

AGREEMENT

ON

TRADE AND ECONOMIC CO-OPERATION

BETWEEN

THE COUNCIL OF MINISTERS OF BOSNIA AND HERZEGOVINA

AND

THE SWISS FEDERAL COUNCIL

The Council of Ministers of Bosnia and Herzegovina

and

the Swiss Federal Council

hereinafter referred to as "the Contracting Parties"

Aware of the particular importance of foreign trade and of different forms of economic cooperation for the economic development of both countries;

Expressing their preparedness to co-operate in seeking ways and means to expand trade and economic relations in accordance with the principles and conditions of the Final Act of the Conference on Security and Co-operation in Europe (CSCE) signed in Helsinki on August 1, 1975, and other CSCE/OSCE - documents, notably the Charter of Paris for a new Europe and the principles contained in the final document of the Bonn Conference on Economic Co-operation in Europe;

Reaffirming their commitment to pluralistic democracy based on the rule of law, human rights including the rights of persons belonging to minorities, fundamental freedoms and to market economy;

Reaffirming their commitment and readiness to support the Stability Pact for South Eastern Europe;

Desirous of creating favourable conditions for a substantial and harmonious development and diversification of trade between them and for the promotion of commercial and economic cooperation in areas of mutual interest;

Declaring their readiness to examine, in the light of any relevant factor, the possibility of developing and deepening their relations and to extend them to fields not covered by this Agreement;

Resolved to develop their relations in the field of trade in accordance with the basic principles of the General Agreement on Tariffs and Trade (GATT) and of the other agreements of the World Trade Organization (WTO);

Noting the participation of Bosnia and Herzegovina as an observer in the WTO-framework and the status of the Swiss Confederation as a member of the WTO;

Have decided, in pursuit of the above, to conclude this Agreement:

Objective

- 1. The objective of this Agreement is to establish principles, rules and disciplines for the conduct of trade in goods and economic relations between the Contracting Parties. In particular the Contracting Parties undertake, within the framework of their national legislation and international obligations, to harmoniously develop mutual trade as well as various forms of commercial and economic co-operation.
- 2. The Contracting Parties recognise that the principles established by the CSCE/OSCE process constitute an essential element for the achievement of the objective of this Agreement.

Article 2

World Trade Organization

The Contracting Parties shall make every effort to promote, expand and diversify their trade according to WTO principles.

Article 3

Most - favoured - nation treatment

- 1. The Contracting Parties shall accord each other most-favoured-nation treatment with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation of goods or imposed on the international transfer of payments for importation or exportation as well as taxes and other charges levied directly or indirectly on imported or exported goods, and with respect to the methods of levying such duties, taxes and charges, and with respect to all rules and formalities in connection with trade.
- 2. Paragraph 1 of this Article shall not be construed so as to oblige one Contracting Party to extend to the other Contracting Party advantages it accords:
 - in order to facilitate frontier trade;
 - with the aim of creating a customs union or a free-trade area or pursuant to the creation of such a union or area in accordance with Article XXIV of the GATT 1994/WTO;
 - to developing countries in accordance with GATT 1994/WTO or WTO decisions and regulations.

Non - discrimination

No prohibitions or quantitative restrictions, including licensing, on imports from or exports to the territory of the other Contracting Party shall be applied, unless the importation of the like product from third countries or the exportation of the like product to third countries is similarly prohibited or restricted.

Article 5

National treatment

- 1. The goods of the territory of one Contracting Party imported into the territory of the other Contracting Party shall be accorded treatment no less favourable than that accorded to like goods of national origin in respect of internal taxes and other internal charges and all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.
- 2. The Contracting Parties shall not establish or maintain any internal quantitative regulation relating to the mixture, processing or use of products in specified amounts or proportions which requires, directly or indirectly, that any specified amount or proportion of any product which is the subject of the regulation must be supplied from domestic sources. Moreover, the Contracting Parties shall not otherwise apply internal quantitative regulations in a manner contrary to the principles set forth in paragraph 1 of this Article.

Article 6

Payments

- 1. Payments relating to trade in goods and services between parties to an individual transaction as well as the transfer of such payments to the territory of the Contracting Party where the creditor resides shall be free from any restrictions.
- 2. The Contracting Parties may derogate from their obligations under paragraph 1 of this Article only if the restrictions to be introduced are permitted according to their status under the International Monetary Fund (IMF) and provided that such restrictions are applied in a non-discriminatory manner. These restrictions shall be applied in such a manner as to cause the least possible disruption to this Agreement. The Contracting Parties shall inform each other promptly of the introduction of such measures and of any change therein.

Other business conditions

- 1. Goods shall be traded between the parties to individual transactions at market-related prices. In particular state agencies and state enterprises shall make any purchases of imports or sales of exports in accordance with commercial considerations including price, quality and availability; they shall, in accordance with customary business practice, accord to enterprises of the other Contracting Party adequate opportunity to compete for participation in such transactions.
- 2. The Contracting Parties shall not require or encourage parties to individual transactions to engage in barter or counter-trade transactions.

Article 8

Public procurement

The Contracting Parties shall co-operate to develop conditions for open and competitive award of public procurement contracts for goods and services, in particular through calls for tender, and collaborate to this effect in the Joint Committee.

Article 9

Transparency

The Contracting Parties shall make available their laws, regulations, judicial decisions and administrative rulings related to commercial activities in general and inform each other of any changes in their tariff or statistical nomenclature as well as changes in their national legislation which may affect the implementation of this Agreement.

Article 10

Emergency action on imports of particular products

- 1. The Contracting Parties shall consult each other if any good is being imported into the territory of one of them in such increased quantities or on such conditions as to cause or threaten to cause serious injury to domestic producers of like or directly competing goods.
- 2. The consultations requested pursuant to paragraph 1 of this Article shall be held with a view to seeking mutually satisfactory solutions; they shall be completed not later than 30 days from the date of notification of the request by the Contracting Party concerned, unless the Contracting Parties agree otherwise.

- 3. If, following action under paragraphs 1 and 2 of this Article, agreement is not reached between the Contracting Parties, the Contracting Party affected by the injury shall be free to restrict imports of the goods concerned to the extent and for such time as is absolutely necessary to prevent or remedy the injury. In this event and after consultations, the other Contracting Party shall be free to deviate from its obligations under this Agreement with respect to equivalent trade volume.
- 4. In critical circumstances, where delay would cause damage which it would be difficult to repair, action under paragraph 3 of this Article may be taken provisionally without prior consultation, on the condition that consultation shall be effected immediately after taking such action.
- 5. In the selection of measures pursuant to paragraphs 3 and 4 of this Article, the Contracting Parties shall give priority to those which cause the least disturbance to the functioning of this Agreement.
- 6. Any action will be applied in accordance with Article XIX of the GATT 1994/WTO.

Dumping

If one of the Contracting Parties finds that dumping is taking place with the other Contracting Party within the meaning of Article VI of the GATT 1994/WTO and the Agreement on the Implementation of Article VI of the GATT 1994/WTO, it may take appropriate measures against this practice in accordance with the relevant provisions of the GATT 1994/WTO.

Article 12

Goods in transit

The Contracting Parties undertake not to impose transit fees, duties or charges of equivalent effect, except charges commensurate with administrative expenses entailed by transit or with the cost incurred, nor to impose administrative impediments on the goods of either of them transported through their territories in transit.

Article 13

Protection of intellectual property

1. The Contracting Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights. They shall adopt and take adequate, effective and non-discriminatory measures for the enforcement of such rights against

infringement thereof, and in particular against counterfeiting and piracy. Particular obligations of the Contracting Parties shall be listed in the Annex to this Agreement.

- 2. In accordance with the substantive provisions of the WTO Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS Agreement), in particular Articles 4 and 5 thereof, the Contracting Parties shall not grant treatment less favourable to nationals of each other than that accorded to nationals of any other State. In accordance with Article 4, paragraph (d) of the TRIPS Agreement, any advantage, favour, privilege or immunity deriving from international agreements in force for a Contracting Party at the entry into force of this Agreement and notified to the other Party at the latest six months after the entry into force of this Agreement, shall be exempted from this obligation, provided that it does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Contracting Party. A Contracting Party which is a WTO member shall be exempted from the notification requirement if it has already made such notification to the TRIPS Council.
- 3. To the extent that a Contracting Party concludes an agreement with any other State exceeding the requirements of this Agreement, such Party shall be prepared, upon request, to grant protection of intellectual property rights on equivalent terms to the other Contracting Party and to enter into good faith negotiations to that end.
- 4. If a Contracting Party considers that the other Party has failed to fulfil its obligations under this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 17 (Joint Committee) of this Agreement.
- 5. The Contracting Parties to this Agreement agree, upon request of either of them, to review the provisions on the protection of intellectual property rights contained in this Article and in the Annex to this Agreement with a view to further improve levels of protection and to avoid or remedy trade distortions caused by actual levels of protection of intellectual property rights.
- 6. The Contracting Parties shall agree upon appropriate modalities for technical assistance and co-operation of respective authorities of the Parties. To this end, they shall co-ordinate efforts with relevant international organisations.

Article 14

Exceptions

- 1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade between the Contracting Parties, this Agreement shall not preclude the Contracting Parties from taking measures justified on grounds of:
 - protection of public morality;
 - protection of human, animal or plant life or health and the protection of the environment;

- protection of intellectual property;

or any other measure referred to in Article XX of the GATT 1994/WTO.

2. This Agreement shall not limit the right of the Contracting Parties to take any action justified on grounds referred to in Article XXI of the GATT 1994/WTO.

Article 15

Technical regulations

The Contracting Parties shall, within the framework of the Joint Committee established under this Agreement, discuss possibilities to co-operate more closely on matters related to removing technical barriers to trade. This co-operation shall take place in fields related to technical regulations, standardisation as well as testing and certification.

Article 16

Economic co-operation

- 1. The Contracting Parties shall make efforts to encourage and promote economic cooperation in areas of mutual interest.
- 2. The objectives of such economic co-operation shall be, inter alia:
 - to reinforce and diversify economic links between the two countries;
 - to contribute to the development of their economies;
 - to open up new sources of supply and new markets;
 - to encourage co-operation between economic operators with a view to promoting joint ventures, licensing agreements and similar forms of co-operation;
 - to enhance structural changes in their economies;
 - to encourage the participation of small and medium-sized enterprises in trade and co-operation.

Joint Committee

A Joint Committee shall be set up in order to ensure the operation of this Agreement. It shall consist of representatives of the Contracting Parties, act by mutual agreement and meet whenever necessary in one country of the Contracting Parties. It shall be chaired alternately by each of the Contracting Parties.

The Joint Committee shall in particular:

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- keep under review the functioning of this Agreement in particular regarding the interpretation and application of its provisions and the possibility of broadening its scope;
- serve as a forum for consultations with the aim of elaborating recommendations and arrangements for solving problems between the Contracting Parties pursuant to Article 19 of this Agreement («General consultations and settlement of disputes »);
- consider matters related to and affecting trade between the two countries, in particular with regard to public procurement pursuant to Article 8 of this Agreement (« Public procurement »);
- review progress towards expanding trade and co-operation between the two countries;
- exchange trade-related information and forecasts, as well as information pursuant to Article 9 of this Agreement (« Transparency »);
- serve as a forum for consultations pursuant to Article 10 of this Agreement («Emergency action on imports of particular products »);
- serve as a forum to hold consultations in the field of intellectual property rights pursuant to Article 13 of this Agreement (« Protection of intellectual property »); such consultations may also take place between experts of the Contracting Parties;
- contribute to developing economic co-operation according to Article 16 of this Agreement (« Economic co-operation »);
- formulate and submit to the authorities of the Contracting Parties amendments to this Agreement in order to take account of new developments, as well as recommendations in relation with the operation and broadening of the scope of this Agreement pursuant to Article 18 of this Agreement (« Review and extension »).

Review and extension

- 1. The Contracting Parties agree to review the provisions of this Agreement upon request of either of them.
- 2. The Contracting Parties declare their readiness to develop and deepen the relations established by this Agreement and to extend them to fields not covered thereby, such as services and investments. Either of the Contracting Parties may submit reasoned requests to that effect in the Joint Committee.

Article 19

General consultations and settlement of disputes

- 1. Each Contracting Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as may be made by the other Contracting Party with respect to any matter affecting the operation of this Agreement.
- 2. If a Contracting Party considers that any benefit conferred upon it by this Agreement is being or may be frustrated, it may refer the matter to the Joint Committee. The Joint Committee shall promptly make arrangements for examining the matter. Such arrangements may include a reference to an Examining Committee consisting of independent persons selected for their competence and integrity and appointed by the Joint Committee on such terms and conditions as it shall decide. The Joint Committee may make appropriate recommendations to the Contracting Parties.

Article 20

Access to courts

Within the scope of this Agreement, each Contracting Party undertakes to accord to natural and legal persons of the other Contracting Party national treatment in respect to access to its competent courts and administrative bodies and to the application of its procedures.

Article 21

Territorial application

This Agreement applies to the territories of Bosnia and Herzegovina and of the Swiss Confederation. It is extended to the territory of the Principality of Liechtenstein as long as the

bilateral Agreement of 29 March 1923 between the Swiss Confederation and the Principality of Liechtenstein is in force.

Article 22

Entry into force

This Agreement shall enter into force on the first day of the month following the month during which the Contracting Parties have notified each other through diplomatic channels that all conditions for the entry into force of this Agreement required by their respective national legislations have been fulfilled.

Article 23

Validity and denunciation

This Agreement shall remain valid as long as neither of the Contracting Parties has denounced it by means of a written notification through diplomatic channels to the other Contracting Party. This Agreement shall cease to be in force six months after the date on which the notification is received by the other Contracting Party.

In witness whereof the undersigned plenipotentiaries, being duly authorised thereto, have signed this Agreement.

For the Council of Ministers of Bosnia and Herzegovina

For the Swiss Federal Council

A. Ahmedelic!

ANNEX

to

the Agreement on trade and economic co-operation

between

the Council of Ministers of Bosnia and Herzegovina

and

the Swiss Federal Council

concerning

Article 13

« Protection of intellectual property »

Article 1

Definition and scope of protection

«Intellectual property protection» comprises in particular protection of copyright, including computer programmes and databases, and neighbouring rights, trademarks for goods and services, geographical indications, including appellations of origin, patents, plant varieties, industrial designs, topographies of integrated circuits, as well as undisclosed information.

Article 2

Substantive standards according to international conventions

- 1. The Contracting Parties agree to comply with the substantive standards of the following agreements:
 - WTO Agreement, of 15 April 1994, on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement);

- Paris Convention, of 20 March 1883, for the Protection of Industrial Property (Stockholm Act, 1967);
- Bern Convention, of 9 September 1886, for the Protection of Literary and Artistic Works (Paris Act, 1971);
- 2. If a Contracting Party is not Party to the below mentioned international agreements in the field of intellectual property protection, it shall undertake to obtain its adherence to these agreements before 1 January 2004:
 - International Convention, of 26 October 1961, for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome Convention);
 - International Convention, of 2 December 1961, for the Protection of New Varieties of Plants (UPOV Convention).
- 3. The Contracting Parties agree to promptly hold expert consultations, upon request of either of them, on activities relating to the identified or to future international conventions on harmonisation, administration and enforcement of intellectual property and on activities in international organisations, such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO), as well as relations of the Contracting Parties to other States on matters concerning intellectual property.

Additional substantive standards

The Contracting Parties shall ensure in their national laws at least the following:

- adequate and effective protection of copyright, including computer programmes and databases, as well as of neighbouring rights;
- adequate and effective protection of trademarks, including collective marks, in particular of well-known marks;
- adequate and effective means to protect geographical indications, including appellations of origin, with regard to all products and services;
- adequate and effective protection of industrial designs by providing in particular a period of protection of at least 10 years;
- adequate and effective patent protection for inventions in all fields of technology on the level similar to that prevailing in the European Patent Convention of 5 October 1973, as well as additional protection of up to five years for pharmaceutical and plant protection products;

- adequate and effective protection of topographies of integrated circuits;
- adequate and effective protection of undisclosed information;
- compulsory licensing of patents shall only be granted under the conditions of Article 31 of the TRIPS Agreement. Licences granted on the grounds of non-working shall be used only to the extent necessary to satisfy the domestic market on reasonable commercial terms.

Acquisition and maintenance of intellectual property rights

Where the acquisition of an intellectual property right is subject to the right being granted or registered, the Contracting Parties shall ensure that the procedures for grant or registration are of the same level as that provided in the TRIPS Agreement, in particular Article 62.

Article 5

Enforcement of intellectual property rights

The Contracting Parties shall provide for enforcement provisions of the same level as that provided in the TRIPS Agreement, in particular Articles 41 to 61.

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