

FRAMEWORK AGREEMENT
BETWEEN THE COMMISSION OF THE EUROPEAN COMMUNITIES
AND THE GOVERNMENT OF THE REPUBLIC OF BELARUS

The Commission of the European Communities, hereinafter referred to as "The Commission", acting for and on behalf of the European Community, hereinafter referred to as "the Community"

on the one part, and

The Government of the Republic of Belarus, hereinafter referred to as "The Government", acting for and on behalf of the Republic of Belarus

on the other part,

and together, jointly referred to as the "Parties"

Whereas:

The Republic of Belarus is eligible to be a recipient of external assistance financed by the Community as provided for in the relevant Regulations,

the assistance may give rise to financing agreements signed by the Commission and the Government to implement the planned actions,

the technical, legal and administrative framework for implementing actions in the Republic of Belarus should be laid down,

Have agreed as follows:

Article 1
Purpose

1.1 This Framework Agreement will replace the General Rules Applicable to Financing Memoranda signed by the Commission of the European Communities and the Government of the Republic of Belarus on 10 May 1994.

1.2 This Framework Agreement sets out the detailed provisions concerning the rules applicable to the performance of actions financed wholly or partly by the Community, notably regarding foreign exchange, tax and customs duties.

1.3 This Framework Agreement shall also apply to the activities funded by the Community which by their nature are not covered by a specific financing agreement and either are implemented on the basis of a request of the Government of the Republic of Belarus or are approved by the sides in any other form.

Article 2

Foreign Exchange Arrangements

2.1 For the execution of actions, the appropriate authority(ies) of the Republic of Belarus, undertake(s) to grant import authorisations and authorisations for the acquisition of foreign exchange, without discrimination between eligible countries, without prejudice to any declarative measures adopted in the Republic of Belarus.

2.2 The appropriate authority(ies) shall grant experts on mission and their families the permits necessary to import into, and retain in the Republic of Belarus, foreign currency for the duration of the action, without prejudice to any declarative measures adopted by the Government.

2.3 The experts on mission and their families will also be entitled to export any unused balance of foreign currency, within the limits of amounts imported into the Republic of Belarus.

Article 3

Taxation and Customs Provisions

Actions financed wholly or partly by the Community shall not be subject to taxes and customs duties or any other charges having equivalent effects. In particular:

3.1 Any goods imported for the purpose of implementing actions financed by the Community, except for the goods forbidden and restricted for import into the Republic of Belarus in accordance with national legislation, shall not be subject to customs and import duties, taxes or any other charges having equivalent effect imposed in the Republic of Belarus.

3.2 Upon the request of the Community, the Government shall ensure that the imports concerned will be released in time from the point of legal custom entry for delivery to the recipient as required for the normal implementation of the contract.

3.3 Contracts financed by the Community shall not be subject to value added tax, documentary stamp, registration duties or any charges having equivalent effect in the Republic of Belarus, whether such charges exist or are to be instituted, whether the contract is concluded with persons from the Republic of Belarus or elsewhere.

3.4 Where a contract concerns supply of goods originating in the Republic of Belarus, the contract shall be concluded on the basis of the net price excluding value added tax. The term "goods" should be understood as any property, merchandise, works, services and/or rights that are supplied, executed, obtained and/or sold for the realization of projects financed by the Community within the framework of this Agreement.

3.5 In respect of all contracts financed by the Community, contractors and their employees, including citizens or permanent residents of the Republic of Belarus, shall be exempted from all taxes, charges and mandatory payments levied in the territory of the Republic of Belarus, including social security provisions and business and income tax.

3.6 Personal and household effects, including foodstuffs, imported for personal use by natural persons employed in contracts financed by the Community, shall be exempt from import duties, customs taxes and other charges having equivalent effects imposed in the Republic of Belarus. This

does not apply to citizens or permanent residents of the Republic of Belarus.

3.7 Duty-free import into the Republic of Belarus of one motor vehicle per family is allowed, provided that the vehicle is used only within the period of the relevant contract and is re-exported at the end of this period. Experts and their family members may obtain driving licenses against proof of their present licenses.

3.8 External assistance by the Community may be suspended where the provisions of Article 3 are not respected by the Government.

Article 4

Co-operation and Consultation between the Parties

4.1 The Government shall take all necessary measures to ensure proper implementation of this Framework Agreement.

4.2 The Government will provide the Commission with all information with regard to the application of this Framework Agreement.

4.3 Any questions relating to the execution or interpretation of this Framework Agreement shall be the subject of consultations between the Parties, leading where necessary to a written amendment of the Framework Agreement.

Article 5

Disputes

5.1 Any dispute between the Parties arising from/or in connection with the implementation of this Framework Agreement, as well as any dispute arising from its interpretation, shall be settled by way of consultations and negotiations between the Parties.

5.2 Any dispute which is not settled within a reasonable time by consultations between the Parties shall be settled by arbitration in accordance with the Permanent Court of Arbitration's Optional Rules for Arbitration

involving International Organisations and States by three arbiters appointed in accordance with the above-mentioned Rules.

Article 6

Entry into force, suspension and termination

6.1 This Agreement shall enter into force on the date of exchange of the notification act confirming the completion by the Government of their domestic procedures necessary for its entry into force. The provisions of this Agreement shall be provisionally applied from the date of signature by both Parties insofar as they do not contradict existing legislation by the Republic of Belarus.

6.2 Where the authorities concerned fail to carry out an obligation set out in the Framework Agreement and if they do not take remedial action in due time, the any of the Parties may suspend or terminate the implementation of the Financing Agreements.

6.3 Either Party, following consultations, may denounce this Framework Agreement by giving six months notice in advance.

6.4 In case of suspension or termination this Framework Agreement shall continue to apply in respect to on-going obligations deriving from specific financing agreements signed thereunder.

Article 7

Amendments

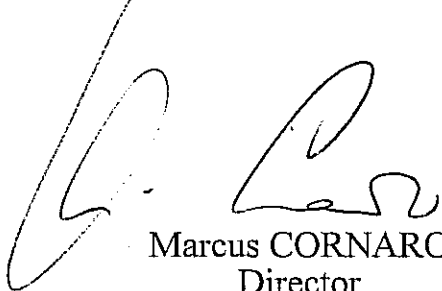
Any amendment to this Framework Agreement shall be made in writing and be the subject of an exchange of letters between the Parties.

Article 8 Language

This Framework Agreement is drawn up in two originals in English and Belarusian. In case of divergence of interpretation the English text shall prevail.

Done in *Minsk on 18 December 2008.*

**FOR THE COMMISSION OF
THE EUROPEAN COMMUNITIES**



Marcus CORNARO
Director

EuropeAid Co-operation Office
European Commission

**FOR THE GOVERNMENT OF
THE REPUBLIC OF BELARUS**



Andrei KOBYAKOV
Deputy Prime Minister

PROTOCOL
on the Interpretation of Notions,
Terms and Definitions used within the Framework Agreement
between the Commission of the European Communities and
the Government of the Republic of Belarus

Taking into consideration paragraph 2 of Article 31 of the Vienna Convention on the Law of Treaties between States and International Organisations or between International Organisations of 21 March 1986, the Contracting Parties in the process of negotiations on preparation of the Framework Agreement between the Commission of the European Communities and the Government of the Republic of Belarus (the Framework Agreement) have agreed upon the following interpretation of the clauses of the Framework Agreement:

Preamble and Article 1

The Contracting Parties proceed from the assumption that the substance of the '*external assistance*' and '*the performance of actions financed wholly or partly by the Community*' is defined when a specific Financing Agreement is concluded and is subject to approval by the Commission of the European Communities and the Government of the Republic of Belarus.

External assistance, as well as the actions financed wholly or partly by the Community are to be defined within the Financing Agreements concluded between the Commission of the European Communities and the Government of the Republic of Belarus. Such assistance and actions financed by the Community are named as '*the International Technical Assistance*' according to the legislation of the Republic of Belarus.

The Contracting Parties presume that the Financing Agreement is an agreement between the Commission acting for and on behalf of the European Communities, and the Beneficiary – the Government of the Republic of Belarus.

The Contracting Parties may agree on any other means or forms which differ from a financing agreement for approval of the external assistance.

Article 2

The Contracting Parties understand that experts on mission and members of their family, excluding citizens of the Republic of Belarus or persons who permanently reside on the territory of the Republic of Belarus, can import into and keep foreign currency on the territory of the Republic of Belarus for the period of duration of their mission action on condition of fulfillment of the procedures set by the Government of the Republic of Belarus regarding the declaration of imported currency.

Article 3

The mechanism for tax exemption of activities financed wholly or partly by the Community, as established by the Framework Agreement, is determined by the legislation of the Republic of Belarus.

The Contracting Parties understand the term '*Contracts financed by the Community*' as documents signed with the aim of implementation of projects of international technical assistance that shall be approved by the Government of the Republic of Belarus and registered according to the procedures existing in Belarus.

In paragraph 3.1 of Article 3 of the Framework Agreement "customs and import duties, taxes or any other charges having equivalent effect imposed

in the Republic of Belarus" stand for customs payments, including fees for customs processing, which are collected by customs authorities in favor of the budget of the Republic of Belarus.

Nothing in this Protocol may be understood against the provisions of the Framework Agreement.

This Protocol is signed for explanatory purposes only.

This Protocol is drawn up in two originals in English and Belarusian. In case of divergence of interpretation the English text shall prevail.

Done in *Minsk on 18 December 2008.*

**FOR THE COMMISSION OF
THE EUROPEAN COMMUNITIES**



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European Commission

**FOR THE GOVERNMENT OF
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