

N° 3640.

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**DANEMARK ET PERSE**

Traité d'amitié, d'établissement et  
de commerce, et protocole final.  
Signés à Téhéran, le 20 février  
1934.

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**DENMARK AND PERSIA**

Treaty of Friendship, Establishment  
and Commerce, and Final Proto-  
col. Signed at Teheran, February  
20th, 1934.

<sup>1</sup> TRADUCTION. — TRANSLATION.

No. 3640. — TREATY<sup>2</sup> OF FRIENDSHIP, ESTABLISHMENT AND COMMERCE BETWEEN DENMARK AND PERSIA. SIGNED AT TEHERAN, FEBRUARY 20TH, 1934.

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*French official text communicated by the Permanent Delegate of Denmark accredited to the League of Nations. The registration of this Treaty took place April 11th, 1935.*

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HIS MAJESTY THE KING OF DENMARK AND ICELAND and HIS IMPERIAL MAJESTY THE SHAH OF PERSIA, being equally desirous of consolidating the ties of friendship between Denmark and Persia and of strengthening and extending economic relations between the two countries, have resolved to conclude a Treaty of Friendship, Establishment and Commerce, and have for this purpose appointed as their Plenipotentiaries :

HIS MAJESTY THE KING OF DENMARK AND ICELAND :

His Excellency Monsieur Ove ENGELL, His Envoy Extraordinary and Minister Plenipotentiary at Teheran ;

HIS IMPERIAL MAJESTY THE SHAH OF PERSIA :

His Excellency Mirza Seyed Bagher Khan KAZEMI, His Minister for Foreign Affairs ;

Who, having exchanged their full powers, found in good and due form, have agreed on the following Articles :

*Article I.*

There shall be inviolable peace and sincere and perpetual friendship between Denmark and Persia, as well as between the nationals of the two States.

*Article II.*

The diplomatic and consular representatives of each of the High Contracting Parties shall enjoy in the territory of the other, subject to reciprocity, the privileges and immunities recognised by ordinary international law. These privileges and immunities may in no case be less favourable than those granted to the diplomatic and consular representatives of the most-favoured nation.

*Article III.*

Each of the High Contracting Parties shall be entitled to appoint its consular representatives in the territory of the other. They shall reside either in the capital or in the principal towns where such foreign agents are generally allowed to reside.

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<sup>1</sup> Traduit par le Secrétariat de la Société des Nations, à titre d'information.

<sup>1</sup> Translated by the Secretariat of the League of Nations, for information.

<sup>2</sup> The exchange of ratifications took place at Teheran, March 6th, 1935. Came into force March 21st, 1935.

*Article IV.*

The nationals of each of the High Contracting Parties shall, in the territory of the other, be received and treated, as regards their persons and property, in accordance with the principles and practice of ordinary international law. They shall enjoy therein the most constant protection of the laws and authorities of the territory for their persons, property, rights and interests. They may enter and leave the territory of the other Party, and travel, sojourn and establish themselves therein on condition that they comply with the laws and regulations in force in the said territory.

Nevertheless, the foregoing provisions shall not affect the regulations which are or may at any time be in force in regard to passports, nor the right of each of the High Contracting Parties to take steps at any time to regulate or prohibit immigration into its territory or to determine the conditions under which foreign workers may now or hereafter be admitted to exercise a trade or occupation therein, provided such measures do not constitute a measure of discrimination specially directed against the nationals of the other Party. Similarly, the foregoing provisions do not affect the right of each of the High Contracting Parties in special cases to prohibit the residence of nationals of the other Party in consequence of a judicial decision or for considerations relating to the internal or external security of the State, or on grounds of public assistance, health or morals.

*Article V.*

In all matters relating to establishment, the nationals of each of the High Contracting Parties shall enjoy in the territory of the other the treatment which is or may hereafter be granted to nationals of the most-favoured nation. They shall accordingly enjoy therein, provided they observe the laws and regulations of the country, the right to engage in any trade, industry, occupation or profession with the exception of those which are or may hereafter be reserved for nationals in virtue of the laws and regulations in force, or are or may hereafter be subject to a State monopoly or a concession granted by the State, likewise of hawking and all other itinerant trades.

They shall not be subject to any taxes, duties or charges whatsoever other or higher than those to which nationals of the most-favoured nation are subject in similar conditions.

They shall be exempt in the territory of the other State, in peace and war, from all forced loans or national levies, and from all contributions specially levied for war purposes. They shall also be free from all compulsory personal military service and from any tax or duty levied in lieu of such service. As regards requisitions and other similar contributions to meet the needs of the armed forces, they shall in no respect be treated less favourably than nationals of the most-favoured nation.

They shall be entitled in the territory of the other State, on the same conditions as nationals of the most-favoured nation, to acquire and possess movable and immovable property and to dispose of such property by sale, donation, transfer, marriage settlement, bequest and inheritance or by any other means. They shall also be free to export the property thus acquired and shall not be subject in the above-mentioned respects to any taxes, duties, charges or restrictions other or higher than those applicable to nationals of the most-favoured nation.

They may not be expropriated or deprived even temporarily of the use of the property mentioned in the previous paragraph, except under the conditions and in return for the compensation stipulated by the local law in regard to nationals of the most-favoured nation.

Houses and all other real property which the nationals of one of the High Contracting Parties may have acquired or possess, or may have rented, in the territory of the other, in conformity with the provisions of the present Convention, may only be subject to search or inspection under the same conditions and subject to the same formalities as are prescribed by the law in force in the case of nationals. Similarly, books, papers or accounts found on such property may only be subject to examination or inspection under such prescribed conditions and formalities.

Nationals of either High Contracting Party in the territory of the other shall enjoy the same treatment as nationals of that State as regards the legal and judicial protection of their persons, property, rights and interests. They shall accordingly have free and unhindered access to the courts, and may appear in court as plaintiffs or defendants under the same conditions as nationals, subject to the provisions regarding security for costs and poor law relief, which shall be governed by the local legislation pending the settlement of these questions by a special convention to be concluded between the Contracting Parties.

#### *Article VI.*

Joint-stock and other companies of every kind the object of which is pecuniary gain, including commercial, industrial, financial, transport and insurance companies, which have their seat in the territory of one of the High Contracting Parties, have been legally constituted therein, and are legally recognised therein as possessing its nationality, shall have their legal existence and capacity recognised in the territory of the other High Contracting Party.

Companies whose admission to the territory of the other Party is subject to conditions of reciprocity and governed by the laws and regulations in force in the latter country shall enjoy therein the treatment accorded to similar companies of the most-favoured nation as regards the right to engage in their business, to acquire and possess movable and immovable property and dispose thereof, to appear before the courts as plaintiffs or defendants and in the matter of taxation.

It shall be understood, however, that the provisions of the present Convention do not confer a claim to the special privileges granted in Persia to companies whose activities in that country are governed by special concessions.

On the other hand, the companies of one of the High Contracting Parties whose activities in the territory of the other are governed by special concessions shall not be entitled, as regards the points covered by the act of concession, to claim advantages granted in virtue of the treaties and conventions in force or based on the most-favoured-nation clause.

#### *Article VII.*

Natural or manufactured products of one of the High Contracting Parties shall not be subjected on importation into the territory of the other, to duties, coefficients, surtaxes or charges of any description other or higher than those which are or may hereafter be levied on like products of any third country.

Natural or manufactured products of one of the High Contracting Parties shall not be subjected, on exportation from its territory to the territory of the other, to any Customs duties or export charges whatsoever other or higher than those which are or may hereafter be levied on like products intended for the country enjoying most-favoured-nation treatment in this respect.

Most-favoured-nation treatment shall also apply to the manner of levying import and export duties, to the warehousing of goods in bond, to Customs charges and formalities and to the treatment and handling in the Customs of goods imported, exported or passing through the country in transit.

#### *Article VIII.*

Natural or manufactured products of each of the High Contracting Parties shall enjoy in the territory of the other Party, as regards internal duties of any kind, the same treatment as that which has been or may at any time be granted to similar products of any other country enjoying most-favoured-nation treatment in this respect.

*Article IX.*

The High Contracting Parties agree to apply in their mutual trade, as regards certificates of origin, the provisions of the International Convention<sup>1</sup> on the Simplification of Customs Formalities, signed at Geneva on November 3rd, 1923 (whether they have acceded to it or not).

Legalization of certificates of origin by the diplomatic or consular representative of the country of destination may be required in cases when they are issued by an organ or authority other than the Customs authority or a chamber of commerce duly authorised for this purpose. Such legalization shall be free of charge. The authorities of the country of destination may require a French translation of the certificates of origin.

*Article X.*

The High Contracting Parties shall not establish or maintain prohibitions or restrictions on the reciprocal importation or exportation of their goods which do not apply in the same conditions to the importation or exportation of like goods in trade with any other country.

The principle of most-favoured-nation treatment shall not, however, be deemed to be infringed by prohibitions or restrictions established or maintained :

- (a) For reasons of public order or the internal or external security of the State ;
- (b) For reasons of public health or to protect animals or useful plants against diseases, harmful insects or parasites, or to prevent the degeneration or extinction of useful plants ;
- (c) As regards the exportation of arms, ammunition or implements of war ;
- (d) As regards products which are or may hereafter be subject to a State monopoly or a monopoly granted by the State.

*Article XI.*

The two High Contracting Parties guarantee each other most-favoured-nation treatment in all matters concerning the transit through their territories of persons, baggage, goods of every kind, consignments and means of transport of every kind. The principle of most-favoured-nation treatment shall not, however, be deemed to be infringed by prohibitions or restrictions established or maintained in accordance with principles of general application :

- (1) For reasons of public order or the internal or external security of the State ;
- (2) For reasons of public health or to protect animals or useful plants against diseases, harmful insects or parasites, or to prevent the degeneration or extinction of useful plants.

*Article XII.*

Traders, manufacturers and other industrialists who are nationals of one of the Contracting States, together with their commercial travellers, shall enjoy, in the territory of the other State, in all matters connected with their activities and particularly in respect of taxation and Customs facilities granted for samples, the same treatment as the traders, manufacturers, industrialists and commercial travellers of the most-favoured nation.

Should the production of an identity card be required of commercial travellers by one of the Contracting States, the provisions of the International Convention on the Simplification of Customs

<sup>1</sup> Vol. XXX, page 371 ; Vol. XXXV, page 325 ; Vol. XXXIX, page 208 ; Vol. XLV, page 140 ; Vol. L, page 161 ; Vol. LIV, page 398 ; Vol. LIX, page 365 ; Vol. LXIX, page 79 ; Vol. LXXXIII, page 394 ; Vol. LXXXVIII, page 319 ; Vol. XCII, page 370 ; Vol. CXI, page 404 ; Vol. CXXXIV, page 401 ; and Vol. CXLVII, page 322, of this Series.

Formalities, signed at Geneva on November 3rd, 1923, shall be applied in this respect. Nevertheless, the visa of a consular or other authority shall not be required.

*Article XIII.*

Danish ships and their cargoes shall enjoy in Persia, and Persian ships and their cargoes shall enjoy in Denmark, the same treatment as ships of the most-favoured nation and their cargoes, irrespective of the place of departure and destination of the said ships and also regardless of the origin and destination of their cargoes.

An exception to the stipulations of the present Article shall be made as regards the coasting trade and the privileges which are or may hereafter be granted by one of the two countries to the national fisheries and their products.

The admission of warships of one of the High Contracting Parties to the waters of the other is not covered by the present Convention and is governed by the legislation of that Party.

*Article XIV.*

If after decease a Danish national leaves property in Persia, or a Persian national leaves property in Denmark, and the heirs are unknown or are absent and not represented, the consular representatives concerned shall be entitled to demand the affixing and removal of seals on all furniture, effects and papers of the deceased. They may themselves proceed to the liquidation of the inheritance or appoint a trustee to do so. Consular intervention shall no longer be allowed when it has been ascertained that there is no heir of the deceased's nationality.

Nevertheless, nothing in this Article shall affect the right of the courts of the country in which the property is situated to deal with cases within their own competence.

*Article XV.*

In so far as they refer to most-favoured-nation treatment, the provisions of the present Convention shall not be applicable :

- (1) To favours which one of the High Contracting Parties has granted or may hereafter grant to adjoining States to facilitate frontier traffic ;
- (2) To obligations which have been or may hereafter be contracted by one of the High Contracting Parties in virtue of a Customs union ;
- (3) To advantages which Denmark has granted or may hereafter grant to Norway or Sweden or to both these countries, as long as the same advantages have not been granted to any other State.

Apart from the clauses regarding Customs duties and Customs treatment, the provisions of the present Treaty shall not be applied to Greenland, where commerce and navigation are reserved to the Danish State.

*Article XVI.*

The High Contracting Parties agree to submit to arbitration all disputes which may arise between them in connection with the application or interpretation of the provisions of all treaties and conventions concluded now or hereafter, including the present Treaty, and which have not proved capable of a friendly settlement within a reasonable time through ordinary diplomatic channels.

This provision shall also apply, if necessary, to the preliminary question whether the dispute relates to the interpretation or application of the said treaties and conventions.

The decision of the arbitral tribunal shall be binding on the Parties. For each dispute the arbitral tribunal shall be formed at the request of one of the Contracting States in the following manner :

Within three months as from the submission of the request, each State shall appoint its arbitrator, who may also be chosen from among the nationals of a third State. If the States do not

agree within three months from the date of the submission of the request as to the time-limit within which the two arbitrators must pronounce their decision, or if the two arbitrators are unable to settle the dispute within the time-limit allotted to them, the two States shall choose as a third arbitrator a national of a third State. If the States do not agree as to the choice of a third arbitrator within two months as from the date on which the request for the appointment of a third arbitrator has been made, they shall jointly request, or if this joint request has not been made within a further period of two months, the more diligent of the two shall request, the President of the Permanent Court of International Justice at The Hague to appoint a third arbitrator from among the nationals of third States. By common agreement between the Parties, he may be supplied with a list of the third States to which his choice shall be restricted. They reserve the right to agree in advance for a given period as to the person who shall act as third arbitrator.

The procedure to be observed by the two arbitrators, if it has not been settled by a special agreement between the two States concluded at latest when the arbitrators have been appointed, shall be governed, in the absence of contrary stipulations by the two Governments, by Article 57 and Articles 59-85 of the Hague Convention<sup>1</sup> of October 18th, 1907, for the settlement of international disputes.

In cases in which a third arbitrator has been appointed, and failing a special agreement between the two Contracting States determining the procedure to be followed after this appointment, the third arbitrator shall join the first two arbitrators and the arbitral tribunal thus formed shall determine its procedure and settle the dispute. All the decisions of the arbitral tribunal shall be rendered by a majority vote.

As regards any dispute other than those of the kind to which the provisions laid down above apply and which it does not prove possible to settle satisfactorily through diplomatic channels, the High Contracting Parties, respectful of their obligations as Members of the League of Nations, agree in all cases to resort only to a procedure of pacific settlement. They reserve the right to determine in each case by a special agreement the procedure which seems to them most suitable.

They further agree that, since the High Contracting Parties have acceded to the Optional Clause of the Statute<sup>2</sup> of the Permanent Court of International Justice at The Hague, they shall apply it to the settlement of all disputes for which it is suitable, notwithstanding the foregoing provisions.

#### *Article XVII.*

The present Treaty shall be ratified and the ratifications shall be exchanged at Teheran as soon as possible.

It shall enter into force fifteen days after the exchange of ratifications.

The Treaty is concluded for a period of one year. Nevertheless, if it is not denounced three months before the expiration of this period, it shall be prolonged by tacit consent for an indefinite period and may be denounced at any time.

In case of denunciation, it shall remain in force for a further three months as from the date on which one of the High Contracting Parties has notified the other of its intention to terminate it.

In faith whereof the respective Plenipotentiaries have signed the present Treaty and have thereto affixed their seals.

Done in duplicate at Teheran, Esfand 1st, 1312 (February 20th, 1934).

(L. S.) (Signed) Ove ENGELL.

(L. S.) (Signed) B. KAZEMI.

<sup>1</sup> *British and Foreign State Papers*. Vol. 100, page 298.

<sup>2</sup> Vol. VI, page 379; Vol. XI, page 405; Vol. XV, page 305; Vol. XXIV, page 153; Vol. XXVII, page 417; Vol. XXXIX, page 165; Vol. XLV, page 96; Vol. L, page 159; Vol. LIV, page 387; Vol. LXIX, page 70; Vol. LXXII, page 452; Vol. LXXVIII, page 435; Vol. LXXXVIII, page 272; Vol. XCII, page 362; Vol. XCVI, page 180; Vol. C, page 153; Vol. CIV, page 492; Vol. CVII, page 461; Vol. CXI, page 402; Vol. CXVII, page 46; Vol. CXXVI, page 430; Vol. CXXX, page 440; Vol. CXXXIV, page 392; Vol. CXLVII, page 318; Vol. CLII, page 282; and Vol. CLVI, page 176, of this Series.

## FINAL PROTOCOL.

At the moment of proceeding to the signature of the present Treaty concluded on to-day's date, the undersigned Plenipotentiaries have agreed as follows :

*Ad Article III.*

The consular representatives appointed by one of the High Contracting Parties in the territory of the other may not take up their duties until they have received an exequatur from the Government of the other High Contracting Party according to the procedure adopted by the latter.

In accordance with the rules of international law, each of the High Contracting Parties has the right to withdraw the exequatur after stating its reasons through diplomatic channels, without having in any case to justify these reasons or subordinate its decision to the consent of the other Party.

*Ad Article XV.*

Having regard to the relations which in virtue of the Law of Union of November 30th, 1918, exist between Denmark and Iceland, it is understood that the provisions of the said Treaty cannot be relied on by Persia in order to claim the special advantages which Denmark has granted or may grant in future to Iceland.

Done in duplicate at Teheran, Esfand 1st, 1312 (February 20th, 1934).

(Signed) Ove ENGELL.

(Signed) B. KAZEMI.