ADDITIONAL PROTOCOL

in the form of an Exchange of Letters between the European Community and the Republic of Latvia to the Free Trade Agreement between the European Communities and the Republic of Latvia and the Europe Agreement between the Communities and their Member States and the Republic of Latvia

A. *Letter from the Council of the European Union*

Sir,

1. I have the honour to refer to the negotiations held on 12 November 1997 between our respective delegations with a view to amending the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community and the Republic of Latvia, which was signed on 18 July 1994 and entered into force on 1 January 1995, and the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995, in order to, *inter alia*, extend the duration of Protocols 1 to the abovementioned Agreements concerning trade in textile products and modify the tariff regime for textile products contained in these Agreements.

2. As a result of those negotiations, it was agreed to amend the Free Trade Agreement and the Europe Agreement as follows:

2.1.1. Article 10(1) of the Free Trade Agreement and Article 16(1) of the Europe Agreement shall be replaced by the following text:

'Customs duties on imports applicable in the Community to textile products originating in Latvia listed in Chapters 50 to 63 of the Combined Nomenclature shall be abolished on 1 January 1998.'

2.1.2. Annex V to the Free Trade Agreement and to the Europe Agreement shall be abolished.

2.2. Article 10(2) of the Free Trade Agreement and Article 16(2) of the Europe Agreement shall be replaced by the following text:

'Customs duties on imports applicable in Latvia to textile products originating in the Community listed in Chapters 50 to 63 of the Combined Nomenclature shall be abolished on 1 January 1998.'

2.3. The following paragraph shall be added to Article 10 of the Free Trade Agreement and to Article 16 of the Europe Agreement:

'3. Protocol 1 lays down the other arrangements applicable to the textile products referred to therein.'

2.4.1. The last sentence of Article 19(1) of Protocol 1 to the Free Trade Agreement and to the Europe Agreement is replaced by the following:

'It shall be applicable until 31 December 2000, or until Latvia's accession to the WTO, whichever date is earlier. Should Latvia accede to the WTO before 31 December 2000, consultations will take place prior to Latvia's WTO accession with a view to agreeing on the maintenance of the double-checking system as specified in Article 2(3) of Protocol 1.'

2.4.2. Annex II to Protocol 1 to the Free Trade Agreement and to the Europe Agreement is replaced by the following:

'Products subject to the double-checking system referred to in Article 2(3) of the Agreement

(The full product descriptions of the categories listed in this Annex are to be found in Annex I to the Agreement)

Category:

1, 2, 4, 5, 6, 7, 9, 12, 15, 26, 27 and 31'.

2.4.3. Article 2(4) of Protocol A to Protocol 1 is replaced by the following:

'The certificate of origin referred to in paragraph 1 above is not required for the importation of goods covered by a movement certificate EUR.1 issued in conformity with Protocol 3 to the Free Trade Agreement in cases where those documents clearly establish that the Republic of Latvia is to be considered as the country of origin on the basis of the rules on non-preferential origin in force in the Community.'

2.5. This Protocol shall form an integral part of the Free Trade Agreement and of the Europe Agreement. It shall be drawn up in two copies in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Latvian languages, each of these texts being equally authentic.

3. I should be obliged if you could kindly confirm the acceptance of your Government of the foregoing. Should this be in the case, this additional Protocol to the Free Trade Agreement and to the Europe Agreement in the form of an Exchange of Letters shall enter into force on the first day of the month following the day on which the Parties have notified each other that the legal procedures to this end have been completed. In the meantime, it shall be applied provisionally from 1 January 1998 on the conditions to be specified in an Exchange of Notes (see Appendix 1).

Please accept, Sir, the assurance of my highest consideration.

For the Council
of the European Union

Appendix 1

EXCHANGE OF NOTES

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Republic of Latvia to the European Union and has the honour to refer to the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community and the Republic of Latvia, which was signed on 18 July 1994 and entered into force on 1 January 1995, to the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995 and to the additional Protocol to these Agreements in the form of an Exchange of Letters, initialled on 13 November 1997.

The Directorate-General wishes to inform the Mission that, whilst awaiting the completion of the necessary procedures for the conclusion and coming into force of the additional Protocol, the European Community is prepared to allow the provisions of the additional Protocol to apply *de facto* from 1 January 1998. This is on the understanding that either Party may at any time terminate this *de facto* application of the additional Protocol provided that one hundred and twenty days' notice is given.

The Directorate-General for External Relations would be grateful if the Mission would confirm the agreement of the Government of the Republic of Latvia to the foregoing.

The Directorate-General for External Relations of the Commission of the European Communities avails itself of this opportunity to renew to the Mission of the Republic of Latvia to the European Union the assurance of its highest consideration.

The Mission of the Republic of Latvia to the European Union presents its compliments to the Directorate-General for External Relations of the Commission of the European Communities and has the honour to refer to the Note of the Directorate-General of 19 December 1997 regarding the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community and the Republic of Latvia, which was signed on 18 July 1994 and entered into force on 1 January 1995, to the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995 and to the additional Protocol of these Agreements in the form of an Exchange of Letters, initialled on 13 November 1997.

The Mission of the Republic of Latvia to the European Union wishes to confirm to the Directorate-General that, whilst awaiting the completion of the necessary procedures for the conclusion and coming into force of the additional Protocol in the form of an Exchange of Letters, the Government of the Republic of Latvia is prepared to allow the provisions of the additional Protocol to apply *de facto* from 1 January 1998. This is on the understanding that either Party may at any time terminate this *de facto* application of the additional Protocol provided that one hundred and twenty days' notice is given.

The Mission of the Republic of Latvia to the European Union avails itself of this opportunity to renew to the Directorate-General for External Relations of the Commission of the European Communities the assurance of its highest consideration.

B. *Letter from the Government of the Republic of Latvia*

Sir,

I have the honour to acknowledge receipt of your letter of 9 December 1998 which reads as follows:

'1. I have the honour to refer to the negotiations held on 12 November 1997 between our respective delegations with a view to amending the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community and the Republic of Latvia, which was signed on 18 July 1994 and entered into force on 1 January 1995, and the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995, in order to, *inter alia,* extend the duration of Protocols 1 to the abovementioned Agreements concerning trade in textile products and modify the tariff regime for textile products contained in these Agreements.

2. As a result of those negotiations, it was agreed to amend the Free Trade Agreement and the Europe Agreement as follows:

2.1.1. Article 10(1) of the Free Trade Agreement and Article 16(1) of the Europe Agreement shall be replaced by the following text:

"Customs duties on imports applicable in the Community to textile products originating in Latvia listed in Chapters 50 to 63 of the Combined Nomenclature shall be abolished on 1 January 1998."

2.1.2. Annex V to the Free Trade Agreement and to the Europe Agreement shall be abolished.

2.2. Article 10(2) of the Free Trade Agreement and Article 16(2) of the Europe Agreement shall be replaced by the following text:

"Customs duties on imports applicable in Latvia to textile products originating in the Community listed in Chapters 50 to 63 of the Combined Nomenclature shall be abolished on 1 January 1998."

2.3. The following paragraph shall be added to Article 10 of the Free Trade Agreement and to Article 16 of the Europe Agreement:

"3. Protocol 1 lays down the other arrangements applicable to the textile products referred to therein."

2.4.1. The last sentence of Article 19(1) of Protocol 1 to the Free Trade Agreement and to the Europe Agreement is replaced by the following:

"It shall be applicable until 31 December 2000, or until Latvia's accession to the WTO, whichever date is earlier. Should Latvia accede to the WTO before 31 December 2000, consultations will take place prior to Latvia's WTO accession with a view to agreeing on the maintenance of the double-checking system as specified in Article 2(3) of Protocol 1."

2.4.2. Annex II to Protocol 1 to the Free Trade Agreement and to the Europe Agreement is replaced by the following:

"Products subject to the double-checking system referred to in Article 2(3) of the Agreement

(The full product descriptions of the categories listed in this Annex are to be found in Annex I to the Agreement)

Category:

1, 2, 4, 5, 6, 7, 9, 12, 15, 26, 27 and 31".

2.4.3. Article 2(4) of Protocol A to Protocol 1 is replaced by the following:

"The certificate of origin referred to in paragraph 1 above is not required for the importation of goods covered by a movement certificate EUR.1 issued in conformity with Protocol 3 to the Free Trade Agreement in cases where those documents clearly establish that the Republic of Latvia is to be considered as the country of origin on the basis of the rules on non-preferential origin in force in the Community."

2.5. This Protocol shall form an integral part of the Free Trade Agreement and of the Europe Agreement. It shall be drawn up in two copies in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Latvian languages, each of these texts being equally authentic.

3. I should be obliged if you could kindly confirm the acceptance of your Government of the foregoing. Should this be the case, this additional Protocol to the Free Trade Agreement and to the Europe Agreement in the form of an Exchange of Letters shall enter into force on the first day of the month following the day on which the Parties have notified each other that the legal procedures to this end have been completed. In the meantime, it shall be applied provisionally from 1 January 1998 on the conditions to be specified in an Exchange of Notes (see Appendix 1).

Please accept, Sir, the assurance of my highest consideration.'

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government
of the Republic of Latvia

Appendix 1

EXCHANGE OF NOTES

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Republic of Latvia to the European Union and has the honour to refer to the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community and the Republic of Latvia, which was signed on 18 July 1994 and entered into force on 1 January 1995, to the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995 and to the additional Protocol to these Agreements in the form of an Exchange of Letters, initialled on 13 November 1997.

The Directorate-General wishes to inform the Mission that, whilst awaiting the completion of the necessary procedures for the conclusion and coming into force of the additional Protocol, the European Community is prepared to allow the provisions of the additional Protocol to apply *de facto* from 1 January 1998. This is on the understanding that either Party may at any time terminate this *de facto* application of the additional Protocol provided that one hundred and twenty days' notice is given.

The Directorate-General for External Relations would be grateful if the Mission would confirm the agreement of the Government of the Republic of Latvia to the foregoing.

The Directorate-General for External Relations of the Commission of the European Communities avails itself of this opportunity to renew to the Mission of the Republic of Latvia to the European Union the assurance of its highest consideration.

The Mission of the Republic of Latvia to the European Union presents its compliments to the Directorate-General for External Relations of the Commission of the European Communities and has the honour to refer to the Note of the Directorate-General of 19 December 1997 regarding the Agreement on free trade and trade-related matters between the European Community, the European Atomic Energy Community and the European Coal and Steel Community and the Republic of Latvia, which was signed on 18 July 1994 and entered into force on 1 January 1995, to the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, signed on 12 June 1995 and to the additional Protocol of these Agreements in the form of an Exchange of Letters, initialled on 13 November 1997.

The Mission of the Republic of Latvia to the European Union wishes to confirm to the Directorate-General that, whilst awaiting the completion of the necessary procedures for the conclusion and coming into force of the additional Protocol in the form of an Exchange of Letters, the Government of the Republic of Latvia is prepared to allow the provisions of the additional Protocol to apply *de facto* from 1 January 1998. This is on the understanding that either Party may at any time terminate this *de facto* application of the additional Protocol provided that one hundred and twenty days' notice is given.

The Mission of the Republic of Latvia to the European Union avails itself of this opportunity to renew to the Directorate-General for External Relations of the Commission of the European Communities the assurance of its highest consideration.

Hecho en Bruselas, el nueve de diciembre de mil novecientos noventa y ocho.

Udfærdiget i Bruxelles den niende december nitten hundrede og otteoghalvfems.

Geschehen zu Brüssel am neunten Dezember neunzehnhundertachtundneunzig.

Έγινε στις Βρυξέλλες, στις εννέα Δεκεμβρίου χίλια εννιακόσια ενενήντα οκτώ.

Done at Brussels on the ninth day of December in the year one thousand nine hundred and ninety-eight.

Fait à Bruxelles, le neuf décembre mil neuf cent quatre-vingt-dix-huit.

Fatto a Bruxelles, addì nove dicembre millenovecentonovantotto.

Gedaan te Brussel, de negende december negentienhonderd achtennegentig.

Feito em Bruxelas, em nove de Dezembro de mil novecentos e noventa e oito.

Tehty Brysselissä yhdeksäntenä päivänä joulukuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkahdeksan.

Som skedde i Bryssel den nionde december nittonhundranittioåtta.

Parakstīts Briselē, decembra devītajā dienā, tūkstoš deviņi simti deviņdesmit astotajā gadā.

En nombre del Consejo de la Unión Europea

På vegne af Rådet for Den Europæiske Union

Im Namen des Rates der Europäischen Union

Εξ ονόματος του Συμβουλίου της Ευρωπαϊκής Ένωσης

On behalf of the Council of the European Union

Au nom du Conseil de l'Union européenne

A nome del Consiglio dell'Unione europea

Namens de Raad van de Europese Unie

Em nome do Conselho da União Europeia

Euroopan unionin neuvoston puolesta

På Europeiska unionens råds vägnar



Latvijas Republikas valdības vārdā

