

No. 2942

**UNION OF SOVIET
SOCIALIST REPUBLICS
and
FINLAND**

**Treaty of Commerce (with annex). Signed at Moscow, on
1 December 1947**

Official texts: Russian and Finnish.

Registered by the Union of Soviet Socialist Republics on 27 September 1955.

**UNION DES RÉPUBLIQUES
SOCIALISTES SOVIÉTIQUES
et
FINLANDE**

**Traité de commerce (avec annexe). Signé à Moscou, le
1^{er} décembre 1947**

Textes officiels russe et finnois.

Enregistré par l'Union des Républiques socialistes soviétiques le 27 septembre 1955.

[TRANSLATION — TRADUCTION]

No. 2942. TREATY¹ OF COMMERCE BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE REPUBLIC OF FINLAND. SIGNED AT MOSCOW, ON 1 DECEMBER 1947

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the Republic of Finland, desiring to promote the further development and strengthening of economic relations between the two countries, have resolved to conclude this Treaty of Commerce and have appointed as their plenipotentiaries for this purpose :

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics : Mr. Anastas Ivanovich Mikoyan, Minister of Foreign Trade of the Union of Soviet Socialist Republics;

The President of the Republic of Finland : Mr. Reinhold Svento, Minister of Foreign Affairs, and Mr. Uno Takki, Minister of Trade and Industry,

who, having exchanged their full powers, found in good and due form, have agreed as follows :

Article 1

The Contracting Parties shall develop and strengthen their trade relations with each other by every means, in accordance with the principles of equality and reciprocity.

In accordance with the foregoing and in view of the geographical proximity of the two countries, which facilitates mutually profitable trade, the Governments of the Contracting Parties shall from time to time enter into negotiations with a view to concluding agreements determining the volume and nature of mutual deliveries of goods. In so doing, the two Governments shall be guided by their desire for the further expansion of trade between their two countries, within the limits of their potentialities.

Article 2

The Contracting Parties shall grant each other, unconditionally and without restriction, most-favoured-nation treatment in all matters relating to commerce and navigation between the two countries, and to industry and other forms of economic activity in their territories.

¹Came into force on 26 April 1948, upon the exchange of the instruments of ratification at Helsinki, in accordance with article 14.

Article 3

The Contracting Parties shall, in particular, grant each other most-favoured-nation treatment in all matters relating to customs duties and charges and taxes of all kinds; the interpretation of customs tariffs; procedures for collecting duties; the classification of goods; the drawback of customs duties; re-export; the trans-shipment and warehousing of goods; and the regulations, formalities and charges applied in the customs clearance of goods.

The natural or manufactured products originating in or exported from the territory of one of the Contracting Parties shall in no case be liable, on importation into the territory of the other Contracting Party, to any duties, taxes or charges other or higher, or to regulations or formalities other or more burdensome, than those which are or may hereafter be imposed on similar natural or manufactured products of any third country.

Similarly, the natural or manufactured products of one of the Contracting Parties shall in no case be liable, on exportation to the territory of the other Party, to any duties, taxes or charges other or higher, or to regulations or formalities other or more burdensome, than those which are or may hereafter be imposed on similar natural or manufactured products exported to the territory of any third country.

Any advantages, facilities, privileges or immunities which are or may hereafter be granted by one of the Contracting Parties in respect of the natural or manufactured products originating in any third country, or intended for export to the territory of any third country, shall be granted immediately and free of charge in respect of similar products originating in, imported from or intended for export to the territory of the other Contracting Party.

Article 4

Where internal charges are imposed, in its territory, in whosoever name and on whosoever account, on the production, processing, distribution or consumption of goods of a certain category each of the Contracting Parties shall accord goods of the same category of the other Contracting Party the treatment established by it for its domestic goods.

Article 5

Neither of the Contracting Parties shall impose on imports from or exports to the territory of the other Party any restrictions or prohibitions which are not applicable to all other countries, with the exception of restrictions or prohibitions applied without distinction to all countries in like circumstances for reasons of

public order, national security, public health, the prevention of plant and animal diseases, and the protection of vegetable seeds against degeneration.

Article 6

Subject to compliance with the existing regulations concerning temporary admission to the territories of the two Contracting Parties, the following articles shall be exempt from customs duties and other charges on importation and exportation :

(a) Samples of goods and goods intended for exhibitions, competitions and fairs;

(b) Marked containers imported in order to be refilled, and also containers which have been used for imported articles and which are to be re-exported at the end of a specified period;

(c) Industrial products imported for assembly, testing or repair which are to be re-exported after assembly, testing or repair;

(d) Instruments and tools for fitters, whether imported or exported by them or sent to them.

Article 7

The merchant vessels of each of the Contracting Parties, their crews, passengers and cargoes, shall be accorded in the ports of the other Party, with regard to entering, clearing and stationing, and to stationing in the territorial waters of that Party, treatment which shall in no respect be less favourable than that which is or may hereafter be accorded to ships flying the flag of any other State, their crews, passengers and cargoes.

The nationality of vessels shall be reciprocally recognized in accordance with the laws and regulations of the two Contracting Parties on the basis of the papers and certificates carried by the vessel and issued by the competent authorities of either of the Parties.

Any tonnage certificates and other technical ship's papers issued or recognized by one of the Contracting Parties shall also be recognized by the other Party. In accordance with this provision any vessel carrying a valid tonnage certificate shall be exempt from re-measurement in the ports of the other Party and the net capacity of the vessel entered in the certificate shall be taken as the basis for calculating harbour dues.

The provisions of the first paragraph of this article shall not extend to :

(a) the performance of harbour services, including pilotage and towage, salvage operations, and the rendering of assistance on the high seas or in territorial waters;

(b) coastal shipping; nevertheless, the vessels of either of the Contracting Parties proceeding from one port of the other Party to another for the purpose of landing the whole or part of a cargo brought from abroad, or of taking on board the whole or part of a cargo for a foreign destination, shall not be regarded as engaging in coastal shipping.

The provisions of this article shall not apply to vessels on inland waterways.

Article 8

The Union of Soviet Socialist Republics shall have the right of free transit of its goods through the territory of Finland by all routes to and from third countries.

Finland shall be granted the right of free transit of its goods through the territory of the Union of Soviet Socialist Republics to and from third countries on routes through Murmansk, Archangel, Chop, Ungeny, Reni and the Black Sea ports.

Finland shall in addition have the right of free transit of its goods through the territory of the Union of Soviet Socialist Republics to and from Iran.

Neither of the two Contracting Parties shall levy on goods conveyed in transit any duties, taxes or charges, whether such goods are conveyed directly or are unloaded, trans-shipped, warehoused, repacked or reloaded onto vessels, railway wagons, barges and the like.

Each Contracting Party shall, in any event, accord goods conveyed in transit through its territory, in accordance with the first and second paragraphs of this article, most-favoured-nation treatment in respect of tariffs and freight charges and in all other respects.

Article 9

The two Contracting Parties shall grant each other, in respect of the conveyance of goods, passengers and baggage by internal railways, roads or waterways, most-favoured-nation treatment in all matters relating to acceptance of consignments for conveyance, methods and costs of conveyance, and charges connected with conveyance in the same direction and over the same distance.

Article 10

Finnish merchants and manufacturers, whether individuals or bodies corporate constituted in accordance with Finnish law, shall enjoy in respect of their persons and property treatment as favourable as that accorded to the citizens and bodies corporate, respectively, of the most-favoured-nation, in the exercise of economic activities in the territory of the Union of Soviet Socialist Republics,

directly or through intermediaries selected by them, subject to the conditions under which such activities are permitted by Soviet law; they shall enjoy the same immunities, rights and privileges.

State economic organizations of the Union of Soviet Socialist Republics and other Soviet bodies corporate, and individuals who are citizens of the Union of Soviet Socialist Republics shall enjoy in respect of their persons and property treatment as favourable as that accorded to the bodies corporate and citizens of the most-favoured-nation in the exercise of economic activities in the territory of Finland, subject to the conditions under which such activities are permitted by Finnish law.

Soviet citizens and all Soviet bodies corporate, more particularly State economic organizations, shall have the right to appear before Finnish courts and shall have free access to them. The same rights shall be granted in the territory of the Union of Soviet Socialist Republics to Finnish citizens and Finnish bodies corporate.

Article 11

In view of the fact that, under the laws of the Union of Soviet Socialist Republics, foreign trade is a State monopoly, which constitutes one of the essential bases of the Socialist structure secured by the Constitution of the Union of Soviet Socialist Republics, the Union of Soviet Socialist Republics shall maintain in Finland a Trade Delegation, the legal status of which shall be governed by the provisions of the annex to this treaty which shall constitute an integral part thereof.

Article 12

The Contracting Parties shall promote the exchange of technical knowledge between the two countries by organizing industrial, agricultural and other exhibitions, and by other means.

Article 13

The Contracting Parties undertake to award arbitral awards with regard to disputes which may arise in connexion with commercial contracts concluded by their citizens, organizations or institutions, if provision for settlement of the dispute by arbitration by an *ad hoc* or permanent body was made in the contract or in a separate agreement drawn up in the form required for the contract itself.

The enforcement of arbitral awards made in accordance with the foregoing provisions of this article may not be refused unless :

(a) the arbitral award has not become final and operative under the laws of the country in which it was made;

(b) the arbitral award compels one party to the dispute to take some action which is contrary to the laws of the country in which enforcement of the award is sought;

(c) the arbitral award is contrary to public policy in the country in which enforcement of the award is sought.

Orders for the enforcement of arbitral awards shall be made and the enforcement itself carried out in accordance with the laws of the Contracting Party enforcing the award.

Article 14

This Treaty is concluded for a period of five years.

It shall be ratified as soon as possible and shall enter into force on the day of the exchange of the instruments of ratification, which shall take place at Helsinki.

If neither of the Contracting Parties gives notice in writing, twelve months before the expiration of the said period of five years, of its desire to terminate the Treaty, it shall remain in force until the expiration of one year from the date on which notice of termination is given by either Contracting Party.

IN WITNESS WHEREOF, the plenipotentiaries of the two Contracting Parties have signed this Treaty and have affixed thereto their seals.

DONE in duplicate, at Moscow, on 1 December 1947, in the Russian and Finnish languages, both texts being equally authentic.

A. MIKOYAN

[L.S.]

R. SVENTO
UUNO TAKKI

[L.S.]

Annex to the Treaty of Commerce Between
the Union of Soviet Socialist Republics
and the Republic of Finland, of 1 December
1947

THE LEGAL STATUS OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE REPUBLIC OF FINLAND

Article 1

The Trade Delegation of the Union of Soviet Socialist Republics in Finland shall exercise the following functions : it will

(a) promote the development of economic relations between the Union of Soviet Socialist Republics and Finland;

(b) represent the interests of the Union of Soviet Socialist Republics in Finland in all matters relating to foreign trade and the property rights of the Union of Soviet Socialist Republics in Finland;

(c) regulate trading transactions between the Union of Soviet Socialist Republics and Finland on behalf of the Union of Soviet Socialist Republics;

(d) carry on trade between the Union of Soviet Socialist Republics and Finland.

Article 2

The Trade Delegation shall form an integral part of the Legation of the Union of Soviet Socialist Republics in the Republic of Finland and shall have its headquarters at Helsinki.

The Trade Delegation shall be entitled to open a branch in the town of Turku. Branches of the Trade Delegation may subsequently be opened in other Finnish towns after agreement between the Government of the Union of Soviet Socialist Republics and the Government of Finland.

The Trade Delegate of the Union of Soviet Socialist Republics in Finland and his three deputies shall enjoy all the rights and privileges accorded to members of diplomatic missions.

The members and employees of the Trade Delegation and its branches who are citizens of the Union of Soviet Socialist Republics shall be exempt from Finnish taxation or the emoluments they receive in the service of the Trade Delegation.

The premises occupied by the Trade Delegation and its branches shall enjoy extra-territoriality.

The Trade Delegation and its branches shall be entitled to use a cipher.

The Trade Delegation shall not be subject to the regulations governing commercial registration.

Article 3

The Trade Delegation shall act on behalf of the Government of the Union of Soviet Socialist Republics. The Government of the Union of Soviet Socialist Republics shall be responsible only for commercial contracts concluded or guaranteed in Finland by the Trade Delegation and signed by authorized persons.

The Trade Delegation shall publish in the Government publication of Finland the names of the persons authorized to take legal action on its behalf and information concerning the extent to which each such person is empowered to sign commercial contracts on its behalf.

Article 4

The Trade Delegation shall enjoy all the immunities to which the Union of Soviet Socialist Republics is entitled and which relate also to foreign trade, with the following exceptions only, to which the Union of Soviet Socialist Republics agrees :

(a) Disputes regarding commercial contracts concluded or guaranteed in the territory of Finland by the Trade Delegation under article 3 of this annex shall, in the absence

of a reservation regarding arbitration or any other jurisdiction, be subject to the competence of the Finnish courts. No interim orders may, however, be made against the Trade Delegation;

(b) Final judicial decisions against the Trade Delegation in the afore-mentioned disputes which have become legally valid may be enforced by execution, but such execution may only be levied on the goods and claims outstanding to the credit of the Trade Delegation.

A. M.

R. S.
U. T.