INTERIM FREE TRADE AGREEMENT

BETWEEN

THE REPUBLIC OF TURKEY

AND

PALESTINE LIBERATION ORGANIZATION FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY

Interim Free Trade Agreement Between the Republic of Turkey and the Palestine Liberation Organization for the benefit of the Palestinian Authority

PREAMBLE

The Republic of Turkey and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority (hereinafter “the Parties”)

DESIROUS to develop and strengthen friendly relations, especially in the fields of economic cooperation and trade between the Parties and to enhance the scope of mutual trade,

CONFIRMING their intention to participate actively in the process of economic integration in Europe and in the Mediterranean Basin expressing their preparedness to cooperate in seeking ways and means to strengthen this process,

TAKING INTO CONSIDERATION the Agreement Establishing an Association between Turkey and the European Economic Community and the Euro-Mediterranean Interim Association Agreement between the European Community and the Palestine Liberation Organization for the benefit of Palestinian Authority of the West Bank and the Gaza Strip,

HAVING regard to the experience gained from the cooperation developed between the Parties to this Agreement as well as between them and their main trading partners,

CONSIDERING the importance of the links existing between Turkey and the Palestinian people of the West Bank and the Gaza Strip, and the common values they share,

TAKING INTO ACCOUNT the difference in economic and social development existing between the Parties and the need to intensify existing efforts to promote economic and social development in the West Bank and the Gaza Strip,

CONSIDERING the importance of the Middle East peace process leading to a permanent settlement based on Security Council Resolutions 242 and 338,

RECOGNIZING the rights and obligations under the international agreements which they have signed and the importance of the Oslo Agreements,

DECLARING their readiness to undertake activities with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual cooperation in the fields of joint interest, including fields not covered by this Agreement, thus creating a framework and supportive environment based on equality, non-discrimination, and a balance of rights and obligations,

CONSIDERING the membership of Turkey in the World Trade Organization (hereinafter referred as “the WTO”) and her commitment to comply with the rights and obligations arising from the Marrakesh Agreement establishing the WTO, and mindful of Palestinian Authority’s wish to comply with the WTO rules and principles with a view to constitute a basis for her foreign trade policy,

RESOLVED to lay down for this purpose provisions aimed at the progressive abolition of the obstacles to trade between the Parties in accordance with the provisions of these instruments, in particular those concerning the establishment of free trade areas,

HAVE DECIDED, in pursuance of these objectives, to conclude the following Interim Agreement (hereinafter referred to as "this Agreement").

CHAPTER I
GENERAL PRINCIPLES

Article 1
Objectives

The Parties, by taking into account the Turkey’s obligations arising from the Customs Union with the European Community and the Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community and Palestine Liberation Organization for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, shall gradually establish a free trade area on substantially all their trade between them in conformity with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994 and the other multilateral agreements annexed to the Agreement establishing the WTO.

The objectives of this Agreement are:

to increase and enhance the economic cooperation and to raise the living standards of the Parties;

to gradually eliminate difficulties and restrictions on trade in goods, including also the agricultural products;

to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the Parties;

to provide fair conditions of competition in trade between the Parties;

to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade;

to create conditions for further encouragement of investments particularly for the development of joint investments in both countries;

to promote trade and cooperation between the Parties in third country markets.

CHAPTER II
FREE MOVEMENT OF GOODS

INDUSTRIAL PRODUCTS

Article 2
Scope

The provisions of this Chapter shall apply to products originating in the Parties falling within Chapters 25 to 97 of Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I of this Agreement.

Article 3
Abolition of Customs Duties on Imports and Charges Having Equivalent Effect

The Parties shall abolish on the date of entry into force of this Agreement all customs duties on imports and any charges having equivalent effect on products originating in the Republic of Turkey or the West Bank and the Gaza Strip.

Article 4
Customs Duties of a Fiscal Nature

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

Article 5
Structural Adjustment

By way of derogation from Articles 3 and the Paragraph 1 of Article 12, the Palestinian Authority may take exceptional measures of limited duration in the form of increased customs duties.

Such measures may only apply to infant industries, and to sectors undergoing restructuring or experiencing serious difficulties, particularly where those difficulties entail severe social problems.

Customs duties on imports applicable in the West Bank and the Gaza Strip to products originating in Turkey introduced by these measures may not exceed 25% *ad valorem* and shall maintain an element of preference for products originating in Turkey. The total value of imports of the products that are subject to these measures may not exceed 15% of total imports of industrial products from Turkey, during the last year for which statistics are available.

Such measures shall be applied for a period not exceeding five years unless the Joint Committee authorizes a longer duration.

The Palestinian Authority shall inform the Joint Committee of any exceptional measures she intends to adopt and, at the request of Turkey, consultations shall be held in the Joint Committee on such measures and the sectors prior to their application. When adopting such measures the Palestinian Authority shall provide the Joint Committee with a schedule for the abolition of the customs duties introduced pursuant to this Article. Such schedules shall provide for a phasing out of these duties starting at the latest two years after their introduction, at equal rates. The Joint Committee may decide on a different schedule.

BASIC AND PROCESSED AGRICULTURAL PRODUCTS AND FISHERIES

Article 6
Scope

The provisions of this Chapter shall apply to basic and processed agricultural products and fisheries originating in the Parties.

The term "basic and processed agricultural products and fisheries" means for the purpose of this Agreement the products falling within Chapters 1 to 24 of the Harmonized Commodity Description and Coding System and the products listed in Annex I of this Agreement.

Taking into account the role of agriculture in their respective economies; the development of trade in agricultural products; the high sensitivity of agricultural products; the rules of their respective agricultural policy, the Parties shall examine in the Joint Committee the possibilities of granting to each other further concessions in trade in agricultural products.

Article 7
Exchange of Concessions

The Parties decided to determine the products which will be subject to preferential treatment by the Joint Committee procedure as referred to in Article 43.

In this regard, the Joint Committee is hereby authorized to meet at the earliest convenience upon the entry into force of this Agreement to initiate the negotiations on concessions in trade of basic and processed agricultural products and fisheries and to establish the Annexes of Protocol I to this Agreement.

Article 8
Sanitary and Phytosanitary Measures

The Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction on trade between them. The Parties shall apply their sanitary and phytosanitary measures within the spirit of the provisions of the GATT and the other relevant WTO agreements.

Article 9
Specific Safeguards on Agricultural Products

1. Notwithstanding other provisions of this Agreement, and in particular Article 22, given the particular sensitivity of the agricultural products, if imports of products originating in a Party, which are the subject of concessions granted under this Agreement, cause serious disturbance to the markets or to their domestic regulatory mechanisms, in the other Party, both Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take the measures it deems necessary, in accordance with the relevant WTO rules.

2. In the selection of appropriate measures, priority must be given to those least disturbing the functioning of this Agreement. The safeguard measures shall be notified immediately to the Joint Committee and shall be subject to periodic consultations within that Committee, particularly with a view to their abolition as soon as circumstances permit.

COMMON PROVISIONS

Article 10
Classification of Goods

In the trade between the Parties covered by this Agreement, the Parties shall apply their respective Customs Tariffs on the classification of goods for imports into them.

Article 11
Basic Duties

For each product the basic rate to which the successive reductions set out in this Agreement are to be applied shall be that actually applied rates that are in the Parties on the day of conclusion of negotiations.

If following the entry into force of this Agreement, any tariff reduction is applied on an *erga omnes* basis; in particular, reductions resulting from the tariff negotiations in the WTO, such reduced duties shall replace the basic duties referred to in paragraph 1 as from that date when such reductions are applied.

The Parties shall communicate to each other their respective applied rates on the day of conclusion of the negotiations.

Article 12
Customs Duties on Imports or Exports and Charges Having Equivalent Effect

No new customs duties on imports or any other charge having equivalent effect shall be introduced in trade between the Parties.

All customs duties on exports and any charges having equivalent effect shall be abolished between the Parties upon entry into force of this Agreement.

No new customs duties on exports or any other charge having equivalent effect shall be introduced in trade between the Parties.

Article 13
Quantitative Restrictions on Imports or Exports and Measures Having Equivalent Effect

All quantitative restrictions on imports or exports or measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of this Agreement.

From the date of the entry into force of this Agreement no new quantitative restriction on imports or exports or measure having equivalent effect shall be introduced.

Article 14
Internal Taxation

The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the other Party.

Products exported to the territory of the Parties may not benefit from repayment of internal taxes in excess of the amount of direct or indirect taxes imposed on them.

Article 15
Customs Unions, Free Trade Areas, Frontier Trade and Other Preferential Agreements

This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for cross-border trade of the Parties with third countries to the extent that these do not negatively affect the trade regime and in particular the provisions concerning rules of origin provided for by this Agreement.

Exchange of information shall take place, upon request of either Party, within the Joint Committee concerning agreements establishing such customs unions or free trade areas.

Article 16
Dumping

If a Party finds that dumping, within the meaning of Article VI of GATT 1994 is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with Article VI of the GATT 1994 and the WTO Agreement on Implementation of Article VI of the GATT 1994 under the conditions and in accordance with the procedures laid down in Article 22 of this Agreement.

Article 17
Emergency Action on Imports of Particular Products

Where any product is being imported into either of the Parties in such increased quantities and under such conditions as to cause, or threaten to cause:

serious injury to domestic producers or disturbances on the market of like or directly competitive products;

serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region

the Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 22.

Article 18
Re-export and Serious Shortage

Where compliance with the provisions of the Paragraph 2 and 3 of Article 12 and Articles 13 leads to:

re-export towards a third country against which the exporting Party to this Agreement maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or

a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 22 of this Agreement. The measures shall be non-discriminatory and shall be eliminated when conditions no longer justify their maintenance.

Article 19
General Exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual, industrial and commercial property. Such prohibitions or restrictions must not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 20
Rules of Origin and Cooperation between the Customs Administrations

The Parties agree to apply the harmonized European preferential rules of origin in the mutual trade including all existing and further amendments thereto.

2. Protocol II lays down the rules of origin and methods of administrative cooperation.

Article 21
Balance of Payments Difficulties

Where either Party is in a serious balance of payments difficulties or under threat thereof, the Party concerned may in accordance with the conditions laid down within the framework of WTO/GATT 1994 and with Articles VIII and XIV of Agreement of International Monetary Fund, adopt restrictive measures, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Party concerned shall inform the other Party forthwith of their introduction and submit to the other Party, as soon as possible, a time schedule of their removal.

Article 22
Notifications and Consultations Procedure For The Application of Measures

Before initiating the procedure for the application of measures set out in this Article, the Parties shall endeavour to solve any differences between themselves through direct consultations, and shall inform the other Party thereof.

In the cases specified in Articles 9, 16, 17, 18, 24 and 45, a Party, which considers resorting to any measures, shall promptly notify the Joint Committee thereof. The Party concerned shall provide the Joint Committee with all relevant information and give it the assistance required to examine the case. Consultations between the Parties shall take place without delay in the Joint Committee with a view to finding a commonly acceptable solution.

If, within one month of the matter being referred to the Joint Committee, the Party in question fails to put an end to the practice objected to or to the difficulties notified and in the absence of a decision by the Joint Committee in the matter, the concerned Party may adopt the measures it considers necessary to remedy the situation.

The measures taken shall be notified immediately to the Joint Committee. They shall be restricted, with regard to their extent and to their duration, to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the damage caused by the practice or the difficulty in question. Priority shall be given to such measures that will least disturb the functioning of this Agreement.

The measures taken shall be the subject of regular consultations within the Joint Committee with a view to their relaxation, or abolition when conditions no longer justify their maintenance.

Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 9, 16, 17, 18, 24 and 45 apply forthwith the precautionary measures strictly necessary to remedy the situation. The measures shall be notified without delay to the Joint Committee and consultations between the Parties to this Agreement shall take place within the Joint Committee.

CHAPTER III
TRADE-RELATED PROVISIONS

Article 23
Payments and Transfers

Payments relating to trade between the Parties and the transfer of such payments to the territory of the Party where the creditor resides shall be free from any restrictions.

The Parties shall refrain from any currency exchange or administrative restrictions on the grant, repayment or acceptance of short and medium-term credits covering commercial transactions in which a resident participates.

No restrictive measures shall apply to transfers related to investments and in particular to the repatriation of amounts invested or reinvested and of any kind of revenues stemming there from.

It is understood that the provisions in this Article are without prejudice to the equitable, non-discriminatory application of their respective legislation in connection with criminal offences and orders or judgments in administrative and ad judicatory proceedings.

Article 24
Rules of Competition Concerning Undertakings, State Aid

The following are incompatible with the proper implementation of this Agreement, in so far as they affect trade between the Parties:

all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

abuse by one or more undertakings of dominant position in the territories of the Parties as a whole or in a substantial part thereof;

any state aid which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods.

Each Party shall ensure transparency in the area of state aid. Upon request by one Party, the other Party shall provide information on particular individual cases of state aid.

For the purpose of applying the provisions of paragraph 1 of this Article, the Parties will take the measures in conformity with the procedures and under the conditions laid down in their respective Agreements with the European Communities. In case of any change in those procedures and/or conditions these changes will be applicable between the Parties.

If the Parties consider that a particular practice is incompatible with the terms of the first paragraph of this Article, and:

is not adequately dealt with under the implementing rules referred to in paragraph 3 of this Article, or

in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry

it may take appropriate measures after consultation within the Joint Committee or after thirty working days following referral for such consultation.

In the case of practices incompatible with paragraph 1.c) of this Article, such appropriate measures may, where the WTO/GATT 1994 applies thereto, only be adopted in conformity with the procedures and under the conditions laid down by the WTO/GATT 1994 and any other relevant instrument negotiated under its auspices which are applicable between the Parties.

Notwithstanding any provisions to the contrary adopted in conformity with this Article, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

Article 25
Intellectual, Industrial and Commercial Property

The Parties shall grant and ensure adequate effective protection of intellectual, industrial and commercial property rights in line with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and other international Agreements. This shall encompass effective means of enforcing such rights.

The Parties shall regularly review the implementation of this Article. If difficulties, which affect trade, arise in connection with intellectual, industrial and commercial property rights, either Party may request urgent consultations to find mutually satisfactory solutions within the framework of the Joint Committee.

Article 26
State Monopolies

The Parties shall progressively adjust any state monopoly of a commercial character so as to ensure that by the end of the fourth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the Parties.

The Joint Committee shall be informed about the measures adopted to implement this objective.

Article 27
Public Procurement

The Parties consider the opening up of the award of public contracts on the basis of non-discrimination and reciprocity, to be a desirable objective.

As of the entry into force of this Agreement, both Parties shall grant each other's companies' access to contract award procedures a treatment no less favourable than that accorded to companies of any other country.

Article 28
Technical Regulations

The parties shall cooperate in the field of technical regulations, standards and conformity assessment; and shall take appropriate measures to promote international solutions and mutual recognition arrangements as appropriate to ensure that this agreement will be applied effectively and harmoniously to the mutual interests of all Parties.

The parties agree to hold immediate consultations in the framework of the joint committee in case a Party considers that another Party has taken measures which are likely to create, or have created, a technical obstacle to trade, in order to find an appropriate solution in conformity with the WTO Agreement on Technical Barriers to Trade.

The extent of the Parties' obligations to notify draft technical regulations shall be applied in accordance with the provisions of the WTO Agreement on Technical Barriers to Trade. Turkey will make its notifications of draft technical regulations to the WTO available to Palestine. Palestine shall notify draft technical regulations to Turkey.

CHAPTER IV
ECONOMIC COOPERATION AND TECHNICAL ASSISTANCE

Article 29
Objectives

Having recognised that the Turkish economy is far more advanced than the infant Palestinian economy, the Parties agreed upon the need for cooperation between them to assist the Palestinian side on the road to economic development in order to better be able to benefit from this Agreement

The aim of cooperation shall be to support the Palestinian Authority's own efforts to achieve sustainable economic and social development.

Turkey shall give priority for providing technical assistance in the primary fields of economic cooperation referred in Article 32.

Parties will encourage operations designed to develop cooperation among the countries of the region and particularly the ones taking part within the Euro-Mediterranean Partnership.

Article 30
Scope

Cooperation and technical assistance shall;

focus primarily on infant industries, sectors suffering from internal difficulties, undergoing restructuring or affected by the overall process of liberalization of the economy of the West Bank and the Gaza Strip.

focus on areas likely to bring the economies of the Parties closer together.

focus on capacity building and training programs which would assist in creating the necessary institutions and human resources for implementation of this Agreement with the Palestinian Authority.

encourage the implementation of measures designed to develop intra-regional cooperation.

support joint-ventures, twinning initiatives and joint investments amongst the private sector institutions.

The Parties may agree to extend economic cooperation to other areas not covered by the provisions of this Chapter.

Article 31
Methods and Modalities

In the field of economic cooperation, priority shall be given to the areas raised by the Palestinian Authority.

The Parties shall further determine the methods and modalities for economic cooperation and technical assistance, in particular within the work of the Joint Committee referred in Article 42. In this regard, the Joint Committee may decide to establish sub-committees.

Economic cooperation and technical assistance shall be implemented in particular by:
regular exchange of information and ideas in every sector of cooperation including meetings of officials and experts;

encouragement of reciprocal participation in fairs and exhibitions;

transfer of advice, expertise and training;

implementation of joint actions such as seminars and workshops;

technical, administrative and regulatory assistance;

encouragement of joint ventures;

dissemination of information on cooperation.

Article 32
Primary Fields of Economic Cooperation

1. The cooperation under the scope of the Agreement shall primarily involve the following fields referred in detail between Articles 33 to 40 of the Agreement:

Investment promotion and Investment;

Small and medium-sized enterprises;

Standardization and conformity assessment;

Industry;

Agriculture;

Services;

Tourism;

Customs;

Public procurement.

2. Parties may decide further to extend the scope of cooperation on areas of social development, transport, information, telecommunication, energy, scientific and technological cooperation, environment, higher education and regional issues of mutual interest.

Article 33
Cooperation in Investment Promotion and Investment

The objective of cooperation will be the creation of a favourable and stable environment for investment in the West Bank and the Gaza Strip.

The Parties shall aim to promote an attractive and stable environment for reciprocal investment. Such promotion should take the form, in particular, of:

mechanisms for information about and identification and dissemination of investment legislation and opportunities;

development of a legal framework conducive to investment between the Parties, through the conclusion by the Parties of investment promotion and protection agreements, where appropriate, and agreements preventing double taxation;

development of simplified administrative procedures.

The Joint Committee shall examine possibilities of collaboration in investment promotion between the Parties in various sectors of economy.

Article 34
Cooperation Between Small and Medium-Sized Enterprises

1. With the view to further enhance trade and economic activities, the Parties shall give priority to promoting business and investment opportunities as well as joint ventures between small and medium sized enterprises (SMEs) of the two countries. Within this context, the Parties will

change experiences and expertise on entrepreneurship, management, research and management centres, quality and production standards;

provide market information to create investment opportunities;

send published documents concerning SMEs.

2. Turkey shall encourage the Palestinian Authority's efforts towards capacity building for the related private sector institutions.

Article 35
Cooperation on Standardization and Conformity Assessment

The objective of cooperation will be to narrow the gap in standards and certification.

In practical terms cooperation will take the form of:

the promotion of use of international standards, guides, recommendations;

raising the level of conformity assessment by Palestinian certification and accreditation bodies;

discussing mutual recognition arrangements, where appropriate;

cooperating in the field of quality management;

developing structures for the protection of intellectual, individual and commercial property, for standardization and for setting quality standards.

Article 36
Industrial Cooperation

The main aim of industrial cooperation will be to support the Palestinian Authority, in its efforts to modernize and diversify industry and, in particular, to create an environment favorable to private sector and industrial development by enhancing cooperation between the two Parties' economic operators.

Article 37
Cooperation in the Agriculture and Fisheries

1. Taking into account the importance of cooperation in agriculture and fisheries towards the enhancement of bilateral relations, the Parties determined the following as the desired fields of cooperation:

exchange of scientific and technical information and experiences relating to agriculture, forestry, water resources and rural development;

reciprocal exchange of experts;

organization of training, seminars, conferences and meetings, in either of both countries;

establishment of direct joint activities between the respective institutions;

encouragement of investment and trade on agricultural production, processing and marketing in both countries and in other markets.

The Parties will also examine the possibility of concluding a cooperation agreement on agriculture.

Article 38
Cooperation in Services

The Parties to this Agreement recognize the growing importance of trade in services. In their efforts to gradually develop and broaden their cooperation, in particular in the context of the Euro-Mediterranean Partnership, they will cooperate with the aim of achieving a progressive liberalization and mutual opening of their markets for trade in services, taking into account relevant provisions of the General Agreement on Trade and Services (GATS) and multilateral trade negotiations with that respect.

The Parties will discuss the means of cooperation in the area of services at the Joint Committee.

Article 39
Cooperation in Tourism

Priorities for cooperation shall be:

promoting investments in tourism;

improving the knowledge of the tourist industry and ensuring greater consistency of policies affecting tourism;

making tourism more competitive through support for increased professionalism ensuring the balanced and sustainable development of tourism.

Article 40
Cooperation in Customs

Customs cooperation is intended to ensure that the provisions on trade are observed and to guarantee fair trading.

It could give rise to the following types of cooperation:

a) various forms of exchange of information and training schemes;

b) technical assistance provided by experts from Turkish side.

Without prejudice to other forms of cooperation provided for in this Agreement, the administrative authorities of the Parties will provide each other with mutual assistance on customs matters.

Article 41
Terms and Conditions For Technical Assistance

The framework of technical assistance will be discussed within the Joint Committee. The terms and conditions of assistance will be determined accordingly.

CHAPTER V
INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

Article 42
Establishment of the Joint Committee

A Joint Committee is hereby established in which each Party shall be represented. The Joint Committee shall be responsible for the administration of this Agreement and shall ensure its proper implementation.

For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the Parties.

The Joint Committee may, in accordance with the provisions of paragraph 3 of Article 43, take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

Article 43
Procedures of the Joint Committee

For the proper implementation of this Agreement, the Joint Committee shall meet at an appropriate level whenever necessary upon request but at least once a year. Either Party may request a meeting be held.

The Joint Committee shall decide by consensus.

If a representative in the Joint Committee of a Party to this Agreement has accepted a decision subject to reservation of the fulfilment of constitutional requirements the decision shall enter into force, if no later date is contained therein, on the date of the receipt of the written notification stating that such requirements have been fulfilled.

The Joint Committee shall adopt its rules of procedure, which shall*, inter alia*, contain provisions for convening meetings and for the designation of the Chairman and his/her term of office.

5. The Joint Committee may decide to set up such sub-committees and working groups, as it considers necessary to assist it in accomplishing its tasks.

Article 44
Security Exceptions

Nothing in this Agreement shall prevent the Parties from taking any measures, which it considers necessary:

to prevent the disclosure of information contrary to its essential security interests;

for the protection of its essential security interests or for the implementation of international obligations or national policies:

relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or

relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or

in time of war or other serious international tension constituting threat of war.

Article 45
Fulfilment of Obligations

The Parties shall take all necessary measures to ensure the achievement of the objectives of this Agreement and the fulfilment of their obligations under this Agreement.

If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 22 of this Agreement.

Article 46
Dispute Settlement

Either Party may refer to Joint Committee any dispute relating to the application or interpretation of this Agreement.

The Joint Committee may settle the dispute by means of a decision.

Each Party shall be bound to take measures involved in carrying out the decision referred to in paragraph 2.

In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months.

The Joint Committee shall appoint a third arbitrator.

The arbitrators' decisions shall be taken by majority vote.

Each Party to the dispute must take the steps required to implement the decision of the arbitrator.

Article 47
Evolutionary Clause

Where either Party considers that it would be useful and in the interest of the economies of the Parties to develop the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.

Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their national legislation.

Article 48
Territorial Application

This Agreement shall apply, on the one hand, to the territories of the Republic of Turkey and, on the other hand, to the territory of the West Bank and the Gaza Strip.

Article 49
Amendments

Amendments to this Agreement, as well as to its Annexes and Protocols, shall enter into force on the date of receipt of the later written notification through diplomatic channels, by which the parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement have been fulfilled.

Article 50
Protocols and Annexes

Protocols and Annexes to this Agreement shall form an integral part thereof. The Joint Committee may decide to amend the Protocols and Annexes in accordance with the national legislation of the Parties.

Article 51
Duration and Denunciation

This Agreement is concluded for an indefinite period of time.

Either party may denounce this Agreement by a written notification to the other Party. The Agreement shall terminate on the first day of the seventh month following the date when the other Party received the denunciation notice.

Article 52
Entry into Force

1. This Agreement shall enter into force on the first day of the second month, following the date on which the Parties have notified each other through diplomatic channels, that their internal legal requirements for the entry into force of this Agreement have been fulfilled.

2. IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorized thereto, have signed this Agreement.

3. DONE at ---- day of----- two thousand and four in duplicate copies in English language.

For the Republic of Turkey Palestine Liberation Organization for the benefit of the Palestinian Authority