

No. 2946

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**UNION OF SOVIET  
SOCIALIST REPUBLICS  
and  
BULGARIA**

**Treaty of Commerce and Navigation (with annex). Signed  
at Moscow, on 1 April 1948**

*Official texts: Russian and Bulgarian.*

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

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**UNION DES RÉPUBLIQUES  
SOCIALISTES SOVIÉTIQUES  
et  
BULGARIE**

**Traité de commerce et de navigation (avec annexe). Signé à  
Moscou, le 1<sup>er</sup> avril 1948**

*Textes officiels russe et bulgare.*

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

[TRANSLATION — TRADUCTION]

No. 2946. TREATY OF COMMERCE AND NAVIGATION<sup>1</sup>  
BETWEEN THE UNION OF SOVIET SOCIALIST RE-  
PUBLICS AND THE PEOPLE'S REPUBLIC OF BULGARIA.  
SIGNED AT MOSCOW, ON 1 APRIL 1948

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The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the Presidium of the Supreme National Assembly of the People's Republic of Bulgaria, desiring to promote the further development and strengthening of economic relations between the two countries, have resolved to conclude the present Treaty of Commerce and Navigation 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 Presidium of the Supreme National Assembly of the People's Republic of Bulgaria : Mr. Kristya Dobrev, Minister of Trade and Food of the People's Republic of Bulgaria ;

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 co-operation and mutual benefit.

The Governments of the two Contracting Parties shall, from time to time, conclude agreements determining the volume and nature of mutual deliveries of goods both for periods of one year and for longer periods, and other conditions ensuring an uninterrupted and expanding exchange of goods between the two countries in accordance with the requirements of the development of the national economy of each.

*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 also in respect of industry and other forms of economic activity in their territories.

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<sup>1</sup> Came into force on 7 August 1948, upon the exchange of the instruments of ratification at Sofia, in accordance with article 20.

### *Article 3*

The Union of Soviet Socialist Republics and the People's Republic of Bulgaria shall, in particular, grant each other most-favoured-nation treatment in all matters relating to customs duties charges and taxes of all kinds; the interpretation of customs tariffs; procedures for collecting duties; classification of goods; drawback of customs duties; re-export; loading 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 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 the Union of Soviet Socialist Republics or the People's Republic of Bulgaria 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*

The natural or industrial products of one of the Contracting Parties which have been conveyed in transit through the territory of one or more third States shall not be liable, on importation into the territory of the other Contracting Party, to duties or charges higher than those to which they would have been liable if they had been imported directly from their country of origin.

These provisions shall also apply to goods which are subjected, while in transit through the territory of a third State, to trans-shipment, re-packing or warehousing.

### *Article 5*

Internal charges which are or may hereafter be imposed in whosoever or on whosoever account on the production, processing, distribution or consump-

tion of any article hereafter in the territory of one of the Contracting Parties, shall in no circumstances be levied on the goods of the other Contracting Party at a higher rate or in a more burdensome manner than on the goods of the most-favoured nation.

#### *Article 6*

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.

Nevertheless, the Contracting Parties reserve the right to impose at any time, for reasons of national security, public order or public health, for the protection of animal and plant life, or for the protection of works of art and archeological or historical treasures, prohibitions or restrictions with respect to importation and exportation, where such prohibitions or restrictions are applied equally in like circumstances to any third State.

#### *Article 7*

Pending the conclusion of a special veterinary convention, each of the Contracting Parties shall apply, with respect to the importation, exportation and conveyance in transit of animals and animal products originating in the territory of the other Party, its appropriate laws, ordinances and regulations.

#### *Article 8*

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

- (a) samples of goods;
- (b) articles intended for experiments and tests;
- (c) goods intended for exhibitions, competitions and fairs;
- (d) instruments and tools for fitters, whether imported or exported by them or sent to them before or after they have crossed the frontier.

(e) natural or manufactured products imported for processing or repair, which are to be re-exported in their processed or repaired form;

(f) 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.

### Article 9

The vessels of each of the Contracting Parties, their crews, passengers and cargoes shall be accorded in the ports of the other Party most-favoured-nation treatment with regard to entering, clearing and stationing; loading and discharging; dues and charges of every kind levied on behalf and for the benefit of the State, municipalities or other institutions or organizations; moorings and the allocation of berths for loading and discharging in ports and roadsteads; supplies of fuel, lubricating oils, water and food; repairs; the use of pilotage services, canals, locks, bridges and signals and lights used to mark navigable waters; the use of cranes, weigh-bridges, anchorages, warehouses, shipyards, dry-docks and repair yards; the application of rules and formalities, including health and quarantine formalities; and, generally, with regard to all that relates to shipping.

Any advantages, facilities, privileges or immunities which are or may hereafter be granted in these matters by either of the Contracting Parties to any third country shall be extended immediately and free of charge to the other Party.

The provisions of this article shall not extend to :

(a) the performance of harbour services, including pilotage and towage;  
(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 engaged in coastal shipping.

### Article 10

If a vessel of one Contracting Party is in distress or is wrecked on the coast of the other Party, such vessel and its cargo shall enjoy the same advantages and immunities as are granted under the laws and regulations of the appropriate Party in similar circumstances to vessels of the most-favoured nation and their cargoes. The necessary aid and assistance shall be afforded at all times and in the same measure as in the case of national vessels, to the master, crew and passengers, and to the vessel and its cargo.

It is agreed that articles salvaged from a vessel which has been in distress or wrecked shall not be liable to any customs duties, provided that such articles are not intended for consumption inside the country.

### Article 11

The nationality of vessels of the two Contracting Parties shall be reciprocally recognized on the basis of the papers and certificates carried by the vessel and

issued by the competent authorities in accordance with the laws and regulations of the Contracting Party under whose flag the vessel is sailing.

Any tonnage certificates and other technicalship'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 of either Contracting Party 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.

#### *Article 12*

The two Contracting Parties further agree to regulate, under agreements between the appropriate agencies of the two countries, details relating to matters arising out of the provisions of this Treaty in respect of merchant shipping.

#### *Article 13*

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 14*

The Contracting Parties have agreed that the Ministry of Communications of the Union of Soviet Socialist Republics and the Ministry of Communications of the People's Republic of Bulgaria will enter into negotiations with a view to concluding an agreement concerning a direct link by rail between the two countries.

#### *Article 15*

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 the People's Republic of Bulgaria 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 16*

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

Soviet State economic organizations and other bodies corporate and Soviet citizens shall enjoy in respect of their persons and property treatment as favourable as that accorded to the bodies corporate and individuals of the most-favoured nation in the exercise of trade, industry or any other economic activity in the territory of the People's Republic of Bulgaria, subject to the conditions under which such activities are permitted by the laws of the People's Republic of Bulgaria.

Individuals and bodies corporate of each Contracting Party shall be entitled to appear in court and shall have free access to the courts of the other Party. They shall in all cases enjoy the same treatment as individuals and bodies corporate of the most-favoured nation.

*Article 17*

The provisions of this Treaty shall not extend to :

(a) rights and advantages which have been or may hereafter be granted by either of the Contracting Parties for the purpose of facilitating frontier relations with adjacent States within a zone not exceeding fifteen kilometres in width on either side of the frontier;

(b) rights and advantages arising out of a customs union.

*Article 18*

The Contracting Parties undertake to enforce 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 an arbitral award made in accordance with the foregoing provisions of this article may not be refused unless :

(a) the arbitral award has become final and operative under the law of the country in which it was made;

(b) the arbitration 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 arbitration 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 19*

The Contracting Parties shall promote the exchange between the two countries of knowledge acquired in industrial and agricultural production by sending experts, organizing exhibitions, exchanging samples of seeds, plants and parts of plants, and by other means.

#### *Article 20*

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 Sofia.

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 April 1948, in the Russian and Bulgarian languages, both texts being equally authentic.

A. MIKOYAN

[L.S.]

K. DOBREV

[L.S.]



Annex to the Treaty of Commerce and Navigation between the Union of Soviet Socialist Republics and the People's Republic of Bulgaria of 1 April 1948.

THE LEGAL STATUS OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE PEOPLE'S REPUBLIC OF BULGARIA

*Article 1*

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

- (a) promote the development of economic relations between the Union of Soviet Socialist Republics and the People's Republic of Bulgaria;
- (b) represent the interests of the Union of Soviet Socialist Republics in the People's Republic of Bulgaria in all matters relating to foreign trade and the property rights of the Union of Soviet Socialist Republics in the People's Republic of Bulgaria;
- (c) regulate trading transactions between the Union of Soviet Socialist Republics and the People's Republic of Bulgaria on behalf of the Union of Soviet Socialist Republics;
- (d) carry on trade between the Union of Soviet Socialist Republics and the People's Republic of Bulgaria.

*Article 2*

The Trade Delegation shall form an integral part of the Embassy of the Union of Soviet Socialist Republics in the People's Republic of Bulgaria and shall have its headquarters at Sofia.

The Trade Delegation shall be entitled to open branches in the towns of Varna and Ruse. Branches of the Trade Delegation may subsequently be opened in other towns after agreement between the Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of Bulgaria.

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

In addition to the persons referred to in the foregoing paragraph, the employees of the Trade Delegation who are citizens of the Union of Soviet Socialist Republics shall be exempt from Bulgarian taxation on the emoluments they receive in the service of the Government of the Union of Soviet Socialist Republics.

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 the People's Republic of Bulgaria by the Trade Delegation and signed by authorized persons.

The Trade Delegation shall publish in the Government publication of the People's Republic of Bulgaria 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 the People's Republic of Bulgaria 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 courts of the People's Republic of Bulgaria. 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.

K. D.