

**AGREEMENT
BETWEEN THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND THE GOVERNMENT OF GEORGIA
ON THE MUTUAL REGULATION OF THE INTERNATIONAL
ROAD TRANSPORT OF PASSENGERS AND GOODS**

The Government of the Italian Republic and the Government of Georgia, hereinafter referred to as the Contracting Parties, in order to facilitate and regulate road transport of passengers and goods to the mutual interest of both countries, both to or in transit through their respective territories, have agreed as follows:

Article 1

The carriers of either Contracting Party shall have the right to carry out transport of passengers and goods both to and in transit through the territory of the other Party with vehicles registered in the Contracting State where the carrier has its registered office, according to the terms laid down in this Agreement.

**I - TRANSPORT OF PASSENGERS
1.1 SCOPE OF APPLICATION**

Article 2

In compliance with the provisions in force for the entry and stay of people in the territories of both Contracting Parties, this Agreement applies to the international transport of passengers between the territories of both countries - also in transit - by means of vehicles for the transport of people having more than nine seats, including the driver (bus).

1.2 REGULAR SERVICES BETWEEN THE TWO COUNTRIES

Article 3

1. For the purposes of this Agreement the transport of passengers by bus on a fixed route according to fixed timetables and tariffs, previously published, is considered regular service.
2. This service authorizes to embark and disembark passengers at terminuses and in the other set places.
3. For the purposes of the service any passenger in the departure places and stops is to be accepted on the vehicles - provided that there are seats in compliance with the provisions of this Agreement and the national laws regulating line services for the transport of passengers.

Article 4

The regular services between the two Countries are established jointly by the relevant authorities of the Contracting Parties referred to in the subsequent article 25 and on the basis of the decisions taken by the Joint Commission envisaged by article 26 of this Agreement.

Article 5

1. The regular transport service is carried out on the basis of an ad hoc authorization which cannot be assigned.

2. The authorization is issued by the relevant authorities of the Contracting Parties as to the part of route in national territories on the basis of reciprocity, unless otherwise agreed by the authorities.
3. The duration of the authorization is decided by the Joint Commission.
4. The authorization is granted to carry out the regular service on the basis of an application submitted by the company to the relevant authority of the Contracting Party where the company has its registered office.
5. The application shall include the indication of the itinerary, the timetable for the whole year and tariffs, on the basis of those fixed by the Joint Commission, and all the other useful indications possibly requested by the relevant authorities of the Contracting Parties. The application shall include a planimetry of the proposed route with the indication of stops and kilometers.
6. The relevant authority of either Contracting Party transmits to the other Party the applications accepted together with all the documents requested.
7. Applications shall be approved by the relevant authorities of the Contracting Parties on the basis of the terms decided by the Joint Commission.
8. During transport, the original of the authorization shall be carried on board of the vehicles used for regular services.

Article 6

Companies cannot carry out domestic service of passengers in the territory of the other Contracting Party.

1.3 REGULAR TRANSIT SERVICES

Article 7

1. For the purposes of this Agreement the transport of passengers departing from the territory of either Contracting Party and crossing the territory of the other Party to reach a third country without any passenger being embarked or disembarked in the territory of the other Party is considered to be regular transit service.
2. Regular transit services are carried out on the basis of an authorization issued by the relevant authority of the crossed country, to which the company has submitted the related application through the authority to which it belongs.

1.4 OCCASIONAL SERVICES

Article 8

For the purposes of this Agreement is considered to be occasional service:

1. Transport with the same vehicle of the same persons for a whole route which must start and end in the territory of the Country where the vehicle is registered (closed-door services);

2. Outward journeys with passengers towards the other Contracting Party and return journey with no passengers towards the country, where the vehicle is registered (return journeys with no passengers);
3. Service carried out with no passengers in the territory of the other Contracting Party to transport to the country where the vehicle is registered groups made on the basis of a prior agreement between the carrier and the customer (outward journeys with no passengers).

Article 9

1. The services under subparagraphs 1. and 2. of article 8 of this Agreement, even though in transit, are carried out without any authorization.
2. In these cases the bus driver shall carry a form listing the names of travellers.
3. A bus which has suffered damage can be replaced by another bus without authorization according to the terms fixed by the Joint Commission.
4. In the case envisaged under paragraph 3. of article 8 of this Agreement the relevant authority of the country where the company has its registered office which must carry out the service shall ask for the authorization to the other contracting Party. The relevant authorities shall every year exchange a quota of authorization, determined by the Commission referred to in article 26 of this Agreement.

1.5 OTHER SERVICES BY BUSES

Article 10

1. For all the other services by bus not envisaged in the previous articles of this Agreement it is necessary to obtain the prior authorization issued by the relevant authority of the other Contracting Party.
2. The authorization is issued to the company on the basis of the application sent to the relevant authority of the Contracting Party.
3. The application shall include the indication of the destination of the travel, the itinerary, the aim of this travel, the vehicle to be used and all the other indications which shall be requested to the relevant authorities of the Contracting Parties.
4. The relevant authority of either Contracting Party transmits the applications accepted to the relevant authority of the other Contracting Party together with all the necessary documents.
5. The relevant authority of the other Party shall inform of its decisions within 30 days from the reception of the application.
6. After receiving the favourable opinion of the other Contracting Party the authority of the country where the requesting company has its registered office issues the authorization.

TRANSPORT OF GOODS

2.1 TRANSPORT BETWEEN THE TWO COUNTRIES AND TRANSPORT IN TRANSIT

Article 11

1. For transport between the countries and in transit the company having its registered office in the territory of either Contracting Party which carries out the transport of goods shall be granted an authorization issued by the relevant authority of the other country unless otherwise decided in the articles 12 e 13 and unless otherwise decided by the Joint Commission on the exemption from the authorization in the sector of bilateral transport.

2. The authorization is valid for the outward and return journey.

3. While carrying out the transport of goods, the entry, movement and stay of vehicles, as well as drivers, in the territory of the other Contracting Party may be subject to particular conditions, controls and caution, on the basis of reciprocity, when required by State security.

Article 12

1. Subject to the rules in force which regulate the entry and possibly exit of the materials under the following list of transport to and from the territories of the two Contracting Parties, what follows is not subject to the authorization envisaged in the previous article:

- 1) funeral transport;
- 2) transport of material for exhibitions;
- 3) occasional transport of goods to or from airports in case of service deviation;
- 4) transport of luggage by means of trailers to vehicles for the transport of passengers and luggage by means of any type of vehicle to or from airports;
- 5) post transport;
- 6) transport of items for medical treatment in case of first-aid, especially in the event of natural disasters;
- 7) transport of valuable goods (for example precious metals) made with special vehicles escorted by police or other forces;
- 8) the transport of spare parts for maritime and air navigation;
- 9) the moving without load of a vehicle for the transport of goods to replace a vehicle which can be no longer used in the territory of the other Contracting State, as well as the return with no load of this vehicle which suffered damage after the repairs. The continuation of transport with the new vehicle shall be carried out by using the authorization issued for the vehicle which can no longer be used,
- 10) transport of bees and fries.

2. The list of transport exempted from authorization, under this article, may vary if so decided by the Joint Commission.

3. While carrying out the transport under this article, the different requirements envisaged by specific sectoral regulations are considered.

Article 13

1. The authorization, valid for the outward journey and the return trip, cannot be assigned and authorizes the company to carry out transport with a vehicle or a group of vehicles (lorry without trailer, road train, semi-trailer) within the period of validity shown in the authorization itself, however not exceeding one year.
2. The transport crossing the territory of the Contracting Parties is not subject to the authorization, unless otherwise agreed by the Parties themselves.
3. For the purposes of this Agreement, the transport through the territory of either Contracting Party towards a third country without loading or unloading goods in the territory of the crossed Contracting state is to be considered transit transport.

Article 14

1. It is forbidden to load in the territory of the other Contracting Party goods to be unloaded in the territory of that same Party.
2. It is also forbidden to carriers living in the territory of either Contracting Party to carry out transport between the other Contracting Party and a third country, unless an ad hoc special authorization is provided by the other country.

III. GENERAL PROVISIONS

Article 15

1. The requirements of technical and professional ability of companies, the roadworthiness of vehicles, the content of the vehicles' circulation documents, drivers' ability, insurance and the limits of liability for the public liability towards third parties and towards the transported passengers are decided by the relevant national bodies of both countries in compliance with the national provisions in force.
2. The terms of the insurance policy, however, must be in line with the law provisions in force in the country where the transport is carried out.

Article 16

The terms for the issuance of tickets, the filling in of the documents necessary for the transport of passengers and goods, for the keeping of books and registers and the collection of statistics to be exchanged between the relevant authorities are decided jointly by the respective bodies of the Contracting Parties.

Article 17

1. The carriers and the personnel employed on the vehicles with which transport is carried out under this Article are to comply with the rules related to road circulation and transport in force in the territory of the Contracting Party when these vehicles are in the territory of the latter.
2. For the violations of the rules under the previous paragraphs one is answerable before the relevant authorities of the Contracting Party in the territory of which these violations have been perpetrated.

Article 18

1. The carriers of both Contracting Parties are obliged to comply with the currency and tax rules in force in the territory of the Contracting Party where the transport is carried out.
2. The Joint Commission may propose tax facilities which are allowed by both States' legislations.

Article 19

1. Each Contracting Party allows the vehicles registered in the territory of the other Party to enter its territory with temporary exemption of customs duties without prohibitions and restrictions and provided that they be re-exported.
2. The Contracting Parties can require these vehicles be subject to the customs formalities necessary for the temporary import in the respective national territory.

Article 20

1. The driver and the other members of the crew can temporarily export - with the exemption from customs duties and entry fees - a reasonable quantity of items necessary for their personal needs, for the ordinary travel needs commensurate with the duration of their stay in the territory of the other Contracting Party, provided that they not be assigned.
2. Food for catering and a small quantity of tobacco, cigars and cigarettes for personal use are exempted from customs duties and entry fees in compliance with the customs provisions in force in the territory of the other Contracting Party.
3. These benefits are granted at the terms fixed by the customs authorities and they concern the import of the items for travellers' personal use with temporary exemption.

Article 21

The fuel contained in the ordinary tanks of the vehicles temporarily imported are admitted free from customs duties and entry fees without prohibitions and restrictions, provided that the ordinary tank be that envisaged by the manufacturer for the kind of vehicle concerned.

Article 22

The spare parts to repair the already temporarily imported vehicle carrying out one of the transports envisaged by this Agreement are admitted with temporary exemption from customs duties and entry fees, without restrictions and prohibitions, in compliance with the customs formalities envisaged by the legislations of both Contracting Parties.

2. For the parts replaced and not re-exported customs duties and entry fees are to be paid unless, in compliance with the legislation of the importing country, these Parties have been freely assigned to that country or destroyed at the expense of the persons concerned under customs supervision.

Article 23

1. The invoices and the payment of the transport services carried out in compliance with this Agreement shall be made in convertible currency at the market exchange rate prevailing at the day when payments have been made.
2. The related transfers shall be made without limits or delays, after fulfilling all tax obligations.
3. Should a payment agreement be reached between the Parties, said payments shall be made according to the provisions of this Agreement.

Article 24

Subject to the penalties imposed in the Country where the violation is perpetrated, in case of violations of the provisions of this Agreement perpetrated in the territory of the other Contracting Party, the relevant authority of the Party where the vehicle is registered decides the imposition of one of the following penalties - upon report by the relevant Authority of the other Contracting Party:

- 1) warning;
- 2) notice with warning that in case of relapse the measure envisaged by sub-paragraphs 3) or 4) shall be applied;
- 3) temporary suspension of the authorization to carry out transport of goods and passengers in the country where the violation has been perpetrated;
- 4) the revocation of the authorization to carry out transport of goods and passengers in the Country where the violation has been perpetrated.

Article 25

1. All the issues related to the implementation of this Agreement shall be solved jointly by the authorities of the Contracting Parties.
2. Under this Agreement the relevant Authority is.

for the Italian Republic
Ministero dei Trasporti e della Navigazione,
Direzione Generale della
Motorizzazione Civile e dei Trasporti in Concessione

for Georgia
Ministry of Transport

Article 26

1. A Joint Commission, composed of representatives of the relevant Authorities of the Contracting Parties, is set up with the following tasks:
 - 1) to express opinions on the regular transport service of passengers, possibly agreeing on the ways and means to carry out these services which are deemed useful by both Contracting Parties;

2) to jointly decide the amount of authorizations for the transport of passengers and goods under articles 8, 9, 11 and 14 or the exemption from the authorization in bilateral transport;

3) to arrange the forms of the authorizations envisaged by articles 5, 8, 9, 10 and 11 and to decide the ways and means to issue them;

4) to solve the problems and the issues which may arise following the implementation of this Agreement;

5) to adopt the measures which are deemed suitable to foster the development of road transport between both countries,

6) to consider the possibility of granting tax facilities, based on the principle of reciprocity, which are allowed in the framework of the provisions in force in both countries.

2. The relevant Authorities of the Contracting Parties appoint the representatives which shall meet in a Joint Commission, alternately in the territory of both countries, upon request of either Contracting Party.

Article 27

The domestic legislation of either Contracting Party applies to all the issues which are not regulated by this Agreement or by the international conventions to which both Contracting Parties adhere.

Article 28

1. The drivers and the personnel employed on the vehicles used for the transport of people and goods under this Agreement must respect the legislative, regulatory and administrative provisions in force in the Contracting State where the transport is carried out and particularly the national rules and regulations regulating the entry and stay in the respective territories

2. As a general rule the Contracting Parties reserve their right to make an exception to the freedom of movement mutually granted when the State security requires it, also under the form of regulation of goods handling.

FINAL PROVISIONS

Article 29

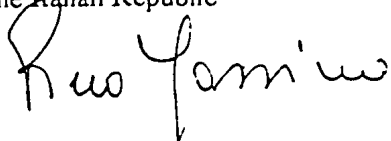
1. This Agreement shall enter into force from the first day of the month following the receipt through diplomatic channel of the latest written notification of the fulfilment by the two Contracting Parties of the internal necessary procedures for its entry into force.

2. This Agreement shall last one year as from its entry into force and shall be automatically extended every year if not terminated in writing and through diplomatic channel by either Contracting Party three months before its expiry.

In witness whereof, the undersigned representatives, duly authorized by their respective Government, have signed this Agreement

DONE at Rome on *May 15th, 1997* in two copies in Italian, Georgian and English languages, all texts being equally authentic. In case of divergency of interpretation the English text shall prevail.

For the Government
of the Italian Republic

Handwritten signature of Romano Prodi, representing the Italian Government.

For the Government
of Georgia

Handwritten signature of Eduard Shevardnadze, representing the Georgian Government.