and currently in force¹.

1.1 Merchandise trade

1.2. In 2021, the UK's merchandise trade reached a total value of USD 1,161 billion, with exports worth USD 468.8 billion and imports worth USD 692.1 billion.² The UK ranked as the world's tenth largest exporter and sixth largest importer, accounting for 2.1% of global exports and 3.1% of imports. Moldova's merchandise trade amounted to USD 10.3 billion, consisting of exports worth USD 3.1 billion and imports worth USD 7.2 billion. It was the world's 107th largest exporter and 93rd largest importer, representing just 0.01% of total exports and 0.03% of imports worldwide. The UK's trade is dominated by manufactured products, which accounted for 68% of its total exports and 63.7% of imports. Moldova's exports are mainly manufactured and agricultural products, accounting for 55% and 42.2%, respectively, while its imports are dominated by manufactured products, representing 70.9% of total imports.³

1.3. In their bilateral merchandise trade in 2021, the UK was the ninth largest source of imports for Moldova and the seventh largest destination for Moldovan exports, accounting for 0.9% of its total imports and 2.1% of exports. In comparison, Moldova was the 78th largest source of imports and the 103rd largest export destination for the UK, accounting for only 0.01% of both imports and exports.⁴

1.4. Chart 1.1 further provides an overview of the global and bilateral trade trends between the Parties from 2017 to 2021. Throughout this period, both Parties consistently maintained a global trade deficit. Regarding bilateral trade, the data from the UK indicates that it has maintained a trade deficit with Moldova throughout the entire period. However, the data from Moldova also reveals trade deficits with the UK for 2019 and 2020⁵.

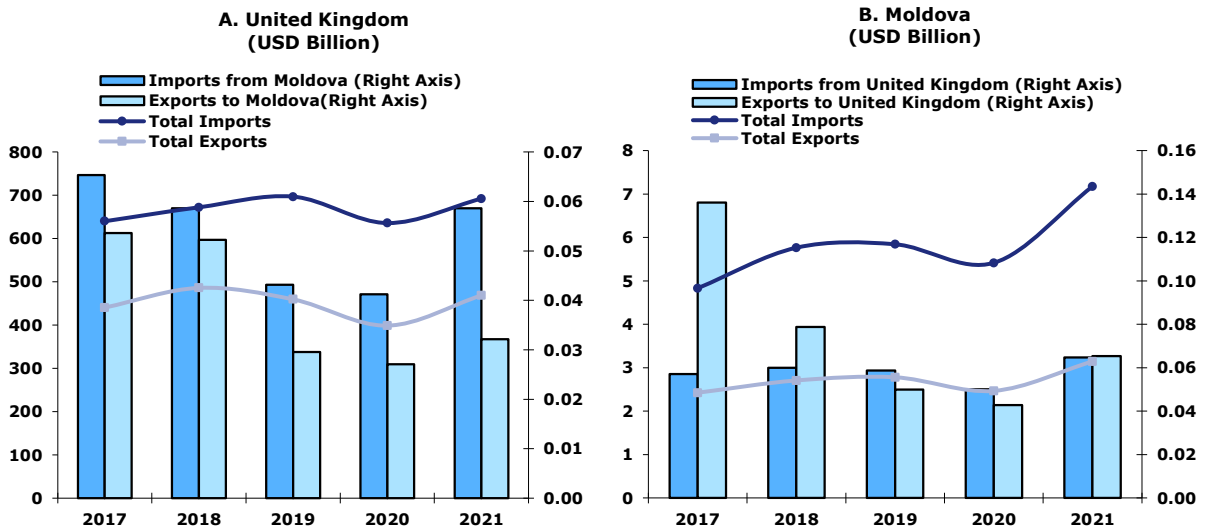
¹ Based on the RTA Database (<https://rtais.wto.org>), accessed on 26 June 2023.

² Based on data provided by the UK.

³ Data extracted from the WTO Trade Profiles 2022, as of April 2023, using 2021 reported data. Ranks in world trade and the shares are based on excluding intra-EU trade.

⁴ Data from UNSD Comtrade database for Moldova and based on data provided by the UK.

⁵ The Parties confirm that the values reflected are from their official statistics at the time of submission of data. Asymmetries can be caused by a range of conceptual and measurement variations between the estimation practices of different countries. In addition, Moldova reported that its official data does not include the region of Transnistria.

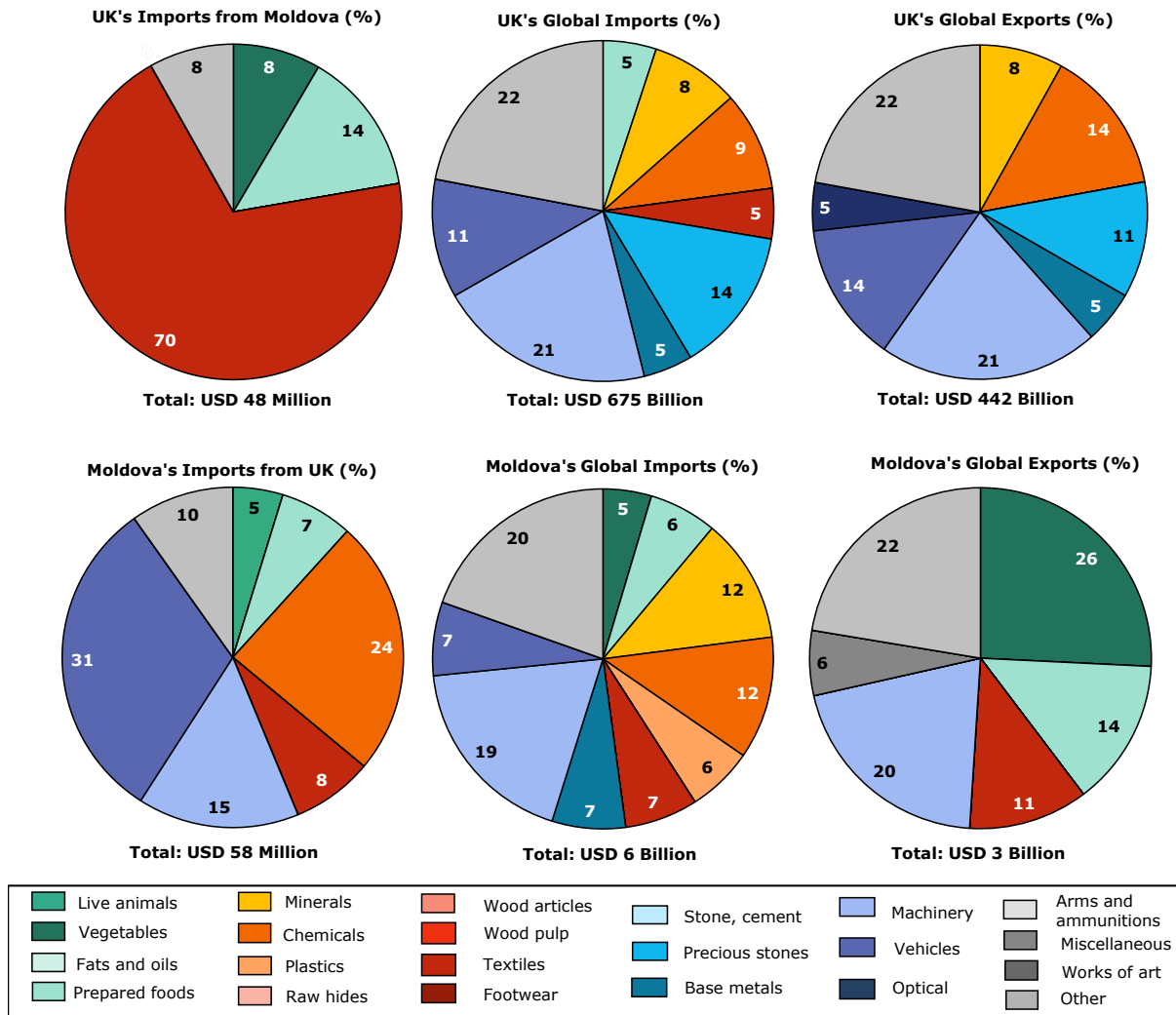
Chart 1.1 UK-Moldova: Merchandise bilateral trade and with world (2017-2021)

Note and data source:

For both charts 1.2 and 1.3, exchange rates were used from GBP to USD: 0.78 (2017), 0.75 (2018), 0.78 (2019), 0.78 (2020), and 0.73 (2021). And the data were sourced from UK authorities and UNSD; and IMF (exchange rates).

1.5. Chart 1.2 presents the product composition of merchandise trade between the Parties and their global imports and exports averaged for 2019-2021, by Harmonized System (HS) Sections. The data shows the complementarities in trade between the Parties. Moldova's exports were largely comprised of vegetables, machinery, prepared foods, and textiles, which accounted for an average of 71% of its total exports. The same product categories were also the UK's major imports from Moldova, representing 93% of its total imports from Moldova, with textiles alone accounting for 70%. Meanwhile, the UK's primary export product categories were machinery, vehicles, chemical products, and precious stones, which made up an average of 60% of its total exports. These product categories were also Moldova's major imports from the UK, accounting for 71% of its total imports from the UK.

Chart 1.2 UK-Moldova: product composition of merchandise trade, by HS Section, annual average (2019-2021)



Note: The HS sections having less than 5% of the share of trade are shown under the 'Other' category in the Chart.

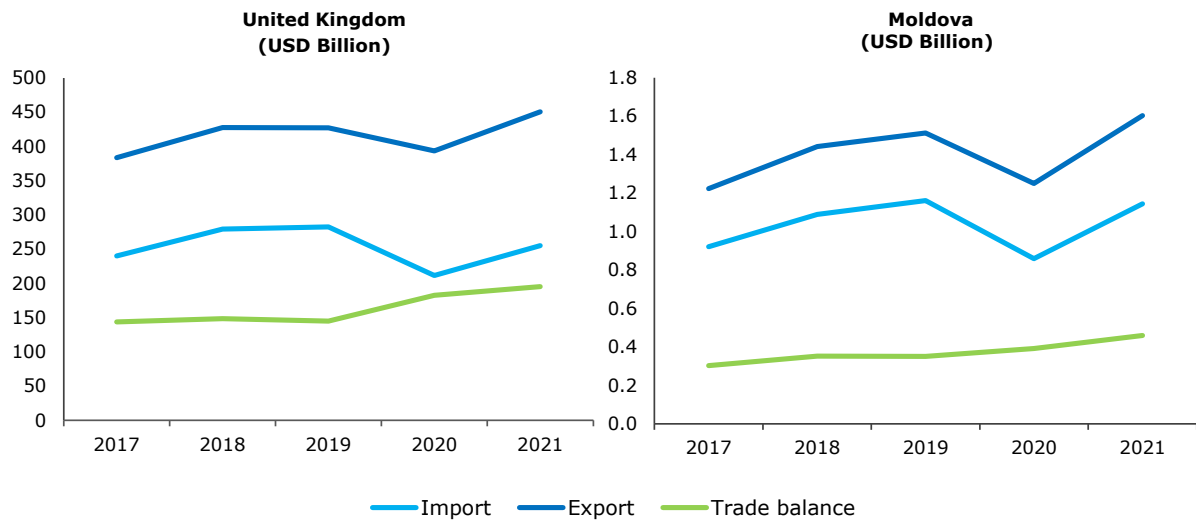
1.2 Trade in services and investment

1.6. In 2021, the UK's commercial services trade was valued at USD 653.6 billion, with exports of USD 415.1 billion and imports of USD 238.5 billion. The UK ranked 3rd in the world for exports and 4th for imports. In contrast, Moldova's commercial services trade had a total value of USD 2.7 billion, with USD 1.6 billion in exports and USD 1.1 billion in imports. Moldova ranked 85th in the world for exports and 109th for imports.⁶

1.7. Chart 1.3 shows the Parties' global trade trends in commercial services during 2017-2021. Both Parties were net exporters of services globally. No bilateral data are available for trade in services.

⁶ Data extracted from the WTO Trade Profiles 2022, as of April 2023, using 2021 reported data. Ranks in world trade and the shares exclude intra-EU trade.

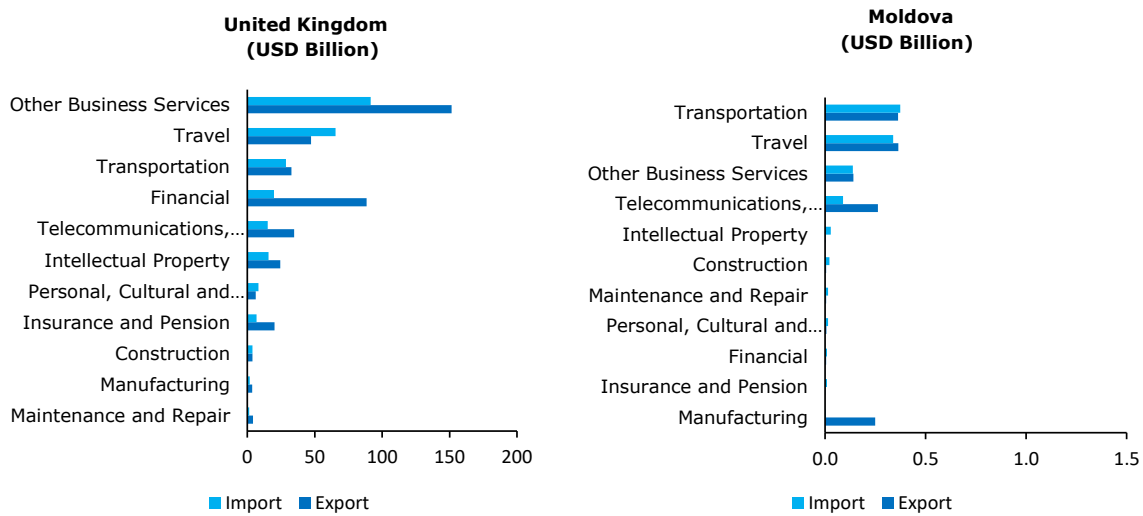
Chart 1.3 UK-Moldova: Trade in commercial services with world (2017-2021)



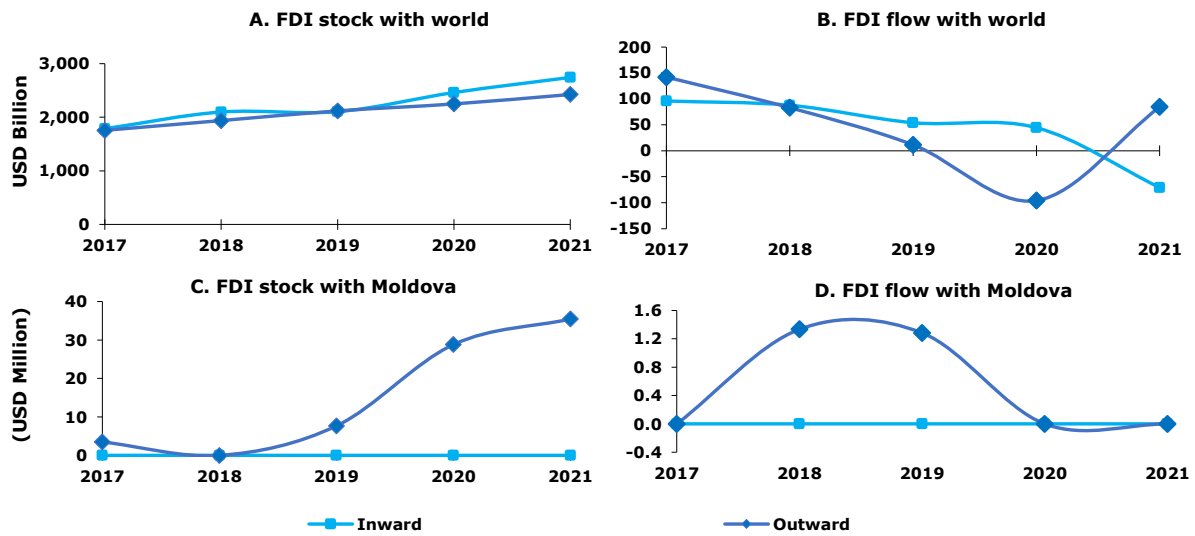
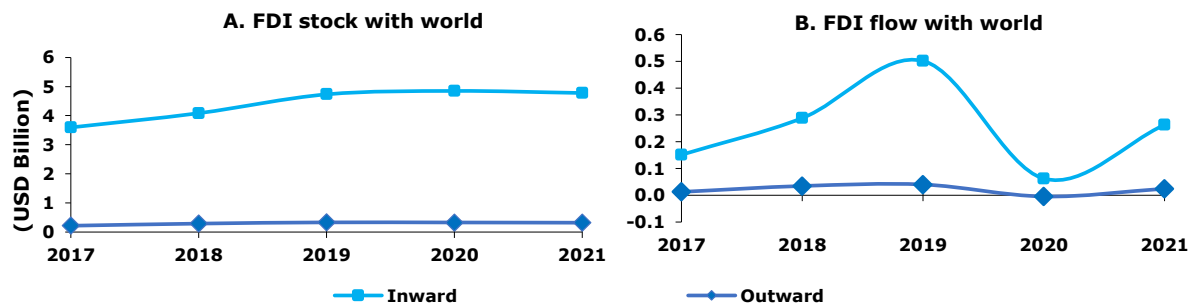
Source: For both Charts 1.3 and 1.4, the data were sourced from UK authorities (2017-2021), Moldovan authorities (2018-2020), and WTO Stat (2017 and 2021); and IMF (exchange rates).

1.8. Chart 1.4 further illustrates the composition of the Parties' services trade by sector, averaged for 2018-2020. The UK's services trade was mostly dominated by other business services, followed by travel and financial services whereas Moldova's total services trade was mainly led by transportation, followed by travel, telecommunication, and IT services.

Chart 1.4 UK-Moldova: Commercial services trade with world, by service sectors (Average 2018-2020)



1.9. Charts 1.5 and 1.6 present global and bilateral foreign direct investment (FDI) stocks and flows during 2017-2021. Both Parties are net recipients of FDI from the world with both inward and outward FDI stocks remaining stable for Moldova while FDI stocks in the UK declined in 2019 as FDI outflows decreased between 2017 and 2020 before growing again; FDI inflows into the UK have been declining since 2017. The UK's data indicates that while inward FDI from Moldova was steady, FDI outflows to Moldova grew between 2017 and 2018 but have declined since then. The UK's overall stock in Moldova grew rapidly between 2018 and 2020 and stabilized in 2021.

Chart 1.5 UK: FDI with world and Moldova (2017-2021)**Chart 1.6 Moldova: FDI with world (2017-2021)**

Source: For both Charts 1.5 and 1.6, the data were sourced from UK authorities (2017-2021), Moldovan authorities (2018-2020), and WTO Stat (2017 and 2021); and IMF (exchange rates).

2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

2.1 Background information

2.1. The Agreement was signed by the Parties on 24 December 2020 and entered into force on 1 January 2021. The Parties notified the goods and services aspects of the Agreement to the WTO on 31 December 2020 under GATT Article XXIV:7(a) and Article V:7(a) of the GATS (document WT/REG439/N/1 and S/C/N/1034), respectively. Prior to the Agreement, trade relations between UK and Moldova were governed by the EU-Moldova Agreement, whose application to the UK was terminated on 1 January 2021.

2.2. The text of the Agreement is available, together with its related Annexes, on the following official websites:

The UK: [UK-Moldova Strategic Partnership, Trade and Cooperation Agreement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94212/uk-moldova-strategic-partnership-trade-and-cooperation-agreement-2020.pdf)

Moldova: <https://mded.gov.md>

2.3. The Agreement contains 392 Articles, 27 Annexes, and 3 Protocols which reproduces relevant sections of the EU-Moldova Agreement with the necessary technical and administrative changes to make it operable in a bilateral context between the UK and Moldova.

Table 2.1 Structure of the Agreement

<i>Titles, Chapters (including Annexes) and Protocols</i>	<i>Title/description</i>
Preamble	
Title I	General principles
Title II	Political dialogue and reform, cooperation in the field of foreign and security policy
Title III	Freedom, security and justice
Title IV	Economic and other sectoral cooperation
Chapter 1	Public administration reform
Chapter 2	Economic Dialogue
Chapter 3	Company law, accounting and auditing and corporate governance
Chapter 4	Employment, social policy and equal opportunity
Chapter 5	Consumer protection
Chapter 6	Statistics
Chapter 7	Management of public finance: budget policy, internal control, financial inspection and external audit
Chapter 8	Taxation
Chapter 9	Financial Services
Chapter 10	Industrial and enterprise policy
Chapter 11	Mining and raw materials
Chapter 12	Agriculture and rural development
Chapter 13	Fisheries and maritime Policy
Chapter 14	Energy cooperation
Chapter 15	Transport
Chapter 16	Environment
Chapter 17	Climate action
Chapter 18	Information society
Chapter 19	Tourism
Chapter 20	Regional development
Chapter 21	Public health
Chapter 22	Civil protection
Chapter 23	Cooperation on education, training, multilingualism, youth and sport
Chapter 24	Cooperation in research, technological development and demonstration
Chapter 25	Cooperation on culture, audio-visual policy and media
Chapter 26	Civil society cooperation
Chapter 27	Cooperation in the protection and promotion of the rights of the child
Title V	Trade and trade-related matters
Chapter 1	National treatment and market access for goods
Chapter 2	Trade remedies
Chapter 3	Technical barriers to trade, standardization, metrology, accreditation and conformity assessment
Chapter 4	Sanitary and Phytosanitary measures
Chapter 5	Customs and trade facilitation
Chapter 6	Establishment, trade in services and electronic commerce
Chapter 7	Current payments and movement of capital
Chapter 8	Public procurement
Chapter 9	Intellectual property rights
Chapter 10	Competition
Chapter 11	Trade-related energy
Chapter 12	Transparency
Chapter 13	Trade and sustainable development
Chapter 14	Dispute settlement
Title VI	Institutional, general and final provisions
Chapter 1	Institutional framework
Chapter 2	General and final provisions
Annexes I-XVII	Supplementary provisions referring to specific parts of the Agreement
Protocol I	Concerning the definition of the concept of "originating products" and methods of administrative cooperation
Protocol II	On mutual administrative assistance in customs matters
Protocol III	Definitions

Source: The Agreement.

3 PROVISIONS ON TRADE IN GOODS

3.1. Under Title V, which covers trade and trade-related matters, Chapters 1 through 5 contain disciplines related to trade in goods.

3.1 Import duties and charges, and quantitative restrictions

3.1.1 General provisions

3.2. The Parties agree to eliminate customs duties on each others' originating goods as per the tariff liberalization schedules in Annex II to the Agreement (Article 124). They also agree to apply national treatment to each others' imports in accordance with Article III of GATT 1994 and its interpretative notes, which are incorporated into and made an integral part of the Agreement (Article 129).

3.3. Except as otherwise provided in the Agreement and in accordance with the provisions of Article XI of GATT 1994 and its interpretative notes, which is incorporated into the Agreement, *mutatis mutandis* neither Party may adopt or maintain any prohibition or restriction on bilateral imports and exports (Article 130).

3.4. For the application of fees and charges on the Parties' bilateral imports or exports, the Agreement mirrors the provisions of GATT Article VIII (Article 128). Under Article 171, the Agreement prohibits administrative fees equivalent to import or export duties and charges.

3.1.2 Liberalization of trade and tariff lines

3.5. The Agreement replicates the provisions of the EU-Moldova Agreement on import duties and charges, and quantitative restrictions. Under Annex II, the Parties shall eliminate all customs duties on goods originating in the other Party upon entry into force of the Agreement except:

- (i) Products listed in Annex II-A which are subject to tariff rate quotas by the UK.
- (ii) Products listed in Annex II-B under an entry price may be subject to an import duty in the UK with an exemption on the *ad valorem* component of that duty.
- (iii) Product listed in Annex II-D are subject to phased duty elimination by Moldova: (a) customs duties for staging category '10-A' in the Annex shall be eliminated in 10 equal annual stages starting on 1 January 2015 and ending on 1 January 2024, and (b) duties for staging category '10-S' shall be eliminated in 10 equal annual stages, starting on 1 January 2019, and ending on 1 January 2028.

3.6. In the following sections, unless explicitly stated, the analysis of tariffs and trade liberalization of the Parties under the Agreement⁷ is based on the data provided by the UK and, in case of Moldova, data partly supplied by Moldova and others extracted from WTO IDB and TPR Databases, in the 2017 version of the Harmonized System for both Parties. The computation of the number of tariff lines and average tariffs excludes tariff lines subject to in-quota rates; for calculating the average tariff, specific rates of duty are excluded, and only the *ad valorem* part of alternate rates is included.⁸

3.1.3 Liberalization schedule

3.1.3.1 United Kingdom

3.7. Table 3.1 below shows the UK's commitment to eliminate tariffs on its imports from Moldova under the Agreement. A comparison is made between the tariffs resulting from the implementation

⁷ In particular, Tables 3.1, 3.2, A1.1, A1.3, A2.1 and Chart 3.1 for the UK, and Tables 3.3, 3.4, A1.2, A1.4, A2.3. and Chart 3.2 for Moldova.

⁸ The data provided by the UK in GBP were converted to USD using IMF exchange rates for the corresponding years: 0.749531540259847(2018), 0.783445110011929 (2019) and 0.779999576697153 (2020).

of the Agreement and the corresponding MFN tariffs that are applicable to these products.⁹ In 2021, 47% of the UK's tariff (4,462 lines) was already duty free on an MFN basis which corresponds to 3.6% of its imports from Moldova during 2018-2020. Under the Agreement, an additional 5,022 lines (52.9% of the tariff) were duty-free in 2021, corresponding to 96.4% of its imports from Moldova. As a result, 99.9% of the UK's tariff and all of its imports from Moldova during 2018-2020 are duty-free under the Agreement. The ten lines not liberalized are subject to tariff rate quotas (see Section 3.1.4 below).

Table 3.1 United Kingdom: Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Tariff lines in UK's tariff schedule		UK's imports from Moldova (2018 - 2020)	
	Number	%	Value (USD million) ^b	%
2021 (MFN)	4,462	47.0	1.7	3.6
2021	5,022	52.9	45.7	96.4
Remain dutiable	10	0.1	0.0	0.0
Total	9,494	100.0	47.4	100.0

Source: UK authorities.

3.8. Table 3.2 further elaborates on the UK's tariff elimination by HS Sections. More than 80% of the tariff lines falling under HS Sections V (minerals), IX (wood), XIV (precious stones), and XV (base metals), as well as all lines from Sections X (wood pulp) and XXI (works of art) were already duty free on an MFN basis including a number of lines from other Sections. As a result of the Agreement, MFN dutiable products become duty free for the UK's imports from Moldova for products across all HS Sections except for six tariff lines under Section II (vegetables) and four lines from Section IV (prepared foods). The lines are found in Chapters 7 and 10 with average applied MFN rates of 9.5% and 7.5%, respectively, and Chapter 20 with a considerably higher rate of 25%. As indicated before, these 10 lines are subject to tariff rate quotas.

Table 3.2 United Kingdom: Tariff elimination under the Agreement, by HS Section

HS Section	MFN 2021			Duty Free Lines under the Agreement (2021)	Remain Dutiable	Average Dutiable Tariff
	Avg. Tariff (%)	No. of lines	Duty free lines			
I	8.9	956	109	847		
II	4.4	554	213	335	6	8.2
III	4.8	129	30	99		
IV	12.9	869	119	746	4	25.0
V	0.4	231	202	29		
VI	2.7	1,226	550	676		
VII	3.7	301	86	215		
VIII	1.4	130	73	57		
IX	1.1	235	189	46		
X	0.0	195	195			
XI	7.0	1,149	243	906		
XII	7.3	106	17	89		
XIII	2.0	234	162	72		
XIV	0.5	58	47	11		
XV	0.6	955	804	151		
XVI	0.7	1,338	981	357		
XVII	3.7	286	121	165		
XVIII	0.6	299	218	81		

⁹ The UK's applied MFN tariff in 2021 consisted of 9,494 lines at the eight-digit level (HS 2017). 90.7% of the tariff rates were *ad valorem* and 881 lines had non-*ad valorem* tariffs of which 683 lines with specific duties, 194 with compound duties, and 4 with mixed duties.

HS Section	MFN 2021			Duty Free Lines under the Agreement (2021)	Remain Dutiable	Average Dutiable Tariff
	Avg. Tariff (%)	No. of lines	Duty free lines			
XIX	1.4	22	7	15		
XX	1.4	214	89	125		
XXI	0.0	7	7			
Total	3.8	9,494	4,462	5,022	10	14.9

Note: For tariff lines subject to seasonal duties¹⁰, the average rate for the year is used and the products classified beyond the HS 8-digit level are counted once and their rates are averaged to the 8-digit level.

Source: the UK authorities.

3.1.3.2 Moldova

3.9. Table 3.3 summarizes Moldova's commitment to eliminate tariffs on its imports from the UK under the Agreement. A comparison is made between the tariffs resulting from the implementation of the Agreement and the corresponding MFN tariffs applied to these products in the year of entry into force of the Agreement.¹¹ In 2021, 35.7% of Moldova's tariff (3,434 lines) was already duty-free on an MFN basis, corresponding to 58.5% of its imports from the UK during 2018-2020. Upon entry into force of the Agreement in 2021, an additional 6,040 tariff lines (62.8% of the tariff) became duty-free, corresponding to 41.4% of imports from the UK. Moldova will further liberalize 38 lines in 2024 and 17 lines in 2028. At the end of the implementation period, 99% of Moldova's tariffs (9,529 lines) will be duty-free, corresponding to nearly 100% of its imports from the UK in 2018-2020. The 96 tariff lines that are not liberalized are subject to tariff rate quotas (see Section 3.1.4 below).

Table 3.3 Moldova: Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Tariff lines in Moldova's tariff schedule		Moldova's imports from UK (2018 - 2020)	
	Number	%	Value (USD million)	%
2021 (MFN)	3,434	35.7	32.8	58.5
2021	6,040	62.8	23.3	41.4
2024	38	0.4	0.0	0.0
2028	17	0.2	0.0	0.0
Remain dutiable	96	1.0	0.0	0.1
Total	9,625	100.0	56.2	100.0

Source: Moldovan authorities, TPR and the WTO-IDB.

3.10. Table 3.4 below further elaborates on Moldova's tariff elimination commitments by HS Section. Over 80% of the tariff lines falling under HS Sections IX (wood) and XV (base metals) were already duty-free on an MFN basis, including a number of lines from several other Sections, while none of the products from Sections VIII (raw hides and skins) and XIX (arms and ammunitions) were duty-free. In 2021, most of the MFN dutiable products became duty-free for imports from the UK for products across all HS Sections except for 151 tariff lines from Sections I (animal), II (vegetables) and IV (prepared foods). Among these 151 lines, 55 lines will be further liberalized by the end of the implementation period, with 38 lines becoming duty-free in 2024 and 17 lines in 2028. The remaining 96 lines, 58 from Section I (animal) and 38 from Section IV (prepared food), will remain subject to MFN duties for imports from the UK. These lines are found in HS Chapters 2, 4 and 16 with the average MFN rate of 17.1%, 16.1%, and 16.7%, respectively, while the average rate for Chapter 17 is significantly higher, at 75%.

¹⁰ Tariff lines 0302.41.00, 0302.43.90, 0302.44.00, 0303.51.00, 0303.53.90, 0303.54.10, 0303.89.40, 0304.59.50, 0304.99.23, 0702.00.00, 0708.10.00, 0805.10.22, 0805.10.24, 0805.10.28, 0808.10.80, 0808.30.90, 0809.29.00 and 0809.40.05 are subject to MFN seasonal duties.

¹¹ Moldova's applied MFN tariff in 2021 consisted of 9,625 nine-digit lines (HS 2017). 95.7% of the tariff rates were *ad valorem* and 414 lines had non-*ad valorem* tariffs of which 231 lines with specific duties, 136 with compound duties, and 47 with mixed duties.

Table 3.4 Moldova: Tariff elimination under the Agreement, by HS Section

HS Section	MFN 2021			Duty Free lines under the Agreement			Remain Dutiable	Average Dutiable Tariff
	Average Tariff (%)	Number of lines	Duty free lines	2021	2024	2028		
I	9.0	956	374	496	25	3	58	16.7
II	11.0	581	54	512	3	12		
III	12.5	129	8	121				
IV	16.4	905	8	847	10	2	38	52.0
V	1.7	236	170	66				
VI	3.6	1,222	387	835				
VII	5.2	301	21	280				
VIII	9.0	130		130				
IX	1.1	233	199	34				
X	6.0	196	38	158				
XI	7.2	1,156	242	914				
XII	12.3	106	8	98				
XIII	8.2	232	17	215				
XIV	5.3	56	17	39				
XV	0.9	954	853	101				
XVI	3.6	1,389	710	679				
XVII	2.9	280	132	148				
XVIII	4.1	321	150	171				
XIX	10.0	22		22				
XX	7.0	213	44	169				
XXI	7.1	7	2	5				
Total	6.2	9,625	3,434	6,040	38	17	96	30.7

Source: Moldovan authorities, TPR and the WTO-IDB.

3.1.4 Tariff rate quotas (TRQs)

3.11. Both Parties apply TRQs for certain products under the Agreement. As in other continuity agreements the UK's TRQs have been resized to reflect the fact that the UK is a smaller trader than the EU. The UK has TRQs on 7 categories of products (10 lines at the tariff line level), including tomatoes, garlic, table grapes, apples, cherries, plums, and grape juice. For these products, the in-quota rates are eliminated, while out-of-quota imports from Moldova are subject to MFN rates. Moldova has maintained TRQs for 6 product categories that comprise 96 tariff lines. The products include pork meat, poultry, dairy products, sausages, other prepared meat, sugar, and other sugar items. The in-quota rates are eliminated for all these products, while the out-of-quota imports are subject to MFN rates.

3.12. Annex 2 provides further information on the TRQs maintained by both Parties, including quota volumes, in and out-of-quota rates under the Agreement, corresponding MFN rates, and products subject to MFN TRQs.

3.2 Rules of origin¹²

3.13. The rules of origin are laid down in Protocol I of the Agreement (Article 121 of the Agreement). The relevant definitions are provided in Title I of the Protocol, while Title II specifies the requirements for products to qualify as originating. As per Article 2, a product is considered as originating in a Party if it is:

¹² Unless explicitly mentioned in the text, the Articles referred to in this section are from Protocol I of the Agreement.

- (a) wholly obtained in a Party within the meaning of Article 5¹³, or
- (b) obtained in a Party incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Party concerned within the meaning of Article 6.

3.14. Article 6 defines the rules for conferring originating status for products which are not wholly obtained by the meaning of Article 5. Product-specific rules of origin are found in Incorporated Annex II¹⁴ of the Protocol specifying the necessary conditions for products to be considered sufficiently processed or worked. Origin status is granted based on four primary criteria applied either separately or in combination with each other. These are:

(i) Change in tariff classification (CTC) that requires non-originating materials to have undergone a transformation at a required level of HS classification to obtain originating status. Under the Agreement, the CTC is the main criterion for a product to qualify as originating, mainly at the HS Chapter level with some exceptions at the HS heading level.

(ii) Value-added criteria requiring a proportion of the final value of the product be added in the exporting Party. The maximum level of non-originating content permitted in the ex-works price of the product varies from 15% to 60%.

(iii) Specific processing rules that require specific processing be undertaken at a particular stage of the production process which applies to a limited number of products.

(iv) Wholly obtained criteria that requires all the materials of the HS Chapter be wholly obtained in a Party. This applies to a limited number of products, mostly agricultural.

3.15. Article 6 also provides for a general *de minimis* or tolerance rule that permits the use of non-originating materials in the production of a product as long as their total value does not exceed 10% of the product's ex-works price and the maximum values of non-originating materials specified in Incorporated Annex II are not surpassed as a result of this provision. The provision does not apply for textile and apparel products under HS Chapters 50 to 63, for which, the rule is 10% or less of the total weight of the materials.¹⁵ The absorption rule disregards any non-originating materials used in the production of a product that has already acquired originating status. Regardless of compliance with Article 6, the operations listed in Article 7 are considered insufficient to confer origin status.

3.16. Bilateral cumulation and cumulation of content from third parties is allowed under specific conditions (Articles 3 and 4). Cumulation is permitted if a good is produced using materials originating in the other Party, Switzerland (including Liechtenstein), Iceland, Norway, Türkiye, and the EU (including industrial products from Andorra and San Marino)¹⁶; or in the other countries referred to in Annex A¹⁷ to the Protocol, provided that working or processing goes beyond the operation referred to in Article 7. If the working or processing in a Party does not exceed the minimum operations in Article 7, the product will be considered as originating in that Party only if the value-added there exceeds the value of the materials used from any of the countries with which cumulation is allowed. If not, the product will be considered as originating in the country that accounts for the highest value of originating materials used in the manufacture in the Party concerned. Additionally, working or processing in Iceland, Norway, or the EU shall be considered as

¹³ Article 5 contains the list of product descriptions to be considered as wholly obtained.

¹⁴ Incorporated Annexes I to IV b' mean Annexes I to IV b of Appendix I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, as incorporated by Article 39 of Protocol I of the Agreement.

¹⁵ As per the specifics of Note 5 of introductory notes to the list in incorporated Annex II.

¹⁶ Two Joint Declarations (under Annexes A and B of Protocol I) confirm that industrial product falling under HS Chapters 25-97 originating in the Principality of Andorra and all the products originating in the Republic of San Marino, meeting the conditions of Articles 3(7)(b)(ii) and 4(5)(b)(ii) of the Protocol I shall be accepted by the Parties as originating in the EU within the meaning of the Agreement.

¹⁷ Albania, Algeria, Bosnia and Herzegovina, Egypt, Georgia, Israel, Jordan, Kosovo, Lebanon, Montenegro, Morocco, North Macedonia, Serbia, Syria, the Faroe Islands (represented by Denmark), the Palestinian Authority, Tunisia, and Ukraine (these are the Parties to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin).

having been carried out in the UK when the products obtained undergo subsequent working or processing in the UK that goes beyond operations referred to in Article 7.

3.17. Cumulation in Articles 3 and 4 in respect to the EU may be applied provided that: (i) the UK, Moldova and the EU have arrangements on administrative cooperation which ensure the correct implementation of cumulation rules; (ii) materials and products have acquired originating status by the application of rules of origin identical to those in Protocol I; and (iii) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties. With regard to the other countries cumulation may be applied if a regional trade agreement consistent with Article XXIV of the GATT 1994 is applicable between the countries involved in the acquisition of originating status and the country of destination provided the conditions under (ii) and (iii) points above are met. The current status for the UK updated to 13 October 2022, has been published.¹⁸ The Parties confirmed that they are engaging in this matter to ensure that they can benefit to the fullest extent from the possible cumulation provisions under the Agreement.

3.18. Article 15 prohibits drawback or exemption from customs duties for non-originating materials used in production. However, this does not apply if the products are deemed as originating in either the UK or Moldova, without cumulating materials from Switzerland (and Liechtenstein), Türkiye, or one of the countries mentioned in Articles 3 and 4.¹⁹

3.19. Title V regarding proof of origin includes general proof of origin requirements; procedures for issuing a movement certificate EUR.1 or EUR-MED²⁰; accounting segregation; and invoice declarations. Approved exporters who make frequent shipments of products may be authorized irrespective of the value of the products exported (Article 23).

3.20. Under Title VI on arrangements for administrative cooperation, verification of proof of origin shall be random or whenever the customs authorities in the importing Party have reasonable doubts as to the authenticity of the documents, the originating status of the products concerned or the fulfilment of the other requirements of the Protocol (Article 33). Verification shall be carried out by the customs authorities of the exporting Party including by conducting inspections of the exporter's accounts or checks as deemed appropriate. They may suspend preferences while waiting for the results of verification; if so, they shall offer the release of the products to the importer subject to any precautionary measures judged necessary. Disputes concerning the verification procedure under Article 33 shall be submitted to the Customs Sub-Committee (Article 34) and penalties are provided for by Article 35.

3.3 Export duties and charges, and quantitative restrictions

3.21. Neither Party shall adopt or maintain any duty or tax, other than internal charges applied in accordance with Article 128 of this Agreement, on their bilateral exports (Article 127). They are also restricted from adopting or maintaining any prohibition or restriction on their bilateral exports (Article 130).

3.4 Regulatory provisions on trade in goods

3.4.1 Standards

3.4.1.1 Sanitary and phytosanitary measures (SPS)

3.22. Chapter 4 of Title V and Annexes III-IX include provisions on SPS measures. Chapter 4 also aims at reaching a common understanding between the Parties concerning animal welfare standards (Article 153). The provisions of Chapter 4 shall apply to all SPS measures applied by the Parties that may, directly or indirectly, affect their bilateral trade, including all measures listed in Annex III of

¹⁸ It is available at: : <https://www.gov.uk/government/publications/notice-of-fulfilment-from-the-united-kingdom-on-cumulation-with-trading-partners-december-2020/notice-of-fulfilment-from-the-united-kingdom-on-cumulation-with-trading-partners-31-december-2020>.

¹⁹ Albania, Algeria, Bosnia and Herzegovina, Egypt, Georgia, Israel, Jordan, Kosovo, Lebanon, Montenegro, Morocco, North Macedonia, Serbia, Syria, the Faroe Islands (represented by Denmark), The Palestinian Authority, Tunisia, and Ukraine.

²⁰ Including its retrospective issuance and duplicate copy or re-issuance of the certificate.

the Agreement. Annex IV outlines the notifiable animal and aquaculture diseases, as well as regulated pests, for which regional freedom can be acknowledged, while Annex V specifies the criteria for regionalisation/zoning and pest-free areas. Annex VI details the conditions and provisions for the provisional authorization of establishments, and Annex VII lays down the procedures for recognizing equivalents. Finally, Annex IX specifies the SPS certification process, including the obligation to use the official languages of the Parties.

3.23. The key difference between SPS provisions in the Agreement and the EU-Moldova Agreement is that references to the gradual approximation of laws by Moldova to the EU's laws have been removed. As in the EU-Moldova Agreement the Parties reaffirm their rights and obligations under the WTO Agreements, in particular the SPS Agreement (Article 153).

3.24. As per Article 159, equivalence may be recognised for an individual measure, a group of measures, or a system applicable to a sector, subsector, commodities, or a group of commodities. The process of recognition requires an objective demonstration of equivalence by the exporting Party and an objective assessment of the request by the importing Party, which may include inspections or verifications. The importing Party determines equivalence according to relevant ISPMs (International standards for phytosanitary measures) and may withdraw or suspend equivalence based on any amendment affecting equivalence, provided that the procedures specified under paragraph 6 of Article 159 are followed. Once equivalence is recognized, the SPS Sub-Committee shall endorse the recognition of equivalence, which may also provide for the reduction of physical checks at the frontiers, simplify certificates, and pre-listing procedures for the establishments, as applicable. The status of the equivalence be listed in Annex X to the Agreement²¹.

3.25. Provisions relating to transparency are unchanged. The SPS Sub-Committee, established under Article 167, which shall meet at least once a year to address matters related to the Chapter. Its functions include monitoring the implementation of the Chapter, reviewing annexes, modifying them, and providing opinions and recommendations to the Political and Strategic Dialogue in Trade Configuration. Technical working groups and *ad hoc* groups may also be established. The Sub-Committee's decisions, recommendations, reports, or actions must be agreed upon by both Parties. The Parties also agree to inform each other about the structure, organization, and division of competences of their competent authorities during their first meeting of the Sub-Committee (Article 157). Additionally, they must inform each other of any changes in the structure, organization, and division of competences, including contact points, of such competent authorities²².

3.4.1.2 Technical barriers to trade (TBT)

3.26. As for SPS, there are few changes to the provisions on TBT in the Agreement such as removing references to a gradual approximation of laws by Moldova to the EU *acquis Communautaire*. The Agreement includes provisions on TBT measures through Chapter 3 of Title V. The Chapter applies to standards, technical regulations, and conformity assessment procedures as defined in the WTO TBT Agreement that may affect trade in goods between the Parties but not to SPS measures or purchasing specifications prepared by public authorities for their own production or consumption requirements (Article 147). Under Article 148, the Parties confirm their existing rights and obligations under the WTO TBT Agreement. They also agree to strengthen their technical cooperation in the field of standards, technical regulations, metrology, market surveillance, accreditation, and conformity assessment systems (Article 149). In addition, the Parties seek to identify trade-facilitating initiatives and coordinate their positions in international trade and regulatory organisations.²³

²¹ Moldova confirms that its competent authority has already submitted the national plans for monitoring residues of pharmacologically active substances, pesticides, and contaminants in animal-origin products for 2023. Additionally, it provided the list of current food operators exporting to the UK and other relevant documents.

²² The Parties confirm that the contact point information of Moldova has been communicated. The Sub-Committee has not yet met. However, the competent authorities of the Parties will meet soon to address issues related to SPS.

²³ The initiatives may include: reinforcing regulatory cooperation through the exchange of data and experience, scientific and technical cooperation; promoting and encouraging cooperation between their respective related public or private institutions; fostering the development of quality infrastructure for standardisation, metrology, accreditation, conformity assessment, and market surveillance system in Moldova; promoting the participation of Moldova in the related works of the UK; seeking solutions to technical barriers to

3.27. Under Article 150, Moldova agrees to carry out administrative and institutional reforms necessary for the effective and transparent implementation of Chapter 3 and ensures the participation of its relevant national bodies in European and international organisations for standardisation, legal and fundamental metrology, and conformity assessment, including accreditation.

3.28. The Parties also agree to add an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) as a Protocol to the Agreement (Article 151) in sectors they agree upon²⁴. While reaffirming the principles of Article 2.2 of the WTO TBT Agreement, the Parties agree to minimise their needs for obligatory labelling or marking, except as required for the protection of health, safety, or the environment, or other reasonable public policy purposes and retain the right to require information on the label or marking to be in a specified language.

3.4.2 Safeguard mechanisms

3.29. There are no changes to safeguard provisions compared to those in the EU-Moldova Agreement. The Agreement's global safeguard provisions are in Section 1 and bilateral safeguard provisions in Section 3 of Chapter 2 (trade remedies) of Part V. In addition, it also includes, through Article 125, the possibility for the UK to apply an anti-circumvention mechanism for certain agricultural and processed agricultural products as a special safeguard mechanism.

3.4.2.1 Global safeguards

3.30. Under Article 135, the Parties confirm their rights and obligations under Article XIX of GATT 1994 and the WTO Safeguards Agreement as well as under Article 5 of the WTO Agreement on Agriculture.

3.31. Article 136 outlines rules and procedures on transparency and notification requirements when initiating safeguard investigations and applying measures. The Party initiating investigations and intending to apply the measures must notify the other Party of the investigation, provided that the latter has a substantial economic interest. A Party is considered to have a substantial economic interest if it is among the largest five suppliers of the imported product in terms of volume or value over the past three years. In addition, if requested by the other Party, the initiating Party must provide *ad hoc* written notification of all pertinent information related to the investigation and offer the possibility for consultations.

3.32. While applying safeguard measures, the Parties shall endeavour to impose them in a way that least affects their bilateral trade. If a Party believes the legal requirements for definitive safeguard measures are met and intends to apply such measures, it must notify the other Party and offer the possibility of bilateral consultations. If no satisfactory solution is reached within 30 days of the notification, the importing Party may take appropriate measures to remedy the problem (Article 137).

3.33. The preferential rules of origin under Chapter 1 of Title V and dispute settlement mechanism under Chapter 14 of Title V of the Agreement shall not apply to the provisions on global safeguard measures (Article 135).

3.4.2.2 Bilateral safeguards

3.34. During the transitional period²⁵, a Party may adopt bilateral safeguard measures if the reduction or elimination of customs duty as per the Agreement results in increased imports of goods originating in the other Party, which may cause or threaten to cause serious injury to the domestic industry producing like or directly competitive goods. Such a measure may consist of either (i) a suspension of the further reduction of the customs duty on the product concerned provided for in the Party's tariff elimination schedule or (ii) an increase in the customs duty on the product

trade; and coordinating positions in international trade and regulatory organisations such as the WTO and the United Nations Economic Commission for Europe (UNECE).

²⁴ The Parties confirm that there is no current plan for adding an ACAA to the Agreement.

²⁵ Pursuant to Article 146, the "transition period" means ten years from 1 September 2014 until 31 August 2024.

concerned to a level not exceeding the lesser of the MFN applied customs duty on the product in effect at the time the measure is taken or the base rate as specified in the Party's schedule included in Annex II pursuant to Article 124 of the Agreement (Article 142).

3.35. Before applying a measure, a Party must notify and consult with the other Party and conduct an investigation in accordance with Articles 3 and 4.2(c), and in compliance with the requirements of Article 4.2(a) of the WTO Safeguards Agreement, which are incorporated into the Agreement *mutatis mutandis*. The investigation must be completed within one year. Bilateral safeguard measures can only be applied to prevent or remedy serious injury and facilitate adjustment of the domestic industry, for a maximum period of two years, with the possibility of a two-year extension (Article 143). A bilateral safeguard measure cannot be applied beyond the transitional period (i.e., beyond 31 August 2024) or simultaneously as a measure under Article XIX of GATT 1994 and the WTO Safeguards Agreement. When terminating a bilateral safeguard measure, the customs duty rate shall revert to the rate that, according to the Parties' respective Tariffs Schedules in Annex II, would have been in effect but for the measure.

3.4.2.3 Anti-circumvention mechanism

3.36. Under Article 125, the UK reserves the right to apply an anti-circumvention mechanism on imports of agricultural and processed agricultural products from Moldova. The mechanism applies to products listed in Annex II-C²⁶ and requires the UK to notify Moldova when the volume of imports reaches 70%, in any given year starting on 1 January of the volume indicated therein. If the volume reaches 80%, Moldova must provide a justification for the increase in imports within 14 days. If the volume reaches 100% without a sound justification, the UK may temporarily suspend preferential treatment under the Agreement for the products applicable for up to six months from the date of publication of the decision to do so. All temporary suspensions adopted shall be notified by the UK to Moldova without undue delay. The suspension may be lifted before the expiry of six months if evidence is provided that the increase in imports is due to a change in Moldova's production and export capacity.

3.37. Annex II-C may be amended, and the volume modified by mutual consent of the Parties to reflect changes in the production and export capacity of Moldova for the product(s) concerned²⁷.

3.4.3 Anti-dumping and countervailing measures

3.38. Provisions on anti-dumping and countervailing measures are unchanged from those under the EU-Moldova Agreement. Under Section 2 of Chapter 2 of Part V, the Parties confirm their rights and obligations under Article VI of the GATT 1994 and the WTO Agreements on Antidumping and on Subsidies and Countervailing Measures (Article 138). Accordingly, the Section 2 specifies the rules on transparency (Article 162), consideration of public interest (Article 163), and the application of the "lesser duty value" principle (Article 164).

3.39. The preferential rules of origin under Chapter 1 of Title V and dispute settlement mechanism under Chapter 14 of Title V of the Agreement shall not apply to anti-dumping and countervailing measures (Article 135).

3.4.4 Subsidies and State-aid

3.40. Disciplines on State-aid which covers both trade in goods and services, under Chapter 10 (competition) are addressed below under section 5.10.

²⁶ The agricultural products include pig meat; poultry meat; dairy products; eggs in shell; eggs and albumins; wheat, barley and maize flour and pellets; and sugars; and processed agricultural products include processed cereal; cigarettes; processed dairy; processed sugar; and sweet corn.

²⁷ Moldova confirms that the anti-circumvention measures are in place; however, they are not being applied because they are deemed unnecessary because of a lack of exports from Moldova to the UK that would fall under the scope of the mechanism.

3.4.5 Customs-related procedures and trade facilitation

3.41. Customs procedures related to origin are covered by Protocol 1 of the Agreement. In addition, special provisions on administrative cooperation are under Section 5, Chapter 1, and other disciplines on customs and trade facilitation are contained in Chapter 5 of Title V. As in other parts of the Agreement references to the approximation of laws by Moldova to those of the EU have been removed.

3.42. While acknowledging that administrative cooperation and assistance are essential for implementing and controlling the preferential treatment granted under Chapter 1 (trade in goods), the Parties agree to combat irregularities and fraud in customs and related matters. Failure to provide administrative cooperation or assistance, or irregularities or fraud, may result in temporary suspension of preferential treatment for the product(s) concerned.²⁸

3.43. Under Chapter 5 (customs and trade facilitation), The Parties agree to reinforce cooperation to ensure that the relevant legislation and procedures, as well as the administrative capacities fulfil the aim of effective control and support facilitation of legitimate trade. They also recognize the importance of legitimate public policy objectives, including trade facilitation, security, and prevention of fraud.

3.44. The Parties agree that their respective trade and customs legislation shall be stable and comprehensive, and customs procedures shall be proportionate, transparent, predictable, non-discriminatory, impartial, and applied uniformly and effectively (Article 169). They also agree to take further steps towards reducing, simplifying, and standardising data and documentation required by customs and other authorities and to provide effective, prompt, and non-discriminatory procedures guaranteeing the right of appeal against customs administrative actions. Such appeal procedures shall be easily accessible, and any costs shall be reasonable. The Parties also commit not to apply any requirements for the mandatory use of customs brokers or pre-shipment or destination inspections.

3.45. The Parties will *inter alia* ensure transparency and consultation with the business community regarding customs and trade issues and make legislation and procedures publicly available; and establish consultation mechanisms with trade representatives.

3.46. There are also no changes to provisions on customs valuation (Article 172), where the provisions of the WTO Agreement on the Implementation of Article VII of GATT 1994 (WTO Agreement on customs valuation) are made an integral part of the Agreement; and customs cooperation (Article 173), which includes agreement to exchange information on customs legislation and procedures, cooperate on automating customs and trade procedures and exchanging best practices on customs operations.

3.47. The Parties will also provide each other with mutual administrative assistance in customs matters as per the provisions of Protocol II to the Agreement on Mutual Administrative Assistance in Customs Matters (Article 174). The Parties shall cooperate, providing technical assistance and capacity building for trade facilitation and customs reforms (Article 175).

3.48. The Customs Sub-Committee is established under Article 176 and is responsible for *inter alia* ensuring the proper functioning of Chapter 5 (customs and trade facilitation), Protocol I (rules of origin), and Protocol II (mutual administrative assistance in customs matters).

3.4.6 Other regulations

3.49. In addition to the provisions described above, there are no other regulations in the Agreement.

²⁸ A finding of irregularities or fraud may be made if there is a rapid increase in the volume of imports of goods that exceed the other Party's usual production and export capacity without satisfactory explanation and linked to objective information concerning irregularities or fraud (Article 132).

3.5 Sector-specific provisions on trade in goods

3.50. There are no sector specific provisions in the Agreement.

4 PROVISIONS ON TRADE IN SERVICES AND INVESTMENT

4.1 Scope and definitions

4.1. The Agreement incorporates trade in services provisions of the EU-Moldova Agreement with modifications. Chapter 6 (establishment, trade in services and electronic commerce) of Title V (trade and trade related matters) applies to measures that affect trade in services among the Parties. The Parties reaffirm their respective commitments under the WTO Agreement and agree on the progressive reciprocal liberalization of establishment and trade in services and cooperation on electronic commerce. The Chapter includes disciplines on establishment, trade in services, and electronic commerce. It does not apply to Government procurement, including measures related to trade in services, which is addressed in Chapter 8 (public procurement) of Title V. Similarly, subsidies are governed by Chapter 10 (competition); thus, Chapter 6 does not apply to subsidies granted by the Parties. The Parties retain the right to regulate and develop new policies to address legitimate objectives within the confines of Chapter 6. Additionally, measures that impact natural persons seeking employment in a Party or measures related to citizenship, residency, or permanent employment fall within the individual jurisdiction of the Parties and are therefore exempt from the Agreement (Article 177). Table 4.1 below summarizes the structure of Chapter 6.

Table 4.1 Structure of Chapter 6 (establishment, trade in services and electronic commerce)

Section/sub-sections	Provisions	Annexes/disciplines
Section 1	General provisions	
Section 2	Establishment	Annexes XI-A (UK) and XI-E (Moldova): reservations (negative list) on national and MFN treatment for establishment and operation.
Section 3	Cross-border supply of services (Mode 1 and 2)	Annexes XI-B (UK) and XI-F (Moldova): Schedule of commitments (Positive list) for modes 1 and 2.
Section 4	Temporary presence of natural persons for business purposes	Annexes XI-C (UK) and XI-G (Moldova): reservations on key personnel, graduate trainees, and business sellers. Annexes XI-D (UK) and XI-H (Moldova): reservations on contractual services suppliers and independent professionals.
Section 5	Regulatory framework:	
Sub-section 1	Domestic regulation	<ul style="list-style-type: none"> • Conditions for licensing and qualification • Licensing and qualification procedures
Sub-section 2	Provisions of general application	<ul style="list-style-type: none"> • Mutual recognition • Transparency and disclosure of confidential information
Sub-sections 3 through 7 include provisions on computer services, postal and courier services, electronic communication networks and services, financial services, and transport services		
Section 6	Electronic Commerce	
Sub-section 1	contains general provisions	
Sub-section 2	Liability of intermediary service providers	
Section 7	Exception	<ul style="list-style-type: none"> • General exceptions • Recognition and Taxation measures • Security exceptions

Source: WTO Secretariat based on the Agreement.

4.2. The definitions applicable to Chapter 6 in Article 178, largely resemble those found in Article 1 of the GATS.

4.3. On establishment (section 2), while corresponding to and encompassing the notion of commercial presence as defined under the GATS, the Agreement also covers establishment for non-services sectors. Accordingly, it applies to measures related to establishment in all economic activities except for mining, manufacturing and processing of nuclear materials; production or trade in arms, munitions, and war materiel; audio-visual services; national maritime cabotage; and

domestic and international air transport services except aircraft repair and maintenance services during which an aircraft is withdrawn from service, selling and marketing of air transport services, computer reservation system (CRS) services, ground-handling services; and airport operation services (Article 179).

4.4. Section 3 of Chapter 6 governs provisions on "cross-border supply of services" which corresponds to modes 1 and 2 of the GATS and applies to measures that affect cross-border supply of all services except for audio-visual services, national maritime cabotage, and domestic and international air transport services except for those included under Article 179. (Article 184).

4.5. To progressively liberalize establishment and cross border supply provisions under the Agreement, the Parties agree to regularly review the legal framework and environment for establishment, consistent with their commitments in international agreements (Article 181) and commitments in Annexes XI-B and XI-F. The Parties confirm that no progress has been made on this matter.

4.2 Denial of benefits

4.6. The Agreement does not include a denial of benefits clause as such. However, it specifies that a juridical person having only its registered office or central administration in the territories of the Parties cannot benefit from the Agreement unless its operations possess a real and continuous link with the economy of either Party. However, shipping companies established outside but controlled by nationals of the Parties will benefit from the provision of the Agreement provided that the vessels are registered in accordance with Parties' respective legislation and flying their flags.

4.3 General provisions on trade in services and investment

4.3.1 Market access

4.7. With regard to establishment, the Agreement does not contain specific provisions on market access. But for the cross-border supply of services, the Parties' market access commitments are in their Schedules of specific commitments under Annexes XI-B (UK) and XI-F (Moldova) (Article 185). The list follows a positive list approach, like under the GATS. Therefore, each Party shall provide services and service suppliers of the other Party with no less favourable treatment than specified in their Schedule of commitments. Additionally, in sectors where market access commitments are made, the Parties shall not maintain or adopt limitations on the number of services suppliers, the total value of service transactions or assets, or the total number of service operations or output expressed in designated numerical units, unless otherwise specified in their Schedules.

4.3.2 National and MFN treatment

4.8. The Parties grant MFN and national treatment to each other's juridical persons for the establishment and operation of subsidiaries, branches, and representative offices. They also agree to provide the same treatment once established and not to introduce new regulations or measures which discriminate against each other's juridical persons subject to reservations in Annexes XI-A (UK) and XI-E (Moldova) (Article 180).

4.9. Concerning the cross-border supply of services, national treatment is granted under Article 186. Accordingly, in services sectors where market access commitments are made in their respective Schedules of Commitments and subject to the conditions and limitations therein, each Party must grant the other Party treatment no less favourable than that it accords to its own services and suppliers, either through formally identical or formally different treatment. If the treatment modifies the conditions of competition in favour of one Party, it will be considered less favourable. The Agreement does not require compensation for inherent competitive disadvantages resulting from the foreign nature of services or suppliers. In contrast to establishment, the Agreement does not contain specific MFN provisions for the cross-border supply of services.

4.3.3 Commercial presence (establishment)

4.10. Section 2 of Chapter 6 contains disciplines on establishment, while corresponding to and encompassing the notion of commercial presence as defined under the GATS, the Agreement further extends its scope by covering establishment in non-services sectors. As regards branches and representative offices, particular rules can be applied in relation to national treatment or MFN treatments which are justified by legal or technical differences or as regards financial services, for prudential reasons (Article 183). The rights of entrepreneurs of the Parties to benefit from any more favourable treatment provided for in any existing or future international agreement relating to investment to which the UK and Moldova are parties also remain reserved.

4.3.4 Performance requirements

4.11. There are no general provisions on performance requirements under Chapter 6, except otherwise specified in the Parties' respective Schedules.

4.3.5 Senior Management and Boards of Directors

4.12. The Agreement does not contain specific provisions on senior management and boards of directors. The Parties' respective lists of specific commitments nevertheless contain certain reservations in this regard.

4.3.6 Movement of natural persons

4.13. Section 4 of Chapter 6 applies to measures concerning the movement of natural persons between the Parties' territories for business purposes, which include business visitors and intra-corporate transferees, graduate trainees, business sellers, contractual services suppliers (CSS), and independent professionals (Article 189).

4.14. Concerning key personnel or graduate trainees, for every sector committed in accordance with Section 2 (establishment) and subject to any reservations listed in Annexes XI-A and XI-E or in Annexes XI-C and XI-G, each Party shall allow entrepreneurs of the other Party to employ in their establishment natural persons of that other Party as per the conditions laid down in Article 190. Article 190 also prohibits limitations on the number of natural persons an entrepreneur may employ as key personnel and graduate trainees in a specific sector in the form of numerical quotas or discriminatory limitations unless specified in Annexes XI-C and XI-G (reservations).

4.15. Under Article 191, for sectors committed to in accordance with Sections 2 (establishment) and 3 (cross-border supply of services), and subject to any reservations listed in Annexes XI-A and XI-E, and XI-B and XI-F, each Party agrees to permit business sellers to enter and temporarily stay in their territories according to the conditions specified.

4.16. Regarding the entry and temporary stay of CSS, the Parties reaffirm their respective obligations under their GATS commitments. Additionally, each Party agrees to allow the supply of services into their territory by CSS from the other Party, subject to the conditions in Article 192 and the reservations in Annexes XI-D and XI-H.

4.17. Under Article 193, the Parties allow independent professionals from one Party to provide services in the territory of the other, subject to the conditions outlined therein and to the reservations listed in Annexes XI-D and XI-H. Table 4.2 below summarizes temporary entry and stay for the categories for which the Parties take commitments under the Agreement. The commitments are largely the same as those in the EU-Moldova Agreement, except that specific provisions for certain individual EU members have been removed.

Table 4.2 UK and Moldova: Commitments taken by the Parties on the movement of natural persons.

Categories	Conditions/length of stay for the temporary movement of natural persons
Key personnel and graduate trainees	<p>For establishment:</p> <ul style="list-style-type: none"> • Subject to reservations listed in Annexes XI-A and XI-E or in Annexes XI-C and XI-G <ul style="list-style-type: none"> ○ up to 3 years for intra-corporate transferees.

Categories	Conditions/length of stay for the temporary movement of natural persons
	<ul style="list-style-type: none"> o 90 days in any 12-month period for business visitors for establishment purposes o for 1 year for graduate trainees.
Business sellers	For establishment and cross-border supplies of services: <ul style="list-style-type: none"> • up to 90 days in any 12-month period, subject to reservations listed in Annexes XI-A and XI-E or in Annexes XI-B and XI-F
Contractual service suppliers	Subject to reservations listed in Annexes XI-D and XI-H: <ul style="list-style-type: none"> • natural persons must be engaged in the supply of services on a temporary basis as an employee of a juridical person. • the juridical person providing temporary employment must be supplying services for at least the year immediately preceding the application for temporary entry for the natural persons. • natural persons have: a service contract not exceeding 12 months, a university degree or equivalent qualification, at least three years of professional experience in the sector of activity, and professional qualifications required to exercise an activity pursuant to the laws of the concerned Party where the service is supplied. • natural persons entering the other Party shall not receive remuneration other than that paid by the juridical person employing them. • entry and temporary stay shall not exceed six months in any 12-month period or for the duration of the contract, whichever is less. • the access granted to CSS is only for the service activity which is the subject of the contract. • the number of persons covered by the service contract shall not be larger than necessary to fulfil the contract according to the laws, regulations, or other legal requirements of the Party where the service is supplied.
Independent professionals	<ul style="list-style-type: none"> • natural persons must be self-employed and temporarily supply a service in the other Party, and must have obtained a service contract for a period not exceeding 12 months. • must have at least six years of professional experience in the relevant sector at the time of submitting their application to enter the other Party's territory. • must possess a university degree or equivalent qualification and professional qualifications required to exercise an activity pursuant to the laws of the concerned Party where the service is supplied. • entry and temporary stay shall not exceed six months in any 12-month period or for the duration of the contract, whichever is less. • access granted to independent professional is only for the service activity which is the subject of the contract.

Source: WTO Secretariat based on Articles 190 through 193 of the Agreement.

4.4 Liberalization commitments

4.18. The Parties' Schedules of specific commitments are in Annexes XI-A, B, C, D, E, F, G, and H. They include reservations on establishment, commitments on cross-border supply of services, reservations for key personnel, graduate trainees and business sellers, and reservations for contractual services suppliers and independent professionals.

4.19. Regarding establishment, the Parties follow a negative list approach, and they grant each other national and MFN treatment for the establishment and operation of their subsidiaries, branches, and representative offices of juridical persons, subject to the reservations in Annexes XI-A (UK) and XI-E (Moldova). For the cross-border supply of covered services sectors, the Parties follow a positive list approach, and they grant each other market access and national treatment as scheduled in Annexes XI-B (UK) and XI-F (Moldova).

4.4.1 United Kingdom

4.20. The commitments undertaken by the UK remain largely the same as those in the EU-Moldova Agreement, except that the commitments pertaining to individual EU members have been removed, and a few new reservations or commitments have been introduced. For example, a reservation under telecommunication services for broadcast transmission²⁹ has been introduced, while the reservation under tourism and travel related services on establishment has been removed. For cross-border

²⁹Although the EU's commitment under the EU-Moldova Agreement excludes 'broadcast transmission' in its commitments on Cross-Border Services (Modes 1-2), there was no reservation registered under the Annex corresponding to list of reservation on establishment.

supply (modes 1-2), construction and related engineering services have been fully liberalized, with a full commitment extended to the 'other' subcategory. Similarly, improvements have been made in some tourism and travel-related services, as well as maritime transport services. However, the partial commitments made under the EU-Moldova Agreement for pipeline transport services have been removed, leaving the subsector unbound.³⁰

4.4.1.1 MFN and Horizontal commitments

4.21. The UK has several reservations under its GATS commitments for public utilities at the national or local level and certain types of establishments. In addition, other horizontal restrictions apply to mode 4. A number of MFN exemptions in various areas, including audiovisual services, transportation services, and financial services, as well as for all sectors for existing and future bilateral agreements with third parties are listed.

4.22. Under the Agreement, while building upon its GATS reservations, the UK maintains a horizontal "public utilities" reservation so that economic activities considered as "public utilities" may be subject to public monopolies or exclusive rights. Regarding establishment, the UK's list of reservations mostly corresponds to its horizontal reservations in the GATS. It has also included some reservations for certain measures, such as qualification requirements and procedures, technical standards, and licensing requirements and procedures, provided they do not constitute market access or national treatment limitation. Regarding the temporary presence of key personnel, graduate trainees, and business sellers, the commitments, similar to those in the GATS for mode 4, are subject to reservations in Annexes XI-C and XI-D. Concerning the cross-border supply of services, the commitments do not affect the existence of public monopolies and exclusive rights, as described in its commitments on establishment. With regards to MFN exemptions for establishment the right to adopt or maintain measures that accord differential treatment to a country based on existing or future bilateral or multilateral agreements³¹ is preserved.

4.4.1.2 Sector-specific commitments in trade in services

4.23. In the following section, The UK's GATS specific commitments in modes 1 to 3 have been compared to those under the Agreement (Table 4.1), using the WTO Services Sectoral Classification.³² There is as yet no certified UK Schedule of Specific Commitments, although a proposed draft has been circulated under series S/C/W/380³³. The comparison only concerns modes 1-3, market access and national treatment. it does not cover MFN and Horizontal limitations, as well as Mode 4 commitments/limitations.

Table 4.3 United Kingdom: Comparison between GATS and Agreement specific commitments

Sectors (CPC Classification)	GATS	FTA Sectoral commitments			
		Establishment (Mode 3)		Cross-border supply (Modes 1-2)	
		compared to GATS	Commitments	compared to GATS	Commitments
1. Business services					
A. Professional Services	Partial	Similar	Partial	Similar	Partial
B. Computer and Related Services	Full	Similar	Full	Similar	Full
C. Research and Development Services	Partial	Improved	Partial	Improved	Partial
D. Real Estate Services	Full	Similar	Full	Similar	Full
E. Rental/Leasing Services without Operators	Partial	Similar	Partial	Limited	Partial
F. Other Business Services	Partial	Improved	Partial	Improved	Partial
2. Communication services					
A. Postal services	...	New	Full	New	Partial
B. Courier services	...	New	Full	New	Partial
C. Telecommunication services	Partial	Similar	Partial	Improved	Partial
D. Audiovisual services	...	Similar	...*	Similar	...*
3. Construction and related engineering services					
A. General construction work for buildings	Partial	Similar	Full	Improved	Full

³⁰ The changes in the UK's commitment, to a large extent, are because of the UK's GATS commitments, while being a member of the EU, are slightly modified.

³¹ Such agreement which creates internal market in services and investment, grants the right of establishment, or requires the approximation of legislation in one or more economic sectors.

³² Document MTN.GNS/W/120 as of 10 July 1991.

³³ As reported by the UK, there has been no update on the status of the Schedule.

Sectors (CPC Classification)	GATS	FTA Sectoral commitments			
		Establishment (Mode 3)		Cross-border supply (Modes 1-2)	
		compared to GATS	Commitments	compared to GATS	Commitments
B. General construction work for civil engineering	Partial	Similar	Full	Improved	Full
C. Installation and assembly work	Partial	Similar	Full	Improved	Full
D. Building completion and finishing work	Partial	Similar	Full	Improved	Full
E. Other	Partial	Similar	Full	Improved	Full
4. Distribution services					
A. Commission agents' services	Partial	Similar	Full	Similar	Partial
B. Wholesale trade services	Partial	Similar	Partial	Similar	Partial
C. Retailing services	Partial	Limited	Partial	Similar	Partial
D. Franchising	Partial	Similar	Full	Similar	Partial
E. Other	...	Improved	full	Similar	...
5. Education services					
A. Primary education services	Partial	Limited	Partial	Similar	Partial
B. Secondary education services	Partial	Limited	Partial	Similar	Partial
C. Higher education services	Partial	Limited	Partial	Similar	Partial
D. Adult education	Partial	Limited	Partial	Similar	Partial
E. Other education services	...	Similar	...	Similar	...
6. Environmental services					
A. Sewage services	Partial	Similar	Partial	Similar	Partial
B. Refuse disposal services	Partial	Similar	Partial	Similar	Partial
C. Sanitation and similar services	Partial	Similar	Partial	Similar	Partial
D. Other	Partial	Similar	Partial	Improved	Partial
7. Financial services					
A. All insurance and insurance-related services	Partial	Similar	Partial	Limited	Partial
B. Banking and other financial services	Partial	Similar	Partial	Limited	Partial
C. Other	...	Similar	...	Similar	...
8. Health related and social services					
A. Hospital services	Partial	Similar	Partial	Similar	Partial
B. Other Human Health Services	...	Similar	***	New	Partial
C. Social Services	Partial	Similar	Partial	Similar	Partial
D. Other	...	Similar	...	Similar	...
9. Tourism and travel related services					
A. Hotels and restaurants (including catering)	Partial	Similar	Full	Similar	Partial
B. Travel agencies and tour operators services	Full	Similar	Full	Similar	Full
C. Tourist guides services	Full	Similar	Full	Similar	Full
10. Recreational and cultural and sporting services					
A. Entertainment services	Partial	Similar	Full	Similar	Partial
B. News agency services	Full	Similar	Full	Similar	Full
C. Libraries, archives, museums and other cultural services	...	Similar	...	Similar	...
D. Sporting and other recreational services	Partial	Similar	Partial	Similar	Partial
11. Transport services					
A. Maritime Transport Services	...	New	Partial	New	Full
B. Internal Waterways Transport	...	New	Partial	New	Partial
C. Air Transport Services	Partial	Similar	Partial	Similar	Partial
D. Space Transport	...	Similar	...	Similar	...
E. Rail Transport Services	Partial	Improved	Full	Improved	Partial
F. Road Transport Services	Partial	Similar	Partial	Similar	Partial
G. Pipeline Transport	...	Similar	...	Similar	...
H. Services auxiliary to all modes of transport	Partial	Improved	Full	Improved	Partial
I. Other Transport Services	Partial	Similar	Partial	Improved	Partial

*** Reservation on national treatment on establishment registered under Annexe XI-A.

Partial: Specific commitments subject to some limitation(s) under market access or national treatment, under any of the three modes (1-3).

Full: Commitments not subject to market access or national treatment limitations, for any of the three modes.

...* Sector/subsectors excluded from the Agreement.

... No specific commitment under the GATS or the Agreement.

New: New commitments under the Agreement (full or partial, with or without limitations) which can, in most cases, be seen as "improved".

Improved: Overall improved commitments under the Agreement compared to those under the GATS.

Similar: Similar commitments (Agreement vs GATS) with limited improvements and/or limited additional reservations.

Limited: Some additional limitations (as compared to GATS commitments).

Source: Draft UK Consolidated GATS Schedule of Specific Commitments (S/C/W/380), and Annexes XI-A, B to the Agreement.

4.4.1.2.1 Business services

4.24. Under its GATS commitments, the UK has made substantive commitments for business services. These commitments apply to all 11 subsectors of professional services, with certain reservations for modes 1 and/or 3.³⁴ Full commitments have been made for modes 1-3 for computer and related services and real estate services. For research and development services, the full commitment applies only for social science and humanities and the remaining subsectors are not scheduled. Under rental and leasing services almost all subsectors are fully liberalized except for services relating to aircraft which are subject to market access limitations for modes 2 and 3, and no commitments are undertaken for 'other' services. For other business services, the UK has made full commitments or commitments with certain reservations for all subsectors, except for services incidental to manufacturing and energy distribution, which are excluded.

4.25. Under the Agreement, the UK's overall commitments in business services are improved. For professional services, most reservations under mode 3 are lifted, with only one national limitation remaining for certain legal advisory and legal documentations and certification services³⁵ while the commitments for modes 1-2 remain similar to those in the GATS commitments. For research and development services, the commitments have been extended to all sub-sectors for mode 1-3.³⁶ Under rental and leasing services, a new commitment has been undertaken for telecommunications equipment rental services which is fully liberalised for modes 1-3. Regarding other business services, while the commitments made for the subsectors covered in the GATS remain largely the same, a number of new commitments have been taken and a few reservations have been lifted. For example, services incidental to manufacturing and energy distribution is added under the Agreement with full commitments for modes 1-3. Reservations under mode 1 for photographic and packaging services have been lifted, and full commitments for modes 1-3 have been added under the Agreement for electronic communications consulting services and telephone answering services.

4.4.1.2.2 Communication services

4.26. Postal and courier; audio visual; and other communication services are unbound under the GATS. Full commitments have been made in telecommunication services for the supply of "all services consisting of the transmission and reception of signals by any electromagnetic means, excluding broadcasting". The UK's GATS commitments also incorporate the Reference Paper obligations for basic telecommunications services.

4.27. Under the Agreement, the UK has partly liberalized postal and courier services subject to some reservations for modes 1-2. Partial commitments have been added for satellite broadcast transmission services under telecommunications, with reservations in modes 1-2. Audio-visual services are excluded from the coverage of the Agreement. Other commitments under communication services remain the same as in the GATS.

4.4.1.2.3 Construction and related engineering services

4.28. Under its GATS commitments, the UK has to a large extent liberalized the supply of construction and related engineering services. However, mode 1 is unbound for the entire sector, except for site investigation work (CPC 5111) and excavating and earthmoving work (CPC 5114).

4.29. Under the Agreement, the UK fully liberalizes the sector for modes 1-3 by withdrawing all limitations and reservations for the covered subsectors under the GATS.

³⁴ Specifically, reservations apply to auditing services; medical, dental and midwives' services; veterinary services; services provided by nurses, physiotherapists, and paramedical personnel; supply of pharmaceutical goods to the general public; and other related scientific and technical consulting services.

³⁵ Services provided by a legal professional entrusted with public functions such as notaries.

³⁶ Although a reservation is registered under mode 3 and the conditions correspond to the GATS horizontal reservations.

4.4.1.2.4 Distribution services

4.30. Most of the sector is covered and liberalized, except for exclusions under GATS commitments. Services related to trade in arms, chemical products, explosives, and precious metals are excluded from the scope of the commitments. The scope of liberalization of the supply of retail services is limited, with mode 1 remaining unbound, except for mail order services. Aside from these products, the distribution sector is mostly open.

4.31. While the commitments and the reservations remain the same to a large extent, a few new reservations have been made under the Agreement. For example, under mode 3, nationality conditions have been imposed to operate a pharmacy and as tobacconists.

4.4.1.2.5 Educational services

4.32. Under its GATS commitments, the UK has liberalized privately funded education services subsectors including privately funded primary, secondary, higher, and adult education services. No commitments have been made in other education services.

4.33. Under the Agreement, new reservations have been added to mode 3, by which nationality may apply as a condition for the majority of the members of boards for all privately funded education services. Commitments under modes 1-2 remain the same for the covered subsectors as in the GATS.

4.4.1.2.6 Environmental services

4.34. The supply of environmental services is mostly liberalized by the UK under the GATS, with mode 1 remaining unbound for the scheduled subsectors.

4.35. Under the Agreement, a reservation on national treatment under mode 3 is made for the provision of water-related services to various users, including drinking water and water management (which is not covered by the GATS commitments). The reservation under mode 1 for consultancy-related services corresponding to all scheduled sub-sectors has been lifted, but other parts of the subsector for mode 1 remain unbound, as in the GATS. A similar but new commitment has been added to noise and vibration abatement services (CPC 9405).

4.4.1.2.7 Financial services

4.36. Under its GATS commitments, the UK's commitments in financial services are in accordance with the "Understanding on Commitments in Financial Services." The market access commitments for modes 1 and 2 only apply to national treatment for certain financial services.³⁷ Additionally, the admission of new financial services or products must align with the regulatory framework's objectives in the Financial Services Annex. Financial institutions incorporated in the UK are generally required to adopt a specific legal form in a non-discriminatory manner. Full commitments have been made under modes 1-3 for covered insurance and insurance related services. In banking and other financial services, modes 2 and 3 are subject to a number of reservations, particularly concerning forms of the establishment.

4.37. Under the Agreement, the reservation for mode 3 in banking and financial services remains the same. However, under modes 1 and 2, a few new reservations have been introduced, and one reservation has been lifted for the covered subsectors. For example, modes 1 and 2 are unbound for direct insurance and direct insurance intermediation services except for insurance of risk relating to maritime shipping and commercial aviation and space launching and freight (including satellites), for goods being transported, the vehicle transporting the goods and any liability arising therefrom;

³⁷ Under which each Members must allow non-resident suppliers to offer certain financial services under national treatment, including insurance of goods in transit and financial information processing. They must also allow their residents to purchase certain financial services in other member countries, including insurance and various advisory and auxiliary services.

and goods in international transit. For banking and other financial services, the reservation for mode 2 has been removed, and a new reservation has been introduced for mode 1.³⁸

4.4.1.2.8 Health related and social services

4.38. Under the GATS, partial commitments have been made for the supply of all hospital services and social services (convalescent and rest houses, and old people's homes) with modes 2 and 3 liberalized, while mode 1 remains unbound.

4.39. Under the Agreement, the scope of commitments is either expanded or reduced. The commitments are limited to privately funded health services and social services sectors which was not the case in the GATS commitments. However, the GATS horizontal public utilities reservation applies to publicly funded education services. New commitments have been made for privately funded other health services, particularly residential health facilities other than hospital services. Mode 2 is liberalized, but reservations are made for modes 1 and 3. Other subsectors covered under the GATS remain unchanged.

4.4.1.2.9 Tourism and travel related services

4.40. Under its GATS commitments, the UK mostly liberalized the sector, with some reservations for scope and supply via mode 1 for hotels, restaurants and catering services. There are no changes under the Agreement.

4.4.1.2.10 Recreational, cultural and sporting services

4.41. The UK has scheduled full commitments under the GATS for news and press agency services, while mode 1 is unbound for entertainment services, and partial commitments have been made for the supply of sporting and other recreational services, other than gambling and betting services.

4.42. The commitments remain the same in the Agreement. However, under library, archive, museum and other cultural services, there is a national treatment reservation registered for mode 3 with no commitments for modes 1 and 2 while the subsector is entirely excluded under the GATS.

4.4.1.2.11 Transport services

4.43. The UK has no GATS commitments for maritime, internal waterways, space, and pipeline transport services. Certain aspects of air transport services, such as maintenance and repair of aircraft and computer reservation systems, are partially liberalized with some national treatment reservations. Only modes 2 and 3 are liberalized for maintenance and repair for rail transport services, with mode 1 remaining unbound. For road transport services, maintenance and repair of road transport equipment is fully liberalized, but mode 1 remains unbound for both passenger and freight transportation services, with specific reservations for mode 3 applicable to the supply of passenger transportation services. Full commitments have been made in services auxiliary to all modes of transport in freight transport agency/freight forwarding services and pre-shipment inspection, and mode 1 is unbound for storage and warehouse services (other than in ports).

4.44. The UK has improved its commitments for the sector under the Agreement by adding new subsectors or expanding existing ones. Full commitments have been made for maritime transport services³⁹ for modes 1-2, with a national treatment reservation for establishment (mode 3) of a registered company for operating a fleet under the UK flag. Similarly, a conditional commitment⁴⁰ is made in internal waterways (excluding national cabotage) transport services for modes 1-3. The scope of the commitments has been extended to passenger and freight transportation for rail transport by fully liberalizing mode 2 while mode 1 remains unbound. A number of new commitments

³⁸ Unbound except for provision of financial information and financial data processing and for advisory and other auxiliary services excluding intermediation.

³⁹ International passenger and freight transportation excluding national cabotage transport.

⁴⁰ The condition includes measures based upon existing or future agreements on access to inland waterways, reserving some traffic rights for operators based in the countries concerned, and meeting nationality criteria regarding ownership.

have been made for services auxiliary to all modes of transport, for which there are no mode 2 and 3 reservations, and mode 1 is either unbound or subject to certain conditions.

4.4.2 Moldova

4.4.2.1 MFN and Horizontal commitments

4.45. Under its GATS commitments, Moldova has horizontal national treatment reservations for the purchase of land for establishment. The other horizontal reservation refers to the movement of natural persons (mode 4). It's MFN exemptions under the GATS are for audio-visual, road transport (passenger and freight) and selling and marketing of air transport services.

4.46. Under the Agreement, Moldova maintains a similar horizontal reservation on the purchase of land for establishment. On the temporary presence of key personnel, graduate trainees, and business sellers, the commitments are subject to the reservations in Annexes XI-G and XI-H. With regards to MFN exemptions for establishment the right to adopt or maintain measures that accord differential treatment to a country based on existing or future bilateral or multilateral agreements⁴¹ has also been preserved. Audiovisual services are excluded from the coverage of the Agreement and there are no other MFN exemptions for the cross-border supply of services.

4.4.2.2 Sector-specific commitments in trade in services

4.47. In the following section, Moldova's GATS specific commitments in modes 1 to 3 have been compared to those under the Agreement (Table 4.4), using the WTO Services Sectoral Classification.⁴² The comparison only concerns modes 1-3, market access and national treatment. It does not cover MFN and horizontal limitations, as well as mode 4 commitments and limitations.

Table 4.4 Moldova: Comparison between GATS and Agreement specific commitments

Sectors (CPC Classification)	GATS	FTA Sectoral commitments			
		Establishment (Mode 3)		Cross-border supply (Modes 1-2)	
		compared to GATS	Commitments	compared to GATS	Commitments
1. Business services					
A. Professional Services	Partial	Similar	Partial	Similar	Partial
B. Computer and Related Services	Full	Similar	Full	Similar	Full
C. Research and Development Services	Full	Similar	Full	Similar	Full
D. Real Estate Services	Partial	Improved	Full	Similar	Full
E. Rental/Leasing Services without Operators	Full	Similar	Full	Similar	Full
F. Other Business Services	Partial	Similar	Partial	Similar	Full
2. Communication services					
A. Postal services	Partial	Similar	Partial	Improved	Partial
B. Courier services	Full	Similar	Full	Same	Full
C. Telecommunication services	Partial	Improved	Full	Improved	Full
D. Audiovisual services	...	Similar	...*	Similar	...*
3. Construction and related engineering services					
A. General construction work for buildings	Full	Similar	Full	Similar	Full
B. General construction work for civil engineering	Full	Similar	Full	Similar	Full
C. Installation and assembly work	Full	Similar	Full	Similar	Full
D. Building completion and finishing work	Full	Similar	Full	Similar	Full
E. Other	Full	Similar	Full	Similar	Full
4. Distribution services					
A. Commission agents' services	Full	Similar	Full	Similar	Full
B. Wholesale trade services	Full	Similar	Full	Similar	Full
C. Retailing services	Full	Similar	Full	Similar	Full
D. Franchising	Full	Similar	Full	Similar	Full
E. Other	Full	Similar	full	Similar	Full
5. Education services					
A. Primary education services	Full	Similar	Full	Similar	Full
B. Secondary education services	Full	Similar	Full	Similar	Full
C. Higher education services	Full	Similar	Full	Similar	Full
D. Adult education	Full	Similar	Full	Similar	Full
E. Other education services	Full	Similar	Full	Similar	Full

⁴¹ Such agreement which creates internal market in services and investment, grants the right of establishment, or requires the approximation of legislation in one or more economic sectors.

⁴² Document MTN.GNS/W/120 as of 10 July 1991.

Sectors (CPC Classification)	GATS	FTA Sectoral commitments			
		Establishment (Mode 3)		Cross-border supply (Modes 1-2)	
		compared to GATS	Commitments	compared to GATS	Commitments
6. Environmental services					
A. Sewage services	Full	Similar	Full	Similar	Full
B. Refuse disposal services	Full	Similar	Full	Similar	Full
C. Sanitation and similar services	Full	Similar	Full	Similar	Full
D. Other	Full	Similar	Full	Similar	Full
7. Financial services					
A. All insurance and insurance-related services	Partial	Improved	Full	Limited	Partial
B. Banking and other financial services	Partial	Limited	Partial	Limited	Partial
C. Other		Similar	...	Similar	...
8. Health related and social services					
A. Hospital services	Partial	Limited	Full	Similar	Partial
B. Other Human Health Services	...	New	Full	New	Full
C. Social Services	Full	Limited	Full	Similar	Full
D. Other	...	New	Full	Similar	...
9. Tourism and travel related services					
A. Hotels and restaurants (including catering)	Full	Similar	Full	Similar	Full
B. Travel agencies and tour operators services	Full	Similar	Full	Similar	Full
C. Tourist guides services	Full	Similar	Full	Similar	Full
10. Recreational and cultural and sporting services					
A. Entertainment services	Partial	Similar	Full	Limited	Partial
B. News agency services	Full	Similar	Full	Similar	Full
C. Libraries, archives, museums and other cultural services	Full	Similar	Full	Similar	Full
D. Sporting and other recreational services	Full	Similar	Full	Similar	Full
11. Transport services					
A. Maritime Transport Services	Full	Similar	Full	Similar	Full
B. Internal Waterways Transport	Full	Similar	Full	Similar	Full
C. Air Transport Services	Full	Similar	Full	Similar	Full
D. Space Transport	Full	Similar	Full	Similar	Full
E. Rail Transport Services	Full	Similar	Full	Similar	Full
F. Road Transport Services	Partial	Similar	Full	Similar	Partial
G. Pipeline Transport	Full	Similar	Full	Similar	Full
H. Services auxiliary to all modes of transport	Full	Similar	Full	Similar	Full
I. Other Transport Services	Full	Similar	Full	Similar	Full

Partial: Specific commitments subject to some market access or national treatment limitation(s), in any of the three modes (1-3).

Full: Commitments not subject to market access or national treatment limitations, in any of the three modes.

...* Sector/subsectors excluded from the Agreement.

... No specific commitment under the GATS or the Agreement.

New: New commitments under the Agreement (full or partial, with or without limitations) which can, in most cases, be seen as "improved".

Improved: Overall improved commitments made under the Agreement compared to those under the GATS.

Similar: Similar commitments (Agreement vs GATS) with limited improvements and/or limited additional reservations.

Limited: Some additional limitations (as compared to GATS commitments).

Source: Moldova's GATS Schedule of Specific Commitments (GATS/SC/134), and Annexes XI-E, F to the Agreement.

4.4.2.2.2 Business services

4.48. Moldova has made full commitments under the GATS for several business service subsectors, which includes computer and related services, research and development services, and rental/leasing services without operators. Professional services have partial commitments, with full liberalization of some subsectors and no limitations on national treatment but on market access for other subsectors.⁴³ Real estate services have also been largely liberalized, except for market access conditions for mode 3, for legal persons incorporated in Moldova. For other business services, all subsectors have been fully liberalized, except for placement and supply services of personnel and investigation and security services. No limitations on national treatment have been imposed for

⁴³ Legal services (modes 1 and 3), private medical and dental services (modes 2-3), other human health services excluding services provided by public sector (mode 2).

these subsectors, but market access conditions for mode 3 are required for legal persons incorporated in Moldova.

4.49. While Moldova's commitments under the Agreement to a large extent remain the same as in the GATS, some of the reservations have been lifted, in particular, conditions for mode 3 on real estate services. The subsector is therefore fully liberalized under the Agreement.

4.4.2.2.3 Communication services

4.50. Under the GATS, courier services are fully liberalized, and audiovisual services are not included. Partial commitments have been made for postal services, with full liberalization for parcel-related services. However, market access limitations exist for modes 1 and 3 for international postal services and internal postal services for letters weighing up to 350 grammes, and post office counter services⁴⁴. Telecommunication services are mostly liberalized, but limitations on market access conditions for modes 1 and 3 remain for public telephone services, satellite communication, business network services, telegraph, and telex services. Nevertheless, there are no limitations on national treatment for any subsectors.

4.51. Moldova has improved its GATS commitments by removing some limitations. For example, all limitations under telecommunication services have been lifted, and full commitments are made for the entire subsector. Furthermore, the mode 1 limitation on market access for post office counter services has also been withdrawn. Similar to the UK, Moldova has no commitments in the audiovisual services subsector.

4.4.2.2.4 Construction and related engineering services; distribution services; educational services; environmental services; and tourism and travel related services.

4.52. All these sectors are fully liberalized under the GATS and the Agreement.

4.4.2.2.5 Financial services

4.53. Under its GATS commitments, Moldova has mostly liberalized the insurance and related services except for mode 1 for life, accident and health insurance services, which remains unbound for market access. In banking and other financial services, horizontal commitments in all scheduled subsectors require foreign banks to obtain a license from the National Bank of Moldova (NBM) to conduct financial activities in Moldova, and they can only do so through a branch office or subsidiary⁴⁵. They must also meet the minimum initial capital requirement and organize themselves as joint-stock companies. Representative offices of foreign banks can be opened in Moldova without requiring the NBM license but cannot engage in financial activities. However, Moldova reported that the concept of representative office of a legal person has been excluded from its amended Civil Code (in force from 1 March 2019). Capital transactions such as loans, guarantees, and transfers from residents to non-residents require approval from the NBM⁴⁶. Other than these horizontal limitations and conditions, there are no other reservations under the scheduled financial services subsectors.

4.54. Moldova has further improved its commitments under the Agreement by lifting some limitations. For example, the mode 1 limitation on market access for life, accident, and health insurance services has been lifted, which means that all of insurance and insurance-related services are fully liberalized. However, reservations on establishment for banking and other financial services are maintained.

⁴⁴ Moldova reported that by Law No. 41/2020 amending the Postal Communications Law, the postal communications sector was completely liberalized starting from September 1, 2020. In particular, the provision that stipulated the reservation of postal services, with a weight of up to 350g, for the universal postal service provider, both for domestic and international correspondence, was repealed.

⁴⁵ Moldova clarified that, according to Article 24, paragraph (5) of Law No. 202/2017, branches of banks from other countries are not considered legal entities. They should be registered in accordance with procedures in Article 12 of Law No. 220/2007 on the State Registration of Legal Entities and Individual Entrepreneurs.

⁴⁶ Moldova clarified that the specific provisions of the Law no. 62/2008 on foreign exchange regulation (in particular, articles 9, 11, 12, 15, and 16 of the regulation) apply.

4.4.2.2.6 Health related and social services

4.55. Moldova has made full commitments under the GATS for private hospital services⁴⁷ and social services, while other human health services and other subcategories are unbound.

4.56. As a result of the addition of a full commitment for other human health services, the Agreement improves its overall commitment for health related and social services. In addition, there are no mode 3 reservations for the entire sector.

4.4.2.2.7 Recreational, cultural and sporting services

4.57. Under its GATS commitments, Moldova has full commitments except for entertainment services, for which mode 1 is unbound for cinema theatre operation services.

4.58. Under the Agreement, while maintaining its GATS commitments, Moldova has introduced a new reservation on mode 2 for cinema theatre operation services, making it unbound. Therefore, both modes 1 and 2 are unbound for this subsector, while there are no mode 3 reservations for the sector.

4.4.2.2.8 Transport services

4.59. Moldova has made full commitments without reservations, except for cabotage services, in both the GATS and the Agreement. Additionally, the Agreement extends coverage to air transport services, including ground-handling services (including catering) and airport management services, for which Moldova has made full commitments in the Agreement.

4.5 Regulatory provisions

4.5.1 Domestic regulation

4.60. Provisions on domestic regulation are unchanged from those under the EU-Moldova Agreement. Articles 194 through 196 establish disciplines on conditions and procedures for licensing and qualifications that affect the cross-border supply of services, establishment, and temporary stay of natural persons for business purposes. For the cross-border supply of services, the disciplines apply only to the sectors for which the Parties have made a specific commitment while for the establishment and temporary stay of natural persons, it does not apply to the sectors where a reservation is listed in the respective annexes.

4.61. The criteria for obtaining a license or authorization shall be proportionate, clear, objective, pre-established, transparent, and accessible. The Parties shall maintain or institute procedures that provide a prompt review and remedies for administrative decisions affecting the establishment, cross-border supply of services, or temporary presence of natural persons.

4.62. Licensing and qualification procedures must be clear, made public in advance, simple, and not unduly delay the provision of the service. Each Party shall ensure that an application is processed within a reasonable timeframe, and their competent authorities shall provide reasons for any rejection or additional requirements.

4.5.2 Recognition

4.63. Article 197 outlines the provisions for mutual recognition while referring to some of the disciplines of Article VII of the GATS. Accordingly, it allows a Party to require that natural persons possess the necessary qualifications and/or professional experience specified in the territory where the service is supplied.

4.64. Each Party shall encourage relevant professional bodies to provide recommendations on mutual recognition on the authorisation, licensing, operation and certification criteria to the Political and Strategic Dialogue in Trade Configuration. The Dialogue shall review these recommendations to

⁴⁷ Private hospital and sanatorium service excluding services provided by the public sector.

determine whether they are consistent with the Agreement and, on the basis of the recommendation, assess the extent to which the standards and criteria applied by each Party are converging. If the requirements are satisfied, necessary steps shall be established to negotiate a Mutual Recognition Agreement (MRA) in accordance with the relevant provisions of the WTO Agreement and, in particular, with Article VII of GATS. The Parties confirm that no MRAs have been negotiated as of June 2023.

4.5.3 Subsidies

4.65. The provisions of Chapter 6 do not apply to subsidies. Disciplines related to subsidies are however included in Chapter 10 (competition) addressed below under section 5.10.

4.5.4 Safeguards

4.66. There are no specific provisions on Safeguards pertaining to trade in services under the Agreement.

4.5.5 Other

4.5.5.1 Other investment provisions

4.67. Provision on establishment under section 2 of Chapter 6 also covers establishment for trade in non-services sectors.

4.5.5.2 Monopolies and exclusive service suppliers

4.68. Provisions on monopolies and exclusive service suppliers are covered in Chapter 10 (Competition), which is discussed in section 5.10.

4.6 Sector specific provisions on trade in services

4.6.1 Computer services

4.69. There are no changes to sector specific provisions on computer services which clarifies what is included in the CPC 84 code, which covers computer and related services, including enabling services like webhosting and application hosting, but not core services delivered electronically such as banking. Additionally, the article defines what falls under the category of "computer and related services" regardless of the method of delivery, including consultancy, management, technical assistance, and data processing and storage.

4.6.2 Postal and courier services

4.70. The main change from the EU-Moldova Agreement for provisions on postal and courier services is the removal of references to the approximation of Moldova's laws to those of the EU. Sub-section 4 of Section 5 of Chapter 6 includes licensing requirements, the definition of universal service, provisions to prevent anti-competitive practices and establish transparency in the licensing process. Each Party has the right to define the kind of universal service obligation it wishes to maintain and ensure impartiality by separating the regulatory body from any supplier of postal and courier services.

4.6.3 Electronic communication networks and services

4.71. As for electronic communication networks and services, the main change from the EU-Moldova Agreement is the removal of references to the approximation of Moldova's laws to the EU. Sub-section 5 of Section 5 of Chapter 6 builds upon certain aspects of the 1996 Reference Paper of the WTO Negotiating Group on Basic Telecommunications, and includes definitions, as well as provisions on regulatory authorities, authorization to provide electronic communication services, access and interconnection, allocation and use of scarce resources, universal service, cross-border provision of electronic communication services, confidentiality of information, and disputes between suppliers.

4.72. Each Party shall ensure that its regulatory authorities are independent and empowered to regulate the sector and carry out an analysis of relevant product and service markets susceptible to *ex ante* regulation. Regulatory authorities are to resolve disputes between suppliers, at the request of either supplier. Where a regulatory authority determines that a market is not effectively competitive, the regulatory authority shall identify and designate services suppliers with significant market power and impose appropriate regulatory obligations. A services supplier affected by a regulatory decision should have the right to appeal to an independent appeal body (Article 206). Other provisions include the requirement to allocate scarce resources, such as frequencies, in an objective, proportionate, timely, transparent, and non-discriminatory manner; and transparent, objective and non-discriminatory administration of universal service obligations (Article 210). Neither Party may require residency or presence of a service supplier of the other Party as a condition for cross-border supply of services (Article 211). Each Party must ensure the confidentiality of electronic communications and traffic data without restricting trade in services (Article 212).

4.6.4 Financial services

4.73. As for other services sectors, the Agreement removes references to the approximation of Moldova's laws to the EU's in financial services.

4.74. The Parties may adopt measures for prudential reasons, but these measures must not be overly burdensome (Article 215). Article 216 requires the Parties to provide interested persons with advance notice of any proposed regulations and to make available their requirements for completing applications. They must also endeavour to implement international standards for financial regulation and supervision (Article 216).

4.75. Under Article 219, public entities in a Party's territory can exclusively conduct activities related to public retirement plans or social security systems unless financial service providers carry out those activities in competition with public entities or private institutions. The activities of central banks, monetary authorities, or public entities for monetary or exchange rate policies are not subject to the Agreement. Additionally, public entities can exclusively provide activities or services using the financial resources or guarantees of the Party.

4.6.5 Transport services

4.76. Other than the removal of the reference to the approximation of its laws by Moldova to those of the EU, the provisions on transport services are unchanged from those in the EU-Moldova Agreement. Article 224 allows unrestricted access to commercial cargo, national treatment, and non-discriminatory treatment for ships flying the flag of the Parties. Feeder services between national ports are also permitted. Progressive liberalization of air transport services will be governed by an agreement or arrangement between the Parties adapted to their commercial needs and mutual market access conditions⁴⁸.

5 GENERAL PROVISIONS OF THE AGREEMENT

5.1 Transparency

5.1. Chapter 12 (Articles 322-329) contains general transparency disciplines related to trade matters and is in addition to, and without prejudice to, any specific rules on transparency established in other Chapters of Title V (trade and trade-related matters) of the Agreement.

5.2. Article 324 outlines the requirements for the publication of measures of general application, including prompt availability, explanation of objectives and rationale, and allowing for sufficient time between publication and entry into force, except in duly justified cases. It also requires that the Parties endeavour to publish proposals to adopt or amend measures and provide opportunities for interested persons to comment. Measures of general application are to be administered in an

⁴⁸ The UK confirms that the Moldova Air Services Arrangement was signed in 2019, and the text is available at <https://www.gov.uk/government/publications/international-agreements-if-the-uk-leaves-the-eu-without-a-deal/aviation#moldova-air-services-arrangement>.

objective, impartial and reasonable manner, and provide interested persons reasonable notice and opportunity to present their case before any final administrative action is taken (Article 326).

5.3. Contact points for communication on matters covered by Title V are to be established as well as appropriate mechanisms for responding to inquiries from any person regarding any measure of general application (Article 325). The Parties confirm that such contact points have already been established.

5.4. Under review and appeal (Article 327), the Parties are required to establish or maintain impartial and independent tribunals or procedures for reviewing and correcting administrative action relating to matters covered by Title V and ensure that they have the right to a reasonable opportunity to support or defend their positions.

5.5. Under Article 328, the Parties agree to cooperate to promote regulatory quality and performance and subscribe to good administrative behaviour principles, including through exchanging information and best practices on their respective regulatory policies and regulatory impact assessments.

5.2 Current payments and capital movements

5.6. Under Article 236, the Parties undertake to authorize, in freely convertible currency and in accordance with the provisions of Article VIII of the International Monetary Fund Agreement, any payments and transfers on the current account of the balance of payments between them. They must also ensure the free movement of capital for direct investments, including the acquisition of real estate in accordance with the laws of the host country and in accordance with the provisions of Chapter 6 (establishment, trade in services, and electronic commerce) of Title V, including the liquidation or repatriation of invested capital and any profit stemming from such investments. However, for other transactions on the capital and financial account of the balance of payments, each Party is required, effective from 1st September 2014, to ensure, without prejudice to other provisions of the Agreement, the free movement of capital relating to credits for commercial transactions or for the provision of services in which a resident of one of the Parties is participating, and the free movement of capital relating to portfolio investments, financial loans, and credits by the investors of the other Party.

5.7. Article 238 allows the Parties to use safeguards in exceptional circumstances where payments or movements of capital threaten to cause difficulties for exchange rate or monetary policy, including serious balance of payments difficulties. These measures may be taken for a period not exceeding six months, and the Party adopting the safeguard measure must inform the other Party forthwith of the adoption of the measure and provide a schedule for its removal.

5.8. The Parties agree to consult each other to facilitate the movement of capital between them to attain the overall objectives of the Agreement (Article 239).

5.3 Exceptions

5.3.1 General exceptions

5.9. Concerning trade in goods, Article 131 reaffirms the Parties' rights and obligations under Article XX of GATT 1994. It further stipulates that a Party intending to take measures under subparagraphs (i) and (j) of Article XX of GATT 1994 must provide all relevant information to the other Party and seek an acceptable solution before taking such measures. If the two Parties fail to reach an agreement within 30 days, the Party in question may apply the measure. In cases where immediate action is necessary, and prior information or examination is impossible, the Party may apply precautionary measures and must inform the other Party immediately.

5.10. Based on GATS Article XIV, general exceptions contained in Article 233 apply to the provisions of Chapter 6 and its Annexes. The Parties may adopt or enforce measures necessary to protect public security, public morals, or public order, or life or health; conserve natural resources; necessary to protect national treasures; or necessary to comply with laws or regulations that are not inconsistent

with Chapter 6. However, differences in treatment inconsistent with certain provisions⁴⁹ of the Agreement may be permitted if they aim to ensure effective or equitable imposition or collection of direct taxes. Additionally, the provisions of Chapter 6 and related Annexes do not apply to the Parties' social security systems or activities connected with the exercise of official authority.

5.3.2 Security exceptions

5.11. The Parties reaffirm their rights and obligations under Articles XXI of GATT 1994 (Article 131), while Article 235 includes provisions mirroring those of GATS Article XIVbis.

5.12. Furthermore, Title VI (institutional, general and final provisions), which applies horizontally to the Agreement, also covers security exceptions and replicates most of Article XXI of GATT 1994, Article XIVbis of GATS, and Article 73 of the TRIPS Agreement.

5.3.3 Taxation measures

5.13. MFN treatment granted under Chapter 6 (establishment, trade in services, and electronic commerce), does not apply to tax treatment granted under measures for the recognition of qualifications, licenses or prudential measures in accordance with Article VII of GATS or its Annex on Financial Services. In addition, the tax treatment granted under any international agreement or arrangement that relates wholly or mainly to taxation is exempt from MFN treatment.

5.14. Furthermore, in Chapter 8 (taxation) of Title I (general principles), which applies horizontally to the Agreement, the Parties agree to avoid double taxation by recognizing the rights and obligations of the Parties under any existing or future tax conventions. In the event of an inconsistency between the Agreement and a tax convention, the tax convention will prevail (Article 51).

5.3.4 Balance of payments measures

5.15. With regard to exceptions applied to remedy balance of payment (BOP) difficulties, the Agreement does not contain specific measures for trade in goods or services. However, disciplines on BOP safeguard measures contained in Chapter 7 (current payments and movement of capital) may apply to both trade in goods and services (See Section 5.2) including investment .

5.4 Accession and withdrawal

5.16. The Agreement has no accession provisions.

5.17. The Agreement is indefinite and can be terminated by either Party with prior notice. Termination will take effect six months after the date of receipt of the notification (Article 389).

5.5 Institutional framework

5.18. Under the Political and Strategic Dialogue, the Parties agree to hold a regular political and strategic dialogue at a mutually agreed level and frequency (Article 373). The Dialogue is responsible for supervising and monitoring the implementation of the Agreement and periodically reviewing its functioning in light of its objectives (Article 374). Provisions under Article 375 (3) require the Dialogue to take place at least once per year in Trade Configuration to address all issues related to Title V of the Agreement. The Sub-Committees established under Title V of the Agreement shall inform the Political and Strategic Dialogue in Trade Configuration of their activities and report on them at each regular meeting. Since the entry into force of the Agreement, the Parties have held the first meetings of the Partnership and Strategic Dialogue in Trade Configuration and the Geographical Indications (GIs) Sub-Committee in July 2021, and the first Trade and Sustainable Development Sub-Committee in December 2021.

5.19. Upon the entry into force of the Agreement, any decisions previously made by the Association Council, Committees, or Sub-Committees established by the EU-Moldova Agreement before it ceased

⁴⁹ Consistent with Articles 180(1) and 186 of the Agreement.

to apply to the UK shall be considered as adopted by the Political and Strategic Dialogue to the extent the decisions relate to the Parties.

5.20. The Political and Strategic Dialogue has the power to take decisions and make recommendations within the scope of the Agreement. It may also update or amend the Annexes to the Agreement without prejudice to any specific provisions under Title V of the Agreement (Article 376).

5.6 Dispute settlement

5.21. Article 384, under Title VI (institutional, general, and final provisions), establishes a dispute settlement mechanism for resolving disputes between the Parties regarding the Agreement's interpretation, implementation, or good faith application. It also outlines the procedures for resolving such disputes, mainly through good faith consultations within the Political and Strategic Dialogue.

5.22. However, disputes concerning trade and trade-related matters under Title V are exclusively governed by Chapter 14 (dispute settlement) of Title V. The Chapter's objective is to create a mechanism that efficiently and effectively avoids and settles disputes between the Parties concerning the interpretation and application of provisions in Title V unless otherwise stated (Articles 347 and 348).

5.23. The Parties shall attempt to settle any dispute in good faith by entering into consultations within 30 days of receipt of the request or 15 days for urgent matters such as perishable or seasonal goods (Article 349). Any Party may request mediation with respect to any measure adversely affecting trade or investment, according to Annex XV (mediation mechanism) of the Agreement (Article 350). If a mutually agreed solution is not reached through consultations, any Party may request the establishment of a panel to settle the dispute (Article 351). The Agreement provides for the choice of the dispute settlement proceeding either under the WTO or under the Agreement, at the discretion of the complaining Party. However, once the forum has been chosen by a Party, it may not initiate another proceeding for the breach of a substantially equivalent obligation in the other forum, except when the forum selected first fails for procedural or jurisdictional reasons to make findings on the claim.

5.24. Before issuing its final ruling, the panel must notify the Parties of an interim report within 90 days of its establishment but may extend the deadline if necessary. The Parties have 14 days to request a review of specific aspects of the interim report, except in urgent cases where the panel must notify the report within 45 days. The final ruling must be issued within 120 days from the date of establishment of the panel (Article 356).

5.25. The Party complained against shall take all necessary measures to comply with the arbitration panel ruling in good faith and without delay (Article 357). If there is a disagreement between the Parties on the reasonable period to comply with the ruling, the complaining Party can request the original arbitration panel to determine it.

5.26. Article 359 requires that the Party complained against must notify the complaining Party and the Political and Strategic Dialogue in Trade Configuration before the end of the reasonable period of any measure it has taken to comply with the arbitration panel ruling. If there is a disagreement between the Parties concerning the existence or consistency of any measure taken to comply, the complaining Party may request in writing the original arbitration panel to rule on the matter.

5.27. Article 360 provides temporary remedies in case of non-compliance, such as the temporary suspension of obligations arising from any provision of Title V of the Agreement. Article 361 provides remedies for urgent energy disputes, particularly those related to interruptions in the transport of natural gas, oil, or electricity between Parties.

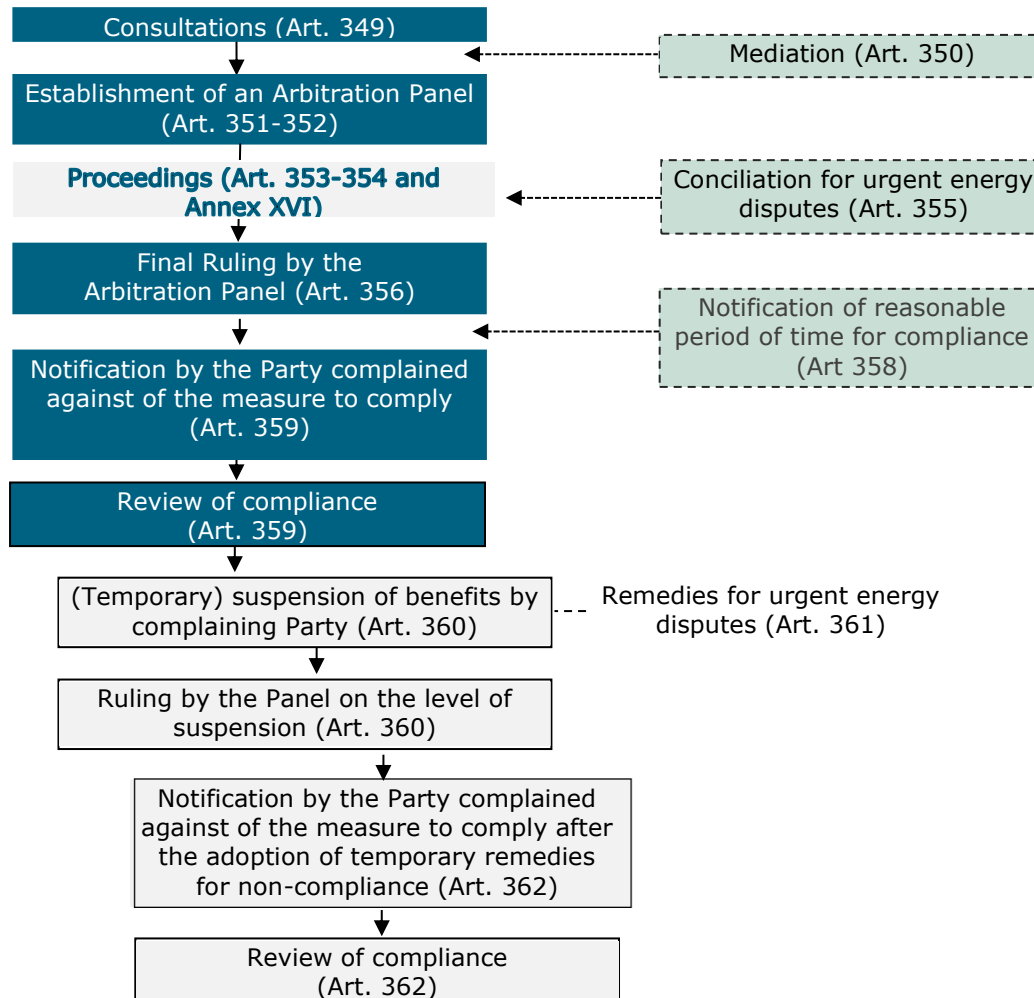
5.28. Following the application of a temporary remedy under Article 360, the Party complained against must notify the complaining Party and the Political and Strategic Dialogue in Trade Configuration of the measures taken to comply with the arbitration panel ruling. The complaining Party must terminate the suspension of concessions within 30 days of receiving the notification. If the Parties disagree on whether the measure brings the Party complained against into conformity

with the provisions in question within 30 days of the notification, the complaining Party may request the original arbitration panel to rule on the matter. If the panel rules that the measure taken to comply is in accordance with the provisions of Title V of the Agreement, the suspension of obligations or compensation shall be terminated (Article 362).

5.29. No provision in Chapter 14 prevents a Party from suspending benefits if and as authorized by the WTO's Dispute Settlement Body.

5.30. Figure 5.1 below summarizes the main steps of the dispute settlement mechanism under the Agreement.

Figure 5.1 Dispute Settlement Mechanism under the Agreement



Source: WTO Secretariat based on the Agreement.

5.7 Relationship with other agreements concluded by the Parties

5.31. As mentioned above, the Agreement replicates in large part, the EU-Moldova Agreement. The Agreement does not prevent Parties from joining or continuing with membership of customs unions, free trade areas, or frontier traffic arrangements as long as they do not conflict with the trade arrangements provided for in the Agreement. The Parties must consult with each other concerning such agreements through the Political and Strategic Dialogue in Trade Configuration, and on major issues related to their respective trade policies with third parties, upon request.

5.32. Table 5.1 below shows the Parties' RTAs, notified and non-notified, other than the Agreement.

Table 5.1 UK and Moldova: Participation in other RTAs (notified and non-notified in force), as of 22 June 2023

RTA Name	Entry into force ^a	Coverage	GATT/WTO Notification	
			Year	WTO Provision
UNITED KINGDOM				
United Kingdom – Australia	31-May-23	Goods & Services	2023	GATT Art. XXIV & GATS Art. V
United Kingdom – New Zealand	31-May-23	Goods & Services	2023	GATT Art. XXIV & GATS Art. V
United Kingdom – Iceland, Liechtenstein and Norway	01-Dec-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom – Mexico	01-Jun-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Serbia	20-May-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Albania	03-May-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Jordan	01-May-21	Goods	2021	GATT Art. XXIV
United Kingdom - Ghana	05-Mar-21	Goods	2021	GATT Art. XXIV
European Union - United Kingdom	01-Jan-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Cameroon	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Canada	01-Jan-21 01-Apr-21	Goods Services	2020 2021	GATT Art. XXIV GATS Art. V
United Kingdom - CARIFORUM States	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Central America	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom – Chile	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom – Colombia, Ecuador and Peru	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Côte d'Ivoire	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Eastern and Southern Africa States	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Egypt	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Faroe Islands	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Georgia	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Israel	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Japan	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Kenya	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Kosovo ^b	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Lebanon	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Morocco	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - North Macedonia	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Pacific States	01-Jan-21	Goods	2020	GATT Art. XXIV
• <i>United Kingdom - Pacific States - Accession of Samoa</i>	01-Jan-21	Goods	2020	GATT Art. XXIV
• <i>United Kingdom - Pacific States - Accession of Solomon Islands</i>	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Palestine	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Republic of Korea	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Republic of Moldova	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - SACU and Mozambique	01-Jan-21	Goods	2021	GATT Art. XXIV
United Kingdom – Singapore	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Switzerland - Liechtenstein	01-Jan-21	Goods	2020	GATT Art. XXIV

RTA Name	Entry into force ^a	Coverage	GATT/WTO Notification	
			Year	WTO Provision
United Kingdom - Tunisia	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Türkiye	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Ukraine	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Viet Nam	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
REPUBLIC OF MOLDOVA				
Türkiye - Republic of Moldova	01-Nov-16	Goods	2016	GATT Art. XXIV
EU - Republic of Moldova	01-Sep-14	Goods & Services	2014	GATT Art. XXIV & GATS Art. V
Treaty on a Free Trade Area between members of the Commonwealth of Independent States (CIS)	20-Sep-12	Goods	2013	GATT Art. XXIV
Central European Free Trade Agreement (CEFTA) 2006	01-May-07 11-Jan-21	Goods Services	2007	GATT Art. XXIV Not notified
Ukraine - Republic of Moldova	19-May-05	Goods	2008	GATT Art. XXIV
GUAM	10-Dec-03	Goods & Services ^c	2017	GATT Art. XXIV & GATS Art. V
Kyrgyz Republic - Republic of Moldova	21-Nov-96	Goods	1999	GATT Art. XXIV
Armenia - Republic of Moldova	21-Dec-95	Goods	2004	GATT Art. XXIV

- a Dates of the first entry into force/provisional application for at least one of the Parties.
- b Reference to Kosovo in this table shall be understood to be in the context of the United Nations Security Council resolution 1244 (1999).
- c While the Agreement was notified as having provisions on both trade in goods and services, there are no specific commitments on services in the Agreement.

Source: WTO Secretariat. Further information on these Agreements and on specific dates of entry into force/provisional applications may be found in the WTO Database on RTAs: <http://rtais.wto.org>.

5.8 Government procurement

5.33. Provisions on government procurement are governed by Chapter 8 of the Agreement. The Agreement aims to open up procurement markets in a transparent and non-discriminatory manner for public contracts and concessions, including works, supplies, and services contracts in the public and utilities sectors. The Chapter applies to contracting entities defined by the Parties' procurement laws and covers bodies governed by public law and public undertakings in utilities. It applies to contracts exceeding the value thresholds set out in Annex XII-A of the Agreement which must be regularly revised every two years. Both Parties are party to the WTO Government Procurement Agreement (GPA) with the same thresholds in their GPA commitments designated for central and subcentral governmental entities, as well as other entities. The thresholds contained under Annex XII-A of the Agreement for these entities have been increased. The Parties agree to establish an appropriate institutional framework and mechanisms necessary for the proper functioning of the public procurement system and the implementation of the provisions of Chapter 8. Additionally, Moldova must designate an executive body responsible for economic policy and an impartial and independent body tasked with reviewing decisions taken by contracting authorities or entities during the award of contracts. Each Party must ensure that decisions taken by the authorities responsible for the review of complaints by economic operators concerning infringements of domestic law shall be effectively enforced (Article 242).

5.34. The Parties agree to comply with a set of basic standards for the award of all contracts which derive directly from the rules and principles of public procurement, including the principles of non-discrimination, equal treatment, transparency, and proportionality. The basic standards regulating the award of contracts listed in Article 243 include publication, award of contracts, and juridical protection.

5.35. In terms of market access, the Parties agree that the effective and reciprocal opening of their respective markets shall be attained gradually and simultaneously. In so far as a Party has, according

to Annex XII-B to the Agreement, opened its procurement market to the other Party it will grant access to contract award procedures by extending national treatment to companies of the other Party, pursuant to its national public procurement rules. The Parties will examine the possibility to grant mutual market access for procurements below the value thresholds set out in Annex XII-A (Article 244)⁵⁰.

5.9 Intellectual property rights

5.36. There are no significant changes to the provisions on intellectual property rights from the EU-Moldova Agreement. Chapter 9 of the Agreement covers provisions on intellectual property rights (IPR)⁵¹. The Parties agree to adequately and effectively implement international agreements dealing with intellectual property to which they are parties, including the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (Article 248). Protection against unfair competition, as stated in Article 10*bis* of the Paris Convention for the Protection of Industrial Property of 1967, is also included in the Agreement. Furthermore, the Parties are free to establish their own regime for the exhaustion of IPR (Article 249).

5.37. Copyright protection is provided for authors, performers, phonogram producers, and broadcasting organisations. The term of protection for authors is 70 years after the death of the author, 50 years from the date of a performance or 70 years for phonogram performances and 50 years after first transmission for broadcast organisations. The Parties must also adhere to several international agreements, including the Berne Convention, the TRIPS Agreement, and the WIPO Copyright Treaty. Articles 257-258 contain disciplines on the protection of technological measures, rights management information, and the resale right of artists in works of art, while exceptions and limitations to IP rights are covered by Article 259. A best endeavour clause applies to cooperation on the collective management of rights (Article 261).

5.38. On trademarks, the Parties commit to complying with the Madrid Protocol, the WIPO Trademark Law Treaty, and the Nice Agreement Concerning the International Classification of Goods and Services for the Registration of Marks. They also agree to make all reasonable efforts to adhere to the Singapore Treaty on the Law of Trademarks⁵².

5.39. Provisions on geographical indications (GIs) extend protection to GIs for agricultural products and foodstuffs in Annex XIII-C and for wines, aromatized wines, and spirit drinks in Annex XIII-D. The Parties also agree on the possibility to add new GIs to their lists (Article 268)⁵³. A GI Sub-Committee is established under Article 276, to monitor the overall development of Sub-section 3 of Chapter 9 (provisions on GIs) and to intensify the Parties' cooperation and dialogue on GIs. The Sub-Committee also holds responsibility for amending Annexes XIII-A to XIII-D, and for monitoring the latest developments regarding the enforcement of the protection of GIs listed in the Annexes.

5.40. Protection for registered designs lasts for 25 years and can be renewed for up to five years (Article 278), and unregistered designs may be protected for at least three years (Article 279). Designs may also be protected under copyright law, as determined by each Party (Article 281).

⁵⁰ Moldova reported that in accordance with Article 16 of Law No. 131/2015 on public procurement, any economic operator, regardless of residency or legal status, has the right to participate in public procurement procedures in Moldova. Foreign operators have the same rights as domestic operators. The only difference between public procurement below the thresholds and above the thresholds in the Agreement is the obligation to publish the notice of intent and the notice of participation in the Official Journal of the European Union for procurements with a value equal to or greater than the thresholds in the Agreement. The UK confirms that there is a possibility to discuss granting market access below the threshold.

⁵¹ The Chapter includes Section 1 (general provisions and principles); Section 2 (standards concerning intellectual property rights) with five sub-sections: one for copyright and related Rights, two for trademarks, three for geographical indications, four for designs, and five for patents; and Section 3 (enforcement of IPRs) with two sub-sections: one for civil enforcement, and two for other provisions.

⁵² Moldova ratified the Singapore Treaty on the Law of Trademarks on December 16, 2008, and it has been in force since March 16, 2009. In case of the UK, it ratified on October 1, 2008, and it has been in force since March 16, 2009.

⁵³ The Parties confirm that as of June 2023, no new GIs have been added to the Annexes.

5.41. For patents the Parties must adhere to the provisions of the WIPO Patent Cooperation Treaty and make all reasonable efforts to comply with the WIPO Patent Law Treaty (Article 282)⁵⁴. Under Article 283, the Parties recognise the importance of the Declaration of the Ministerial Conference of the WTO on the TRIPS Agreement and Public Health (2001) and the related Decision of the WTO General Council (2003). They also agree to ensure consistency with the Declaration and related Decision while interpreting and implementing their rights and obligations under Chapter 9 of the Agreement. Medicinal and plant protection products protected by a patent may be subject to an administrative authorization procedure before being put on the market of the Parties (Article 284). Each Party shall provide a further period of protection for a medicinal or plant protection product which is protected by a patent, and which has been subject to an administrative authorization procedure. The Parties also agree to protect plant varieties' rights in accordance with the International Convention for the Protection of New Varieties of Plants (Article 287).

5.42. Provisions on the enforcement of intellectual property include civil enforcement and border measures. Regarding border measures, the Parties agree to adopt procedures that enable right holders with valid grounds to request customs authorities to suspend the release or detention of goods suspected of infringing intellectual property rights at the border (Article 300). In addition, customs authorities can also suspend the release or detain goods on their own if they have sufficient grounds for suspicion.

5.10 Competition

5.43. As in the EU-Moldova Agreement each Party must maintain comprehensive competition laws that effectively address anti-competitive behaviour and maintain an operationally independent authority with adequate resources to enforce these laws. Furthermore, these laws must be applied transparently and non-discriminatory while respecting the undertakings' rights of defence (Article 305). Article 306 allows the Parties to maintain State monopolies, public undertakings, or entrust undertakings with special or exclusive rights in accordance with their respective laws, provided that such undertakings are subject to competition laws as long as they do not obstruct public interest tasks. Article 307 highlights the importance of cooperation and coordination between the competition authorities of the Parties, allowing for the exchange of non-confidential information.

5.44. State aid granted by either Party or through its resources which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and services and affects trade between the Parties, shall be incompatible with the Agreement. State aid for fisheries, agricultural products⁵⁵, and other aids covered by the WTO Agreement on Agriculture is excluded (Article 309). The Parties are required to maintain transparency in the area of State aid, and report to each other every two years. A concerned Party may also request information on individual cases of State aid if it deems its trade relations to be affected (Article 310).

5.45. The Parties must keep matters under constant review, and the Political and Strategic Dialogue in Trade Configuration may be utilized to refer matters. The Parties have agreed to review progress in implementing Chapter 10 every two years unless both Parties agree otherwise (Article 312). The dispute settlement mechanism in Chapter 14 of Title V does not apply to the provisions on competition (Article 308).

5.11 Electronic Commerce

5.46. Section 6 of Chapter 6 (Articles 226 through 232) defines electronic transmission to be the provision of services within the meaning of Section 3 (cross-border supply of services) of Chapter 6, which cannot be subject to customs duties. The Parties recognize that electronic commerce increases trade opportunities in many sectors and agree to promote its development. They also agree that the development of electronic commerce must be fully compatible with the highest international standards of data protection to ensure user confidence (Article 226). Article 227 establishes

⁵⁴ Both Parties are party to the Patent Cooperation Treaty (PCT). Moldova further confirmed its adherence to the PCT through Parliament Decision No. 1524-XII of 26 October 1993 and is fully compliant with the Patent Law Treaty (PLT) by Law of the Parliament of Moldova No. 433-XV of 17 July 2001, which has been in force since 28 April 2005. The provisions of the PCT are stipulated in Moldova's Law 50/2008 on the protection of inventions.

⁵⁵ Products covered by Annex 1 to the WTO Agreement on Agriculture.

cooperation between the Parties on regulatory issues raised by electronic commerce, including the recognition of certificates of electronic signatures, liability of intermediary service providers with respect to the transmission or storage of information, treatment of unsolicited electronic commercial communications, and protection of consumers.

5.47. Article 229 addresses the liability of intermediary service providers as a 'mere conduit', where the service provider is not liable for the information transmitted if they do not initiate the transmission, do not select the receiver of the transmission, and do not select or modify the information contained in the transmission. The intermediary service provider is not liable for the automatic, intermediate, and temporary storage of information ("caching") as long as it complies with certain conditions (Article 230). Furthermore, the intermediary service provider is not liable for the information stored at the request of a recipient of the service as long as it does not have actual knowledge of illegal activity or information and acts expeditiously to remove or disable access to the information upon obtaining such knowledge or awareness (Article 231).⁵⁶

5.12 Small and medium-sized enterprises (SMEs)

5.48. Title V does not contain any specific provisions on SMEs. However, Chapter 10 of Title IV, which deals cooperation in industrial and enterprise policy, highlights some SME provisions. For example, the Parties agree to cooperate on industrial and enterprise policy, with a particular focus on improving the business environment for SMEs (Article 58).

5.13 Other

5.13.1 Trade-related energy

5.49. Chapter 11 of Title V deals with trade-related energy. As other Chapters, it is mostly the same as in the EU-Moldova Agreement except for the removal of references to the relationship with the Energy Community Treaty. Article 314 requires the price for the supply of gas and electricity for non-household customers in Moldova be determined solely by supply and demand although a Party may impose a regulated price in the general economic interest, as long as it is clearly defined, transparent, proportionate, non-discriminatory, verifiable, and of limited duration. In any event, prices for exports shall not be higher than on the domestic market (Article 315) Articles 316-320 deal with transit, and each Party must take necessary measures to ensure the uninterrupted transit of energy goods through its territory. The Chapter also requires that the natural gas and electricity regulatory authority be legally distinct and functionally independent, ensure competition and efficiency, and provide impartial decisions and appeals processes for affected operators (Article 321).

5.13.2 Trade and sustainable development

5.50. Chapter 13 of Title V of the Agreement deals with trade and sustainable development. There are no significant changes to the provisions covered by the EU-Moldova Agreement. The Parties reaffirm their commitment to promoting international trade in a way that contributes to sustainable development, taking into account economic, social, and environmental factors (Article 330). Each Party has the right to establish its own levels of environmental and labour protection while respecting internationally recognized standards and agreements (Article 331). The Parties agree not to lower the levels of protection afforded in their domestic environmental or labour law to encourage trade or investment (Article 338). They also commit to respecting and implementing internationally recognized core labour standards and trade-related environmental issues, including climate change and biodiversity.⁵⁷

⁵⁶ The definition of 'service provider' for the purposes of Article 229 refers to a provider of transmission, routing, or connections for digital online communication, while for the purposes of Articles 230 and 231, it refers to a provider or operator of facilities for online services or network access.

⁵⁷ Regarding multilateral labour standards and agreements (Article 332), reference is made to the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 1998. For multilateral environmental governance and agreements (Article 333), reference is made to the Multilateral Environmental Agreements (MEAs) to which the Parties are Party and the UN Framework Convention on Climate Change and its Kyoto Protocol. Concerning biological diversity (Article 335), reference is made to the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and other relevant international instruments to which the Parties are party.

5.51. The Parties will seek greater policy coherence between trade and labour policies, promote trade and investment in environmental goods and services, and strive to remove obstacles to trade in goods and services relevant to climate change mitigation. They further agree to promote corporate social responsibility and goods that enhance social conditions and environmentally sound practices (Article 334).⁵⁸ With regard to natural resources management, they agree to promote trade in natural resource-based products through sustainable use of biological resources, share information on measures to prevent the loss of and pressures on biological diversity, promote the listing of at risk species under CITES, and cooperate to promote the conservation and sustainable use of biological diversity globally and regionally (Article 335). Commitments are also made to promote sustainable management of forests and trade in forest and fish products (Articles 336-337). The Parties recognise the importance of working together on trade-related aspects of environmental and labour policies, on which they may cooperate under a number of areas (Article 342).

5.52. A Trade and Sustainable Development Sub-Committee shall oversee the implementation of the Chapter and requires each Party to designate an office to serve as a contact point. Moreover, it also requires the convening of domestic advisory groups on sustainable development as well as a joint forum with civil society organizations for a dialogue on sustainable development aspects of the Agreement (Articles 343-344). The provisions on sustainable development are not subject to dispute settlement under the Agreement. Instead, there is a process of government consultations under Article 345 through which the Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter. If a Party considers that the matter needs further discussion, it may request that the Trade and Sustainable Development Sub-Committee be convened to consider the matter. If the issue is not considered satisfactorily addressed through consultations, the establishment of a Panel of Experts may be requested.

5.13.3 Cooperation

5.53. The provisions on economic and other sectoral cooperation (Title IV) mirror those under the EU-Moldova Agreement. They include areas dealing with public administration reform, economic dialogue, company law, accounting and auditing and corporate governance, taxation, financial services, and policies related to industry, enterprise, mining, raw materials and agriculture and rural development.

5.54. Under Chapter 5 of Title IV (consumer protection), the Parties also agreed to cooperate to ensure a high level of consumer protection. Cooperation may include promoting exchange of information on consumer protection systems, promoting training activities for consumer interest representatives, encouraging the development of independent consumer associations and collaboration between authorities and NGOs in consumer protection.

⁵⁸ In this regard, the Parties refer to the relevant internationally recognized principles and guidelines, such as the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

ANNEX 1

INDICATORS OF TARIFF LIBERALIZATION AND MARKET ACCESS
OPPORTUNITIES UNDER THE AGREEMENT

1. Tables A1.1 and A1.2 below present the Parties' overall tariff elimination under the Agreement *vis-à-vis* MFN tariffs by total, agricultural (HS Chapters 01-24) and industrial (HS Chapters 25-97) products.

2. As shown in Table A1.1, the UK's average applied MFN tariff in 2021 was 3.8%. Industrial products had an average applied MFN rate of 2.5%, while agricultural products had a relatively higher rate of 8.9%. The percentage of duty-free tariff lines was 47% overall, with 57.1% for industrial products and 18.8% for agricultural products. Under the Agreement, the overall average applied tariff for imports from Moldova was 0.02%. Agricultural products had an average rate of 0.1%, while industrial products were fully liberalized. This provided Moldovan exporters with a relative margin of preference, with a 99.5% margin overall and 100% and 98.9%, respectively, for industrial and agricultural exports. The percentage of duty-free lines increased to 99.9% overall and 100% and 99.6% for industrial and agricultural products.

Table A1.1 UK: Indicators of MFN and preferential rates for imports from Moldova

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2021	3.8	7.8	47.0	8.9	12.0	18.8	2.5	5.8	57.1
Moldova	2021	0.02	14.9	99.9	0.1	14.9	99.6	0.0	0.0	100.0

Source: the UK authorities.

3. In the case of Moldova (Table A1.2), its average applied MFN tariff was 6.2% in 2021. Industrial products had an average applied MFN rate of 4.3%, while agricultural products had a relatively higher rate of 11.8%. The percentage of duty-free tariff lines was 35.7% overall, with 42.4% for industrial products and 17.3% for agricultural products. Upon the Agreement's entry into force in 2021, the overall applied tariff for imports from the UK decreased to 0.3% and 1.3% for agricultural products, while industrial products were fully liberalized. This gave exporters from the UK a relative margin of preference of 95.2% overall and 89% and 100% for agriculture and industrial products, respectively. As a result, the percentage of duty-free lines increased to 98.4% overall and 100% and 94.1% for industrial and agricultural products. At the end of implementation in 2028, it will increase to 99% overall and 96.3% for agricultural products.

Table A1.2 Moldova: Indicators of MFN and preferential rates for imports from UK

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2021	6.2	9.8	35.7	11.8	14.6	17.3	4.3	7.5	42.4
UK	2021	0.3	22.0	98.4	1.3	22.0	94.1	0.0	0.0	100.0
	2022	0.3	21.7	98.4	1.3	21.7	94.1	0.0	0.0	100.0
	2023	0.3	21.3	98.4	1.3	21.3	94.1	0.0	0.0	100.0
	2024	0.3	27.7	98.8	1.2	27.7	95.6	0.0	0.0	100.0

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
	2025	0.3	27.3	98.8	1.2	27.3	95.6	0.0	0.0	100.0
	2026	0.3	26.9	98.8	1.2	26.9	95.6	0.0	0.0	100.0
	2027	0.3	26.5	98.8	1.2	26.5	95.6	0.0	0.0	100.0
	2028	0.3	30.7	99.0	1.1	30.7	96.3	0.0	0.0	100.0

Source: Moldovan authorities, TPR and the WTO-IDB.

4. Tables A1.3 and A1.4 below present the market access opportunities under the Agreement for trade between the Parties for their top 25 export products.

5. Table A1.3 presents the market access opportunities for the top 25 export products (at the HS subheading level) of Moldova in the UK, which accounted for 60.1% of Moldova's total global exports during 2018-20 and covered by 180 products at the national tariff line level in the UK's tariff in 2021. Out of these, 39 products were duty-free on an MFN basis while a further 139 products were fully liberalized under the Agreement in 2021 for imports from Moldova. The 2 remaining products, fresh apples and grapes, were subject to MFN rates in 2021 of 4% from 1 January-31 March, zero from 1 April-31 July and 8% from 1 August-31 December for apples, and 8% for fresh grapes.

Table A1.3 UK: Market access opportunities under the agreement for Moldova' top 25 exports to the world

Moldova's top export products in 2018 - 2020			Access Conditions to UK's markets				
HS number and description		Share in global exports (%)	MFN 2021			No. of duty free lines under the agreement 2021	Remain Dutiable
			Average Tariff (%)	No. of duty-free lines	No. of dutiable lines		
120600	Sunflower seeds	7.6	0.0	3			
854420	Coaxial cable and other coaxial electric conductors	7.4	2.0		1	1	
854430	Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	7.0	1.8		1	1	
940190	Parts of seats	4.1	1.3	1	2	2	
100590	Maize	3.7	0.0	1			
080232	Fresh or dried walnuts	3.2	4.0		1	1	
220421	Wine of fresh grapes	2.9	*		58	58	
151211	Crude sunflower-seed or safflower oil	2.8	4.7		3	3	
100199	Wheat and meslin	2.7	*		1	1	
080810	Fresh apples	2.3	5.0		2	1	1
854449	Electric conductors	2.2	1.6	1	4	4	
701090	Carboys, bottles, flasks, jars, pots, phials and other containers, of glass	1.5	0.0	17			
300490	Medicaments	1.5	0.0	1			
200979	Apple juice	1.5	22.8		5	5	
220429	Wine of fresh grapes	1.3	*		27	27	
854442	Electric conductors	1.3	1.0	1	1	1	
080610	Fresh grapes	1.0	11.0		2	1	1

Moldova's top export products in 2018 - 2020			Access Conditions to UK's markets				
HS number and description		Share in global exports (%)	MFN 2021			No. of duty free lines under the agree- ment 2021	Remain Dutiable
			Average Tariff (%)	No. of duty- free lines	No. of duti- able lines		
220820	Spirits	0.9	0.0	12			
300460	Medicaments	0.9	0.0	1			
392350	Stoppers, lids, caps and other closures, of plastics	0.8	6.0		2	2	
220710	Undenatured ethyl alcohol	0.8	*		1	1	
220422	Wine of fresh grapes	0.8	*		28	28	
120590	High erucic rape or colza seeds	0.7	0.0	1			
620640	Women's or girls' blouses and shirt	0.7	12.0		1	1	
610910	T-shirts	0.7	12.0		1	1	
Total of above		60.1		39	141	139	2

* Dutiable tariff lines are subject to specific rates only.

Source: the UK authorities and UNSD.

6. Table A1.4 presents the market access opportunities for the top 25 export products (at the HS subheading level) of the UK in Moldova, which accounted for 38.4% of the UK's total global exports during 2018-20 and were covered by 97 products at the national tariff line level in Moldova's tariff in 2021. Of these 78 products were already duty-free on an MFN basis. Under the Agreement in 2021, Moldova liberalized the remaining 19 products.

Table A1.4 Moldova: Market access opportunities under the agreement for the UK's top 25 exports to the world

UK's top export products in 2018 - 2020			Access Conditions to Moldova's import markets				
HS number and description		Share in global exports (%)	MFN 2021			No. of duty free lines under the agree- ment 2021	Remain Dutiable
			Avg Tariff (%)	duty-free	dutiable		
710813	Gold	5.6	5.0		2	2	
270900	Petroleum oils and oils obtained from bituminous	4.9	0.0	2			
300490	Medicaments	3.2	0.0	1			
880330	Parts of aeroplanes or helicopters	2.9	0.0	1			
841112	Turbojets	2.6	0.0	3			
870323	Motor cars	2.4	0.0	3			
841191	Parts of turbojets or turbopropellers	2.1	0.0	1			
870324	Motor cars	1.7	0.0	2			
220830	Whiskies	1.3	0.0		11	11	
271012	Light oils and preparations	1.3	0.0	12			
970110	Paintings	1.3	10.0		1	1	
870322	Motor cars	1.2	0.0	2			
711319	Articles of jewellery and parts thereof	1.0	10.0		1	1	
271019	Medium oils and preparations	1.0	0.0	26			
870332	Motor cars	0.7	0.0	3			
300220	Vaccines for human medicine	0.6	0.0	1			

UK's top export products in 2018 - 2020		Access Conditions to Moldova's import markets					
HS number and description		Share in global exports (%)	MFN 2021			No. of duty free lines under the agree- ment	Remain Dutiable
			Avg Tariff (%)	duty-free	dutiable		
						2021	
870340	Motor cars	0.6	0.0	2			
711021	Palladium	0.6	0.0	1			
300215	Immunological products	0.6	0.0	1			
851762	Machines for the reception, conversion and transmission	0.6	0.0	1			
382200	Diagnostic or laboratory reagents	0.5	0.0	1			
490199	Printed books	0.5	10.0		1	1	
870333	Motor cars	0.5	0.0	3			
840890	Compression-ignition internal combustion piston engine	0.4	0.0	12			
870899	Parts and accessories, for tractors, motor vehicles	0.4	5.0		3	3	
Total of above		38.4		78	19	19	-

Source: the UK and Moldovan authorities, TPR and the WTO-IDB.

ANNEX 2

1. Table A2.1 and A2.2 below provide detailed information on tariff rate quotas (TRQs) applied by the UK and Moldova under the Agreement.

Table A2.1 UK: TRQs under the Agreement

TRQs/Product's HS Codes	Tariff rates under the Agreement		MFN Rates
	In-quota	Out-of-quota	
TRQ1: Products from HS Chapter 08 (2,043 tonnes)			
08094005	0	MFN	6% (01 OCT - 30 JUN), 12% (01 JUL - 30 SEP)
TRQ2: Products from HS Chapter 08 (2,724 tonnes)			
08061010	0	MFN	8%
TRQ3: Products from HS Chapter 08 (204 tonnes)			
08092900*	0	MFN	12% (16 JUL - 15 JUN), 6% (16 JUN - 15 JUL)
TRQ4: Products from HS Chapter 07 (272 tonnes)			
07020000*	0	MFN	8% (01 NOV - 14 MAY), 14% (15 MAY - 31 OCT)
TRQ5: Products from HS Chapter 07 (30 tonnes)			
07032000*	0	MFN	8% + 100 GBP / 100 kg
TRQ6: Products from HS Chapter 08 (5,448 tonnes)			
08081080*	0	MFN	4% (01 JAN - 31 MAR), 0% (01 APR - 31 JUL), 8% (01 AUG - 31 DEC)
TRQ7: Products from HS Chapter 20 (68 tonnes)			
20096110, 20096951, 20096959	0	MFN	20%
20096919	0	MFN	40%

* Tariff lines also subject to MFN TRQs.

Source: the UK authorities.

Table A2.2 Moldova: TRQs under the Agreement

TRQs/Product's HS Codes	Tariff rates under the Agreement		MFN 2021
	In-quota	Out-of-quota	
TRQ1: Pork meat (for 2021: 681 tonnes and for 2022:749 tonnes)			
020329110, 020329130, 020329150, 020329550, 020329590	0%	MFN	10% + 200 Euro/t
020311100, 020312110, 020312190, 020319110, 020319130, 020319150, 020319550, 020319590, 020321100, 020322110, 020322190	0%	MFN	20% + 200 Euro/t
TRQ2: Poultry (for 2021: 749 tonnes and for 2022:817 tonnes)			
020712100, 020712900, 020714100, 020714200, 020714300, 020714400, 020714500, 020714600, 020714700, 020714910, 020714990	0%	MFN	15% + 100 Euro/t
020711100, 020711300, 020711900, 020713100, 020713200, 020713300, 020713500, 020713600, 020713990	0%	MFN	20% + 100 Euro/t
TRQ3: Dairy products (272 tonnes)			
040110100, 040110900, 040120110, 040120190, 040120910, 040120990, 040150110, 040150190, 040150310 040150390, 040150910, 040150990	0%	MFN	15%
040510110, 040510190, 040510300, 040510500, 040510900	0%	MFN	15% + 500 Euro/t
040520100, 040520300, 040520900, 040590100, 040590900	0%	MFN	20% + 500 euro/t
TRQ4: Sausages and other prepared or preserved meat, meat offal or blood (232 tonnes)			
160100100, 160100910, 160242100, 160249110, 160249130, 160249150, 160249190, 160249300, 160249500, 160290510 160232110, 160232190, 160232300, 160232900, 160241100	0%	MFN	15%
	0%	MFN	20%
*TRQ5: Sugar (for 2021: 1090 tonnes and for 2022:1226 tonnes)			
170112100, 170112900, 170113100, 170113900, 170114100, 170114900, 170191000, 170199100, 170199900	0%	MFN	75%

TRQs/Product's HS Codes	Tariff rates under the Agreement		MFN 2021
	In-quota	Out-of-quota	
*TRQ6: Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added favouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel (87 tonnes)			
170230100, 170230500, 170230900, 170240100, 170240900, 170250000, 170260100, 170260950, 170290100, 170290300, 170290710, 170290750, 170290790, 170290950	0%	MFN	75%

* Tariff lines also subject to MFN TRQs.

Source: Moldovan authorities, TPR and the WTO-IDB